

TALON RESOURCES INC

August 22, 2003

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—**Soldier Creek State #7-32H,**
Horizontal Single-Lateral
Surface Location: 697' FNL, 822' FEL, NE/4 NE/4, Sec. 32, T12S, R12E
Target Location: 2,215' FSL, 1,790' FEL, NW/4 SE/4, Sec. 32, T12S, R12E
 Carbon County, Utah.

Dear Mrs. Mason:

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

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

RECEIVED

AUG 25 2003

DIV. OF OIL, GAS & MINING

ORIGINAL

CONFIDENTIAL

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

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

Sincerely,

Don Hamilton

Don Hamilton

Agent for J-W Operating Company

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

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

FORM 3

AMENDED REPORT
(highlight changes)

001

APPLICATION FOR PERMIT TO DRILL		5. MINERAL LEASE NO: ML-48131	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: J-W Operating Company		9. WELL NAME and NUMBER: Soldier Creek, State #7-32H	
3. ADDRESS OF OPERATOR: P.O. Box 305 CITY Wray STATE CO ZIP 80758		10. FIELD AND POOL, OR WILDCAT: Soldier Creek	
4. LOCATION OF WELL (FOOTAGES) AT SURFACE: 697' FNL, 822' FEL, NE/4 NE/4 5345928 39.73727 - 110.50229 AT PROPOSED PRODUCING ZONE: 2,215' FSL, 1,790' FEL NW/4 SE/4 (horizontal lateral target) 39.73091 - 110.59999		11. QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: 32 12 12 S	
14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE: 16.0 miles northeast of Wellington, Utah		12. COUNTY: Carbon	13. STATE: UTAH
15. DISTANCE TO NEAREST PROPERTY OR LEASE LINE (FEET) 697'	16. NUMBER OF ACRES IN LEASE: 600	17. NUMBER OF ACRES ASSIGNED TO THIS WELL: 40	
18. DISTANCE TO NEAREST WELL (DRILLING, COMPLETED, OR APPLIED FOR) ON THIS LEASE (FEET) 114'	19. PROPOSED DEPTH: 3,093	20. BOND DESCRIPTION: Blanket Fee Bond RLB 0004156	
21. ELEVATIONS (SHOW WHETHER DF, RT, GR, ETC.): 7,379' GR	22. APPROXIMATE DATE WORK WILL START: 9/10/2003	23. ESTIMATED DURATION: 3 months	

PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	CASING SIZE, GRADE, AND WEIGHT PER FOOT	SETTING DEPTH	CEMENT TYPE, QUANTITY, YIELD, AND SLURRY WEIGHT
17-1/2"	13-3/8" NLS 54.5#	250	ASTM Type IV 230 sacks 1.18 cu.ft/sk 15.8 ppG
10-5/8"	7" J-55 20#	3,093	API Class G 470 sacks 1.34 cu.ft/sk 14.8 ppG
6-1/4"	4-1/2" J-55/LS 10.5		Production Liner

ATTACHMENTS

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

CONFIDENTIAL

- | | |
|------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------|
| <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 |

NAME (PLEASE PRINT) Don Hamilton TITLE Agent for J-W Operating Company
SIGNATURE Don Hamilton DATE 8/22/2003

(This space for State use only)

API NUMBER ASSIGNED: 43-007-30971

Approved by the
Utah Division of
Oil, Gas and Mining
APPROVAL
Date: 08-19-03
By: [Signature]

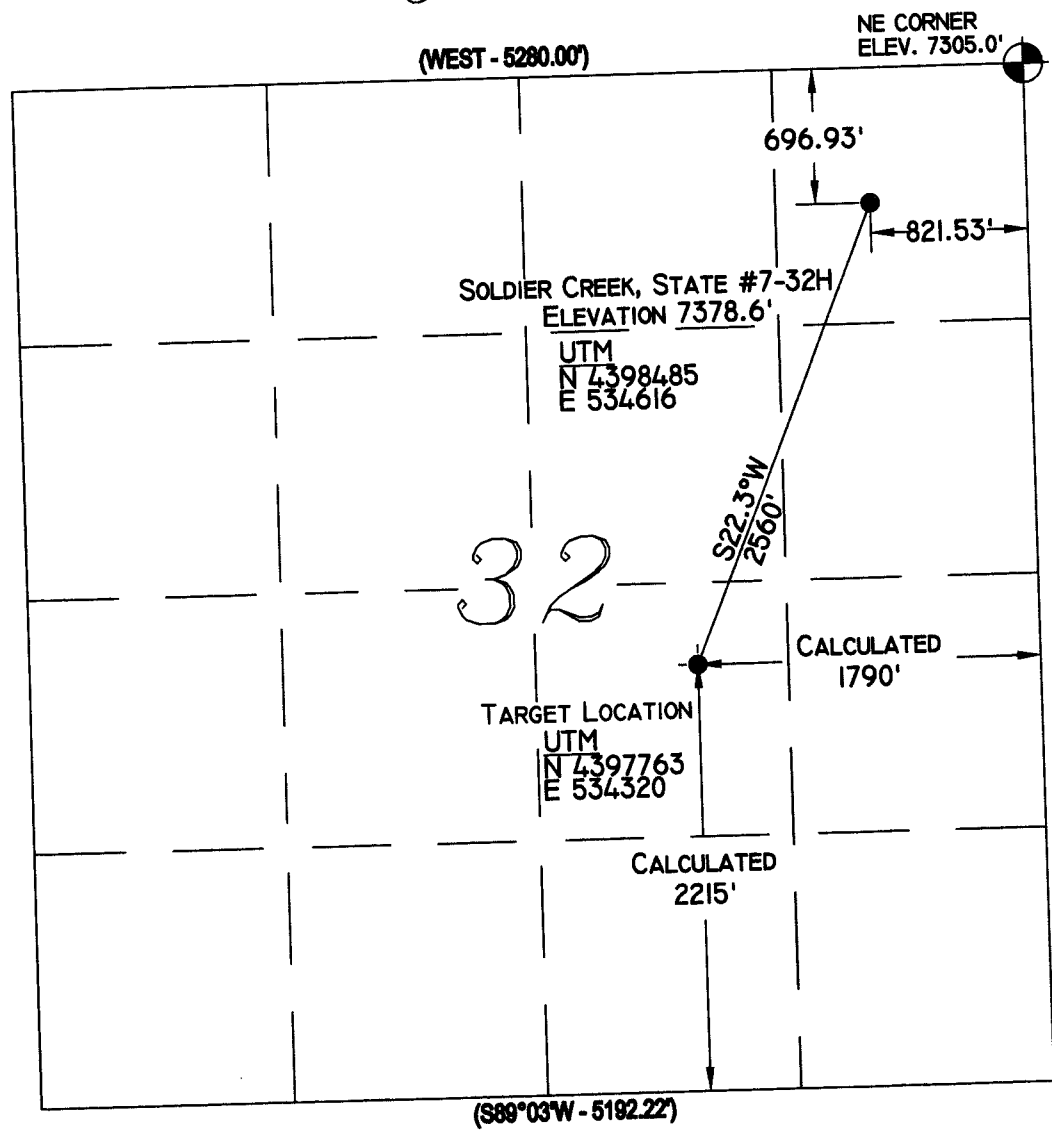
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AUG 25 2003

DIV OF OIL, GAS & MINING

Range 12 East

Township 12 South



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

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

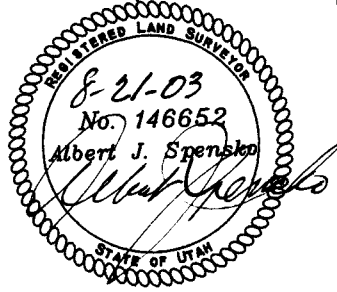
GLO Bearing:
THE BEARINGS INDICATED ARE PER THE RECORDED PLAT OBTAINED FROM THE U.S. LAND OFFICE.

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

Description of Surface Location:
PROPOSED DRILL HOLE LOCATED IN THE NE1/4, NE1/4 OF SECTION 32, T12S, R12E, S.L.B.&M., BEING 696.93' SOUTH AND 821.53' WEST FROM THE NORTHEAST CORNER OF SECTION 32, T12S, R12E, SALT LAKE BASE & MERIDIAN.

Description of Target Location:
PROPOSED TARGET IS LOCATED IN THE NW1/4, SE1/4 OF SECTION 32, T12S, R12E, S.L.B.&M., BEING 2560.00', S22.3°W FROM THE PROPOSED DRILL HOLE.

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



Talon Resources, Inc.
195 N. 100 W., P.O. Box 1230
Huntington, Utah 84528
Ph: 435-687-5310
Fax: 435-687-5311



Soldier Creek, State #7-32H
Section 32, T12S, R12E, S.L.B.&M.
Carbon County, Utah

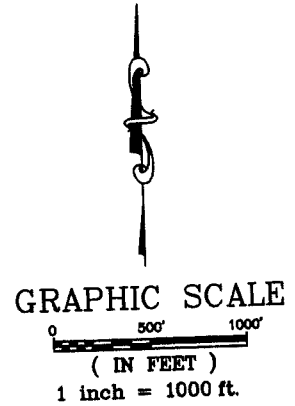
Drawn By: J. STANSFIELD	Checked By: L.W.J./A.J.S.
Drawing No. A-1	Date: 08/19/03
	Scale: 1" = 1000'
Sheet 1 of 4	Job No. 1194

Legend

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

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

SURFACE LOCATION	TARGET LOCATION
LAT / LONG 39°44'15"N 110°35'46"W	LAT / LONG 39°43'51"N 110°35'58"W



STATE OF UTAH
BOND OF LESSEE

KNOW ALL MEN BY THESE PRESENTS, that we J-W Operating Company
of Texas as principal and
RLI Insurance Company as surety, are held and firmly bound
unto the State of Utah in the sum of Eighty Thousand -- Dollars (\$80,000.00) lawful money of the United States
to be paid to the School & Institutional Trust Lands Administration, as agent for the State of Utah, for the use and benefit
of the State of Utah, and of any patentee or purchaser of any portion of the land covered by the hereinafter described lease
heretofore sold or which may hereafter be sold with a reservation to the State of Utah, on the surface or of other mineral
deposits of any portion of such lands, for which payment, well and truly to be made, we bind ourselves, and each of us, and
each of our heirs, executors, administrators, successors, sublessees, and assignees, jointly and severally by these presents.

Signed with our hands and seals this 28th day of August, 2003.

The condition of the foregoing obligation is such that,

WHEREAS, The State of Utah, as Lessor, issued a(n) oil and gas
lease, Lease Number ML48131 and dated 12-16-98, to Richard L. Bayless, jr.
as lessee (and said lease has been duly assigned under date of _____
to _____) to drill for, mine, extract, and remove all of the natural gas
deposits in and under the following described lands, to wit:

Township 12 South, Range 12 East, SLB&M Section 32
E/2NE/4, SW/4NE/4, W/2, SE/4 containing 600 acres more or less

NOW, THEREFORE, the principal and surety shall be obligated to pay all monies, rentals, royalties, costs of
reclamation, damages to the surface and improvements thereon and any other damages, costs, expenses, penalties, interest
or liabilities which arise by operation of or in connection with the above described lease(s) accruing to the Lessor and shall
fully comply with all other terms and conditions of said lease, the rules, regulations, and policies relating thereto of the School
& Institutional Trust Lands Administration, the Board of Oil, Gas and Mining, and the Division of Oil, Gas and Mining as
they may now exist or may from time to time be modified or amended. This obligation is in effect even if the principal has
conveyed part of its interest to a successor in interest. If the principal fully satisfies the above described obligations, then
the surety's obligation to make payment to the State of Utah is void and of no effect, otherwise, it shall remain in full force
and effect until released by the School & Institutional Trust Lands Administration.

Signed, sealed and delivered
in the presence of

J-W, Operating Company

Witness

[Signature] (SEAL)
Principal

Nancy Cruz
Nancy Cruz Witness

BONDING COMPANY RLI Insurance Company
BY [Signature]
Paul M. O'Sullivan, Attorney-in-Fact
Attest: [Signature]
Greg E. Chilson, Assistant Secretary

APPROVED AS TO FORM
MARK L. SHURTLEFF
Attorney General

Cc Well file
Dallas

Resident Agent: _____

Bonding Co. Address: 8 Greenway Plaza, #400
Houston, TX 77046

By [Signature]

Corporate Seal of Bonding Company Must be Affixed.



RLI Insurance Company | 9025 North Lindbergh Dr.
Peoria, IL 61615-1499 | Ph. (309) 692-1000

RLB0005990

POWER OF ATTORNEY

RLI Insurance Company

Know All Men by These Presents:

That the RLI INSURANCE COMPANY, a corporation organized and existing under the laws of the State of Illinois, and authorized and licensed to do business in all states and the District of Columbia does hereby make, constitute and appoint: PAUL M. O'SULLIVAN in the City of HOUSTON, State of TEXAS, as Attorney-in-Fact, with full power and authority hereby conferred upon him to sign, execute, acknowledge and deliver for and on its behalf as Surety and as its act and deed, all of the following classes of documents to-wit:

\$80,000.00

Indemnity, Surety and Undertakings that may be desired by contract, or may be given in any action or proceeding in any court of law or equity, policies indemnifying employers against loss or damage caused by the misconduct of their employees, official, bail and surety and fidelity bonds. Indemnity in all cases where indemnity may be lawfully given; and with full power and authority to execute consents and waivers to modify or change or extend any bond or document executed for this Company and to compromise and settle any and all claims or demands made or existing against said Company.

The RLI INSURANCE COMPANY further certifies that the following is a true and exact copy of a Resolution adopted by the Board of Directors of RLI Insurance Company, and now in force to-wit:

"All bonds, policies, undertakings, Powers of Attorney, or other obligations of the corporation shall be executed in the corporate name of the Company by the President, Secretary, any Assistant Secretary, Treasurer, or any Vice President, or by such other officers as the Board of Directors may authorize. The President, any Vice President, Secretary, any Assistant Secretary, or the Treasurer may appoint Attorneys-in-Fact or Agents who shall have authority to issue bonds, policies, or undertakings in the name of the Company. The corporate seal is not necessary for the validity of any bonds, policies, undertakings, Powers of Attorney, or other obligations of the corporation. The signature of any such officer and the corporate seal may be printed by facsimile."

(Blue shaded areas above indicate authenticity)

IN WITNESS WHEREOF, the RLI Insurance Company has caused these presents to be executed by its PRESIDENT, CEO with its corporate seal affixed this

ATTEST:
Camille J. Hensey
Corporate Secretary



By: Jonathan E. Michael
President, CEO

State of Illinois)
County of Peoria) SS

On this 28 day of Aug. 2003 before me, a Notary Public, personally appeared Jonathan E. Michael and Camille J. Hensey, who being by me duly sworn, acknowledged that they signed the above Power of Attorney as President, CEO and Corporate Secretary, respectively, of the said RLI INSURANCE COMPANY, and acknowledged said instrument to be the voluntary act and deed of said corporation.

Cherie L. Montgomery
Notary Public



AFFIDAVIT OF FACT

STATE OF COLORADO §
 §
COUNTY OF JEFFERSON §

Before me, the undersigned, a Notary Public in and for said County and State, on this day personally appeared Virginia Burchard, Landman, to me well known, and who, after being by me duly sworn, deposes and says that:

Affiant is employed by J-W Operating Company, P. O. Box 1148, Wheatridge, Colorado 80034, in the position of Landman and is familiar with company activity in the Uintah Basin, that;

Affiant is familiar with the oil and gas minerals and leasehold ownership in the following described lands in the County of Carbon, State of Utah, to wit:

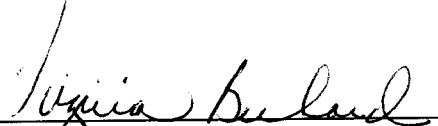
Township 12 South, Range 12 East
Section 32: W/2, SE/4, E/2NE/4, SW/4NE/4
Carbon County, Utah

that;

J-W Operating Company has proposed drilling the Soldier Creek #7-32H Horizontal well to be located in the section above described on a temporary 640-acre spacing unit consisting of the governmental section, and that;

J-W Operating Company is the sole owner in the section above described. (The use of the word owner herein is defined in R649-1 of the Utah Division of Oil, Gas and Mining, Oil and Gas General Rules.)

FURTHER affiant sayth not.




Virginia Burchard, Affiant

STATE OF COLORADO §
 §
COUNTY OF JEFFERSON §

Subscribed and Sworn to before me, this 28th day of August 2003.

My Commission Expires:

My Commission Expires
06/20/2007



Notary Public
In and for Jefferson County, State of Colorado

**J-W OPERATING COMPANY
P. O. BOX 305
WRAY, COLORADO 80758-0305**

OIL AND GAS PROPERTY MANAGEMENT

PHONE(970)332-3151

FAX (970)332-5821

FAX TRANSMITTAL SHEET

TOTAL NUMBER OF PAGES INCLUDING TRANSMITTAL SHEET ___ 5

TO: Clinton

FROM: Randy Edelen

RE: Soldier Creek State 7-32H APD

MESSAGE:

Clinton,

Here is the information that you requested, I can also send this or any other information that you might need via email if it does not fax well. Please let me know if you need anything else.

Thanks,

Randy

SHOULD YOU NOT RECEIVE ALL THE PAGES OR HAVE ANY PROBLEMS, PLEASE CALL AND ADVISE AS SOON AS POSSIBLE. TELEPHONE NUMBER (970) 332-3151 x843

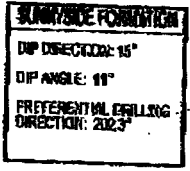
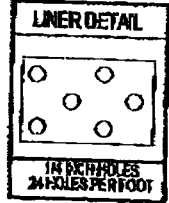
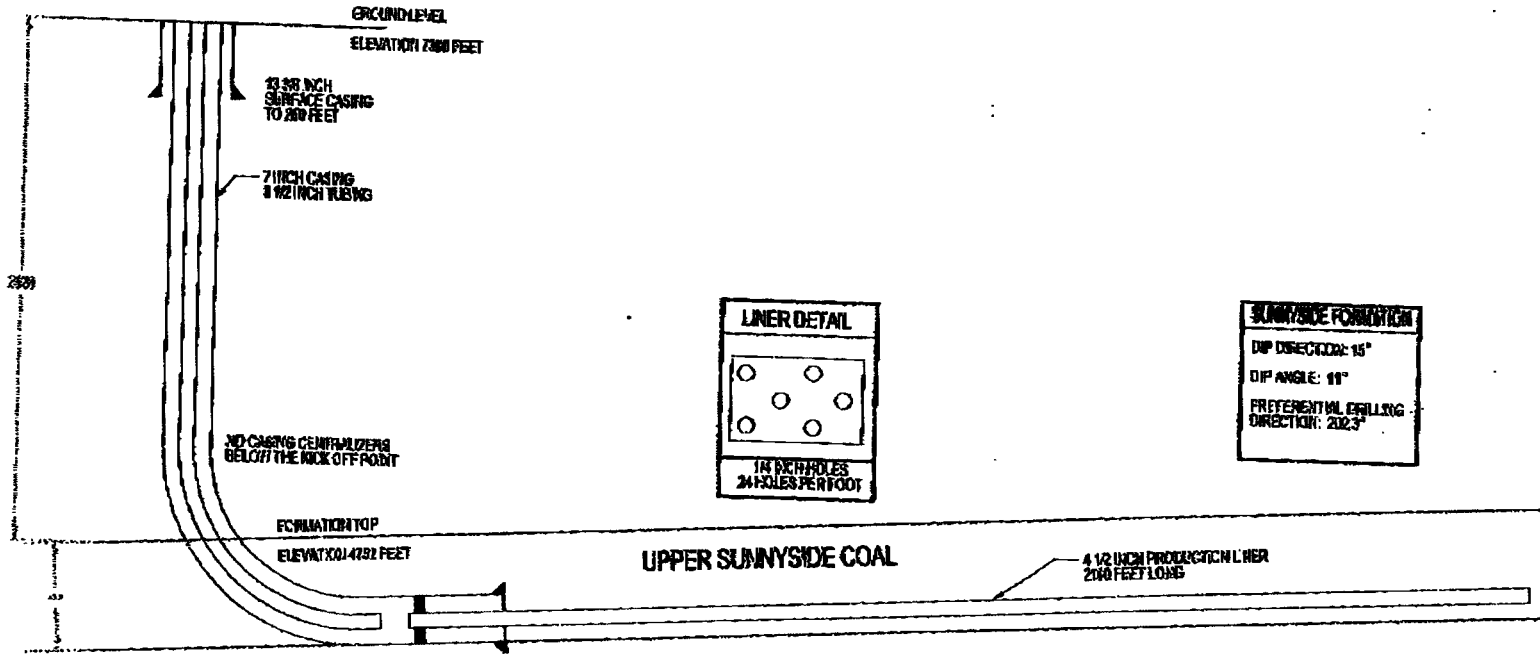
ORIGINAL DOCUMENTS WILL:

SENT BY: Randy Edelen

DATE: Wednesday, September 03, 2003

TIME: 2:51 PM

- Follow by regular mail.
- Follow by express mail.
- Not be mailed.



ALL DIMENSIONS IN FEET

CASING SCHEDULE		
SIZE	LENGTH	DEPTH
13.38"	250'	280 SWS
7"	2634'	300 SWS

J-W OPERATING COMPANY

SOLDIER CREEK STATE 7-32H

DRAWN BY	RANDY EDELEN	DATE	JULY 31, 2003
REVISED BY	RANDY EDELEN	DATE	SEPTEMBER 3, 2003
SCALE	NOT TO SCALE	REV.	1.01
DWC			WELLBORE SCHEMATIC

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J.W. Operating

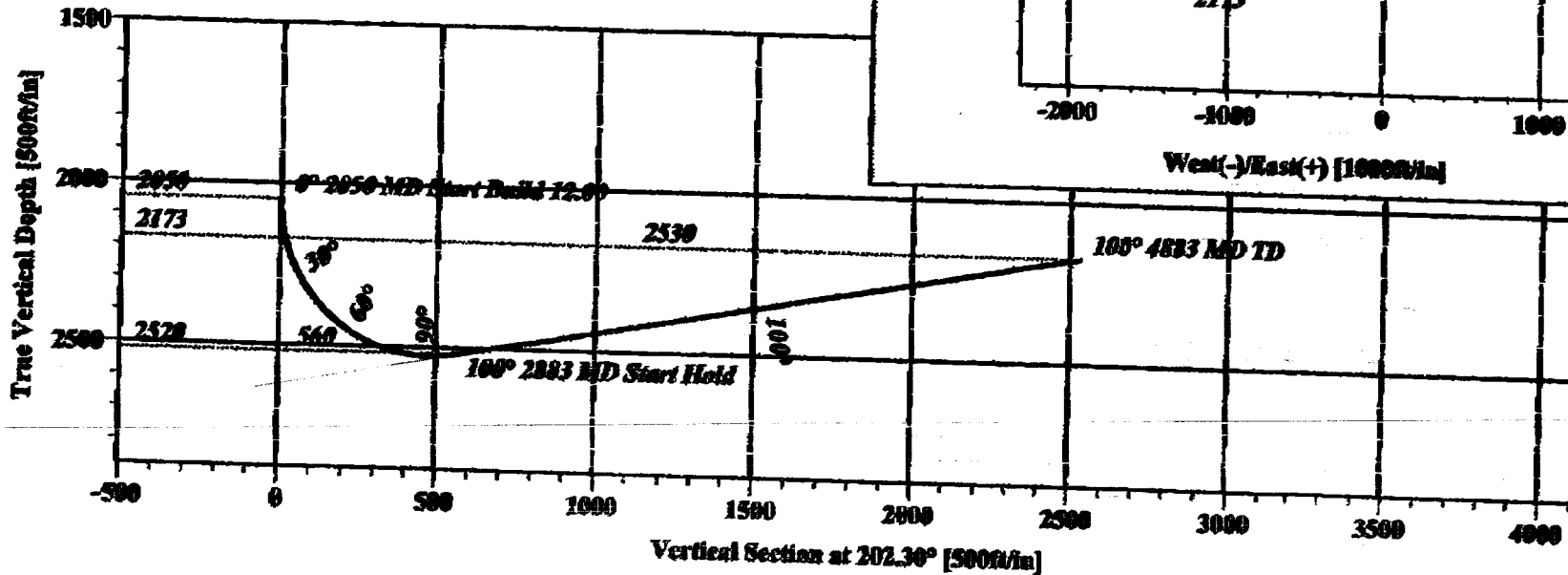
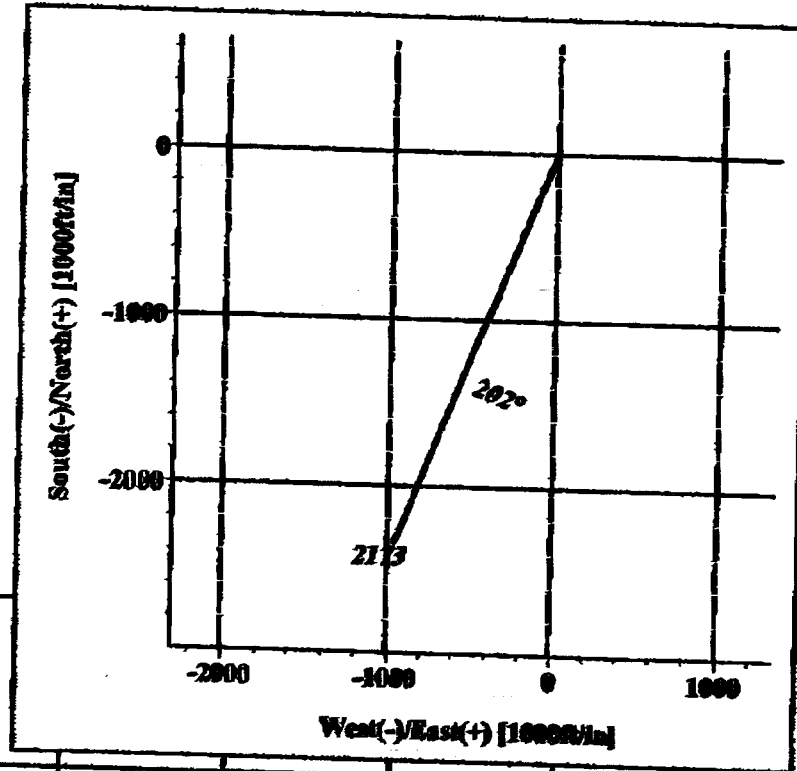
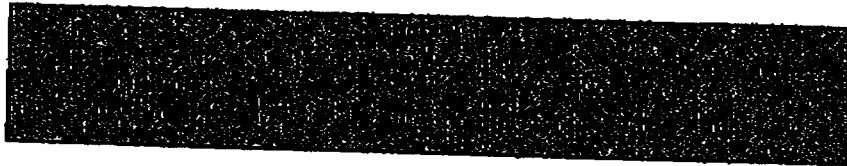
Field: Carbon County, Utah
Site: Soldier Creek State 7-32H
Well: 7-32H
Wellbore: OH
Fluo: Fluor #4



At Depth to True North
Magnetic North (12.6°)
Magnetic Field
Strength 5000 Gauss
The angle 12.6°
is used to correct
Magnetic to True

WARNING

This document contains information that is proprietary and confidential to Scientific Drilling. It is to be used by Scientific Drilling's customer only for planning purposes on wells in which Scientific Drilling is the sole provider of directional drilling services. It is not to be or become used or distributed to any other party. This document may be displayed in whole or in part to any other party.





Scientific Drilling Planning Report

Field: Carbon County, Utah																																																																																																																																																																																																																											
Map System: US State Plane Coordinate System 1927 Geo Datum: NAD27 (Clarke 1886) Sys Datum: Mean Sea Level					Map Zone: Coordinate System: Geographic Model:		Utah, Central Zone Site Centre IGR2000																																																																																																																																																																																																																				
Site: Soldier Creek Slime 7-32H SHL SEC.32,T12S,R12E 707PNL & Y4ZFEI																																																																																																																																																																																																																											
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<table border="1" style="width:100%; border-collapse: collapse;"> <tr> <td>2050.00</td> <td>0.00</td> <td>202.30</td> <td>2050.00</td> <td>0.00</td> <td>0.00</td> <td>0.00</td> <td>0.00</td> <td>0.00</td> <td>0.00</td> </tr> <tr> <td>2075.00</td> <td>3.00</td> <td>202.30</td> <td>2074.89</td> <td>-0.61</td> <td>-0.26</td> <td>0.95</td> <td>12.00</td> <td>12.00</td> <td>0.00</td> </tr> <tr> <td>2100.00</td> <td>6.00</td> <td>202.30</td> <td>2099.91</td> <td>-2.42</td> <td>-0.99</td> <td>2.62</td> <td>12.00</td> <td>12.00</td> <td>0.00</td> </tr> <tr> <td>2125.00</td> <td>9.00</td> <td>202.30</td> <td>2124.69</td> <td>-3.44</td> <td>-2.23</td> <td>5.88</td> <td>12.00</td> <td>12.00</td> <td>0.00</td> </tr> <tr> <td>2150.00</td> <td>12.00</td> <td>202.30</td> <td>2149.27</td> <td>-3.65</td> <td>-3.86</td> <td>10.43</td> <td>12.00</td> <td>12.00</td> <td>0.00</td> </tr> <tr> <td>2175.00</td> <td>15.00</td> <td>202.30</td> <td>2173.59</td> <td>-15.05</td> <td>-6.17</td> <td>16.27</td> <td>12.00</td> <td>12.00</td> <td>0.00</td> </tr> <tr> <td>2200.00</td> <td>18.00</td> <td>202.30</td> <td>2197.54</td> <td>-21.62</td> <td>-6.67</td> <td>25.37</td> <td>12.00</td> <td>12.00</td> <td>0.00</td> </tr> <tr> <td>2225.00</td> <td>21.00</td> <td>202.30</td> <td>2221.11</td> <td>-28.34</td> <td>-12.03</td> <td>31.71</td> <td>12.00</td> <td>12.00</td> <td>0.00</td> </tr> <tr> <td>2250.00</td> <td>24.00</td> <td>202.30</td> <td>2244.30</td> <td>-32.19</td> <td>-15.66</td> <td>41.26</td> <td>12.00</td> <td>12.00</td> <td>0.00</td> </tr> <tr> <td>2275.00</td> <td>27.00</td> <td>202.30</td> <td>2268.78</td> <td>-48.15</td> <td>-19.75</td> <td>52.04</td> <td>12.00</td> <td>12.00</td> <td>0.00</td> </tr> <tr> <td>2300.00</td> <td>30.00</td> <td>202.30</td> <td>2293.73</td> <td>-59.18</td> <td>-24.27</td> <td>63.97</td> <td>12.00</td> <td>12.00</td> <td>0.00</td> </tr> <tr> <td>2325.00</td> <td>33.00</td> <td>202.30</td> <td>2318.05</td> <td>-71.27</td> <td>-28.23</td> <td>77.03</td> <td>12.00</td> <td>12.00</td> <td>0.00</td> </tr> <tr> <td>2350.00</td> <td>36.00</td> <td>202.30</td> <td>2333.68</td> <td>-84.37</td> <td>-34.60</td> <td>91.19</td> <td>12.00</td> <td>12.00</td> <td>0.00</td> </tr> <tr> <td>2375.00</td> <td>39.00</td> <td>202.30</td> <td>2350.48</td> <td>-88.45</td> <td>-40.38</td> <td>106.40</td> <td>12.00</td> <td>12.00</td> <td>0.00</td> </tr> <tr> <td>2400.00</td> <td>42.00</td> <td>202.30</td> <td>2369.49</td> <td>-113.47</td> <td>-46.54</td> <td>122.64</td> <td>12.00</td> <td>12.00</td> <td>0.00</td> </tr> <tr> <td>2425.00</td> <td>45.00</td> <td>202.30</td> <td>2387.82</td> <td>-129.39</td> <td>-53.07</td> <td>139.65</td> <td>12.00</td> <td>12.00</td> <td>0.00</td> </tr> <tr> <td>2450.00</td> <td>48.00</td> <td>202.30</td> <td>2404.85</td> <td>-145.16</td> <td>-59.95</td> <td>157.98</td> <td>12.00</td> <td>12.00</td> <td>0.00</td> </tr> <tr> <td>2475.00</td> <td>51.00</td> <td>202.30</td> <td>2421.06</td> <td>-163.75</td> <td>-67.16</td> <td>176.99</td> <td>12.00</td> <td>12.00</td> <td>0.00</td> </tr> <tr> <td>2500.00</td> <td>54.00</td> <td>202.30</td> <td>2436.28</td> <td>-182.10</td> <td>-74.68</td> <td>196.82</td> <td>12.00</td> <td>12.00</td> <td>0.00</td> </tr> <tr> <td>2525.00</td> <td>57.00</td> <td>202.30</td> <td>2450.44</td> <td>-201.16</td> <td>-82.50</td> <td>217.42</td> <td>12.00</td> <td>12.00</td> <td>0.00</td> </tr> <tr> <td>2550.00</td> <td>60.00</td> <td>202.30</td> <td>2463.90</td> <td>-220.68</td> <td>-90.59</td> <td>238.73</td> <td>12.00</td> <td>12.00</td> <td>0.00</td> </tr> </table>										2050.00	0.00	202.30	2050.00	0.00	0.00	0.00	0.00	0.00	0.00	2075.00	3.00	202.30	2074.89	-0.61	-0.26	0.95	12.00	12.00	0.00	2100.00	6.00	202.30	2099.91	-2.42	-0.99	2.62	12.00	12.00	0.00	2125.00	9.00	202.30	2124.69	-3.44	-2.23	5.88	12.00	12.00	0.00	2150.00	12.00	202.30	2149.27	-3.65	-3.86	10.43	12.00	12.00	0.00	2175.00	15.00	202.30	2173.59	-15.05	-6.17	16.27	12.00	12.00	0.00	2200.00	18.00	202.30	2197.54	-21.62	-6.67	25.37	12.00	12.00	0.00	2225.00	21.00	202.30	2221.11	-28.34	-12.03	31.71	12.00	12.00	0.00	2250.00	24.00	202.30	2244.30	-32.19	-15.66	41.26	12.00	12.00	0.00	2275.00	27.00	202.30	2268.78	-48.15	-19.75	52.04	12.00	12.00	0.00	2300.00	30.00	202.30	2293.73	-59.18	-24.27	63.97	12.00	12.00	0.00	2325.00	33.00	202.30	2318.05	-71.27	-28.23	77.03	12.00	12.00	0.00	2350.00	36.00	202.30	2333.68	-84.37	-34.60	91.19	12.00	12.00	0.00	2375.00	39.00	202.30	2350.48	-88.45	-40.38	106.40	12.00	12.00	0.00	2400.00	42.00	202.30	2369.49	-113.47	-46.54	122.64	12.00	12.00	0.00	2425.00	45.00	202.30	2387.82	-129.39	-53.07	139.65	12.00	12.00	0.00	2450.00	48.00	202.30	2404.85	-145.16	-59.95	157.98	12.00	12.00	0.00	2475.00	51.00	202.30	2421.06	-163.75	-67.16	176.99	12.00	12.00	0.00	2500.00	54.00	202.30	2436.28	-182.10	-74.68	196.82	12.00	12.00	0.00	2525.00	57.00	202.30	2450.44	-201.16	-82.50	217.42	12.00	12.00	0.00	2550.00	60.00	202.30	2463.90	-220.68	-90.59	238.73	12.00	12.00	0.00
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2400.00	42.00	202.30	2369.49	-113.47	-46.54	122.64	12.00	12.00	0.00																																																																																																																																																																																																																		
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2500.00	54.00	202.30	2436.28	-182.10	-74.68	196.82	12.00	12.00	0.00																																																																																																																																																																																																																		
2525.00	57.00	202.30	2450.44	-201.16	-82.50	217.42	12.00	12.00	0.00																																																																																																																																																																																																																		
2550.00	60.00	202.30	2463.90	-220.68	-90.59	238.73	12.00	12.00	0.00																																																																																																																																																																																																																		



Scientific Drilling Planning Report



Section 1 : Start Build 12.00

2575.00	83.00	202.30	2475.42	-341.20	-58.82	260.70	12.00	12.00	0.00	0.00
2600.00	86.00	202.30	2495.19	-262.09	-107.49	263.26	12.00	12.00	0.00	0.00
2625.00	89.00	202.30	2495.76	-283.44	-116.25	306.36	12.00	12.00	0.00	0.00
2650.00	72.00	202.30	2504.10	-305.25	-125.19	329.92	12.00	12.00	0.00	0.00
2675.00	75.00	202.30	2511.20	-327.42	-134.28	353.89	12.00	12.00	0.00	0.00
2700.00	78.00	202.30	2517.03	-349.91	-143.51	378.19	12.00	12.00	0.00	0.00
2725.00	81.00	202.30	2521.59	-372.65	-152.83	402.77	12.00	12.00	0.00	0.00
2750.00	84.00	202.30	2524.55	-395.58	-162.24	427.56	12.00	12.00	0.00	0.00
2775.00	87.00	202.30	2526.81	-418.64	-171.69	452.48	12.00	12.00	0.00	0.00
2800.00	90.00	202.30	2527.46	-441.76	-181.18	477.46	12.00	12.00	0.00	0.00
2825.00	93.00	202.30	2526.81	-464.87	-190.68	502.45	12.00	12.00	0.00	0.00
2850.00	96.00	202.30	2524.86	-487.93	-200.12	527.37	12.00	12.00	0.00	0.00
2875.00	99.00	202.30	2521.59	-510.96	-209.52	552.18	12.00	12.00	0.00	0.00
2883.33	100.00	202.30	2520.21	-518.47	-212.64	560.36	12.00	12.00	0.00	0.00

Section 2 : Start Hold

2900.00	100.00	202.30	2517.52	-533.65	-216.87	576.79	0.00	0.00	0.00	180.00
3000.00	100.00	202.30	2499.95	-624.77	-265.24	675.27	0.00	0.00	0.00	180.00
3100.00	100.00	202.30	2482.59	-715.65	-293.60	773.75	0.00	0.00	0.00	180.00
3200.00	100.00	202.30	2465.22	-807.00	-330.97	872.23	0.00	0.00	0.00	180.00
3300.00	100.00	202.30	2447.86	-898.11	-368.34	970.71	0.00	0.00	0.00	180.00
3400.00	100.00	202.30	2430.49	-989.28	-405.71	1069.19	0.00	0.00	0.00	180.00
3500.00	100.00	202.30	2413.13	-1080.34	-443.08	1167.67	0.00	0.00	0.00	180.00
3600.00	100.00	202.30	2395.78	-1171.46	-480.45	1266.15	0.00	0.00	0.00	180.00
3700.00	100.00	202.30	2378.40	-1262.57	-517.82	1364.64	0.00	0.00	0.00	180.00
3800.00	100.00	202.30	2361.03	-1353.69	-555.19	1463.12	0.00	0.00	0.00	180.00
3900.00	100.00	202.30	2343.67	-1444.80	-592.56	1561.60	0.00	0.00	0.00	180.00
4000.00	100.00	202.30	2326.30	-1535.92	-629.93	1660.08	0.00	0.00	0.00	180.00
4100.00	100.00	202.30	2308.94	-1627.04	-667.30	1758.56	0.00	0.00	0.00	180.00
4200.00	100.00	202.30	2291.57	-1718.15	-704.66	1857.04	0.00	0.00	0.00	180.00
4300.00	100.00	202.30	2274.21	-1809.27	-742.03	1955.52	0.00	0.00	0.00	180.00
4400.00	100.00	202.30	2256.84	-1900.38	-779.40	2054.00	0.00	0.00	0.00	180.00
4500.00	100.00	202.30	2239.48	-1991.50	-816.77	2152.48	0.00	0.00	0.00	180.00
4600.00	100.00	202.30	2222.12	-2082.61	-854.14	2250.96	0.00	0.00	0.00	180.00
4700.00	100.00	202.30	2204.75	-2173.73	-891.51	2349.44	0.00	0.00	0.00	180.00
4800.00	100.00	202.30	2187.39	-2264.84	-928.88	2447.92	0.00	0.00	0.00	180.00
4883.33	100.00	202.30	2172.91	-2340.77	-960.02	2529.39	0.00	0.00	0.00	180.00



J-W Operating Company

WELL PROGNOSIS

Coal Bed Methane Pilot

Soldier Creek, UT

Well Name: Soldier Creek State 7-32H

Prepared By: _____

Randy Edelen
Project Engineer (Wray)

Reviewed by: _____

Ken Read
District E&P Manager (Wray)

Approved by: _____

Chuck Carroll
Engineering Manager (Dallas)

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DRILLING PROGNOSIS	1
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DRILLING PROGNOSIS

DESCRIPTION: Drill and evaluate the Coal Bed Methane potential of the Cretaceous Upper Sunnyside Coal Section of the Western Book Cliffs Area with an enhanced recovery deviated well bore.

WELL NAME: Soldier Creek State 7-32H

LOCATION: NE/4 NE/4, Section 32, T12S, R12E, from the Salt Lake Base & Meridian Carbon County, Utah

OBJECTIVE: Primary: Drill, Log While Drilling, Case and Cement Well Bore, Install Production Liner, Set Up Gas Lift System
Secondary: Evaluate the feasibility of horizontal drilling and associated gas lift production, Quantify the methane returns from the Upper Sunnyside Formation

TOTAL DEPTH: 4883 feet md (2527 feet tvd maximum, 2172 feet tvd target)

ELEVATION: GL: 7,378.6 feet RKB: 12'

DRILLING SUMMARY:

1. Mobilize Rig to location
2. Drill 17-1/2 inch surface hole to a depth of 250 feet and cement 13 3/8 inch casing
3. Drill 9 7/8 inch hole to kick off point
4. Drill from kick off point with LWD and Steerable Assembly
5. No drill stem tests will be performed
6. Land at top of Upper Sunnyside, pointed up dip at 100°
7. Cement the 7 inch casing
8. Drill 6-1/4 inch hole along bottom of coal seam to 5100' td
9. Run 4 1/2 inch perforated production casing and set liner hanger
10. Release Rig

GEOLOGY

ESTIMATED FORMATION TOPS & THICKNESS

<u>Marker</u>	<u>Seam Thickness (feet)</u>	<u>Depth (feet) estimated</u>
Upper Price River	263	1688
Castlegate		2147
Blackhawk		2368
Upper Sunnyside	8	2628

TD: 4883 feet

LOGGING AND EVALUATION:

Open Hole Logging: Focused Gamma Ray

Mudlogging: 2050' to TD: Sample collection (See Mud-Logging)

Coring: none

Testing: none

DRILLING PROCEDURE

1. Build road and location. MIRU Drilling rig.
2. Drill rat and mouse hole. Spud 17-1/2 inch hole with 8 inch drill collars and a native mud system (fresh water gel) with increased viscosity gel pills for hole cleaning. Mud weight not to exceed 8.5 ppg. Drill surface hole to +/- 250' through the known fresh water zones of 85'.
3. Run 13-3/8 inch, 54.5#, NLS, ST&C casing with 3 centralizers to TD (See Casing Section 3).
4. Mix and pump Premium ASTM Class V cement (+/- 230 sacks). Displace cement with fresh water at 7 bpm and circulate cement to surface. Bump plug and do not exceed 750 psi of pressure.
5. WOC at least 8 hrs. If cement fails to reach surface, prepare to spot cement on backside.
6. NU 10 inch, 2000 psi double ram BOP with a 2,000 psi choke manifold. Pressure test to 200 psi and 1000 psi each with rig pump for 15 minutes using test company. Test must be witnessed by State Inspector.
7. Pressure test surface casing and shoe to 1000 psig for 15 minutes before drilling out float collar/guide shoe.
8. PU 9 7/8 inch bit, bit sub, 8 inch drill collars and drill pipe. Drill 9 7/8 inch hole using fresh water mud not to exceed 8.5 ppg to KOP of 2050'. (See Mud Program). TOOH.
9. RU Mudloggers and LWD . Begin sample collection at 2,050'. (See Mud Logging).
10. RIH with 9 7/8" bit, mud motor, sub, LWD tool, monel collar, 4-1/2" DP, crossover, HWDP, drill collars, drill pipe. Begin to raise mud weight to 8.9 ppg. Continue drilling operations with a 12° build rate on a 202.3° azimuth. Catch mudlogging samples as requested. Note: TD depth may be adjusted by J-W representative.
11. Condition hole with mud by rotating and circulating 1-1/2 hrs with periodic reciprocating pipe. Short trip to KOP. TIH and check for fill. Circulate bottoms up. TOOH. ND BOP.
12. PU float equipment and run 7 inch longstring casing to TD with NO centralizers as outlined in casing program. Set casing at TD with NO RATHOLE. (See Casing Program Section 3).
13. Mix and pump cement (50/50 Poz) and displace with fresh water at 5 bpm. Monitor returns out flowline and record returns to surface. Bump plug with maximum pressure of 2,000 psi. (See Cementing Program Section 4).
14. RD cementing crew.
15. WOC 8 hrs

16. NU 7" inch, 2000 psi double ram BOP with a 2,000 psi choke manifold. Pressure test to 200 psi and 1000 psi each with rig pump for 15 minutes.
17. Pressure test 7" casing and shoe to 2000 psig for 15 minutes before drilling out float collar/guide shoe.
18. PU 6-1/4 inch bit, motor, LWD tool, monel collar, 3-1/2" DP, crossover, HWDP, drill collars. Drill 6-1/4 inch hole using fresh water. (See Mud Program Section 3).
19. Drill 2000' lateral through Sunnyside at an azimuth of 202.3°.
20. Condition hole with water by rotating and circulating out. TOOH. ND BOP.
21. RIH 4-1/2 inch perforated casing to TD with NO centralizers as outlined in casing program, liner hanger, Left & Right, crossover, 4-1/2 DP. Set casing at TD, TOOH with 4-1/2" DP and L&R.
22. Release rig and rig down.

23. MUD AND BIT PROGRAM

Type	Interval (ft)	Hole Size (in)	Mud Type	Mud Weight	Bit Type	Jets	WOB (kips)	RPM
Surf	0-250	17 1/2	FW	8.3-8.5	Mill Tooth		15-25	60-80
KOP	250-2,050	9 7/8	FW	8.4-8.5	Button		25-35	55-60
Build	2,050-3,093	9 7/8	Gel	8.9-9.1	Button		25-35	55-60
Hold	3,093-5,093	6 1/4	ProdW		Button		40-45	80-90

MUD:

Recommended Properties during drilling:

Surf Mud Wt. 8.3 - 8.5 ppg
 Viscosity 27 - 30 sec/qt
 Water Loss 10 - 20 cc/30 mins

KOP Mud Wt. 8.4 - 8.7 ppg
 Viscosity 40 - 50 sec/qt
 Water Loss 10 - 20 cc/30 mins

Build Mud Wt. 8.9 - 10.1 ppg
 Viscosity 37 - 40 sec/qt
 Water Loss 10 - 20 cc/30 mins

Hold Mud Wt. Production Water
 Viscosity No modifications to avoid contamination
 Water Loss 10 - 20 cc/30 mins

Have LCM available on location

CASING PROGRAM

CASING SPECIFICATIONS AND DEPTHS:

Type	Interval (ft)	Hole Size (in)	Casing Size (in)	Casing Type	Mud Type	Mud Wt. (ppg)
Surface	0-250	17-1/2	13 3/8	54.5# NLS	fresh water gel	8.4-8.7
Intermediate	0-3093	9 7/8	7	20# J-55	fresh water gel	8.7-9.1
Prod Liner	2993-5093	6-1/4	4-1/2	10.5 NLS P	produced water	8.3

EQUIPMENT REQUIREMENTS:

Surface Casing:

13 3/8 inch Saw tooth guide shoe on bottom and insert float, three centralizers for a 17 1/2 inch hole, and a top plug

Intermediate String:

7 inch Cement guide shoe, auto fill float collar (2 plug system)

Casing landed at bottom of drilled hole
No shoe joint or centralizers

Production Long String:

4-1/2 inch Guide shoe attached to 2000 foot of 4-1/2 inch perforated casing with 1/4 inch holes at 24 per foot, 100 foot of 4 1/2 inch NLS, and setting collar for 7 inch

No shoe joint
Casing will land 60' to 90' into 7" Intermediate casing

Note: Do not surge when running. Run all casing strings slow.

CEMENTING PROGRAM

CEMENT REQUIREMENTS:

SURFACE (Set at 250 feet)

13 3/8 inch 54.5 lbs/ft casing, 17 1/2 inch hole, .6946 cu ft/linear ft

Cement: ASTM Type **IV** (Premium)
2% CaCl and 1/4# per sack flocele
(if lost circulation is severe during drilling, use gilsonite up to 10 pps)

Flush: 39 bbl fresh water (.1545 bbl/ft)

Gauge Hole Volume: 244 cu ft

Slurry: 230 sacks

Excess Slurry: 50%

Slurry Yield: 1.18 cu ft/sack

Thickening Time: +8 hours

Slurry Volume: 174 cu ft

Slurry Weight: 15.6 ppg

Mix Water: 5.5 gal/sack

Comp. Strength: 2,915 psi
(24 hours)

INTERMEDIATE STRING (Set @ 2883 ft)

7 inch 20 lbs/ft casing, 9 7/8 inch hole, 0.2646 cu ft/linear ft (TOC estimated @ +/- 1,600')

Cement: 50/50 Pozzolan Mix (Premium and Pozzolan) w/ 2% Bentonite Gel and 10% CaCl
(if lost circulation is severe during drilling, use gilsonite up to 10 pps)

Flush: +/- 117 bbl fresh water (.0404 bbl/ft)

Gauge Hole Volume: 763 cu ft

Slurry: 350 sacks

Excess Slurry: 20 %

Slurry Yield: 1.29 cu ft/sack

Thickening Time: +8 hours

Slurry Volume: 395 cu ft

Slurry Weight: 14.38 ppg

Mix Water: 5.75 gal/sack

Comp. Strength: 1,012 psi
(24 hours)

Estimated Cement Top 1600'

LOGGING WHILE DRILLING

LOGGING REQUIREMENTS:

Positive mud pulse, battery powered LWD suite
Real Time Focused Gamma Ray from 2050 feet to TD
Focused Gamma Ray will be used for reservoir navigation
Correlation with Soldier Creek 6-32 wireline logs

Logging tool will also provide toolface highside, azimuth, and inclination

Log Distribution: (hard copy and all available digital data)

J-W (Dallas)	2 sets
J-W (Wray)	1 set

MUD LOGGING

Obtain samples at the following intervals:

Non-Coal zones: Start sample collection @ 2,050'
1 (one) sample every 30' from 2,050' to 2,450 (200' above top coal)
1 (one) sample every 10' from 2,450' to 2883' (landing point)

Coal zones: 1 (one) sample every 30'

The key data capture parameters from the mudlogging unit are as follows:

(Full Chromatograph)

Total gas in percent or parts per million

Component gas in percent or parts per million (C₁, C₂, C₃, C₄)

Non-hydrocarbon gas (CO₂) in percent or parts per million

Rate of Penetration (ROP)

Depth

Lag time

Drill bit status (on or off bottom)

Drilling parameters (weight on bit, revolutions per minute, pump rate)

Mudlogger or well site geologist to catch and describe cuttings samples.

CUTTINGS RECOVERY LOGSHEET

CUTTING RUN NUMBER: _____

DATE: _____

Well Name	
Project/Prospect Field	
Well Location:	
Country	
State/Province	
County	
Basin	
Section	
Township	
Range	
Elevation:	
Drill Floor	
Kelly Bushing	
Ground Level	

Operator	
Rig	
Contact(s)	
Rig Phone	
Other Contact	

Drilling Fluid	
Fluid Density/Viscosity	
Fluid Temperature – In	
Fluid Temperature – Out	
Formation/Seam	
Date/Time Start Cutting	
Date/Time End Cutting	
Date/Time Cuttings at Surface	
Section Drilled	
Section Thickness	
Reservoir Temperature	
Surface Temperature	

Agent/Signature _____

Notes:

TESTING PROGRAM

OPEN HOLE DST PROCEDURE:

No DST testing for this well

OFFSET WELL DATA

Soldier Creek #6-32 NE/4 Section 32 12S-12E, Pertinent Data & Well Summary

Operator Name: J-W OPERATING COMPANY
Drilling Company: Key Energy
Company Man: Chuck Kisor
Spud Date: 12:30 pm 6/21/02
Rig Down Date: 6:00 am 6/30/02
TD: 3075' KB

Surface Casing set @ 500 feet
Intermediate Casing set @ 3,065 feet
Perforate Hole from 2,846 feet to 2,852 feet, 4" HSC, 35 gm, 120°, 4 shots per foot
Type of Stimulation: See Morning Reports on 08/14/03
DST Info: None
Testing Info:
Production history: Confidential
Tubing info: (2 7/8 inch) set @ 2996 feet

Sequence of Major Events:

PERSONNEL / VENDOR SUMMARY

Drilling

Randy Edelen (970) 332-3151 x843
P. O. Box 305 (970) 630-3914 cell
Wray, CO 80758

Operations

Robert Eller (970) 332-3151 x844
P. O. Box 305 (970) 630-3915 cell
Wray, CO 80758

Geology

Paul B. Anderson (801) 364-6613
807 East South Temple #101 (801) 741-8097 fax
Salt Lake City, UT 84102

Dallas (Office)

P. O. Box 226406 (972) 233-8191
Dallas, TX 75222-6406
Geology Manager
Nolan Shaw x202
Petroleum Engineering
Chuck Carroll x205
Senior Geologist
Gordon Jenner x212

Wray (Office)

Ken Read (970) 332-3151 x814
P. O. Box 305 (970) 630-3913 cell
Wray, CO 80758 (970) 332-5821 fax

Contractors

Anchors

Benco Anchor Services
1220 E 235 S (435) 789-1244
Vernal, UT 84078

Casers

T&M Casers, Inc. Randy Milligan
P. O. Box 2722 (970) 245-0593
Grand Junction, CO 81501

Casing

Spartan Steel Products Dustin Reynolds
P. O. Box 10 (903) 856-1801
Pittsburg, TX 75686

Cementing

Big 4 Cementing Blinn Tenney
P. O. Box 1817 (435) 789-1735
Vernal, UT 84078

Directional

Scientific Drilling International, Inc.
1600 Broadway Suite 2400
Denver, CO 80202

Clemens Reiger
(303) 892-8800
(303) 915-3560 cell

Drilling

Excell Drilling
P. O. Box 305
Wray, CO 80758

Andy Baucke
(970) 332-3151 x828
(970) 597-0003 cell

Excavation

Scamp Excavation
P. O. Box 50
Wellington, UT 84524

Shane Campbell
(435) 636-8101

Liner Hanger

Bison Completion Systems

Jason Fike
(505) 320-7841

Farmington, NM

Loader/Forklift

Scamp
See Excavation

Mud

Mustang Drilling Fluids
P. O. Box 1660
Vernal, UT 84078

Craig Hart
(435) 789-0533

Mud Logging

Columbine Logging, Inc.
9985A E 104th Avenue
Henderson, CO 80640-8811

J. Spencer Flournoy
(303) 289-7764

Tanks

Tiger Tanks
Box 1566
Roosevelt, UT 84066

Heavy Surza
(435) 823-7300

Testing

Quick Test BOP, L.L.C.
2590 North 500 East
Vernal, UT 84078

(435) 789-8159

EMERGENCY MEDICAL SERVICES

Castleview Hospital

(435) 637-4800

Price, UT 84501



Scientific Drilling Planning Report

Company: J.W. Operating Field: Carbon County, Utah Site: Soldier Creek State 7-32H Well: 7-32H Wellpath: OH	Date: 8/26/2003 Co-ordinate(NE) Reference: Site: Soldier Creek State 7-32H Vertical (TVD) Reference: SITE 0.0 Section (VS) Reference: Well (0.00N,0.00E,202.30Azi) Plan: Plan #1	Time: 11:29:04 Page: 1
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Field: Carbon County, Utah Map System: US State Plane Coordinate System 1927 Geo Datum: NAD27 (Clarke 1866) Sys Datum: Mean Sea Level	Map Zone: Utah, Central Zone Coordinate System: Site Centre Geomagnetic Model: igrf2000
--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	--------------------------------------------------------------------------------------------------------------------

Site: Soldier Creek State 7-32H SHL SEC.32,T12S,R12E 707FNL & 742FEL			
Site Position: From: Lease Line Position Uncertainty: 0.00 ft Ground Level: 7380.00 ft	Northing: Easting:	ft ft	Latitude: Longitude: North Reference: True Grid Convergence: 0.64 deg

Well: 7-32H	Slot Name:
Well Position: +N/-S 0.00 ft Northing: 487207.96 ft +E/-W 0.00 ft Easting: 2281494.72 ft	Latitude: 39 39 59.999 N Longitude: 110 30 0.000 W
Position Uncertainty: 0.00 ft	

Wellpath: OH	Drilled From: Surface Tie-on Depth: 0.00 ft Above System Datum: Mean Sea Level Declination: 12.65 deg Mag Dip Angle: 65.63 deg
Current Datum: SITE Magnetic Data: 7/22/2003 Field Strength: 52925 nT Vertical Section: Depth From (TVD)	Height 0.00 ft +N/-S ft +E/-W ft Direction deg
0.00	0.00 0.00 0.00 202.30

Plan: Plan #1 Principal: Yes	Date Composed: 7/22/2003 Version: 1 Tied-to: User Defined
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Plan Section Information

MD ft	Incl deg	Azim deg	TVD ft	+N/-S ft	+E/-W ft	DLS deg/100ft	Build deg/100ft	Turn deg/100ft	TPO deg	Target
2050.00	0.00	202.30	2050.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2883.33	100.00	202.30	2520.21	-518.47	-212.64	12.00	12.00	0.00	-157.70	
4883.33	100.00	202.30	2172.91	-2340.77	-980.02	0.00	0.00	0.00	0.00	

Section 1 : Start Build 12.00

MD ft	Incl deg	Azim deg	TVD ft	+N/-S ft	+E/-W ft	VS ft	DLS deg/100ft	Build deg/100ft	Turn deg/100ft	TPO deg
2050.00	0.00	202.30	2050.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2075.00	3.00	202.30	2074.99	-0.81	-0.25	0.65	12.00	12.00	0.00	0.00
2100.00	6.00	202.30	2099.91	-2.42	-0.99	2.62	12.00	12.00	0.00	0.00
2125.00	9.00	202.30	2124.69	-5.44	-2.23	5.88	12.00	12.00	0.00	0.00
2150.00	12.00	202.30	2149.27	-9.65	-3.96	10.43	12.00	12.00	0.00	0.00
2175.00	15.00	202.30	2173.58	-15.05	-6.17	16.27	12.00	12.00	0.00	0.00
2200.00	18.00	202.30	2197.54	-21.62	-8.87	23.37	12.00	12.00	0.00	0.00
2225.00	21.00	202.30	2221.11	-29.34	-12.03	31.71	12.00	12.00	0.00	0.00
2250.00	24.00	202.30	2244.20	-38.19	-15.66	41.28	12.00	12.00	0.00	0.00
2275.00	27.00	202.30	2266.76	-48.15	-19.75	52.04	12.00	12.00	0.00	0.00
2300.00	30.00	202.30	2288.73	-59.18	-24.27	63.97	12.00	12.00	0.00	0.00
2325.00	33.00	202.30	2310.05	-71.27	-29.23	77.03	12.00	12.00	0.00	0.00
2350.00	36.00	202.30	2330.65	-84.37	-34.60	91.19	12.00	12.00	0.00	0.00
2375.00	39.00	202.30	2350.48	-98.45	-40.38	106.40	12.00	12.00	0.00	0.00
2400.00	42.00	202.30	2369.49	-113.47	-46.54	122.64	12.00	12.00	0.00	0.00
2425.00	45.00	202.30	2387.62	-129.39	-53.07	139.85	12.00	12.00	0.00	0.00
2450.00	48.00	202.30	2404.83	-146.16	-59.95	157.98	12.00	12.00	0.00	0.00
2475.00	51.00	202.30	2421.06	-163.75	-67.16	176.99	12.00	12.00	0.00	0.00
2500.00	54.00	202.30	2436.28	-182.10	-74.68	196.82	12.00	12.00	0.00	0.00
2525.00	57.00	202.30	2450.44	-201.16	-82.50	217.42	12.00	12.00	0.00	0.00
2550.00	60.00	202.30	2463.50	-220.88	-90.59	238.73	12.00	12.00	0.00	0.00



Scientific Drilling Planning Report

Company: J.W. Operating	Date: 8/26/2003	Time: 11:29:04	Page: 2
Field: Carbon County, Utah	Co-ordinate(NE) Reference: Soldier Creek State 7-32H	Site: Soldier Creek State 7-32H	
Site: Soldier Creek State 7-32H	Vertical (TVD) Reference: SITE 0.0	Well (0.00N,0.00E,202.30Azi)	
Well: 7-32H	Section (VS) Reference:	Plan #1	
Wellpath: OH	Plan:		

Section 1 : Start Build 12.00

MD ft	Incl deg	Azim deg	TVD ft	+N/-S ft	+E/-W ft	VS ft	DLS deg/100ft	Build deg/100ft	Turn deg/100ft	TFO deg
2575.00	63.00	202.30	2475.42	-241.20	-98.92	280.70	12.00	12.00	0.00	0.00
2600.00	66.00	202.30	2486.19	-262.08	-107.49	283.26	12.00	12.00	0.00	0.00
2625.00	69.00	202.30	2495.75	-283.44	-116.25	306.36	12.00	12.00	0.00	0.00
2650.00	72.00	202.30	2504.10	-305.25	-125.19	329.92	12.00	12.00	0.00	0.00
2675.00	75.00	202.30	2511.20	-327.42	-134.28	353.89	12.00	12.00	0.00	0.00
2700.00	78.00	202.30	2517.03	-349.91	-143.51	378.19	12.00	12.00	0.00	0.00
2725.00	81.00	202.30	2521.59	-372.65	-152.83	402.77	12.00	12.00	0.00	0.00
2750.00	84.00	202.30	2524.85	-395.58	-162.24	427.56	12.00	12.00	0.00	0.00
2775.00	87.00	202.30	2526.81	-418.64	-171.69	452.48	12.00	12.00	0.00	0.00
2800.00	90.00	202.30	2527.46	-441.76	-181.18	477.46	12.00	12.00	0.00	0.00
2825.00	93.00	202.30	2526.81	-464.87	-190.66	502.45	12.00	12.00	0.00	0.00
2850.00	96.00	202.30	2524.85	-487.93	-200.12	527.37	12.00	12.00	0.00	0.00
2875.00	99.00	202.30	2521.59	-510.88	-209.52	552.16	12.00	12.00	0.00	0.00
2883.33	100.00	202.30	2520.21	-518.47	-212.64	560.38	12.00	12.00	0.00	0.00

Section 2 : Start Hold

MD ft	Incl deg	Azim deg	TVD ft	+N/-S ft	+E/-W ft	VS ft	DLS deg/100ft	Build deg/100ft	Turn deg/100ft	TFO deg
2900.00	100.00	202.30	2517.32	-533.65	-218.87	576.79	0.00	0.00	0.00	180.00
3000.00	100.00	202.30	2499.95	-624.77	-256.24	675.27	0.00	0.00	0.00	180.00
3100.00	100.00	202.30	2482.59	-715.88	-293.60	773.75	0.00	0.00	0.00	180.00
3200.00	100.00	202.30	2465.22	-807.00	-330.97	872.23	0.00	0.00	0.00	180.00
3300.00	100.00	202.30	2447.86	-898.11	-368.34	970.71	0.00	0.00	0.00	180.00
3400.00	100.00	202.30	2430.49	-989.23	-405.71	1069.19	0.00	0.00	0.00	180.00
3500.00	100.00	202.30	2413.13	-1080.34	-443.08	1167.67	0.00	0.00	0.00	180.00
3600.00	100.00	202.30	2395.76	-1171.46	-480.45	1266.15	0.00	0.00	0.00	180.00
3700.00	100.00	202.30	2378.40	-1262.57	-517.82	1364.64	0.00	0.00	0.00	180.00
3800.00	100.00	202.30	2361.03	-1353.69	-555.19	1463.12	0.00	0.00	0.00	180.00
3900.00	100.00	202.30	2343.67	-1444.80	-592.56	1561.60	0.00	0.00	0.00	180.00
4000.00	100.00	202.30	2326.30	-1535.92	-629.93	1660.08	0.00	0.00	0.00	180.00
4100.00	100.00	202.30	2308.94	-1627.04	-667.30	1758.56	0.00	0.00	0.00	180.00
4200.00	100.00	202.30	2291.57	-1718.15	-704.66	1857.04	0.00	0.00	0.00	180.00
4300.00	100.00	202.30	2274.21	-1809.27	-742.03	1955.52	0.00	0.00	0.00	180.00
4400.00	100.00	202.30	2256.84	-1900.38	-779.40	2054.00	0.00	0.00	0.00	180.00
4500.00	100.00	202.30	2239.48	-1991.50	-816.77	2152.48	0.00	0.00	0.00	180.00
4600.00	100.00	202.30	2222.12	-2082.61	-854.14	2250.96	0.00	0.00	0.00	180.00
4700.00	100.00	202.30	2204.75	-2173.73	-891.51	2349.44	0.00	0.00	0.00	180.00
4800.00	100.00	202.30	2187.39	-2264.84	-928.88	2447.92	0.00	0.00	0.00	180.00
4883.33	100.00	202.30	2172.91	-2340.77	-960.02	2529.99	0.00	0.00	0.00	180.00



J.W. Operating

Field: Carbon County, Utah
 Site: Soldier Creek State 7-32H
 Well: 7-32H
 Wellpath: OH
 Plan: Plan #1



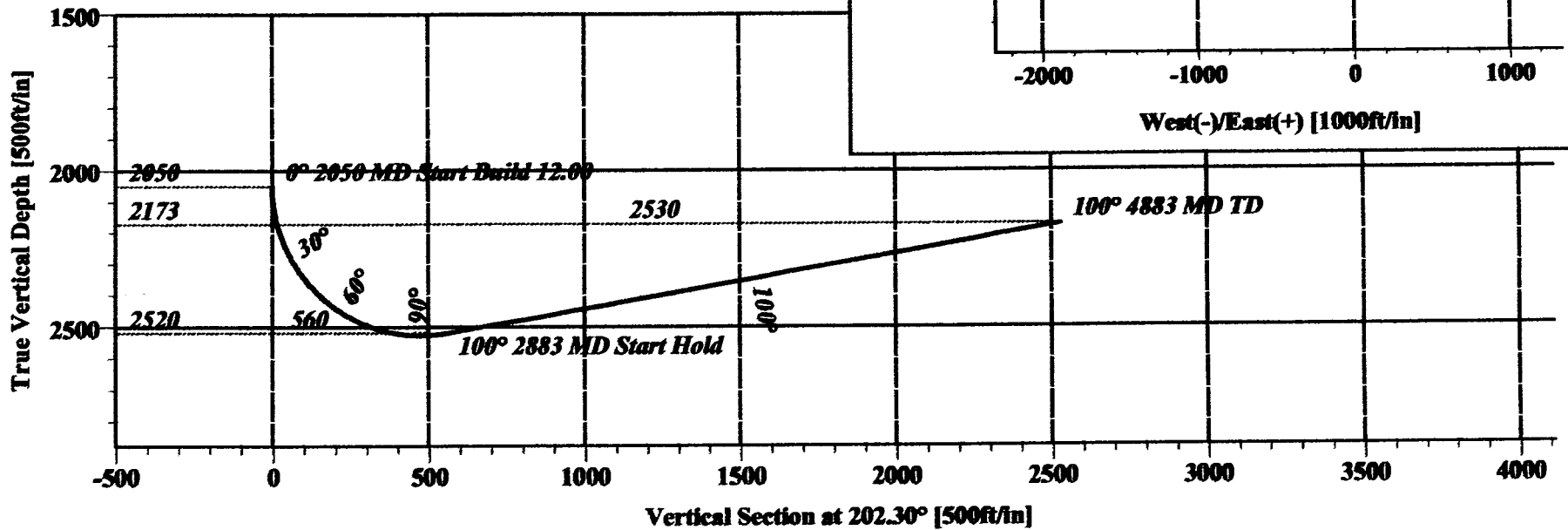
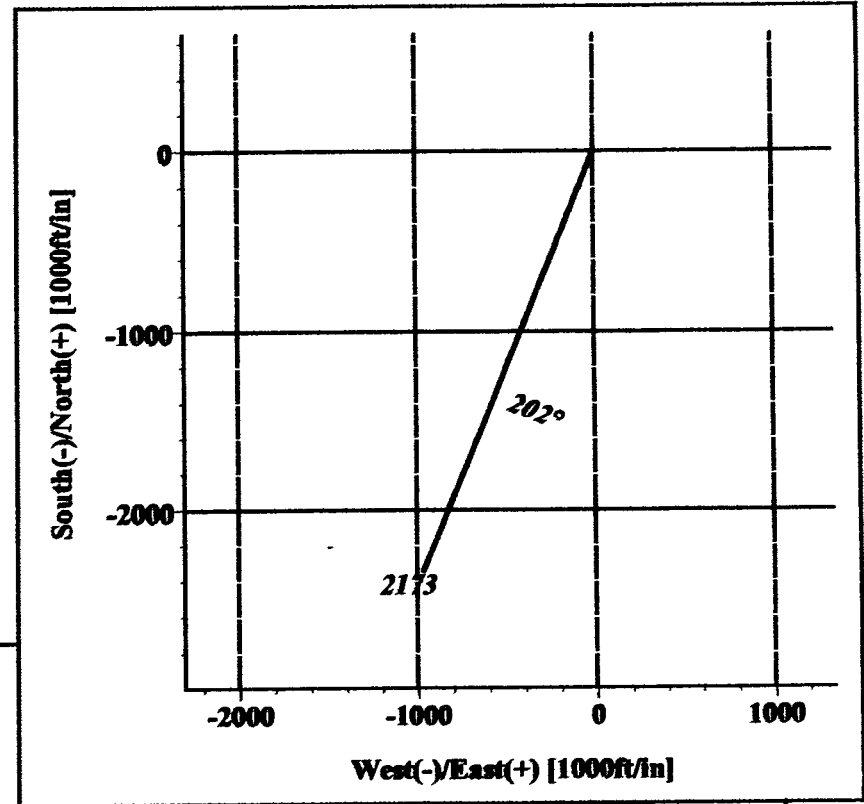
Azimuths to True North
 Magnetic North: 12.65°
 Magnetic Field
 Strength: 52925uT
 Dip Angle: 65.63°
 Date: 7/21/2003
 Model: lgr72090

WARNING

This document contains information that is proprietary and confidential to Scientific Drilling. It is to be used by Scientific Drilling's customer only for planning purposes on wells in which Scientific Drilling is the sole provider of directional drilling services. It is not to be otherwise used without the consent of Scientific Drilling nor is it to be disclosed in whole or in part to any other party.

MD	Depth	Angle	Rate	Time	MD	Depth	Angle	Rate	Time
2050	12.00	0°	12.00	00:00	2173	12.00	30°	12.00	00:00
2520	12.00	60°	12.00	00:00	2530	12.00	90°	12.00	00:00
2883	12.00	100°	12.00	00:00	4883	12.00	100°	12.00	00:00

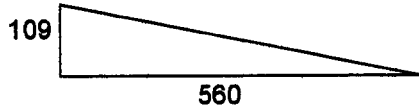
MD	Depth	Angle	Rate	Time
2050	12.00	0°	12.00	00:00
2173	12.00	30°	12.00	00:00
2520	12.00	60°	12.00	00:00
2530	12.00	90°	12.00	00:00
2883	12.00	100°	12.00	00:00
4883	12.00	100°	12.00	00:00



Soldier Creek Calculations

Target TVD

Formation dip= 11 degrees



Tan (Formation dip)= Target tvd/tvd Closure distance

Target tvd= 108.85297

Casing

Hole size	Casing	Grade	Weight	Cplg OD	ID	Length	Clearance
17 1/2	13 3/8	NLS	54.5	14.375	12.615	250	3.125
9 7/8	7	J-55	20	7.656	6.456	1493	2.219
6 1/4	4 1/2	NLS	10.5	5.000			1.250

Cementing

Annulus Volume= $\frac{1}{4}(\text{Hole size}^2 - \text{OD}^2) / 144 * \pi * \text{Length}$
 Sacks= Annulus volume/Yield

Surface ASTM Type V Yield= 1.18 ft³/sack 15.6 lbs./gal
 Volume= 173.66 ft³
 Sacks= 147 Add 50% 220

Intermediate API Class G Yield= 1.34 ft³/sack 14.8 lbs./gal
 Volume= 395.07 ft³
 Sacks= 295 Add 20% 350

J-W OPERATING COMPANY

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

OIL AND GAS PROPERTY MANAGEMENT

PHONE 970 332-3151
Fax 970 332-5821

Soldier Creek Horizontal

Tight Hole: Please keep all information confidential

Prospectus Revision 2.14
Monday, August 25, 2003
Disregard all previous versions

This is a brief overview of the drilling plan for a horizontal Coal Bed Methane project. The well will be located in Carbon County, Utah NENE ¼ Sec 32 12S 12E from the SLBM. The vertical well is located 707 feet FNL and 742 feet FEL; the horizontal will be located on the same pad. Well site elevation will be approximately 7380 feet.

The target is the Upper Sunnyside Coal; target tvd will be 2527 feet. The upper seam is 8 foot thick from 2628 to 2636 feet at the surface location. The direction will be at a perpendicular to the face cleats in the coal. This well will be drilled with a water based fluid with a gas lift production system.

Casing Program

17 1/2" hole to 250 feet tvd set 13 3/8" NLS 54.5 lbs./ft. casing, 230 sacks of ASTM Type IV cement

9 7/8" hole to 3093 feet md (2056 feet tvd) set 7" J-55 20 lbs./ft. casing, 350 sacks of API Class G cement

Well Plan

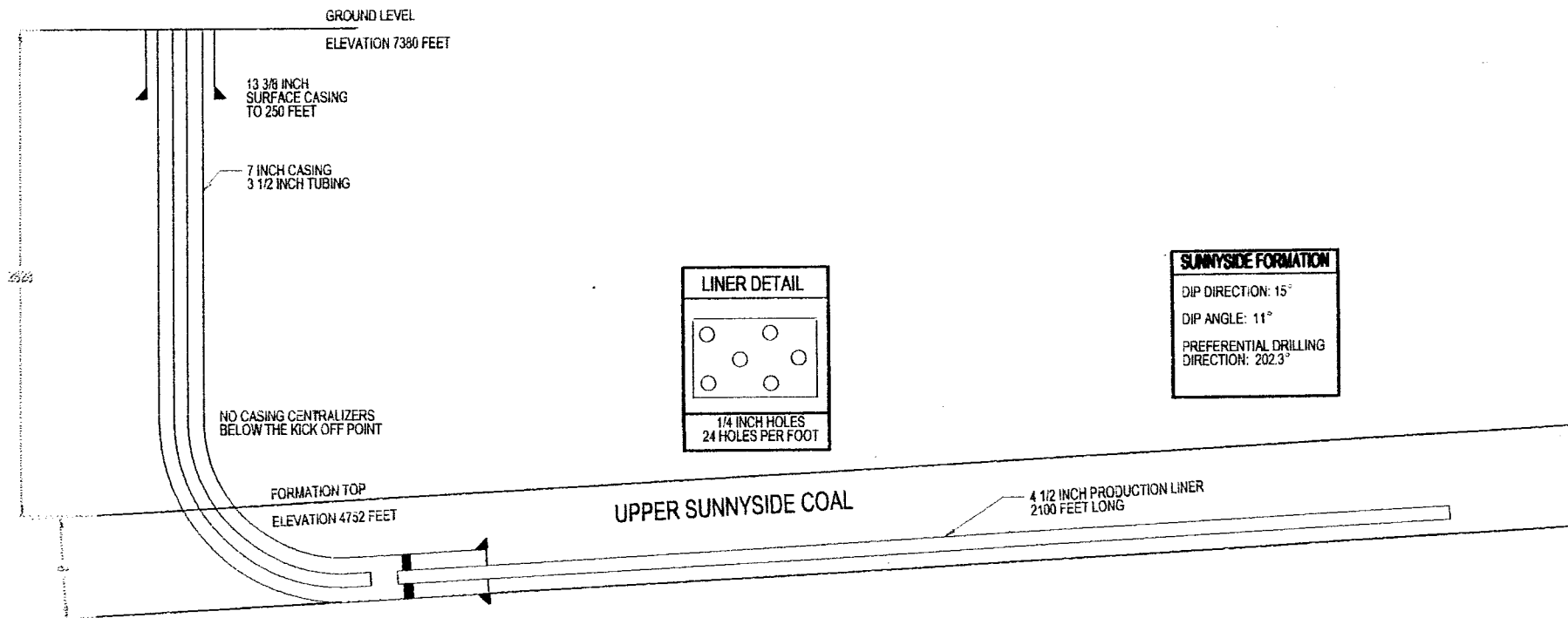
The well bore will kick off from 2056 feet md and land at the top of the coal 3093 feet md (2520 feet tvd) where the lateral leg will be extended 2000 feet. The inclination will be approximately 100° as the well path follows the formation dip. This will yield a build rate of 12°.

Azimuth	202.3°
Vertical section	2560 feet
Dip	11° (+/- 3°) at an azimuth of 15°

Coal Properties

Bulk Density	1.308 g/cc
Ash Content	6 - 9 %
Moisture Content	2 - 2.55%
Pore Pressure Gradient	0.46

The project is targeted to commence September 15, to avoid the problems associated with weather later in the year.

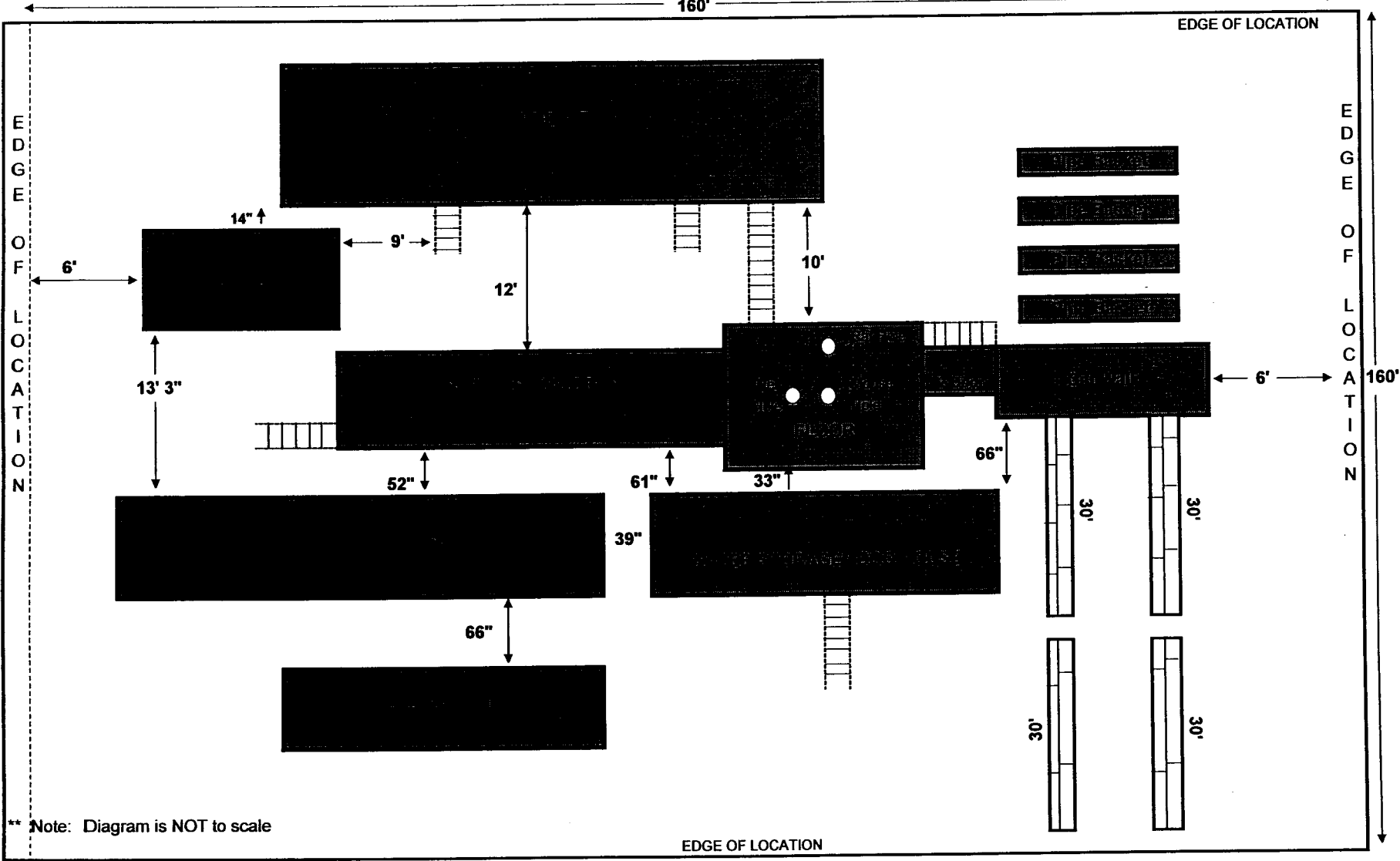
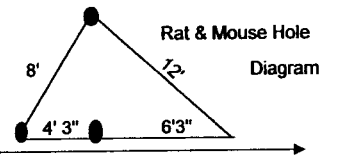
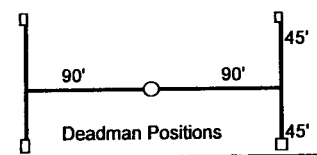


ALL DIMENSIONS IN FEET

CASING SCHEDULE		
SIZE	LENGTH	CEMENT
13 3/8"	250'	230 SXS
7"	3093'	350 SXS

J-W OPERATING COMPANY			
SOLDIER CREEK STATE 7-32H			
DRAWN BY RANDY EDELEN		DATE JULY 31, 2003	
REVISED BY RANDY EDELEN		DATE SEPTEMBER 3, 2003	
SCALE NOT TO SCALE	REV. 1.01	DWG WELLBORE SCHEMATIC	
THE INFORMATION IN THIS DRAWING MAY BE PRIVILEGED, CONFIDENTIAL, OR EXEMPT FROM DISCLOSURE. YOU ARE HEREBY NOTIFIED THAT THE USE, COPYING OR DISTRIBUTION OF ANY INFORMATION OR MATERIALS HEREWITH IS STRICTLY PROHIBITED.			

EXCELL DRILLING Rig #14 Layout

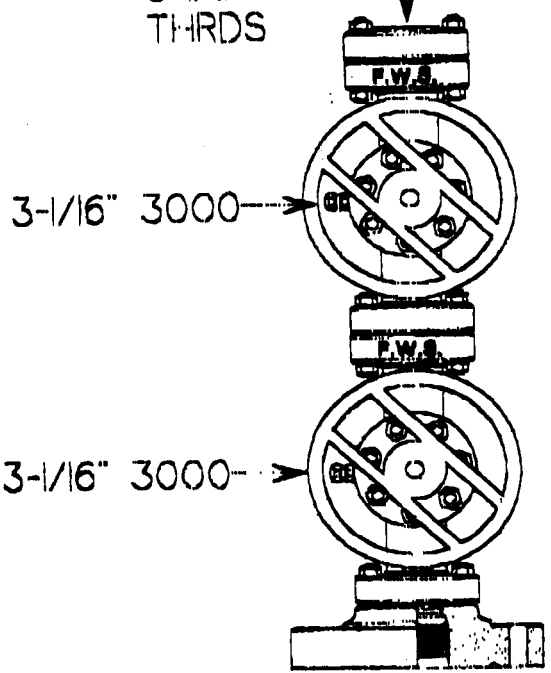


** Note: Diagram is NOT to scale

OPTION # 1

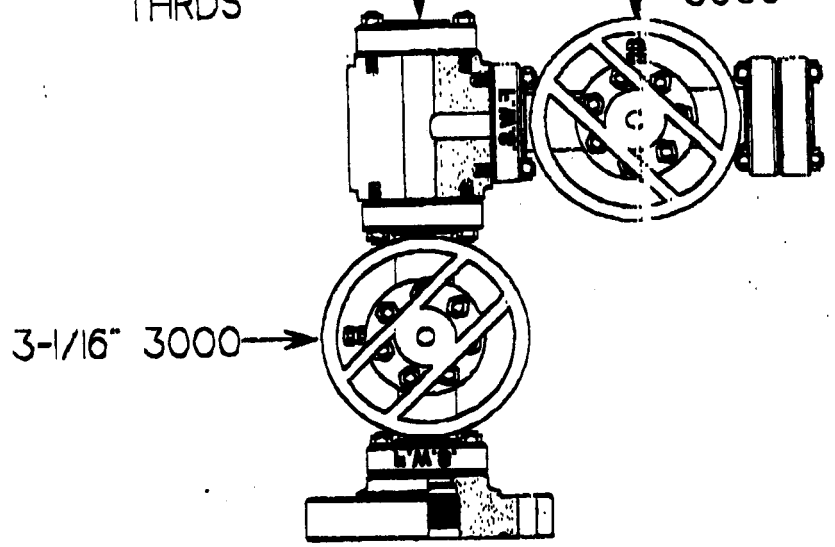
OPTION # 2

3-1/2" EUE
THRDS

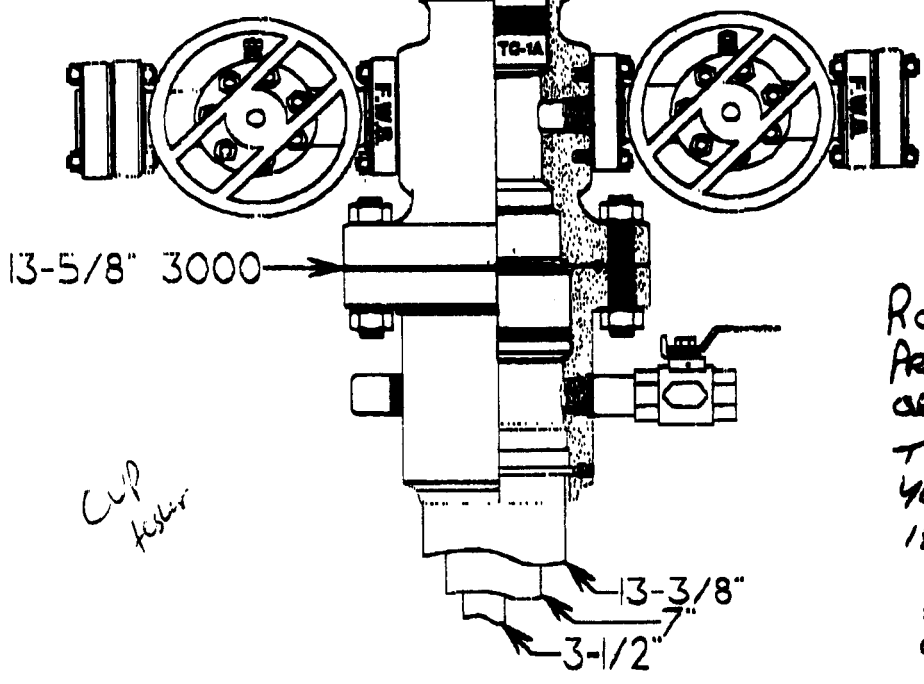


3-1/2" EUE
THRDS

2-1/16" OR 3-1/16"
3000



7-1/16" 3000



*Cup
Fester*

*Robert here is Doug's
Approved. Please look this
over if you would like
threaded connection
you would realize 10 to
15% savings*

*PLEASE ADVISE AT YOUR
EARLIEST CONVENIENCE*

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

FORM 3

AMENDED REPORT
(highlight changes)

APPLICATION FOR PERMIT TO DRILL			5. MINERAL LEASE NO: ML-48131	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: J-W Operating Company			9. WELL NAME and NUMBER: Soldier Creek, State #7-32H	
3. ADDRESS OF OPERATOR: P.O. Box 305		CITY Wray STATE CO ZIP 80758	PHONE NUMBER: (970) 332-3151	10. FIELD AND POOL, OR WILDCAT: Soldier Creek
4. LOCATION OF WELL (FOOTAGES) AT SURFACE: 697' FNL, 822' FEL, NE/4 NE/4 AT PROPOSED PRODUCING ZONE: 2,215' FSL, 1,790' FEL NW/4 SE/4 (horizontal lateral target)			11. QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: 32 12 12 S	
14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE: 16.0 miles northeast of Wellington, Utah			12. COUNTY: Carbon	13. STATE: UTAH
15. DISTANCE TO NEAREST PROPERTY OR LEASE LINE (FEET) 697'	16. NUMBER OF ACRES IN LEASE: 600	17. NUMBER OF ACRES ASSIGNED TO THIS WELL: 40		
18. DISTANCE TO NEAREST WELL (DRILLING, COMPLETED, OR APPLIED FOR) ON THIS LEASE (FEET) 114'	19. PROPOSED DEPTH: 3,093	20. BOND DESCRIPTION: Blanket Fee Bond RLB 0004156		
21. ELEVATIONS (SHOW WHETHER DF, RT, GR, ETC.): 7,379' GR	22. APPROXIMATE DATE WORK WILL START: 9/10/2003	23. ESTIMATED DURATION: 3 months		

PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	CASING SIZE, GRADE, AND WEIGHT PER FOOT			SETTING DEPTH	CEMENT TYPE, QUANTITY, YIELD, AND SLURRY WEIGHT			
17-1/2"	13-3/8"	NLS	54.5#	250	ASTM Type IV	230 sacks	1.18 cu.ft/sk	15.8 ppg
9-5/8"	7"	J-55	20#	3,093	API Class G	350 sacks	1.34 cu.ft/sk	14.8 ppg
6-1/4"	4-1/2"	J-55/LS	10.5		Production Liner			

ATTACHMENTS

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

- WELL PLAT OR MAP PREPARED BY LICENSED SURVEYOR OR ENGINEER
 EVIDENCE OF DIVISION OF WATER RIGHTS APPROVAL FOR USE OF WATER

- COMPLETE DRILLING PLAN
 FORM 5, IF OPERATOR IS PERSON OR COMPANY OTHER THAN THE LEASE OWNER

CONFIDENTIAL

NAME (PLEASE PRINT) Don Hamilton TITLE Agent for J-W Operating Company
SIGNATURE Don Hamilton DATE 8/25/2003

(This space for State use only)

API NUMBER ASSIGNED: _____

APPROVAL: _____

AUG 25 2003



DRILLING PROGRAM

Exhibit "D"

Attached to UDOGM Form 3

J-W Operating Company

Soldier Creek State #7-32H (Horizontal Single-Lateral)

Surface Location: 697' FNL, 822' FEL, NE/4 NE/4, Sec. 32, T12S, R12E, SLB&M

Target Location: 2,215' FSL, 1,790' FEL, NW/4 SE/4, Sec. 32, T12S, R12E, SLB&M

Carbon County, Utah

1. The Geologic Surface Formation

Tertiary Colton Formation

2. Estimated Tops of Important Geologic Markers

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

3. Projected Gas & H2O zones (Sunnyside Coals)

Upper Sunnyside Coals 2,628 – 2,636'

No groundwater is expected to be encountered.

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

Surface casing will be tested to 500 psi.

4. The Proposed Casing and Cementing Programs

HOLE SIZE	SETTING DEPTH (INTERVAL)	SIZE (OD)	WEIGHT, GRADE & JOINT	CONDITION
17-1/2"	250'	13-3/8"	45.5# NLS	New
9-7/8"	3,093'	7"	20# J-55 ST&C	New

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

Surface Casing: 230 sacks ASTM Type IV;
Weight: 15.8 #/gal
Yield: 1.18 cu.ft/sk

Production Casing: 350 sacks API Class G;
Weight: 14.8 #/gal,
Yield: 1.34 cu.ft/sk yield.

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

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

5. The Operator's Minimum Specifications for Pressure Control

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

6. The Type and Characteristics of the Proposed Circulating Muds

0-250' 17-1/2" hole Drill with water based fluid.

250'-3,093' 10-5/8" hole Drill with water based fluid.

3,093'-TD 6-1/4" hole Drill with Production Water

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

250-TD focused gamma ray.

Any Anticipated Abnormal Pressures or Temperatures

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

8. Anticipated Starting Date and Duration of the Operations.

The well will be drilled approx.: September 10, 2003.

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.

**J-W OPERATING COMPANY**

4990 Miller Street, Wheatridge CO 80033

PO Box 1148, Wheatridge CO 80034

Office: 303/422-4990 Fax: 720/898-0397

Email: ginnyburchard@qwest.net

March 25, 2002

Iriart Family Limited Partnership
 Attn: Louise L. Iriart, General Partner
 PO Box 293
 Price, UT 84501

Re: Surface Use Agreement
 Dated June 18, 2001
 Carbon County, UT

Dear Mrs. Iriart,

Reference is made to the captioned Surface Use Agreement, copy of which is attached hereto as Exhibit "A". It has been brought to our attention that the Iriart Family Limited Partnership also owns the surface on the following lands, which are not described on the Surface Use Agreement:

TOWNSHIP 12 SOUTH, RANGE 12 EAST, SLM

SECTION 19: LOT 4, aka SWSW

SECTION 20: E/2E/2, NWNE

SECTION 32: NW, NENE, S/2NE, S/2

TOWNSHIP 12 SOUTH, RANGE 11 EAST, SLM

SECTION 13: SWSW

By this letter J-W Operating Company and the Iriart Family Limited Partnership desire to amend the Surface Use Agreement to include the above described Lands as though they were originally described therein. All other terms and conditions of the Surface Use Agreement to remain as written.

Please indicate your acceptance and approval by signing below and returning one original to J-W Operating Company, PO Box 1148, Wheat Ridge, CO 80034.

Very truly yours,

J-W OPERATING COMPANY


 Ginny Burchard
 Landman

ACCEPTED AND APPROVED this _____ day of _____, 2002.

IRIART FAMILY PARTNERSHIP, LANDOWNER

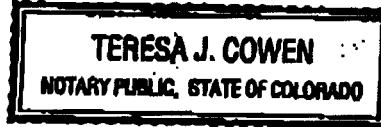
By: 
 Louise L. Iriart, General Partner

State of Colorado)
)ss
County of Jefferson)

This instrument was acknowledged before me on this the 18th day of June, 2001, by
K.L. READ, District Manager for J-W Operating Company.

Witness my hand and seal

Teresa J. Cowen
Notary Public



My Commission Expires: 1-15-2002

State of Utah)
)ss
County of Carbon)

This instrument was acknowledged before me on this the 16th day of July, 2001, by
Louise L. Iriart, as General Partner for the Iriart Family Partnership.

Witness my hand and seal

Donna White
Notary Public

My Commission Expires: June 27 2004

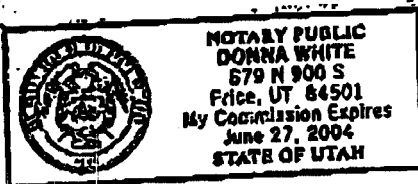


EXHIBIT "A"
ATTACHED TO AND MADE A PART OF
LETTER DATED MARCH 25, 2002 BY AND BETWEEN J-W
OPERATING COMPANY AND THE IRIART FAMILY LIMITED PARTNERSHIP

SURFACE USE AGREEMENT

The undersigned, J-W Operating Company, as Operator, and Iriart Family Limited Partnership, as Landowner(s), hereby agree to the following terms and conditions as surface damages for the drilling, completion and production of a well or wells to be drilled on the following described acreage:

Township 12 South, Range 11 East

Section 14: S/2SE
 Section 23: NENE
 Section 24: NNW, NENE S/2N/2, N/2SW, NESE, S/2SE
 Section 25: NWNE

Township 12 South, Range 12 East

Section 27: S/2SE
 Section 28: S/2NW, SW, NWSE, S/2SE
 Section 29: NE, N/2SE, SWSE, S/2NW, NESW
 Section 30: NENW, NWNE, S/2NE, NESE, SWSE, SESW
 Section 31: NENE, Lots 1, 2, 3, E/2SW, NENW
 Section 32: NWNE
 Section 33: NENE
 Section 34: N/2, N/2SE
 Section 35: W/2NW, NWSW
 Carbon County, Utah

- 1) Operator agrees to pay the Landowner(s), after the commencement of drilling operations, \$800.00 per well location as surface damages for the roadway, drillsite, and slush pits needed for the drilling completion and production of a well or wells located on the acreage as described above. Operator agrees, upon completion of any test as a dry hole, or upon the abandonment of any producing well, to restore all lands utilized for such exploration as nearly as reasonably practical to their former condition.
- 2) It is agreed by and between the parties that they shall consult with each other regarding the location of routes for ingress and egress for drilling operations.
- 3) Operator agrees to pay the Landowner(s) \$10.00 per rod for right-of-way access for pipelines and/or a gathering system to the well or wells located on the acreage as described above.

This Agreement shall be binding upon the heirs, legal representatives, and assigns of the respective parties.

IN WITNESS WHEREOF, the parties have set their hands and seal this 18th day of June, 2001

OPERATOR:

J-W OPERATING COMPANY

Richard Reed

LANDOWNER:

IRIART FAMILY PARTNERSHIP

BY: Louise L. Iriart
 LOUISE L. IRIART GENERAL MANAGER



DRILLING PROGRAM

Exhibit "D"

Attached to UDOGM Form 3

J-W Operating Company

Soldier Creek State #7-32H (Horizontal Single-Lateral)

Surface Location: 697' FNL, 822' FEL, NE/4 NE/4, Sec. 32, T12S, R12E, SLB&M

Target Location: 2,215' FSL, 1,790' FEL, NW/4 SE/4, Sec. 32, T12S, R12E, SLB&M

Carbon County, Utah

1. The Geologic Surface Formation

Tertiary Colton Formation

2. Estimated Tops of Important Geologic Markers

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

3. Projected Gas & H2O zones (Sunnyside Coals)

Upper Sunnyside Coals 2,628 – 2,636'

No groundwater is expected to be encountered.

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

Surface casing will be tested to 500 psi.

4. The Proposed Casing and Cementing Programs

HOLE SIZE	SETTING DEPTH (INTERVAL)	SIZE (OD)	WEIGHT, GRADE & JOINT	CONDITION
17-1/2"	250'	13-3/8"	45.5# NLS	New
10-5/8"	3,093'	7"	20# J-55 LT&C	New

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

Surface Casing: 230 sacks ASTM Type IV;
Weight: 15.8 #/gal
Yield: 1.18 cu.ft/sk

Production Casing: 470 sacks API Class G;
Weight: 14.8 #/gal,
Yield: 1.34 cu.ft/sk yield.

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

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

5. The Operator's Minimum Specifications for Pressure Control

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

6. The Type and Characteristics of the Proposed Circulating Muds

0-250 17-1/2" hole Drill with water based fluid.

250-TD 10-5/8" hole Drill with water based fluid.

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

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

Any Anticipated Abnormal Pressures or Temperatures

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

8. Anticipated Starting Date and Duration of the Operations.

The well will be drilled approx.: September 10, 2003.

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

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

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



MULTIPOINT SURFACE USE PLAN

Exhibit "E"

Attached to UDOGM Form 3

J-W Operating Company

Soldier Creek State #7-32H (Horizontal Single-Lateral)

Surface Location: 697' FNL, 822' FEL, NE/4 NE/4, Sec. 32, T12S, R12E, SLB&M

Target Location: 2,215' FSL, 1,790' FEL, NW/4 SE/4, Sec. 32, T12S, R12E, SLB&M
Carbon County, Utah

1. Existing Roads

- a. The proposed access road will encroach the Nine Mile Canyon Road in which approval to utilize the existing encroachment has previously been approved by 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 0.41 miles of existing lease access will be utilized that presently accesses the Soldier Creek, State 6-32 (see Exhibit "B").
- b. No new access is proposed with this application

3. Location of Existing Wells

- a. There are five proposed wells and six 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, installation of production facilities will follow.
- b. Gathering lines are presently in place for the production of the Soldier Creek, State 6-32.
- 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. Produced water from nearby wells will be utilized for drilling and completion. If this water source is inadequate water will be obtained from a local water source through direct purchase (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 drilled with a water based fluid, a reserve pit will be constructed with a minimum of one-half the total depth below the original ground surface on the lowest point within the pit. The pit will be lined. Three sides of the reserve pit will be fenced within 24 hours after completion of construction and the fourth side within 24 hours after drilling operation cease with four strands of barbed wire, or woven wire topped with barbed wire to a height of not less than four feet. The fence will be kept in good repair while the pit is drying.
- b. Following drilling, the liquid waste will be evaporated from the pit and the pit backfilled and returned to natural grade. No liquid hydrocarbons will be discharged to the reserve pit or pad location

- c. In the event fluids are produced, any oil will be retained in tankage until sold and any water produced will be retained until its quality can be determined. The quality and quantity of the water will determine the method of disposal.
- d. Trash will be contained in a portable metal container and will be hauled from location periodically and disposed of at an approved disposal site. Chemical toilets will be placed on location and sewage will be disposed of at an appropriate disposal site.

8. Ancillary Facilities

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

9. Wellsite Layout

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

10. Plans for Restoration of Surface

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

11. Surface Ownership

- a. The wellsite will be constructed on lands owned by the Iriart Family Partnership, LTD; 503 East 100 North, Price, Utah 84501. Bernie Iriart is the surface representative and can be reached at (435) 637-6610. Surface use is presently in place with Iriart and will be submitted under separate cover to the Division of Oil, Gas and Mining. 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 present surface use is a production well site. The nearest dwelling is the Iriart abandon cabin approximately 1,900' northeast. Nearest live water is Soldier Creek approximately 1,900' northeast.
- b. If there is snow on the ground when construction begins, it will be removed before the soil is disturbed, and piled downhill from the topsoil stockpile location.
- c. The backslope and foreslope will be constructed no steeper than 4:1.
- d. All equipment and vehicles will be confined to the access road and well pad.
- e. A complete copy of the approved Application for Permit to Drill (APD) including conditions and stipulations, shall be at the well site during construction and drilling operations.
- f. There will be no deviation from the proposed construction, drilling, and/or workover program without prior approval from the Division of Oil, Gas & Mining.

13. **Company Representatives**

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

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

Mail Approved A.P.D. To:

Company Representative

Excavation Contractor

Shane Campbell – owner/operator
Scamp Excavation
1555 West 750 South
Wellington, Utah 84542

(435) 636-8101 office
(435) 650-9876 mobile

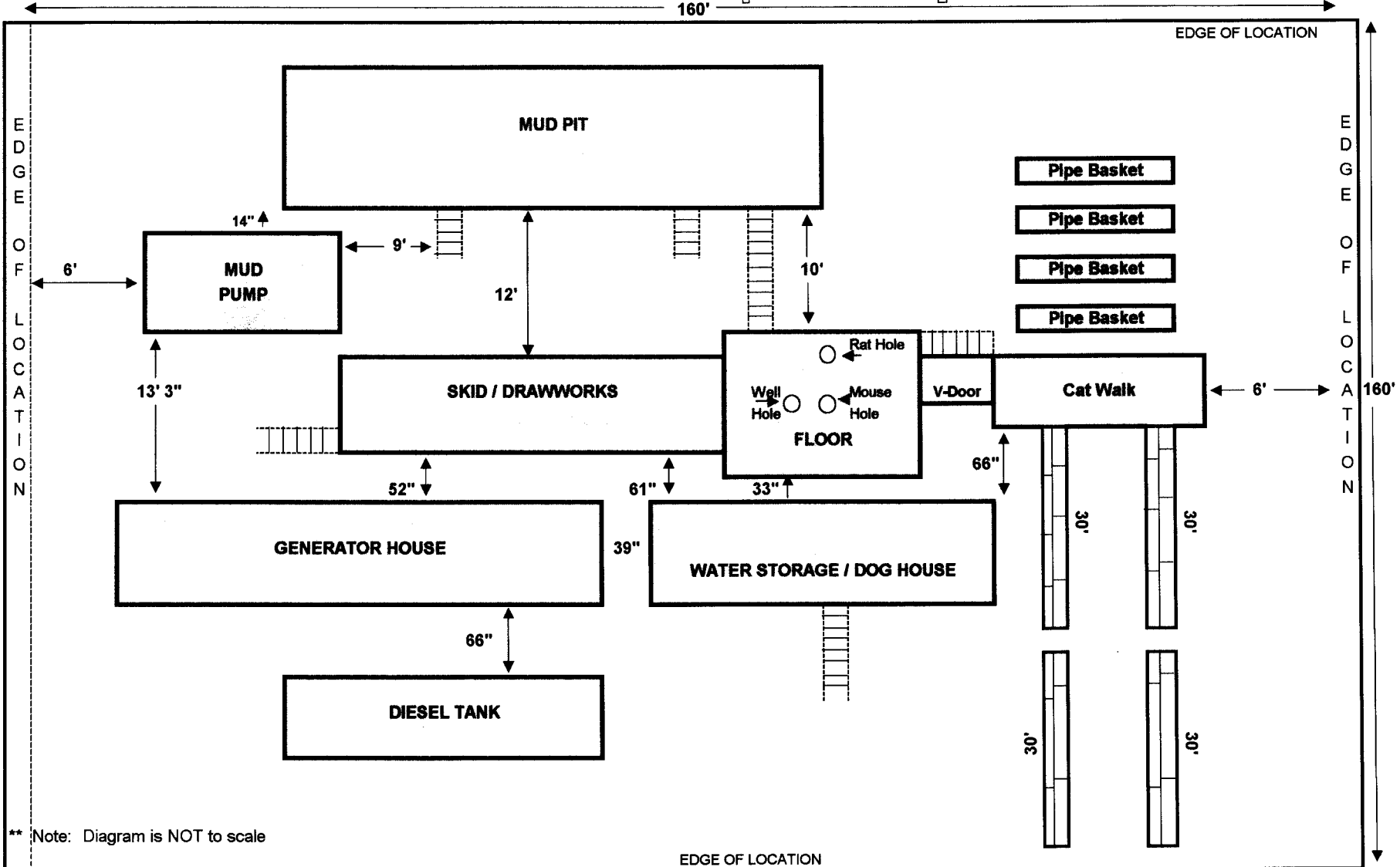
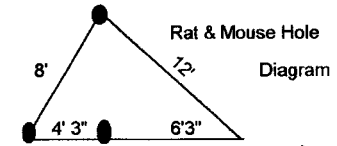
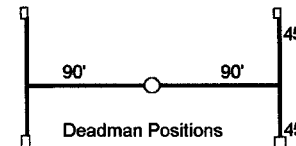
14. **Certification**

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

8-22-03
Date

Don Hamilton
Don Hamilton for J-W Operating Company

EXCELL DRILLING Rig #14 Layout



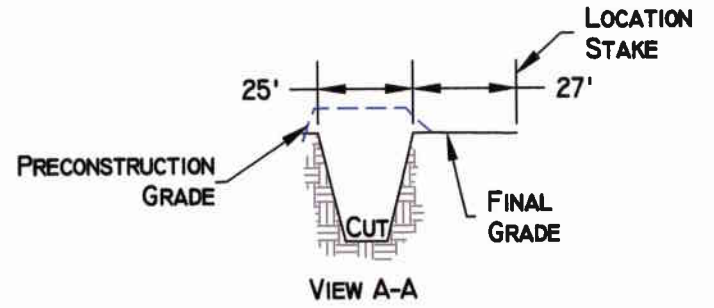
** Note: Diagram is NOT to scale

EXHIBIT "C"

ELEVATION OF GRADED GROUND AT LOCATION STAKE = 7378.6'

PIT SLOPE = 1 ; 1

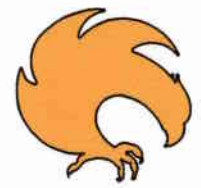
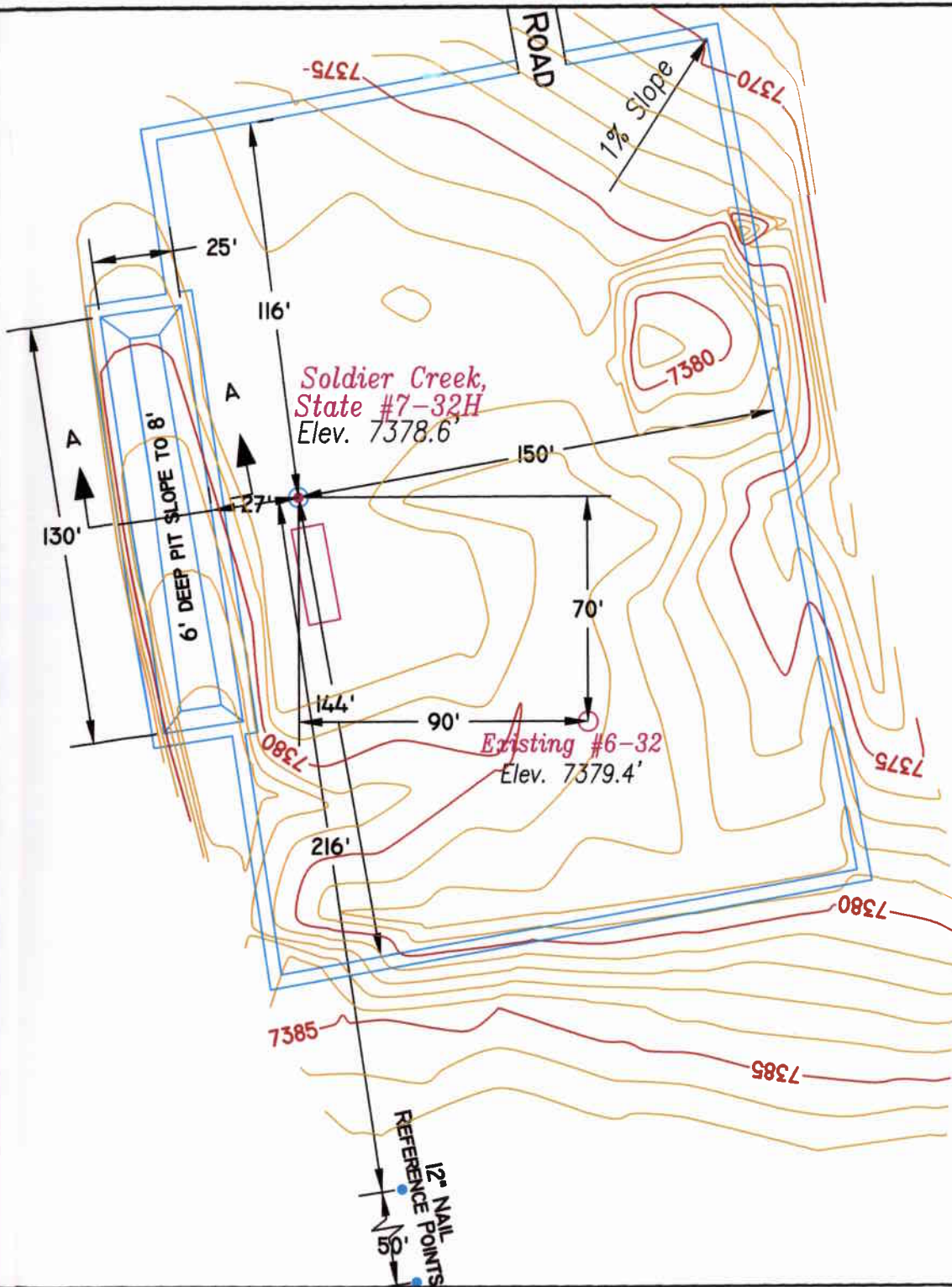
1" = 10'
X-Section Scale
1" = 50'



APPROXIMATE YARDAGES

PIT CUT = 2,425 CU. YDS.

TOTAL CUT = 3,175 CU. YDS.



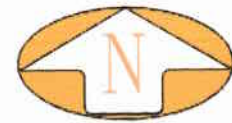
TALON RESOURCES, INC.

375 S. Carbon Ave., Suite 101, Price
Phone (435)637-8781 Fax (435)636-8603
E-Mail talon@castinet.com

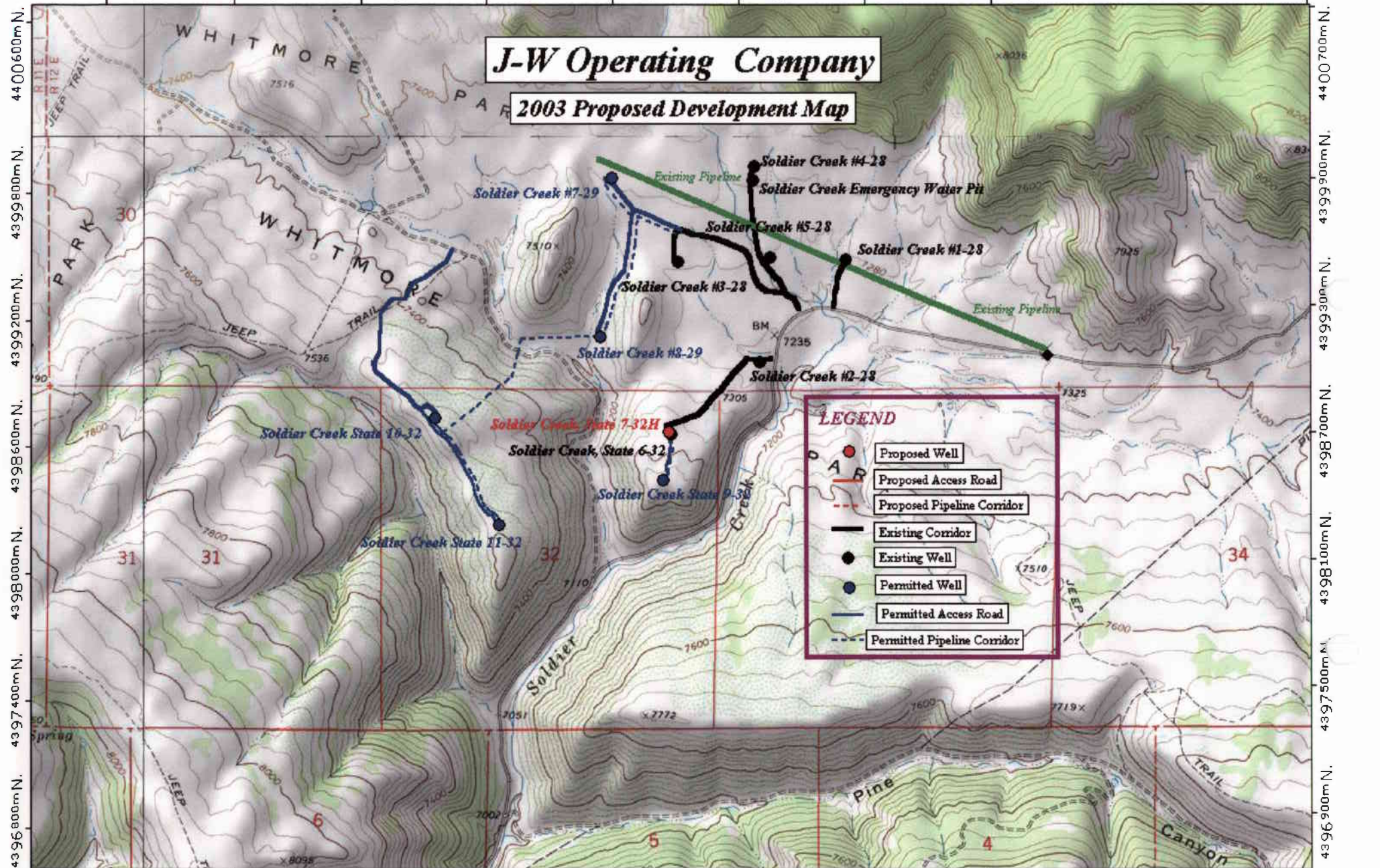


LOCATION LAYOUT
Section 32, T12S, R12E, S.L.B.&M.
Soldier Creek, State #7-32H

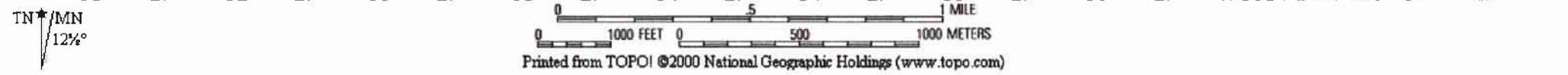
Drawn By: J. STANSFIELD	Checked By: L.W.J.
Drawing No. A-2	Date: 08/19/03
	Scale: 1" = 50'
Sheet 2 of 4	Job No. 1194



531900mE, 532500mE, 533100mE, 533700mE, 534300mE, 534900mE, 535500mE, 536100mE, WGS84 Zone 12S 537600mE



531900mE, 532500mE, 533100mE, 533700mE, 534300mE, 534900mE, 535500mE, 536100mE, WGS84 Zone 12S 537600mE



003

WORKSHEET
APPLICATION FOR PERMIT TO DRILL

APD RECEIVED: 08/25/2003

API NO. ASSIGNED: 43-007-30941

WELL NAME: SOLDIER CREEK ST 7-32H
OPERATOR: J-W OPERATING COMPANY (N2145)
CONTACT: DON HAMILTON

PHONE NUMBER: 435-687-5310

PROPOSED LOCATION:

NENE 32 120S 120E
SURFACE: 0697 FNL 0822 FEL
NwSE BOTTOM: 2215 FSL 1790 FEL
CARBON
SOLDIER CREEK (9)

INSPECT LOCATN BY: / /		
Tech Review	Initials	Date
Engineering	Dred	9/19/03
Geology		
Surface		

LEASE TYPE: 3 - State
LEASE NUMBER: ML-48131
SURFACE OWNER: 4 - Fee

LATITUDE: 39.73727
LONGITUDE: 110.59629

PROPOSED FORMATION: BLKHK

RECEIVED AND/OR REVIEWED:

- Plat
- Bond: Fed[] Ind[] Sta[] Fee[]
(No. R1B0005990)
- 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)

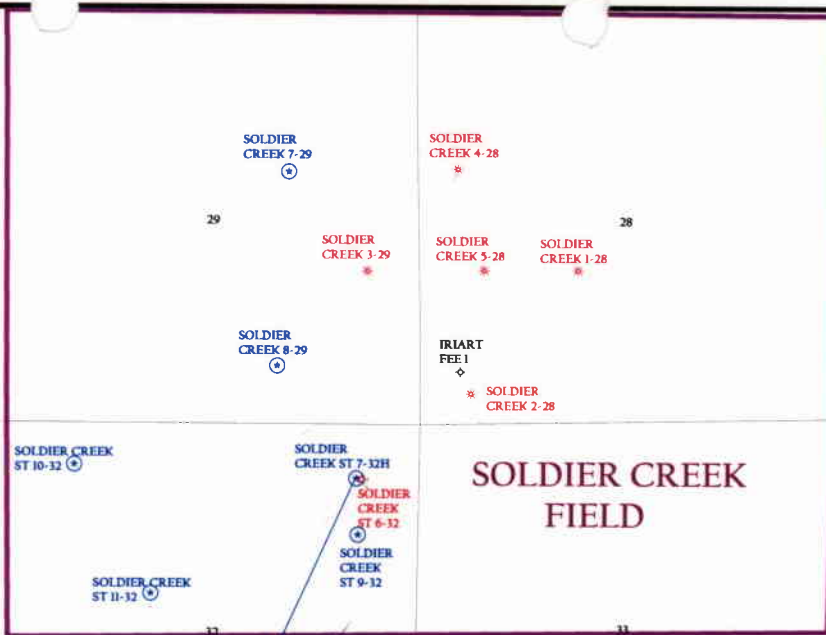
LOCATION AND SITING:

- ___ R649-2-3.
- Unit _____
- R649-3-2. General ~~Horizontal~~ 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

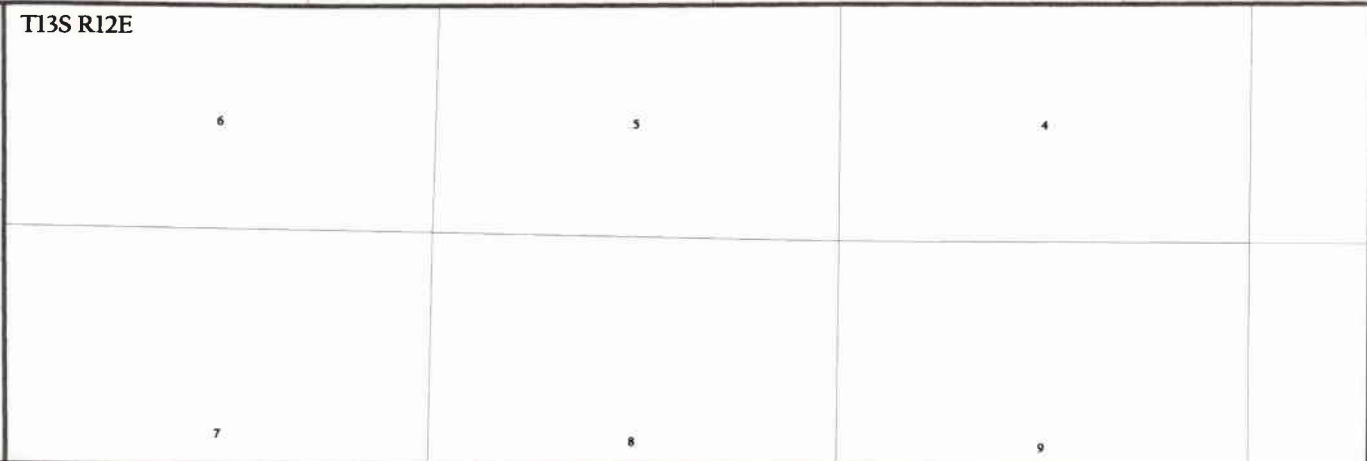
COMMENTS: Temporary 640' Spacing
Needs Permit (05-02-02 REISED 08-29-03)

STIPULATIONS: 1- Horizontal Slip
2- Surface Casing Cont Slip.
3- Temporary 640 acre spacing unit.

T12S R12E



T13S R12E



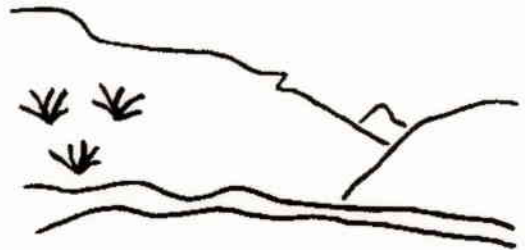
OPERATOR: J-W OPERATING (N2145)

SEC. 32 T.12S, R.12E

FIELD: SOLDIER CREEK (9)

COUNTY: CARBON

SPACING: R649-3-2.6 / HORIZONTAL



Utah Oil Gas and Mining

- Wells**
- ✓ 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 MASON
DATE: 26-AUGUST-2003

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

OPERATOR: JW Operating
WELL NAME & NUMBER: Soldier Creek #7-32H
API NUMBER: 43-007-30941
LEASE: State FIELD/UNIT: _____
LOCATION: 1/4,1/4 NENE Sec: 32 TWP: 12S RNG: 12E 697' FNL 822' FEL
LEGAL WELL SITING: _____ F SEC. LINE; _____ F 1/4,1/4 LINE; _____ F ANOTHER WELL.
GPS COORD (UTM): X =534616 E; Y = 4398485 N SURFACE OWNER: Iriart Family

PARTICIPANTS

M. Jones (DOGM), Robert Eller (JWO), D. Hamilton (Talon), Bernie Iriart (surface) attended an on-site for the Soldier Creek State #6-32 which this proposed well will utilize the same surface location. An additional pre-site was not performed by DOGM because no additional surface damage is proposed for this well other than a new pit.

REGIONAL/LOCAL SETTING & TOPOGRAPHY

The proposed location is on property owned by the Iriart Family located ~16.0 miles Northeast of Price, Utah. Soldier Creek, a year-round live water source lies East of the proposed well ~430 yards. The terrain directly associated with this location drains South to the Price River. Dry washes run throughout the area.

SURFACE USE PLAN

CURRENT SURFACE USE: Grazing and wildlife habitat.

PROPOSED SURFACE DISTURBANCE: No additional surface damage is proposed or anticipated from the existing pad other than 103' x 25' x 8' deep pit will be dug on the west side of the location.

LOCATION OF EXISTING WELLS WITHIN A 1 MILE RADIUS: 6 existing gas wells, 5 proposed wells and 1 PA well, and 1 water well exist within a 1 mile radius of the above proposed well.

LOCATION OF PRODUCTION FACILITIES AND PIPELINES: Along the roadway.

SOURCE OF CONSTRUCTION MATERIAL: Obtained locally and transported in.

ANCILLARY FACILITIES: N/A

WASTE MANAGEMENT PLAN:

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

ENVIRONMENTAL PARAMETERS

AFFECTED FLOODPLAINS AND/OR WETLANDS: Soldier Creek, a year-round live water source lies East of the above proposed location ~430 yards. As per Bernie Iriart, during normal and high water years water table surfaces and creates a swampy area near the county road. It dries up proceeding NW from county road. Dry washes running through area.

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

SOIL TYPE AND CHARACTERISTICS: Sandy clay loam.

SURFACE FORMATION & CHARACTERISTICS: Tertiary/Cretaceous undivided Flagstaff/North Horn Formation - Undivided Tertiary/Cretaceous Flagstaff/North Horn Formation is described as reddish-brown to grayish-brown mudstones with interbedded siltstone, fine grained quartzose sandstone, limestone conglomerate, limestone and some carbonaceous shale.

EROSION/SEDIMENTATION/STABILITY: Erosive on disturbance.

PALEONTOLOGICAL POTENTIAL: N/A

RESERVE PIT

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

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

SURFACE RESTORATION/RECLAMATION PLAN

As per surface use agreement.

SURFACE AGREEMENT: Surface use agreement has been signed.

CULTURAL RESOURCES/ARCHAEOLOGY: None required by surface owner.

OTHER OBSERVATIONS/COMMENTS

The existing location and some of the existing access road is located within Soldier Canyon Mine Permit owned by Canyon Fuels, LLC. Contact has been made by Mark Jones, UDOGM, with Vicki Miller, (435-636-2869), at Canyon Fuels, regarding this issue. Dana Dean (DOGM) was also notified via e-mail correspondence regarding the issue with the mine permit. Construction of a 130' x 25' x 8' dugout earthen pit will be the only new surface disturbance associated with this well. This well is proposed as a horizontal well with the target location being at 2215 FSL, 1790 FEL, NWSE, sec 32, T12S, R12E.

ATTACHMENTS

Photos of this location were taken and placed on file. These photos are of the pre-site done for the Soldier Creek State #6-32 on 5/02/02.

Mark L. Jones
DOGM REPRESENTATIVE

5/02/2002 / 3:30 pm
DATE/TIME

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

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

Final Score 25 (Level I Sensitivity)

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

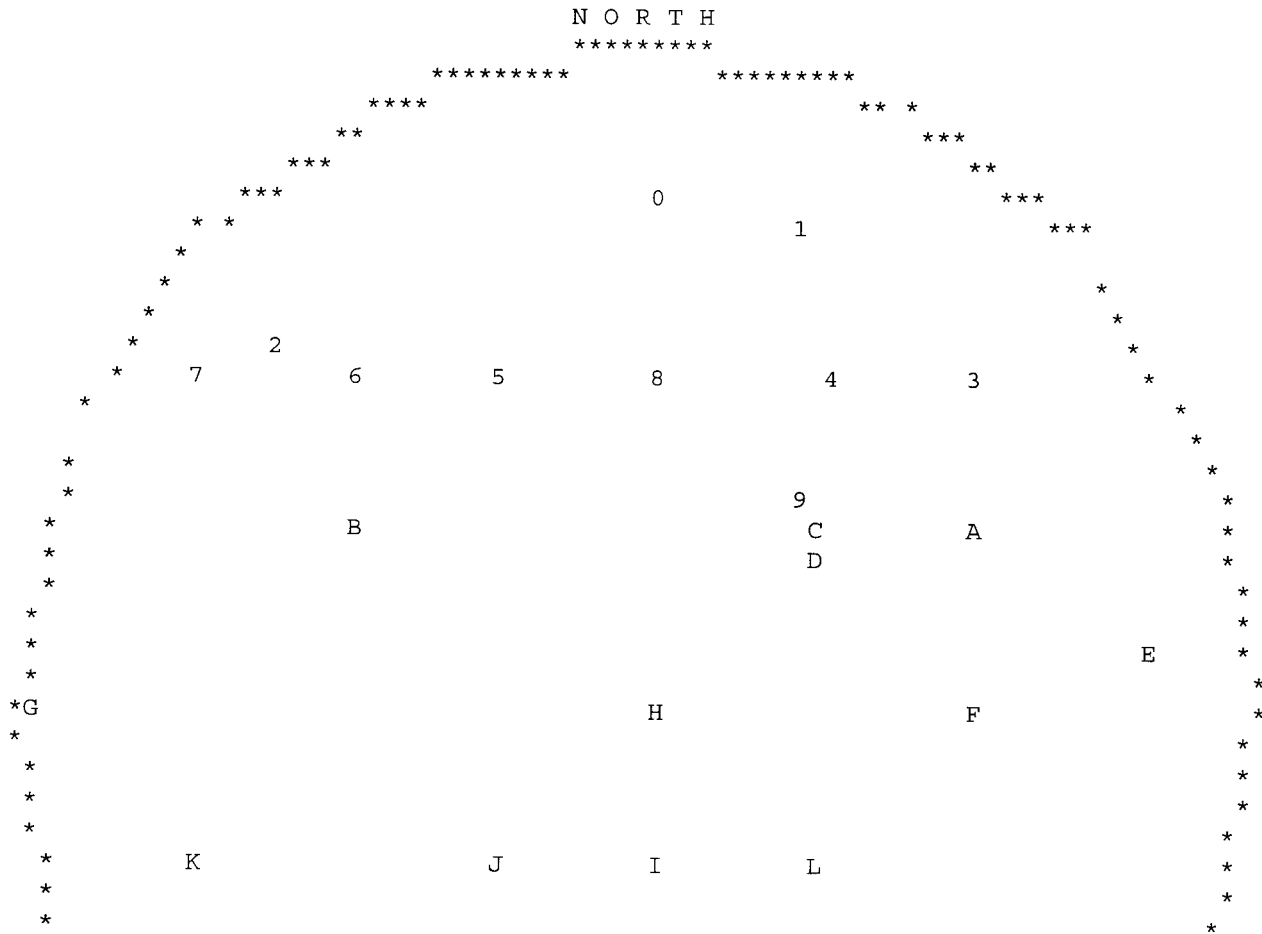
Sensitivity Level II = 15-19; lining is discretionary.

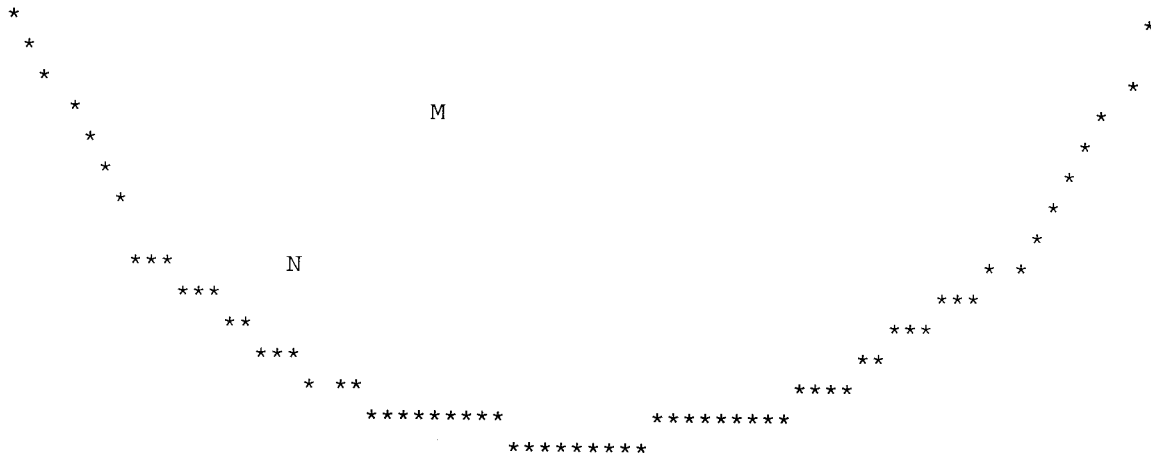
Sensitivity Level III = below 15; no specific lining is required.

UTAH DIVISION OF WATER RIGHTS
WATER RIGHT POINT OF DIVERSION PLOT CREATED TUE, SEP 2, 2003, 3:19 PM
PLOT SHOWS LOCATION OF 32 POINTS OF DIVERSION

PLOT OF AN AREA WITH A RADIUS OF 5280 FEET FROM A POINT
S 697 FEET, W 822 FEET OF THE NE CORNER,
SECTION 32 TOWNSHIP 12S RANGE 12E SL BASE AND MERIDIAN

PLOT SCALE IS APPROXIMATELY 1 INCH = 2000 FEET





UTAH DIVISION OF WATER RIGHTS
 NWPLAT POINT OF DIVERSION LOCATION PROGRAM

MAP CHAR	WATER RIGHT	QUANTITY CFS AND/OR	AC-FT	SOURCE DESCRIPTION or WELL INFO DIAMETER DEPTH YEAR LOG	POINT OF DIVERSION DESCRIPTION NORTH EAST CNR SEC TWN RNG B&M	U A N P N P
0	91 2073	.0110	.00	Unnamed Spring Stream		
		WATER USE(S): Iriart, Bernard		503 East 1st North		PRIORITY DATE: 00/00/1869 Price UT 8
1	91 5070	.2590	188.00	7 3990	S 2036 E 535 NW 28 12S 12E SL X	
		WATER USE(S): OTHER J-W Operating Company		P O Box 226405		PRIORITY DATE: 02/07/2003 Dallas TX 7
2	t21359	.0000	1.00	Soldier Creek & Unnamed Tribut	N 2210 W 3900 SE 29 12S 12E SL X	
		WATER USE(S): OTHER Canyon Fuel Company LLC		6955 Union Park Center Suite 550		PRIORITY DATE: 07/25/1997 Midvale UT 8
3	91 5070	.2590	188.00	6 3625	N 1982 E 2012 SW 28 12S 12E SL X	
		WATER USE(S): OTHER J-W Operating Company		P O Box 226405		PRIORITY DATE: 02/07/2003 Dallas TX 7

4	91 5070	.2590	188.00	6	3413	N 1983 E	801 SW 28 12S 12E SL X	WATER USE(S): OTHER J-W Operating Company	P O Box 226405	PRIORITY DATE: 02/07/2003 Dallas TX 7
5	91 2075	.0110	.00		Unnamed Spring			WATER USE(S): Iriart, Bernard	503 East 1st North	PRIORITY DATE: 00/00/1869 Price UT 8
6	91 7076	.0000	.00		Trib. to Soldier Creek			WATER USE(S): Iriart, Bernard		PRIORITY DATE: 00/00/1869 UT
6	91 7076	.0000	.00		Trib. to Soldier Creek			WATER USE(S): Iriart, Bernard		PRIORITY DATE: 00/00/1869 UT
6	91 2076	.0000	.00		Stream			WATER USE(S): Iriart, Bernard	503 East 1st North	PRIORITY DATE: 00/00/1869 Price UT 8
6	91 2076	.0000	.00		Stream			WATER USE(S): Iriart, Bernard	503 East 1st North	PRIORITY DATE: 00/00/1869 Price UT 8
7	91 1364	.0000	.00		Trib. to Soldier Creek			WATER USE(S): Nelson, Lawrence C.		PRIORITY DATE: 00/00/1869 Cleveland UT 8
7	91 1364	.0000	.00		Trib. to Soldier Creek			WATER USE(S): Nelson, Lawrence C.		PRIORITY DATE: 00/00/1869 Cleveland UT 8
8	91 5070	.2590	188.00	6	3540	N 1971 W	692 SE 29 12S 12E SL X	WATER USE(S): OTHER J-W Operating Company	P O Box 226405	PRIORITY DATE: 02/07/2003 Dallas TX 7
9	91 4124	.1500	.00	6	300	N 1000 E	550 SW 28 12S 12E SL X	WATER USE(S): IRRIGATION DOMESTIC STOCKWATERING Iriart, Bernard	503 East 1st North	PRIORITY DATE: 06/12/1974 Price UT 8
A	91 2098	.0000	.00		Soldier Creek			WATER USE(S): Iriart, Bernard	503 East 1st North	PRIORITY DATE: 00/00/1869 Price UT 8
A	91 2097	.0000	.00		Unnamed Stream			WATER USE(S):		PRIORITY DATE: 00/00/1869

	Iriart, Bernard			503 East 1st North					Price	UT 8
B	91 1365	.0000		.00 Trib. to Soldier Creek						
	WATER USE(S):								PRIORITY DATE: 00/00/1869	
	Nelson, Lawrence C.								Cleveland	UT 8
B	91 1365	.0000		.00 Trib. to Soldier Creek						
	WATER USE(S):								PRIORITY DATE: 00/00/1869	
	Nelson, Lawrence C.								Cleveland	UT 8
C	91 2097	.0000		.00 Unnamed Stream						
	WATER USE(S):								PRIORITY DATE: 00/00/1869	
	Iriart, Bernard								Price	UT 8
				503 East 1st North						
C	91 2096	.0110		.00 Unnamed Spring						
	WATER USE(S):								PRIORITY DATE: 00/00/1902	
	Iriart, Bernard								Price	UT 8
				503 East 1st North						
C	91 2095	.0000		.00 Unnamed Stream						
	WATER USE(S):								PRIORITY DATE: 00/00/1902	
	Iriart, Bernard								Price	UT 8
				503 East 1st North						
D	91 5070	.2590	188.00	6	3160	N	400	E	647	SW 28 12S 12E SL X
	WATER USE(S): OTHER									PRIORITY DATE: 02/07/2003
	J-W Operating Company								Dallas	TX 7
									P O Box 226405	
E	91 522	.0220		.00 Bill Lines Spring						
	WATER USE(S): STOCKWATERING								PRIORITY DATE: 00/00/1902	
	Canyon Fuel Company LLC								St. Louis	MO 6
									CityPlace One Suite 300	
F	91 523	.0000		.00 Soldier Creek						
	WATER USE(S):								PRIORITY DATE: 00/00/1869	
	Canyon Fuel Company LLC								St. Louis	MO
									CityPlace One Suite 300	
G	91 2088	.0110		.00 Unnamed Spring						
	WATER USE(S):								PRIORITY DATE: 00/00/1869	
	Iriart, Bernard								Price	UT 8
									503 East 1st North	
H	91 5070	.2590	188.00	6	3075	S	707	W	742	NE 32 12S 12E SL X
	WATER USE(S): OTHER									PRIORITY DATE: 02/07/2003
	J-W Operating Company								Dallas	TX 7
									P O Box 226405	
I	91 2087	.0000		.00 Soldier Creek						
	WATER USE(S):								PRIORITY DATE: 00/00/1869	
	Iriart, Bernard								Price	UT 8
									503 East 1st North	
J	91 2085	.0000		.00 Unnamed Stream						

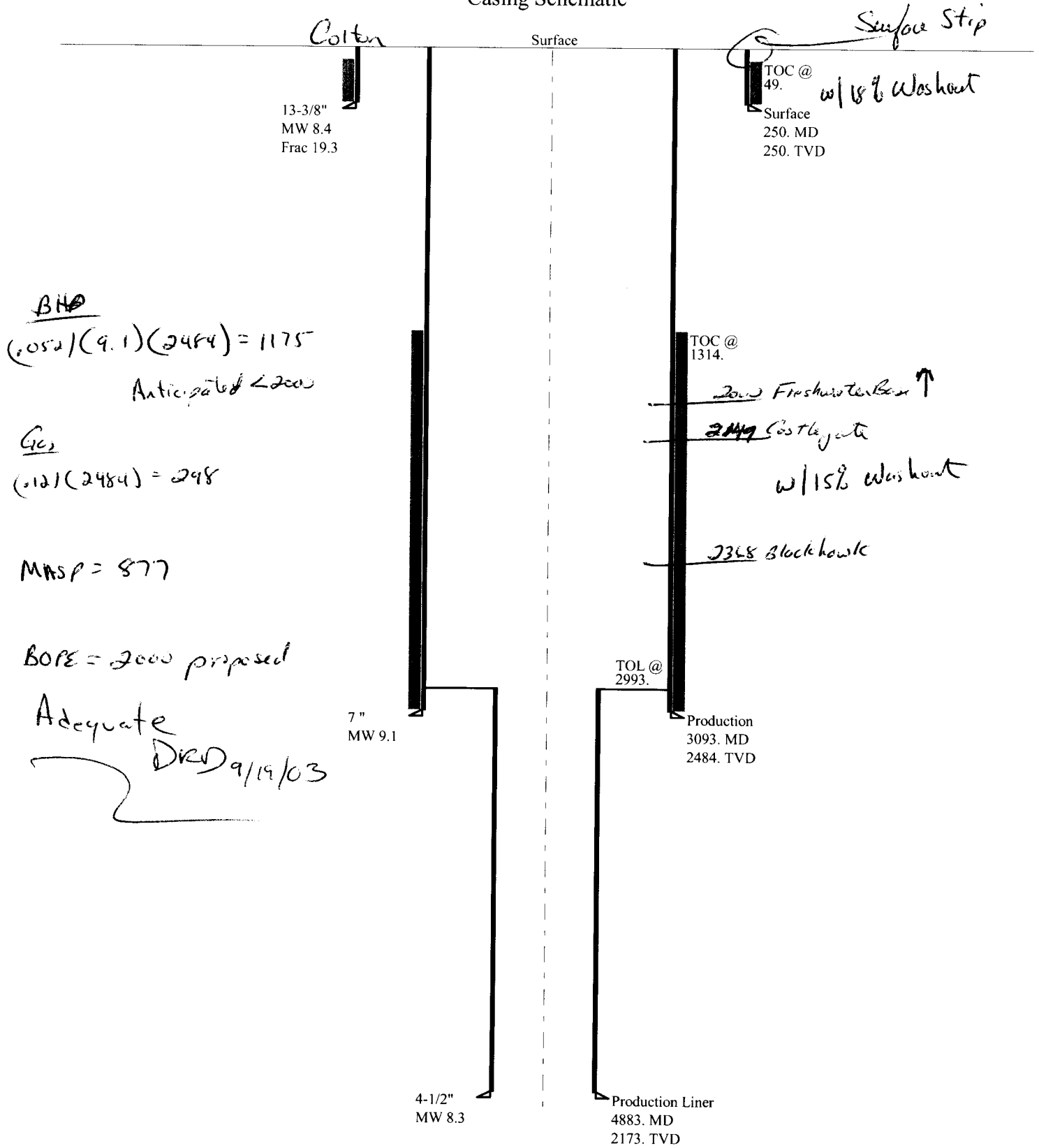
Points of Diversion

		WATER USE(S):			PRIORITY DATE: 00/00/1869
		Iriart, Bernard		503 East 1st North	Price UT 8
K	91 2086	.0000	.00	Unnamed Stream	
		WATER USE(S):			PRIORITY DATE: 00/00/1902
		Iriart, Bernard		503 East 1st North	Price UT 8
L	91 523	.0000	.00	Soldier Creek	
		WATER USE(S):			PRIORITY DATE: 00/00/1869
		Canyon Fuel Company LLC		CityPlace One Suite 300	St. Louis MO 6
M	91 2085	.0000	.00	Unnamed Stream	
		WATER USE(S):			PRIORITY DATE: 00/00/1869
		Iriart, Bernard		503 East 1st North	Price UT 8
N	91 2087	.0000	.00	Soldier Creek	
		WATER USE(S):			PRIORITY DATE: 00/00/1869
		Iriart, Bernard		503 East 1st North	Price UT 8

.....

J9-03 JW Op Soldier Creek S - 7-32H

Casing Schematic



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

OPERATOR: JW Operating

WELL NAME & NUMBER: Soldier Creek #7-32H

API NUMBER: 43-007-30941

LOCATION: 1/4,1/4 NENE Sec: 32 TWP: 12S RNG: 12E 697' FNL 822' FEL

Geology/Ground Water:

It is likely that this well will encounter several prolific fresh water bearing Formations during drilling including the North Horn and Price River Formations, which occur within 2,000' of the surface. Ground water is likely to be close to the surface. A nearby well encountered water at 85' TD. A well drilled at this location will likely spud into a poorly to moderately permeable soil developed on the Tertiary/Cretaceous undivided Flagstaff/North Horn Formation. Two water rights have been filed covering 7 wells, 6 of which are held in the Operator's name, within a mile of the location. The seventh is a stock water supply well held by the Iriart Family. Drainage is to the south into Soldier Creek, which eventually flows into the Price River. The proposed casing and cementing program and the freshwater/gel drilling fluid system should be sufficient protect the shallow ground water resource if the surface casing string is extended sufficiently to permit the surface casing to be set into the top of the immediately subjacent (to the undivided Flagstaff/North Horn Formations where admits basal springs in nearby canyons) Price River Formation.

Reviewer: Christopher J. Kierst **Date:** 9/2/03

Surface:

The proposed location is on property owned by the Iriart Family located ~16.0 miles Northeast of Price, Utah. Soldier Creek, a year-round live water source lies East of the proposed well ~430 yards. This well is proposed as a horizontal well off of an existing pad with the target location being at 2215 FSL, 1790 FEL, NWSE, sec 32, T12S, R12E. Construction of a 130' x 25' x 8' dugout earthen pit will be the only new surface disturbance associated with this well, therefore a new pre-site inspection was not performed. The existing location and some of the existing access road is located on private property within Soldier Canyon Mine Permit owned by Canyon Fuels, LLC. Contact has been made by Mark Jones, UDOGM, with Vicki Miller, (435-636-2869), at Canyon Fuels, regarding this issue. Dana Dean (DOGM) was also notified via e-mail correspondence regarding the issue with the mine permit. The terrain directly associated with this location drains South to the Price River. Dry washes run throughout the area. Precipitation will be deflected around the location with berms and culverts. The site was photographed and characterized during the initial well, (#6-32) pre-site inspection. Provision was made to ensure site rehabilitation, litter and waste control, preservation of drainage patterns and the integrity of local infrastructure, groundwater and other resources. The well utilities and gas gathering system are already in place following the approach roadway. Bernie Iriart, representing the Iriart Family, was in attendance at the on-site. Carbon County was invited as well as was DWR, both chose not to attend the original on-site.

Reviewer: Mark L. Jones **Date:** August 28, 2003

Conditions of Approval/Application for Permit to Drill:

1. Culverts sufficient to manage expected runoff, standing and surface water in crossed drainages.
2. Berm location and pit.
3. Site infrastructure as per drilling location plat.
4. Soil storage as per drilling location plat
5. A synthetic liner with a minimum thickness of 12 mils shall be properly installed and maintained in the reserve pit.
6. Pad construction as proposed in APD.

Well name:

09-03 JW Op Soldier Creek ST 7-32H

Operator: **J W Operating Company**

String type: Surface

Location: Carbon County

Project ID:

43-007-30941

Design parameters:

Collapse

Mud weight: 8.400 ppg

Design is based on evacuated pipe

Minimum design factors:

Collapse:

Design factor 1.125

Burst:

Design factor 1.00

Environment:

H2S considered? No

Surface temperature: 65 °F

Bottom hole temperature: 68 °F

Temperature gradient: 1.40 °F/100ft

Minimum section length: 250 ft

Cement top: 49 ft

Burst

Max anticipated surface pressure: 13 psi

Internal gradient: 0.468 psi/ft

Calculated BHP 130 psi

Tension:

8 Round STC: 1.80 (J)

8 Round LTC: 1.80 (J)

Non-directional string.

Well name:

09-03 JW Op Soldier Creek ST 7-32H

Operator: **J W Operating Company**

String type: Surface

Project ID:

43-007-30941

Location: Carbon County

Design parameters:

Collapse

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

Minimum design factors:

Collapse:

Design factor 1.125

Burst:

Design factor 1.00

Environment:

H2S considered? No
Surface temperature: 65 °F
Bottom hole temperature: 68 °F
Temperature gradient: 1.40 °F/100ft
Minimum section length: 250 ft

Cement top: 49 ft

Burst

Max anticipated surface pressure: 13 psi
Internal gradient: 0.468 psi/ft
Calculated BHP 130 psi

No backup mud specified.

Tension:

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

Tension is based on air weight.
Neutral point: 219 ft

Non-directional string.

Re subsequent strings:

Next setting depth: 2,484 ft
Next mud weight: 9.100 ppg
Next setting BHP: 1,174 psi
Fracture mud wt: 19.250 ppg
Fracture depth: 250 ft
Injection pressure 250 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	250	13.375	54.50	J-55	ST&C	250	250	12.49	26.9
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	109	1130	10.358	130	2730	21.03	14	514	37.72

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

Phone: 801.538.5280
FAX: 801.359.3940

Date: September 18, 2003
Salt Lake City, Utah

ENGINEERING STIPULATIONS: NONE

Collapse strength is based on the Westcott, Dunlop & Kemler method of biaxial correction for tension.
Collapse is based on a vertical depth of 250 ft, a mud weight of 8.4 ppg. The casing is considered to be evacuated for collapse purposes.
Burst strength is not adjusted for tension.

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

Well name:	09-03 JW Op Soldier Creek ST 7-32H	
Operator:	J W Operating Company	
String type:	Production	Project ID: 43-007-30941
Location:	Carbon County	

Design parameters:

Collapse
Mud weight: 9.100 ppg
Design is based on evacuated pipe.

Burst
Max anticipated surface pressure: 13 psi
Internal gradient: 0.468 psi/ft
Calculated BHP: 1,174 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: 2,147 ft

Environment:

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

Cement top: 1,314 ft

Directional well information:

Kick-off point: 0 ft
Departure at shoe: 767 ft
Maximum dogleg: 12 °/100ft
Inclination at shoe: 100 °

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	3093	7	20.00	J-55	ST&C	2484	3093	6.331	123.5

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	1174	2270	1.933	1195	3740	3.13	50	234	4.71 J

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

Phone: 801.538.5280
FAX: 801.359.3940

Date: September 18, 2003
Salt Lake City, Utah

ENGINEERING STIPULATIONS: NONE
Collapse strength is based on the Westcott, Dunlop & Kemler method of biaxial correction for tension.
Collapse is based on a vertical depth of 2484 ft, a mud weight of 9.1 ppg The casing is considered to be evacuated for collapse purposes.
Burst strength is not adjusted for tension.
Collapse strength is (biaxially) derated for doglegs in directional wells by multiplying the tensile stress by the cross section area to calculate a

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

Well name:	09-03 JW Op Soldier Creek ST 7-32H	
Operator:	J W Operating Company	
String type:	Production Liner	Project ID: 43-007-30941
Location:	Carbon County	

Design parameters:	Minimum design factors:	Environment:
Collapse	Collapse:	H2S considered? No
Mud weight: 8.300 ppg	Design factor 1.125	Surface temperature: 65 °F
Design is based on evacuated pipe.		Bottom hole temperature: 95 °F
		Temperature gradient: 1.40 °F/100ft
		Minimum section length: 1,500 ft
	Burst:	
	Design factor 1.00	
Burst		Liner top: 2,993 ft
Max anticipated surface pressure: 676 psi	Tension:	Directional well information:
Internal gradient: 0.120 psi/ft	8 Round STC: 1.80 (J)	Kick-off point 0 ft
Calculated BHP 937 psi	8 Round LTC: 1.80 (J)	Departure at shoe: 2530 ft
No backup mud specified.	Buttress: 1.60 (J)	Maximum dogleg: 0 °/100ft
	Premium: 1.50 (J)	Inclination at shoe: 100 °
	Body yield: 1.50 (B)	
	Tension is based on air weight.	
	Neutral point: 0 ft	

Run Seq	Segment Length (ft)	Size (in)	Nominal Weight (lbs/ft)	Grade	End Finish	True Vert Depth (ft)	Measured Depth (ft)	Drift Diameter (in)	Internal Capacity (ft³)
1	1883	4.5 ✓	9.50 ✓	J-55 ✓	ST&C ✓	2173	4883	3.965	36.2
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	937	3310	3.533 ✓	976	4380	4.49 ✓	-3	101	-32.51 J

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

Phone: 801.538.5280
FAX: 801.359.3940

Date: September 18,2003
Salt Lake City, Utah

ENGINEERING STIPULATIONS: NONE
Collapse strength is based on the Westcott, Dunlop & Kemler method of biaxial correction for tension.
For this liner string, the top is rounded to the nearest 100 ft. Collapse is based on a vertical depth of 2173 ft, a mud weight of 8.3 ppg. The Burst strength is not adjusted for tension.
Collapse strength is (biaxially) derated for doglegs in directional wells by multiplying the tensile stress by the cross section area to calculate a

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

SPARTAN
S T E E L P R O D U C T S

P.O. Box 10
Pittsburg, TX. 75686
email: dreynolds@spartansteel.com
www.spartansteel.com

Date: Thursday, September 18, 2003

To: Clinton Dworshak

From: Dustin Reynolds
Phone: 903-856-1800
Fax: 903-856-1801
Mobile: 903-855-7163

Pages: 6

Subject: MTR's

13-3/8" x 54.50#

**Thanks,
Dustin**



CERTIFICADO DE GARANTIA E QUALIDADE DE TUBOS
GUARANTEE AND QUALITY CERTIFICATE OF PIPES
CERTIFICADO DE GARANTIA Y CALIDAD DE TUBERIAS

PAIS DE ORIGEM **BRASIL**
 COUNTRY OF ORIGIN
 PAIS DE ORIGEM
 DESTINO: **BOLIVIA**
 DESTINATION
 MAXIMIZE - HEAD OFFICE
 OFICINA PRINCIPAL
 ALAMEDA RIONEGRO, 481 ALPHAVILLE
 06400 - BARUERI - SP
 TELEFONE - (011) - 420-6222
 FAX - (011) - 421-4257

9
 10

FABRICA - PLANT - PLANTA
 AV. GABRIEL MICALLETO, 475
 04600 - BRUNOCH MANOASA - SP
 TELEFONE - 0122 - 423311
 FAX - (0122) - 423588

PRODUTO: TUBOS DE AÇO CARBONO FABRICADOS PELO PROCESSO
 PRODUCT: CARBON STEEL PIPES MANUFACTURED BY THE PROCESS
 PRODUCTO: TUBERIAS DE ACERO AL CARBONO FABRICADOS POR EL PROCESO

EW / ERW

SOB O PEDIDO Nº
 UNDER THE ORDER NO.
 SOB O PEDIDO

ORDEM DE COMPRA No. 69-GPF-1708
 OF: 92-2183 - ITEM 002

CERTIFICAMOS QUE TODOS OS TUBOS FABRICADOS PARA A OBRA:
 IT IS HEREBY CERTIFIED THAT ALL PIPES MADE TO MILL PRODUCTION NO.
 CERTIFICAMOS QUE TODOS LOS TUBOS FABRICADOS PARA LA OBRA Nº

DT - 0100 R2

DETERMINADO(S) A
 FOR THE PURCHASER
 DETERMINADO(S) PARA

YACIMIENTOS PETROLIFEROS FISCALES BOLIVIANOS -

COM DIÁMETRO EXTERNO
 WITH OUTSIDE DIAMETER
 CON DIAMETRO EXTERNO

13 3/8"

ESPESSURA
 WALL THICKNESS
 ESPESOR

0.390" 54.5%

COMPRIMENTO INDIVIDUAL
 AND INDIVIDUAL LENGTH
 Y LONGITUD INDIVIDUAL

RANGE 2

PERFAZER UM TOTAL DE
 IN A TOTAL OF
 POR UN TOTAL DE

2.006

PEÇAS COM COMPRIMENTO TOTAL DE
 PIECES WITH TOTAL LENGTH
 UNIDADES PARA UNA LONGITUD TOTAL DE

18.968.175 mm

E PESO TOTAL DE
 AND TOTAL WEIGHT
 Y PESO TOTAL DE

1.627.686 kg

FORAM FABRICADOS, INSPECIONADOS E APROVADOS CONFORME A ESPECIFICAÇÃO
 WERE MANUFACTURED, INSPECTED AND APPROVED IN ACCORDANCE WITH THE SPECIFICATION
 FUERON FABRICADOS, INSPECIONADOS Y APROBADOS DE ACUERDO CON LA ESPECIFICACION

API 5CT J55

E ESPECIFICAÇÕES SUPLEMENTARES
 AND SUPPLEMENTARY SPECIFICATIONS
 Y ESPECIFICACIONES SUPLEMENTARIAS

API 5B/58 CS9 (STC)

E TESTADOS HIDROSTATICAMENTE À PRESSÃO DE
 AND HYDROSTATICALLY TESTED AT
 Y CON PRUEBA HIDROSTATICA A LA PRESION DE

2.500 psi

POR
 FOR
 DURANTE

10

SEGUNDOS
 SECONDS
 SEGUNDOS

NON DESTRUCTIVE TESTS: ULTRASONIC - REFERENCE STANDARD DRILLED HOLE 3,2mm

CONFAB TUBOS S/A - WE CERTIFY THAT MATERIAL IS NEW AND GENUINE

TODOS OS TUBOS CERTIFICADOS POR ESTE DOCUMENTO.
 ALL THE PIPES CERTIFIED BY THIS DOCUMENT, AS WELL AS THEIR
 TODOS LOS TUBOS CERTIFICADOS POR ESTE DOCUMENTO.

ASSIM COMO SEUS CÓDIGOS E COMPRIMENTOS INDIVIDUAIS.
 INDIVIDUAL CODES AND LENGTHS ARE RECORDED ON THE
 ASI COMO SUS CODIGOS Y LONGITUDES INDIVIDUALES.

ENCONTRAM-SE RELACIONADOS NOS AVISOS DE LIBERAÇÃO DE TUBOS DE M
 PIPE DELIVERY LIST'S R.D.
 SE ENCUENTRAN RELACIONADOS EN LOS REPORTES DE LIBERACION DE TUBERIAS DE M

226 2300 1/8 A 8/8	226 2312 1/8 A 8/8	326 0217 1/8 A 8/8
326 0324 1/8 A 8/8	326 0342 1/8 A 8/8	326 0357 1/8 A 8/8
326 0368 1/8 A 8/8		

- OS RESULTADOS DE ANÁLISES QUÍMICAS ENCONTRAM-SE REPORTADOS NOS REGISTROS DE M
- THE CHEMICAL ANALYSIS RESULTS ARE RECORDED ON THE REPORTS NO.
- LOS RESULTADOS DE LOS ANALISIS QUÍMICOS SE ENCUENTRAN REGISTRADOS EN LOS REPORTES NO. 310102
- OS RESULTADOS DE ENSAIOS MECÂNICOS ENCONTRAM-SE REPORTADOS NOS REGISTROS DE M
- THE MECHANICAL TEST RESULTS ARE RECORDED ON THE REPORTS NO.
- LOS RESULTADOS DE PRUEBAS MECANICAS SE ENCUENTRAN REGISTRADOS EN LOS REPORTES NO. 310102

PAGE 02
 SPARTAN STEEL PROD
 09/18/2003 02:15 9038561801

CERTIFICADO Nº CERTIFICATE NO. 017503	REVISÃO REVISION REVISION 0	DATA E LOCAL DE EMISSÃO DATE AND SITE OF EMISSION PINDA MONTE ALEGRE, 11 NOV 1994	INSPEÇÃO - INSPECTION - INSPECCIÓN	GERENTE DE CONTROLE DE QUALIDADE QUALITY CONTROL MANAGER GERENTE DE CONTROL DE CALIDAD
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CONFAB TUBOS S/A
QUALITY CONTROL - LABORATORY


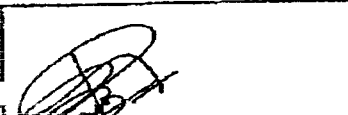


MECHANICAL TEST AND CHEMICAL ANALYSIS RECORD

CUSTOMER: SACINIENTOS PETROLÍFEROS FISCALES ROTATIVOS - S.R.F.B. (P.O.: N. 077 1706-00-89)
ORDER: OF: 8106781910 SPECIFICATION: API SCT JIS-1992
DIMENSIONS: 11.3/8" x 0.340" STEEL TUB. USUBINAS

IDENTIFICATION	TENSILE TEST					WELD	GWBED	CHEMICAL																		
	LAB	HEAT	YS	UTS	EL			UTS	FE	XC	XMA	XP	XS	CO	SI	MN	MO	Ni	CU	NI	AS	SE	AL	NI	SO	CO
Nr	Nr	MPA	MPA	%	%	MPA	MPA	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%
1	482500	477	589	NR	36.6	NR	NR	13	119	22	3	NR	NR	NR	NR	TR	TR	36	14	16	NR	NR	26	NR		
2	484173	449	572	NR	40.6	NR	NR	15	108	20	4	NR	NR	NR	NR	TR	TR	33	15	23	NR	NR	26	NR		
3	485574	454	578	NR	36.2	NR	NR	15	110	24	3	NR	NR	NR	NR	TR	TR	35	17	30	NR	NR	24	NR		
4	486374	476	603	NR	36.2	NR	NR	16	117	19	4	NR	NR	NR	NR	TR	TR	35	18	32	NR	NR	24	NR		
5	486369	464	607	NR	36.8	NR	NR	17	113	18	5	NR	NR	NR	NR	TR	TR	40	16	23	NR	NR	25	NR		
6	486492	456	568	NR	36.6	NR	NR	13	113	20	4	NR	NR	NR	NR	TR	TR	35	14	20	NR	NR	20	NR		
7	486493	458	582	NR	37.0	NR	NR	15	117	21	4	NR	NR	NR	NR	TR	TR	35	14	36	NR	NR	16	NR		
8	486495	463	582	NR	36.2	NR	NR	15	113	17	3	NR	NR	NR	NR	TR	TR	36	13	30	NR	NR	25	NR		
9	486496	450	577	NR	36.0	NR	NR	16	110	21	4	NR	NR	NR	NR	TR	TR	35	15	35	NR	NR	20	NR		
10	486497	472	594	NR	33.9	NR	NR	15	119	19	4	NR	NR	NR	NR	TR	TR	35	15	44	NR	NR	20	NR		
11	486516	435	560	NR	38.0	NR	NR	15	115	15	4	NR	NR	NR	NR	TR	TR	36	16	30	NR	NR	28	NR		
12	486517	452	573	NR	35.2	NR	NR	19	113	17	5	NR	NR	NR	NR	TR	TR	40	16	30	NR	NR	20	NR		
13	486519	448	599	NR	35.2	NR	NR	19	113	20	2	NR	NR	NR	NR	TR	TR	38	18	32	NR	NR	20	NR		
14	486878	423	533	NR	41.1	NR	NR	15	108	16	3	NR	NR	NR	NR	TR	TR	40	14	26	NR	NR	25	NR		
15	486879	492	610	NR	37.2	NR	NR	16	110	19	3	NR	NR	NR	NR	TR	TR	40	14	25	NR	NR	24	NR		
16	585461	451	564	NR	37.2	NR	NR	13	109	17	5	NR	NR	NR	NR	TR	TR	36	14	30	NR	NR	34	NR		
17	585462	447	566	NR	39.0	NR	NR	15	113	20	2	NR	NR	NR	NR	TR	TR	32	15	25	NR	NR	32	NR		
18	585463	452	581	NR	37.8	NR	NR	14	106	20	2	NR	NR	NR	NR	TR	TR	34	16	26	NR	NR	15	NR		
19	585471	464	589	NR	37.4	NR	NR	15	113	25	4	NR	NR	NR	NR	TR	TR	36	18	26	NR	NR	25	NR		
20	585472	456	587	NR	39.2	NR	NR	15	117	20	5	NR	NR	NR	NR	TR	TR	38	20	26	NR	NR	18	NR		
21	585473	452	573	NR	37.4	NR	NR	14	111	19	4	NR	NR	NR	NR	TR	TR	35	16	29	NR	NR	36	NR		
22	585487	459	574	NR	38.8	NR	NR	14	110	22	5	NR	NR	NR	NR	TR	TR	33	12	22	NR	NR	25	NR		
23	585488	457	574	NR	37.8	NR	NR	15	103	22	4	NR	NR	NR	NR	TR	TR	33	16	24	NR	NR	36	NR		
24	585500	479	586	NR	37.8	NR	NR	15	113	23	3	NR	NR	NR	NR	TR	TR	36	15	26	NR	NR	20	NR		
25	585501	465	591	NR	38.2	NR	NR	15	115	23	3	NR	NR	NR	NR	TR	TR	35	15	23	NR	NR	25	NR		

REMARKS:

- 1) NR= HOT ROLLED
- 1) TESTS ACCORDING TO API SCT/ASTM A 378
- 1) TENSILE TEST: SPECIMENS ACCORDING TO FIG. 5.1 (STRAIGHT SPECIMEN) OF API SCT.

 CHEMICAL LABORATORY FOREMAN	 LABORATORY SUPERVISOR	 CUSTOMER REPRESENTATIVE	RECORD 310102 LOT A SHEET 01/02 REVISION 00
 PHYSICAL LABORATORY FOREMAN			

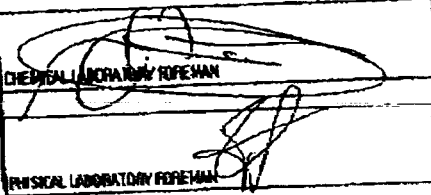
CONFAB TUBOS S/A
QUALITY CONTROL - LABORATORY

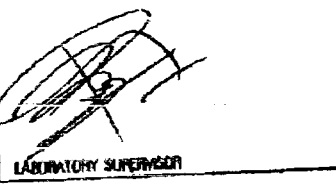
MECHANICAL TEST AND CHEMICAL ANALYSIS REPORT

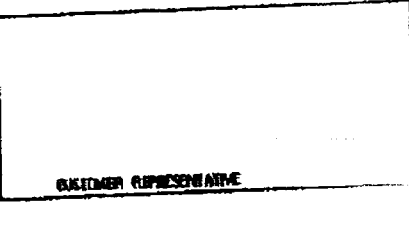
CUSTOMER: YACIEMENTOS PETROLIFEROS FISCALES BOLIVIANOS - Y.P.F.B. (P.O.: B. CFF 1714-00-83)
 ORDER OF: 8146281938 SPECIFICATION: API SCT J16-1992
 DIMENSIONS: 13 3/8" x 0.381" STEEL MILL: USIRIAS

IDENTIFICATION		TENSILE TEST					WELD	GUIDE	CHEMICAL															
LAB	SEA-	BASE METAL		WELD		WTS			FLR	MC	MM	MP	MS	MO	MI	MO	MM	MY	MT	MB	MS	MA	MI	MO
NR	NR	MPA	MPa	NR	NR	%	NR	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%
26	585504	453	580	NR	37.2	NR	NR	14	109	23	5	NR	NR	NR	NR	NR	NR	32	17	30	NR	NR	45	NR
27	585794	471	587	NR	38.6	NR	NR	13	107	21	3	NR	NR	NR	NR	NR	NR	35	16	16	NR	NR	28	NR

REMARKS:
 1) NR= NOT REQUIRED
 2) TESTS ACCORDING TO API SCT/ASTM A 770
 3) TENSILE TEST: SPECIMENS ACCORDING TO FIG. 5.1 (STRIP SPECIMEN) OF API SCT.

CHEMICAL LABORATORY FOREMAN


LABORATORY SUPERVISOR


CUSTOMER REPRESENTATIVE


RECORD 310102
 LOT A
 SHEET 02/02
 REVISION 00


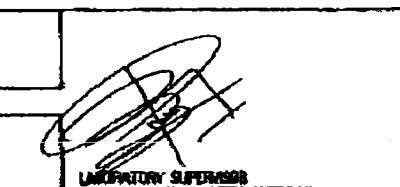
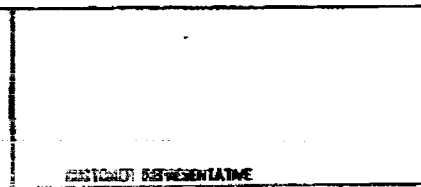
CONFAB TUBGS S/A
QUALITY CONTROL - LABORATORY

MECHANICAL TEST AND CHEMICAL ANALYSIS RECORD

CUSTOMER: FACILITADOS PETROLIFEROS FISCALES BOLIVIANOS - F.P.F.B. (P.O.: B. GPT 1716-00-83)
ORDER NO: 446281831 SPECIFICATION: API 5CT J05-1992
DIMENSIONS: 13.1/4" x 0.310" STEEL MILL: USBRIMS

IDENTIFICATION		TENSILE TEST					WELD	SECO	CHEMICAL																
LAB No	HEAT No	YS	UTS	YS/UTS	EI	UTS	FLR	MC	Si	Mn	P	S	Fe	Co	Ni	Cr	Cu	Nb	Mo	V	Al	Ca	Mg	Ce	RE
1	482500	NR	NR	NR	NR	NR	NR	13	112	21	3	NR	NR	NR	NR	TR	TR	38	15	18	NR	NR	30	NR	
2	484773	NR	NR	NR	NR	NR	NR	15	106	19	4	NR	NR	NR	NR	TR	TR	32	15	23	NR	NR	29	NR	
3	485974	NR	NR	NR	NR	NR	NR	15	108	23	3	NR	NR	NR	NR	TR	TR	35	16	30	NR	NR	24	NR	
4	486374	NR	NR	NR	NR	NR	NR	16	116	19	5	NR	NR	NR	NR	TR	TR	34	20	38	NR	NR	26	NR	
5	486369	NR	NR	NR	NR	NR	NR	17	112	20	3	NR	NR	NR	NR	TR	TR	40	15	26	NR	NR	28	NR	
6	486492	NR	NR	NR	NR	NR	NR	14	115	20	4	NR	NR	NR	NR	TR	TR	36	15	30	NR	NR	20	NR	
7	486493	NR	NR	NR	NR	NR	NR	15	116	20	3	NR	NR	NR	NR	TR	TR	36	15	35	NR	NR	20	NR	
8	486495	NR	NR	NR	NR	NR	NR	15	112	18	3	NR	NR	NR	NR	TR	TR	35	14	30	NR	NR	28	NR	
9	486496	NR	NR	NR	NR	NR	NR	15	112	20	3	NR	NR	NR	NR	TR	TR	36	16	35	NR	NR	22	NR	
10	486497	NR	NR	NR	NR	NR	NR	15	114	20	4	NR	NR	NR	NR	TR	TR	36	16	45	NR	NR	23	NR	
11	486516	NR	NR	NR	NR	NR	NR	15	116	16	4	NR	NR	NR	NR	TR	TR	35	15	30	NR	NR	26	NR	
12	486517	NR	NR	NR	NR	NR	NR	15	115	18	5	NR	NR	NR	NR	TR	TR	34	15	38	NR	NR	22	NR	
13	486519	NR	NR	NR	NR	NR	NR	19	112	20	2	NR	NR	NR	NR	TR	TR	38	19	30	NR	NR	21	NR	
14	486878	NR	NR	NR	NR	NR	NR	14	110	15	2	NR	NR	NR	NR	TR	TR	42	15	25	NR	NR	26	NR	
15	486875	NR	NR	NR	NR	NR	NR	16	109	20	2	NR	NR	NR	NR	TR	TR	40	14	26	NR	NR	25	NR	
16	585462	NR	NR	NR	NR	NR	NR	12	110	18	5	NR	NR	NR	NR	TR	TR	36	15	21	NR	NR	36	NR	
17	585462	NR	NR	NR	NR	NR	NR	15	112	20	2	NR	NR	NR	NR	TR	TR	33	15	25	NR	NR	32	NR	
18	585463	NR	NR	NR	NR	NR	NR	15	108	20	2	NR	NR	NR	NR	TR	TR	34	18	26	NR	NR	16	NR	
19	585471	NR	NR	NR	NR	NR	NR	15	115	24	5	NR	NR	NR	NR	TR	TR	36	18	26	NR	NR	25	NR	
20	585472	NR	NR	NR	NR	NR	NR	15	118	20	5	NR	NR	NR	NR	TR	TR	38	20	26	NR	NR	19	NR	
21	585473	NR	NR	NR	NR	NR	NR	14	109	18	4	NR	NR	NR	NR	TR	TR	34	17	24	NR	NR	34	NR	
22	585487	NR	NR	NR	NR	NR	NR	14	108	22	4	NR	NR	NR	NR	TR	TR	32	14	21	NR	NR	26	NR	
23	585488	NR	NR	NR	NR	NR	NR	14	105	22	3	NR	NR	NR	NR	TR	TR	32	16	23	NR	NR	36	NR	
24	585580	NR	NR	NR	NR	NR	NR	15	114	23	2	NR	NR	NR	NR	TR	TR	35	15	26	NR	NR	20	NR	
25	585501	NR	NR	NR	NR	NR	NR	15	113	22	2	NR	NR	NR	NR	TR	TR	35	15	24	NR	NR	25	NR	

REMARKS:
1) NR= NOT REQUIRED
2) TESTS ACCORDING TO API 5CT/ASTM A 77

 PHYSICAL LABORATORY FOREMAN	 LABORATORY SUPERVISOR	 CUSTOMER REPRESENTATIVE	RECORD 310102 LOT B SHEET 01/02 REVISION 00
--------------------------------------------------------------------------------------------------------------------	--------------------------------------------------------------------------------------------------------------	-----------------------------------------------------------------------------------------------------------------	------------------------------------------------------

CONFAB TUBOS S/A
 QUALITY CONTROL - LABORATORY

MECHANICAL TEST AND CHEMICAL ANALYSIS RECORD

CUSTOMER: YACIMONTOS PETROLEROS FISCALES BOLIVIANOS - Y.P.F.B. (P.G.: N. GEN 1786-OC-05)
 ORDER: 07: 810201801 SPECIFICATION: API SCT J55-1992
 DIMENSIONS: 13.273" x 0.360" STEEL MILL: USMIRAS

IDENTIFICATION		TENSILE TEST					BROOKS BEND F&R	CHEMICAL																
LAB #	HEAT #	YS	UTS	Y&UTS	R	WELD UTS		%C	Mn	PS	XS	NO	NI	CU	MM	SV	XTI	Wb	SE	KA	KN	CO	NO	CS
26	505504	NR	NR	NR	NR	NR	14	105	22	6	NR	NR	NR	NR	NR	NR	33	18	30	NR	NR	45	NR	
27	505794	NR	NR	NR	NR	NR	13	106	22	3	NR	NR	NR	NR	NR	NR	35	19	18	NR	NR	90	NR	

REMARKS:
 1) NR - NOT REQUIRED
 2) TESTS ACCORDING TO API SCT/ASTM A 113

 PHYSICAL LABORATORY SUPERVISOR	 LABORATORY SUPERVISOR	CUSTOMER REPRESENTATIVE	RECORD 310102 LOT B SHEET 01/02 REVISION 00
-----------------------------------------------------------------------------------------------------------------------	--------------------------------------------------------------------------------------------------------------	-------------------------	------------------------------------------------------

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

FORM 9

SUNDRY NOTICES AND REPORTS ON WELLS		5. LEASE DESIGNATION AND SERIAL NUMBER: ML-48131
Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.		6. IF INDIAN, ALLOTTEE OR TRIBE NAME: N/A
1. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER _____		7. UNIT or CA AGREEMENT NAME: N/A
2. NAME OF OPERATOR: J-W Operating Company		8. WELL NAME and NUMBER: Soldier Creek, State #7-32H
3. ADDRESS OF OPERATOR: P.O. Box 305 CITY Wray STATE CO ZIP 80758		9. API NUMBER:
4. LOCATION OF WELL FOOTAGES AT SURFACE: 697' FNL, 822' FEL, NE/4 NE/4		10. FIELD AND POOL, OR WILDCAT: Soldier Creek
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NENE 32 12S 12E S		COUNTY: Carbon
		STATE: UTAH

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

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

J-W Operating Company wishes to utilize a 9-7/8" intermediate hole for the 7" intermediate casing rather than the 10-5/8" hole previously proposed in the APD.

Appropriate changes have been made to the Form 3 and Exhibit "D" of the previously submitted APD.

Please replace Form 3 and Exhibit "D" of the previously submitted APD with the following updated information.

NAME (PLEASE PRINT) <u>Don Hamilton</u>	TITLE <u>Agent for J-W Operating Company</u>
SIGNATURE <u>Don Hamilton</u>	DATE <u>8/25/2003</u>

TALON RESOURCES INC

September 2, 2003

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

RE: Affidavit of Fact — J-W Operating Company (Soldier Creek, State #7-32H)

Dear Mrs. Mason:

On behalf of J-W Operating Company, Talon Resources, Inc. respectfully submits this Affidavit of Fact for the Soldier Creek, State #7-32H proposed well. The Affidavit of Fact is required since the referenced horizontal single-lateral well is proposed within the same drilling unit boundary as the existing Soldier Creek, State, #6-32 vertical well.

Thank you for your timely consideration of our previous applications. Please feel free to contact myself or Mr. Robert Eller with J-W Operating Company at 970-332-3151 if you have any questions or need additional information.

Sincerely,

Don Hamilton
Agent for J-W Operating Company

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

RECEIVED

SEP 03 2003

TALON RESOURCES, INC.

195 North 100 West, Huntington, Utah 84528
Phone: (435) 687-5310 (435) 650-1886 Fax: (435) 687-5311

Fax Transmittal Cover Sheet

Date: 9-10-03

Number of pages: 3

Message To: Diana— Division of Oil, Gas, and Mining

Telephone Number: 1-801-538-5312

Fax Number: 1-801-359-3940

Diana:

Hard Copy to follow by regular mail.

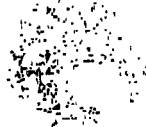
Please feel free to contact me if you have any questions or need additional information.

Don

RECEIVED

SEP 10 2003

DIV. OF OIL, GAS & MINING



TALON RESOURCES INC

September 10, 2003

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

RE: Request for Exception—J-W Operating Company—Soldier Creek, State 7-32H

Dear Mrs. Mason:

On behalf of J-W Operating Company, Talon Resources, Inc. respectfully submits this request for exception to rule R649-3-2.5 with the following information to supplement the previously submitted APD for the above referenced well.

J-W Operating Company intends to drill and complete a horizontal single lateral well within 1,320' of an existing vertical wellbore, Soldier Creek, State 6-32 (located within the NE/4 NE/4, Section 32, T12S, R12E, SLB&M) in the same formation.

J-W Operating Company is the sole owner within Section 32, T12S, R12E, SLB&M (The use of the word owner herein is defined in R649-1 of the Utah Division of Oil, Gas and Mining, Oil and Gas General Rules.)

There are not boundaries of leases not committed to the drilling of this well closer than 660' from the proposed horizontal interval in the target formation.

Thank you for your timely consideration of our application. Please feel free to contact Mr. Ken Read with J-W Operating Company at 1-970-332-3151 or myself if you have any questions or need additional information.

Sincerely,

Don Hamilton
Don Hamilton
Agent for J-W Operating Company

cc: Mr. Ken Read, J-W Operating Company
Mr. Robert Eller, J-W Operating Company
Mrs. Ginny Burchard, J-W Operating Company

RECEIVED

SEP 10 2003

DIV OF OIL GAS & MINING

ORIGINAL

P.O. # 1230
(435) 687-5310

195 N. 100 West
(435) 687-5311

Huntington, Utah 84528
talon@etv.net

TALON RESOURCES INC

September 10, 2003

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

RE: Request for Exception—J-W Operating Company—Soldier Creek, State 7-32H

Dear Mrs. Mason:

On behalf of J-W Operating Company, Talon Resources, Inc. respectfully submits this request for exception to rule R649-3-2.5 with the following information to supplement the previously submitted *APD* for the above referenced well.

J-W Operating Company intends to drill and complete a horizontal single lateral well within 1,320' of an existing vertical wellbore, Soldier Creek, State 6-32 (located within the NE/4 NE/4, Section 32, T12S, R12E, SLB&M) in the same formation.

J-W Operating Company is the sole owner within Section 32, T12S, R12E, SLB&M (The use of the word owner herein is defined in R649-1 of the Utah Division of Oil, Gas and Mining, Oil and Gas General Rules.)

There are not boundaries of leases not committed to the drilling of this well closer than 660' from the proposed horizontal interval in the target formation.

Thank you for your timely consideration of our application. Please feel free to contact Mr. Ken Read with J-W Operating Company at 1-970-332-3151 or myself if you have any questions or need additional information.

Sincerely,

Don Hamilton

Don Hamilton
Agent for J-W Operating Company

cc: Mr. Ken Read, J-W Operating Company
Mr. Robert Eller, J-W Operating Company
Mrs. Ginny Burchard, J-W Operating Company

RECEIVED

SEP 12 2003

DIV. OF OIL, GAS & MINING

ORIGINAL

P.O. # 1230
(435) 687-5310

195 N. 100 West
(435) 687-5311

Huntington, Utah 84528
talon@etv.net



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

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

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

September 19, 2003

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

Re: Soldier Creek State 7-32H Well, 697' FNL, 822' FEL, NE NE, Sec. 32, T. 12 South,
R. 12 East, Bottom Location 2215' FSL, 1790' FEL, NW SE, Sec. 32, T. 12 South,
R. 12 East, Carbon County, Utah

Gentlemen:

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

Administrative approval for an exception location is hereby granted on the condition that if the well is productive from the horizontal wellbore, the operator agrees to come before the Board of Oil, Gas and Mining seeking appropriate spacing.

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 43-007-30941.

Sincerely,

John R. Baza
 Associate Director

pab
 Enclosures

cc: Carbon County Assessor
 SITLA

Operator: J-W Operating Company
Well Name & Number Soldier Creek State 7-32H
API Number: 43-007-30941
Lease: ML-48131

Location: NE NE **Sec.** 32 **T.** 12 South **R.** 12 East
Bottom Location: NW SE **Sec.** 32 **T.** 12 South **R.** 12 East

Conditions of Approval

1. General

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

2. Notification Requirements

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

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

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

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

3. Reporting Requirements

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

4. Compliance with the State of Utah Antiquities Act forbids disturbance of archeological, historical, or paleontological remains. Should archeological, historical or paleontological remains be encountered during your operations, you are required to immediately suspend all operations and immediately inform the Trust Lands Administration and the Division of State History of the discovery of such remains.

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

Page 2

Conditions of Approval API# 43-007-30941

September 19, 2003

6. In accordance with Utah Admin. R.649-3-11, Directional Drilling, the operator shall submit a complete angular deviation and directional survey report to the Division within 30 days following completion of the well
7. Surface casing shall be cemented to the surface.
8. A temporary 640 acre spacing unit is hereby established in Section 32, Township 12 South, Range 12 East for the drilling of this well (R649-3-2.6). No other horizontal wells may be drilled in this section unless approved by the Board of Oil, Gas and Mining.

From: Ed Bonner
To: Mason, Diana
Date: 9/22/03 8:36AM
Subject: Well Clearance

The following well has been given cultural resource clearance by the Trust Lands Cultural Resources Group:

J-W Operating Company
Soldier Creek 7-32H

If you have any questions regarding this matter please give me a call.

CC: Baza, John; Garrison, LaVonne; Hill, Brad; Hunt, Gil

DIVISION OF OIL, GAS AND MINING**SPUDDING INFORMATION**Name of Company: J-W OPERATING COMPANYWell Name: SOLDIER CREEK ST 7-32HApi No: 43-007-30941 Lease Type: STATESection 32 Township 12S Range 12E County CARBONDrilling Contractor XL DRILLING RIG # 14**SPUDDED:**Date 10/04/03Time 6:15 PMHow ROTARY**Drilling will commence:** _____Reported by RANDY EDELENTelephone # 1-435-820-0398Date 10/06/2003 Signed CHD

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

FORM 9

008

5. LEASE DESIGNATION AND SERIAL NUMBER:
ML-48131

6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
NA

7. UNIT or CA AGREEMENT NAME:
NA

8. WELL NAME and NUMBER:
Soldier Creek State #7-32H

9. API NUMBER:
43-007-30941

10. FIELD AND POOL, OR WILDCAT:
Soldier Creek

SUNDRY NOTICES AND REPORTS ON WELLS

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

1. TYPE OF WELL OIL WELL GAS WELL OTHER _____

2. NAME OF OPERATOR:
J-W Operating Company

3. ADDRESS OF OPERATOR:
PO Box 305 CITY Wray STATE CO ZIP 80758

4. LOCATION OF WELL

PHONE NUMBER:
970-332-3151

FOOTAGES AT SURFACE: 697'FNL, 822'FEL

QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NENE SEC 32, T.12South, R 12East
SLB&M

COUNTY: Carbon County

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

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

WEEKLY DRILL REPORT

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

SIGNATURE *Diane D. Koch* DATE 10-14-03

(This space for State use only)

RECEIVED

OCT 16 2003

LEASE DESCRIPTION: Soldier Creek State #7-32H
LOCATION: 697' FNL & 822' FEL, NENE/4, Section 32-T12S-R12E
COUNTY: Carbon STATE: Utah API #: 43-007-30941

J-WOC
ELEV: 7379'
FIELD: Soldier Creek
Page 1 of 2

10/01/03: (THT) @ 7:00 AM @ MIRU. Previous 24 Hrs - Excell Drilling Company Rig #14 Moving to location.

10/02/03: (THT) @ 7:00 AM @ MIRU. Previous 24 Hrs – MIRU.
ESTIMATED DAILY COST: \$12,500.00

10/03/03: (THT) @ 7:00 AM @ RU. Previous 24 Hrs – RU.
ESTIMATED DAILY COST: \$ 0.00
ACCUMULATIVE COST: \$12,500.00

10/04/03: (THT) @ 7:00 AM @ RU. Previous 24 Hrs – RU.
ESTIMATED DAILY COST: \$ 0.00
ACCUMULATIVE COST: \$12,500.00

10/05/03: (THT) @ 7:00 AM @ 76' & Rig Repair. Previous 24 Hrs – Spud mouse & rat hole @ 1:00 PM, 10/04/03; Spud surf @ 6:00 PM, 10/04/03; Drl 17-1/2" hole; TOOH; Repair rig.
ESTIMATED DAILY COST: \$ 8,390.00
ACCUMULATIVE COST: \$20,890.00

10/06/03: (THT) @ 7:00 AM @ 147' & Rig Repair. Previous 24 Hrs – Rig repair; Drl 17-1/2" hole; Rig repair.
ESTIMATED DAILY COST: \$ 2,130.00
ACCUMULATIVE COST: \$23,020.00

10/07/03: (THT) @ 7:00 AM @ 167' & Drl 17-1/2" Hole. Previous 24 Hrs – Rig repair; Drl 17-1/2" hole.
ESTIMATED DAILY COST: \$ 1,775.00
ACCUMULATIVE COST: \$24,795.00

10/08/03: (THT) @ 7:00 AM @ Surf TD of 251' & WOC. Previous 24 Hrs – Drl 17-1/2" hole; Circ; TOOH; RUCsging crew; RIH w/(8) jts 13-3/8" surf csg meas 257', set @ 238' KB; Cmmt w/(230) sx w/2% CaCl; PD @ 01:00 AM, 10/08/03; WOC.
ESTIMATED DAILY COST: \$ 8,520.00
ACCUMULATIVE COST: \$33,315.00

10/09/03: (THT) @ 7:00 AM @ Surf TD of 251' & RU Flow Nip. Previous 24 Hrs – WOC; Nip up BOP; Test BOP; RU flow nip.
ESTIMATED DAILY COST: \$ 6,833.00
ACCUMULATIVE COST: \$40,148.00

10/10/03: (THT) @ 7:00 AM @ 988' & Drl 9-7/8" Hole. Previous 24 Hrs – RU flow nip; Drl 9-7/8" hole; WOOrders; Drl 9-7/8" hole.
ESTIMATED DAILY COST: \$ 6,479.00
ACCUMULATIVE COST: \$46,627.00

DISTRIBUTION:

J-W Dallas (PDW)

Bayless

Wray (MS, RCK, RCE, KLR, AJB, RLB, TRL, BRM, SS, NOS, MBS, DK, HRG, JB, LD)

ENTITY ACTION FORM

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

Operator Account Number: N2145

Phone Number: 970-332-3151

Well 1

API Number	Well Name		QQ	Sec	Twp	Rng	County
43-007-30941	Soldier Creek State #7-32H		NENE	32	12S	12E	Carbon
Action Code	Current Entity Number	New Entity Number	Spud Date		Entity Assignment Effective Date		
A	99999	13930	10/04/03		10/23/03		
Comments: <u>B/K/K</u>							

Well 2

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

Well 3

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

ACTION CODES:

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

Diane D. Koch
Name (Please Print)
Diane D. Koch
Signature
E&P Assistant
Title

10/14/03
Date

RECEIVED

OCT 16 2003

J-W OPERATING COMPANY

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

October 15, 2003

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

**RE: Form 9 Sundry Notice
Soldier Creek State #7-32H
NE-NE/4 Sec.32-T12S-R12E
Carbon County, Utah**

Gentlemen:

Enclosed is one (1) original and one (1) copy of Form 9, Sundry Notice for the Soldier Creek State #7-32H.

Should you have any questions or require additional information regarding the Soldier Creek #7-32H well, please do not hesitate to contact this office.

Sincerely,

J-W OPERATING COMPANY



Robert C. Eller
Engineer

/rce

cc: J-W Well File

OCT 17 2003

EX-1000-00000000

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

FORM 9

009

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: ML-48131
2. NAME OF OPERATOR: J-W OPERATING COMPANY		6. IF INDIAN, ALLOTTEE OR TRIBE NAME: N/A
3. ADDRESS OF OPERATOR: P.O. BOX 305 CITY WRAY STATE CO ZIP 80758		7. UNIT or CA AGREEMENT NAME: N/A
4. LOCATION OF WELL FOOTAGES AT SURFACE: 697' FNL & 822' FEL QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NENE 32 T12S 12E		8. WELL NAME and NUMBER: SOLDIER CREEK STATE #7-32H 9. API NUMBER: 43-007-30941 30941
		10. FIELD AND POOL, OR WILDCAT: Soldier Creek970-332-mmmmm
		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 checked="" 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: _____
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12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

Received verbal approval from DOGM representative Mark Jones to construct additional reserve pit measuring 120' x 60' x 8-1/2' on location for storing drilling fluids during drilling operations. Reserve pit was also lined.

NAME (PLEASE PRINT) Robert C. Eller TITLE Engineer
SIGNATURE *Robert C. Eller* DATE 10/15/2003

(This space for State use only)

**APPROVED BY THE STATE
OF UTAH DIVISION OF
OIL, GAS, AND MINING**
DATE: 10/24/03
BY: *DAIR*

COPIES SENT TO OPERATOR
BY: 10-27-03
BY: LHD

OCT 17 2003

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

FORM 9

010

SUNDRY NOTICES AND REPORTS ON WELLS

5. LEASE DESIGNATION AND SERIAL NUMBER:

ML-48131

6. IF INDIAN, ALLOTTEE OR TRIBE NAME:

NA

7. UNIT or GA AGREEMENT NAME:

NA

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

8. WELL NAME and NUMBER:

Soldier Creek State #7-32H

9. API NUMBER:

43-007-30941

1. TYPE OF WELL

OIL WELL

GAS WELL

OTHER _____

2. NAME OF OPERATOR:

J-W Operating Company

3. ADDRESS OF OPERATOR:

PO Box 305

CITY

Wray

STATE

CO

ZIP 80758

PHONE NUMBER:

970-332-3151

10. FIELD AND POOL, OR WILDCAT:

Soldier Creek

4. LOCATION OF WELL

FOOTAGES AT SURFACE: 697' FNL, 822' FEL

COUNTY:

Carbon County

QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NENE SEC 32, T:12South, R 12East
SLB&M

STATE:

UTAH

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

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

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

WEEKLY DRILL REPORT

NAME (PLEASE PRINT)

Diane D. Koch

TITLE

E&P Assistant

SIGNATURE

Diane D. Koch

DATE

10-23-03

(This space for State use only)

OCT 2 / 2003

LEASE DESCRIPTION: Soldier Creek State #7-32H
LOCATION: 697' FNL & 822' FEL, NENE/4, Section 32-T12S-R12E
COUNTY: Carbon STATE: Utah API #: 43-007-30941

J-WOC
ELEV: 7379'
FIELD: Soldier Creek
Page 3 of 3

10/18/03: (THT) @ 7:00 AM @ 2237' & TIH. Previous 24 Hrs – Cond mud & circ; TOOH; Break down reamer; Wait on Mud Motor; TIH.
ESTIMATED DAILY COST: \$ 8,520.00
ACCUMULATIVE COST: \$107,407.00
THIRD PARTY COST PER KLR: \$14,415.00

10/19/03: (THT) @ 7:00 AM @ 2490' & Drl 9-7/8" Hole. Previous 24 Hrs – TIH; Drl 9-7/8" hole.
ESTIMATED DAILY COST: \$ 8,520.00
ACCUMULATIVE COST: \$115,927.00
THIRD PARTY COST PER KLR: \$20,252.00

10/20/03: (THT) @ 7:00 AM @ 2658' & Drl 9-7/8" Hole. Previous 24 Hrs – Drl 9-7/8" hole.
ESTIMATED DAILY COST: \$ 8,520.00
ACCUMULATIVE COST: \$124,447.00
THIRD PARTY COST PER KLR: \$18,255.00

10/21/03: (THT) @ 7:00 AM @ 2674' & Trips. Previous 24 Hrs – Drl 9-7/8" hole; TOOH; Lay down Mud Motor; WOMud Motor; Trips.
ESTIMATED DAILY COST: \$ 8,520.00
ACCUMULATIVE COST: \$132,967.00
THIRD PARTY COST PER KLR: \$18,981.00

10/22/03: (THT) @ 7:00 AM @ 2725' & Trips. Previous 24 Hrs – TIH; Wash to bottom; Drl 8-3/4" hole; TOOH; Dir work; Broke stabilizer off of motor; WONew stabilizer; Dir work; Make up new stabilizer; Trips.
ESTIMATED DAILY COST: \$ 8,520.00
ACCUMULATIVE COST: \$141,487.00

10/23/03: (THT) @ 7:00 AM @ 2725' & Rig Repair. Previous 24 Hrs – Rig repair.
ESTIMATED DAILY COST: \$ 0.00
ACCUMULATIVE COST: \$141,487.00

DISTRIBUTION:

J-W Dallas (PDW)

Bayless

Wray (MS, RCK, RCE, KLR, AJB, RLB, TRL, BRM, SS, NOS, MBS, DK, HRG, JB, LD)

LEASE DESCRIPTION: Soldier Creek State #7-32H
 LOCATION: 697' FNL & 822' FEL, NENE/4, Section 32-T12S-R12E
 COUNTY: Carbon STATE: Utah API #: 43-007-30941

J-WOC
 ELEV: 7379'
 FIELD: Soldier Creek
 Page 2 of 3

10/11/03: (THT) @ 7:00 AM @ 1894' & Drl 9-7/8" Hole. Previous 24 Hrs – Drl 9-7/8" hole; Dev surv 1° @ 790'; Drl 9-7/8" hole.

ESTIMATED DAILY COST: \$ 8,520.00
 ACCUMULATIVE COST: \$55,147.00

10/12/03: (THT) @ 7:00 AM @ 2067' & RU MWD Tools. Previous 24 Hrs – Drl 9-7/8" hole; Cond mud & circ; TOOH; RU MWD Tools.

ESTIMATED DAILY COST: \$ 8,660.00
 ACCUMULATIVE COST: \$63,807.00

10/13/03: (THT) @ 7:00 AM @ 2163' & Reaming. Previous 24 Hrs – RU MWD Tools; TIH; Ream; Drl 9-7/8" hole; Circ; TOOH; TIH; Serv rig; Ream.

ESTIMATED DAILY COST: \$ 8,520.00
 ACCUMULATIVE COST: \$73,327.00

10/14/03: (THT) @ 7:00 AM @ 2219' & TOOH for Mud Motor Failure. Previous 24 Hrs – Ream; Drl 9-7/8" hole; TOOH; Break down reamer; TIH; Repair Mud Logger depth tracking cable; Drl 9-7/8" hole; Circ; TOOH.

DEPTH	DEV	DIR	TVD	DISP
1221	.80	243.8	1220.92	11.97
1406	.90	224.6	1405.90	14.28
1596	1.50	216.3	1595.86	18.07
1780	1.80	210.1	1779.78	23.27
1967	2.20	206.4	1966.67	29.76
2030	2.40	201.8	2029.62	32.29
2062	3.50	203.7	2061.57	33.94
2093	5.10	203.0	2092.49	36.26

ESTIMATED DAILY COST: \$ 8,520.00
 ACCUMULATIVE COST: \$81,847.00
 THIRD PARTY COST PER KLR: \$51,740.00

10/15/03: (THT) @ 7:00 AM @ 2219' & WOMMotor. Previous 24 Hrs – WOMMotor.

ESTIMATED DAILY COST: \$ 0.00
 ACCUMULATIVE COST: \$81,847.00

10/16/03: (THT) @ 7:00 AM @ 2222' & Drl 9-7/8" Hole. Previous 24 Hrs - WOMMotor; Ream; Drl 9-7/8" hole.

ESTIMATED DAILY COST: \$ 8,520.00
 ACCUMULATIVE COST: \$90,367.00
 THIRD PARTY COST PER KLR: \$23,444.00

10/17/03: (THT) @ 7:00 AM @ 2237' & Circ on Bottom. Previous 24 Hrs – Drl 9-7/8" hole; TOOH; WDown hole motor; TIH; Wash to bottom.

ESTIMATED DAILY COST: \$ 8,520.00
 ACCUMULATIVE COST: \$98,887.00
 DISTRIBUTION:

J-W Dallas (PDW) Bayless
 Wray (MS, RCK, RCE, KLR, AJB, RLB, TRL, BRM, SS, NOS, MBS, DK, HRG, JB, LD)

012

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

FORM 9

SUNDRY NOTICES AND REPORTS ON WELLS

5. LEASE DESIGNATION AND SERIAL NUMBER:

ML-48131

6. IF INDIAN, ALLOTTEE OR TRIBE NAME:

NA

7. UNIT OR CA AGREEMENT NAME:

NA

8. WELL NAME and NUMBER:

Soldier Creek State #7-32H

9. API NUMBER:

43-007-30941

10. FIELD AND POOL, OR WILDCAT:

Soldier Creek

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

1. TYPE OF WELL

OIL WELL GAS WELL OTHER _____

2. NAME OF OPERATOR:

J-W Operating Company

3. ADDRESS OF OPERATOR:

PO Box 305 city Wray STATE CO ZIP 80758

PHONE NUMBER:

970-332-3151

4. LOCATION OF WELL

FOOTAGES AT SURFACE: 697' FNL, 822' FEL

COUNTY: Carbon County

QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NENE SEC 32, T.12South, R 12East
SLB&M

STATE: UTAH

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

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

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

WEEKLY DRILL REPORT

RECEIVED

NOV 03 2003

DIV. OF OIL, GAS & MINING

NAME (PLEASE PRINT) Diane D. Koch

TITLE E&P Assistant

SIGNATURE *Diane D. Koch*

DATE 10/29/03

(This space for State use only)

LEASE DESCRIPTION: Soldier Creek State #7-32H
LOCATION: 697' FNL & 822' FEL, NENE/4, Section 32-T12S-R12E
COUNTY: Carbon STATE: Utah API #: 43-007-30941

J-WOC
ELEV: 7379'
FIELD: Soldier Creek
Page 4 of 4

10/27/03: (THT) @ 7:00 AM @ 3104' & WOCmnt. Previous 24 Hrs – Drl 8-3/4" hole; Cond mud & circ; ST; Cond mud & circ; TOOH; RU csg crew; Safety meeting; RIH w/(70) jts of 7" surf csg meas 3173', set @ 3182' KB; Cmmt w(270) sx "G" 5% calseal, 2% CaCl, 2% KCL; PD @ 04:00 AM, 10/27/03; WOC.
ESTIMATED DAILY COST: \$ 8,520.00
ACCUMULATIVE COST: \$158,527.00

10/28/03: (THT) @ 7:00 AM @ 3104' & WOBOP. Previous 24 Hrs – WOC; Nip up BOP; Blind ram locked up; WOBOP.
ESTIMATED DAILY COST: \$ 4,260.00
ACCUMULATIVE COST: \$162,787.00

10/29/03: (THT) @ 7:00 AM @ 3104' & Make up Directional MWD Tools. Previous 24 Hrs – WONew BOP; Nip up BOP; Test BOP; Directional work; Make up Directional MWD tools.
ESTIMATED DAILY COST: \$ 8,520.00
ACCUMULATIVE COST: \$171,307.00
THIRD PARTY COST PER COHORT: \$13,835.00

RECEIVED

NOV 03 2003

DIV. OF OIL, GAS & MINING

DISTRIBUTION:

J-W Dallas (PDW)

Bayless

Wray (MS, RCK, RCE, KLR, AJB, RLB, TRL, BRM, SS, NOS, MBS, DK, HRG, JB, LD)

LEASE DESCRIPTION: Soldier Creek State #7-32H
LOCATION: 697' FNL & 822' FEL, NENE/4, Section 32-T12S-R12E
COUNTY: Carbon STATE: Utah API #: 43-007-30941

J-WOC
ELEV: 7379'
FIELD: Soldier Creek
Page 3 of 4

10/18/03: (THT) @ 7:00 AM @ 2237' & TIH. Previous 24 Hrs – Cond mud & circ; TOO; Break down reamer; Wait on Mud Motor; TIH.

ESTIMATED DAILY COST: \$ 8,520.00
ACCUMULATIVE COST: \$107,407.00
THIRD PARTY COST PER KLR: \$14,415.00

10/19/03: (THT) @ 7:00 AM @ 2490' & Drl 9-7/8" Hole. Previous 24 Hrs – TIH; Drl 9-7/8" hole.

ESTIMATED DAILY COST: \$ 8,520.00
ACCUMULATIVE COST: \$115,927.00
THIRD PARTY COST PER KLR: \$20,252.00

10/20/03: (THT) @ 7:00 AM @ 2658' & Drl 9-7/8" Hole. Previous 24 Hrs – Drl 9-7/8" hole.

ESTIMATED DAILY COST: \$ 8,520.00
ACCUMULATIVE COST: \$124,447.00
THIRD PARTY COST PER KLR: \$18,255.00

10/21/03: (THT) @ 7:00 AM @ 2674' & Trips. Previous 24 Hrs – Drl 9-7/8" hole; TOO; Lay down Mud Motor; WOMud Motor; Trips.

ESTIMATED DAILY COST: \$ 8,520.00
ACCUMULATIVE COST: \$132,967.00
THIRD PARTY COST PER KLR: \$18,981.00

10/22/03: (THT) @ 7:00 AM @ 2725' & Trips. Previous 24 Hrs – TIH; Wash to bottom; Drl 8-3/4" hole; TOO; Dir work; Broke stabilizer off of motor; WOnew stabilizer; Dir work; Make up new stabilizer; Trips.

ESTIMATED DAILY COST: \$ 8,520.00
ACCUMULATIVE COST: \$141,487.00

10/23/03: (THT) @ 7:00 AM @ 2725' & Rig Repair. Previous 24 Hrs – Rig repair.

ESTIMATED DAILY COST: \$ 0.00
ACCUMULATIVE COST: \$141,487.00

10/24/03: (THT) @ 7:00 AM @ 2725' & Circ. Previous 24 Hrs – Cond mud & circ; WOParts; Try to drl (no diff press); Circ pump pill.

ESTIMATED DAILY COST: \$ 0.00
ACCUMULATIVE COST: \$141,487.00
THIRD PARTY COST PER KLR: \$17,385.00

10/25/03: (THT) @ 7:00 AM @ 2848' & Drl 8-3/4" Hole. Previous 24 Hrs – TOO to change Mmotor; tih; Drl 8-3/4" hole.

ESTIMATED DAILY COST: \$ 8,520.00
ACCUMULATIVE COST: \$150,007.00

10/26/03: (THT) @ 7:00 AM @ 2991' & Drl 8-3/4" Hole. Previous 24 Hrs – Drl 8-3/4" hole.

ESTIMATED DAILY COST: \$ 8,520.00
ACCUMULATIVE COST: \$158,527.00

DISTRIBUTION:

J-W Dallas (PDW)

Bayless

Wray (MS, RCK, RCE, KLR, AJB, RLB, TRL, BRM, SS, NOS, MBS, DK, HRG, JB, LD)

013

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

FORM 9

SUNDRY NOTICES AND REPORTS ON WELLS

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

1. TYPE OF WELL OIL WELL GAS WELL OTHER _____

2. NAME OF OPERATOR:
J-W Operating Company

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

4. LOCATION OF WELL
FOOTAGES AT SURFACE: 697' ENL, 822' FEL
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NENE SEC 32, T. 12South, R 12East
SLB&M

5. LEASE DESIGNATION AND SERIAL NUMBER:
ML-48131

6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
NA

7. UNIT or CA AGREEMENT NAME:
NA

8. WELL NAME and NUMBER:
Soldier Creek State #7-32H

9. API NUMBER:
43-007-30941

10. FIELD AND POOL, OR WILDCAT:
Soldier Creek

COUNTY: Carbon County

STATE: UTAH

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

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

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

WEEKLY DRILL REPORT

NAME (PLEASE PRINT) Diane D. Koch TITLE E&P Assistant
SIGNATURE *[Signature]* DATE Nov 4, 2003

(This space for State use only)

RECEIVED
NOV 06 2003
DIV. OF OIL, GAS & MINING

LEASE DESCRIPTION: Soldier Creek State #7-32H
LOCATION: 697' FNL & 822' FEL, NENE/4, Section 32-T12S-R12E
COUNTY: Carbon STATE: Utah API #: 43-007-30941

J-WOC
ELEV: 7379'
FIELD: Soldier Creek
Page 5 of 5

11/04/03: (WJH) @ 7:00 AM @ 2864' & Drl 6-1/4" Hole. Previous 24 Hrs – WOOOrders; Nip up BOP; Make up bottom hole assembly; Make up BHA; Break circ; Test tools; Lay down (11) jts; Drl 6-1/4 hole 2802'-2864'.

DISTRIBUTION:

J-W Dallas (PDW)

Bayless

Wray (MS, RCK, RCE, KLR, AJB, RLB, TRL, BRM, SS, NOS, MBS, DK, HRG, JB, LD)

LEASE DESCRIPTION: Soldier Creek State #7-32H
LOCATION: 697' FNL & 822' FEL, NENE/4, Section 32-T12S-R12E
COUNTY: Carbon STATE: Utah API #: 43-007-30941

J-WOC
ELEV: 7379'
FIELD: Soldier Creek
Page 4 of 4

10/27/03: (THT) @ 7:00 AM @ 3104' & WOCmnt. Previous 24 Hrs – Drl 8-3/4" hole; Cond mud & circ; ST; Cond mud & circ; TOO; RU csg crew; Safety meeting; RIH w/(70) jts of 7" surf csg meas 3173', set @ 3182' KB; Cmmt w(270) sx "G" 5% caeal, 2% CaCl, 2% KCL; PD @ 04:00 AM, 10/27/03; WOC.

ESTIMATED DAILY COST: \$ 8,520.00

ACCUMULATIVE COST: \$158,527.00

10/28/03: (THT) @ 7:00 AM @ 3104' & WOBOP. Previous 24 Hrs – WOC; Nip up BOP; Blind ram locked up; WOBOP.

ESTIMATED DAILY COST: \$ 4,260.00

ACCUMULATIVE COST: \$162,787.00

10/29/03: (THT) @ 7:00 AM @ 3104' & Make up Directional MWD Tools. Previous 24 Hrs – WOnew BOP; Nip up BOP; Test BOP; Directional work; Make up Directional MWD tools.

ESTIMATED DAILY COST: \$ 8,520.00

ACCUMULATIVE COST: \$171,307.00

THIRD PARTY COST PER COHORT: \$13,835.00

10/30/03: (THT) @ 7:00 AM @ 3195' & Drl 6-1/4" Hole. Previous 24 Hrs – TIH; Cond mud & circ; Test kelly to 3000#; Drl shoe; Drl 6-1/4" hole; Slide from 3175' to 3195'.

ESTIMATED DAILY COST: \$ 8,520.00

ACCUMULATIVE COST: \$179,827.00

10/31/03: (THT) @ 7:00 AM @ 3121' & Drl 6-1/8" Hole. Previous 24 Hrs – Drl 6-1/4" hole 3195'-3199'; TOO; Dir work c/o Gamma tool & bit; WOB; TIH; Start new hole; Drl 6-1/8" hole 3114'-3121'.

ESTIMATED DAILY COST: \$ 8,520.00

ACCUMULATIVE COST: \$188,077.00

11/01/03: (THT) @ 7:00 AM @ 3175' & Drl 6-1/8" Hole. Previous 24 Hrs – Repair Mud pump, thaw wtr lines; Control Drl 6-1/8" hole 3121'-3137'; Pull back to 3121' time dril 4-2 min per inch; Drl 6-1/8" hole; Slide from 3139'-3169'; Drl 6-1/8" hole.

ESTIMATED DAILY COST: \$ 6,922.00

ACCUMULATIVE COST: \$194,999.00

THIRD PARTY COST PER COHORT: \$17,500.00

11/02/03: (WJH) @ 7:00 AM @ 3430' & Drl 6-1/8" Hole. Previous 24 Hrs – Drl 6-1/8" hole 3175'-3254'; Dir work; TOO; Dir work; Slide from 3254' to 3264'; Drl 6-1/8" hole 3264'-3430'; Slide from 3264'-3296'.

ESTIMATED DAILY COST: \$ 8,520.00

ACCUMULATIVE COST: \$203,519.00

THIRD PARTY COST PER COHORT: \$20,000.00

11/03/03: (WJH) @ 7:00 AM @ 3480' & WOC. Previous 24 Hrs – Drl 6-1/8" hole 3430'-3480'; TOO; TIH to cmnt; WOCmnters; Cmmt; WOC.

ESTIMATED DAILY COST: \$ 8,520.00

ACCUMULATIVE COST: \$212,039.00

THIRD PARTY COST PER COHORT: \$180,985.00

DISTRIBUTION:

J-W Dallas (PDW)

Bayless

Wray (MS, RCK, RCE, KLR, AJB, RLB, TRL, BRM, SS, NOS, MBS, DK, HRG, JB, LD)

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

SUNDRY NOTICES AND REPORTS ON WELLS

5. LEASE DESIGNATION AND SERIAL NUMBER:

ML-48131

6. IF INDIAN, ALLOTTEE OR TRIBE NAME:

NA

7. UNIT or CA AGREEMENT NAME:

NA

8. WELL NAME and NUMBER:

Soldier Creek State #7-32H

9. API NUMBER:

43-007-30941

10. FIELD AND POOL, OR WILDCAT:

Soldier Creek

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

1. TYPE OF WELL

OIL WELL GAS WELL OTHER _____

2. NAME OF OPERATOR:

J-W Operating Company

3. ADDRESS OF OPERATOR:

PO Box 305 CITY Wray STATE CO ZIP 80758

PHONE NUMBER:

970-332-3151

4. LOCATION OF WELL

FOOTAGES AT SURFACE: 697' FNL, 822' FEL

COUNTY: Carbon County

QTR/CTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NENE SEC 32, T. 12South, R 12East
SLB&M

STATE:

UTAH

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

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

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

WEEKLY DRILL REPORT

NAME (PLEASE PRINT) Diane D. Koch

TITLE E&P Assistant

SIGNATURE *Diane Koch*

DATE 11-12-03

(This space for State use only)

RECEIVED
NOV 14 2003
DIV. OF OIL, GAS & MINING

LEASE DESCRIPTION: Soldier Creek State #7-32H
LOCATION: 697' FNL & 822' FEL, NENE/4, Section 32-T12S-R12E
COUNTY: Carbon STATE: Utah API #: 43-007-30941

J-WOC
ELEV: 7379'
FIELD: Soldier Creek
Page 6 of 6

11/11/03: (WJH) @ 7:00 AM @ 4210' & RU Gas Buster & Flowline. Previous 24 Hrs – Drl 6-1/4" hole; Circ samples; Lay down (41) jts fo drl pipe & (15) stands; RU gas buster & flowline.
ESTIMATED DAILY COST: \$ 8,520.00
ACCUMULATIVE COST: \$256,591.00
THIRD PARTY COST PER COHORT: \$24,758.00

11/12/03: (WJH) @ 7:00 AM @ TD of 4588' & ST. Previous 24 Hrs – RU gas buster & flowline; TIH; Ream; Drl 6-1/4" hole; Circ; Drl 6-1/4" hole to TD of 4588' @ 2:30 AM, 11/12/03, w/mwt 8.2#, vis 25; Cond mud & circ; Remove rotating head; ST.
ESTIMATED DAILY COST: \$ 8,520.00
ACCUMULATIVE COST: \$265,111.00
THIRD PARTY COST PER COHORT: \$18,154.00

DISTRIBUTION:

J-W Dallas (PDW)

Bayless

Wray (MS, RCK, RCE, KLR, AJB, RLB, TRL, BRM, SS, NOS, MBS, DK, HRG, JB, LD)

LEASE DESCRIPTION: Soldier Creek State #7-32H
LOCATION: 697' FNL & 822' FEL, NENE/4, Section 32-T12S-R12E
COUNTY: Carbon STATE: Utah API #: 43-007-30941

J-WOC
ELEV: 7379'
FIELD: Soldier Creek
Page 5 of 5

11/04/03: (WJH) @ 7:00 AM @ 2864' & Drl 6-1/4" Hole. Previous 24 Hrs – WOOrders; Nip up BOP; Make up BHA; Laydown; Pick up BHA; Break circ; Test tools; Lay down (11) jts; Drl 6-1/4" hole 2802'-2864'.
ESTIMATED DAILY COST: \$ 8,520.00
ACCUMULATIVE COST: \$220,559.00
THIRD PARTY COST PER COHORT: \$17,500.00

11/05/03: (WJH) @ 7:00 AM @ 3252' & Lay down BHA. Previous 24 Hrs – Drl 6-1/4" hole 2864'-3252'; Cond mud & circ; TOOH replace chain on rotary clutch; Lay down BHA.
ESTIMATED DAILY COST: \$ 8,520.00
ACCUMULATIVE COST: \$229,079.00
THIRD PARTY COST PER COHORT: \$17,500.00

11/06/03: (WJH) @ 7:00 AM @ 3252' & WOParts. Previous 24 Hrs – WOParts.
ESTIMATED DAILY COST: \$ 0.00
ACCUMULATIVE COST: \$229,079.00
THIRD PARTY COST PER COHORT: \$17,500.00

11/07/03: (WJH) @ 7:00 AM @ 3252' & WOParts. Previous 24 Hrs – WOParts.
ESTIMATED DAILY COST: \$ 0.00
ACCUMULATIVE COST: \$229,079.00
THIRD PARTY COST PER COHORT: \$17,500.00

11/08/03: (WJH) @ 7:00 AM @ 3426' & Drl 6-1/4" Hole. Previous 24 Hrs – WOParts; Repair; Make up BHA; TIH; Drl 6-1/4" hole.
ESTIMATED DAILY COST: \$ 3,195.00
ACCUMULATIVE COST: \$232,274.00
THIRD PARTY COST PER COHORT: \$17,500.00

11/09/03: (WJH) @ 7:00 AM @ 3606' & Drl 6-1/4" Hole. Previous 24 Hrs – Drl 6-1/4" hole; Serv rig; Drl 6-1/4" hole; Cond mud & circ; Break down tool & motor; Make-up BHA & WOTools; TIH; Put on rotating head; Drl 6-1/4" hole.
ESTIMATED DAILY COST: \$ 7,277.00
ACCUMULATIVE COST: \$239,551.00
THIRD PARTY COST PER COHORT: \$19,204.00

11/10/03: (WJH) @ 7:00 AM @ 4179' & Drl 6-1/4" Hole. Previous 24 Hrs – Drl 6-1/4" hole; Circ & WOOrders; Drl 6-1/4" hole; Slide from 3858'-3862'.
ESTIMATED DAILY COST: \$ 8,520.00
ACCUMULATIVE COST: \$248,071.00
THIRD PARTY COST PER COHORT: \$18,154.00

DISTRIBUTION:

J-W Dallas (PDW)

Bayless

Wray (MS, RCK, RCE, KLR, AJB, RLB, TRL, BRM, SS, NOS, MBS, DK, HRG, JB, LD)

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

SUNDRY NOTICES AND REPORTS ON WELLS

5. LEASE DESIGNATION AND SERIAL NUMBER:

ML-48131

6. IF INDIAN, ALLOTTEE OR TRIBE NAME:

NA

7. UNIT OR CA AGREEMENT NAME:

NA

8. WELL NAME and NUMBER:

Soldier Creek State #7-32H

9. API NUMBER:

43-007-30941

10. FIELD AND POOL, OR WILDCAT:

Soldier Creek

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

1. TYPE OF WELL

OIL WELL

GAS WELL

OTHER _____

2. NAME OF OPERATOR:

J-W Operating Company

3. ADDRESS OF OPERATOR:

PO Box 305

CITY

Wray

STATE

CO

ZIP

80758

PHONE NUMBER:

970-332-3151

4. LOCATION OF WELL

FOOTAGES AT SURFACE:

697' FNL, 822' FEL

COUNTY:

Carbon County

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

NENE SEC 32, T. 12South, R 12East
SLB&M

STATE:

UTAH

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

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

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

WEEKLY DRILL REPORT

NAME (PLEASE PRINT)

Diane D. Koch

TITLE

E&P Assistant

SIGNATURE

DATE

11-18-03

(This space for State use only)

RECEIVED

NOV 20 2003

LEASE DESCRIPTION: Soldier Creek State #7-32H
LOCATION: 697' FNL & 822' FEL, NENE/4, Section 32-T12S-R12E
COUNTY: Carbon STATE: Utah API #: 43-007-30941

J-WOC
ELEV: 7379'
FIELD: Soldier Creek
Page 6 of 6

11/11/03: (WJH) @ 7:00 AM @ 4210' & RU Gas Buster & Flowline. Previous 24 Hrs – Drl 6-1/4" hole; Circ samples; Lay down (41) jts fo drl pipe & (15) stands; RU gas buster & flowline.
ESTIMATED DAILY COST: \$ 8,520.00
ACCUMULATIVE COST: \$256,591.00
THIRD PARTY COST PER COHORT: \$24,758.00

11/12/03: (WJH) @ 7:00 AM @ TD of 4588' & ST. Previous 24 Hrs – RU gas buster & flowline; TIH; Ream; Drl 6-1/4" hole; Circ; Drl 6-1/4" hole to TD of 4588' @ 2:30 AM, 11/12/03, w/mwt 8.2#, vis 25; Cond mud & circ; Remove rotating head; ST.
ESTIMATED DAILY COST: \$ 8,520.00
ACCUMULATIVE COST: \$265,111.00
THIRD PARTY COST PER COHORT: \$18,154.00

11/13/03: (WJH) @ 7:00 AM @ TD of 4588' & TOO. Previous 24 Hrs – Circ; TOO; WOFormation Packer; TIH; Set packer @ 4410'; TOO.
ESTIMATED DAILY COST: \$ 8,520.00
ACCUMULATIVE COST: \$273,631.00

11/14/03: (TRL) @ 7:00 AM @ TD of 4588' & TIH. Previous 24 Hrs – TOO; WOlay down crew; RIH w/ (32) jts perforated, (2) jts non perforated 10.5#, 4-1/2" prod csg; Csg C 4-1/2" L & R csg hanger meas 1373', set @ 4253', csg hanger set @ 2880'; RD csg crew; TIH w/csg hanger; Set csg hanger; TOO; Break down hanger tool; TIH w/42 stands; RU laydown Crew; Safety Mtg; Lay Down 42 stands; TIH.
ESTIMATED DAILY COST: \$ 8,520.00
ACCUMULATIVE COST: \$282,151.00

11/15/03: (WJH) @ 7:00 AM @ TD of 4588' & RDMO. Previous 24 Hrs – Lay down drl string; Nip down; Install WH; Rel rig @ 7:00 PM, 11/14/03.
ESTIMATED DAILY COST: \$ 4,260.00
ACCUMULATIVE COST: \$286,411.00

DISTRIBUTION:

J-W Dallas (PDW)

Bayless

Wray (MS, RCK, RCE, KLR, AJB, RLB, TRL, BRM, SS, NOS, MBS, DK, HRG, JB, LD)

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NOV 20 2003

DIV. OF OIL, GAS & MINES

J-W OPERATING COMPANY

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

OIL AND GAS PROPERTY MANAGEMENT

PHONE 970 332-3151
Fax 970 332-5821

December 10, 2003

Carol Daniels
Division of Oil, Gas, and Mining
P. O. Box 145801
Salt Lake City, UT 84114

Re: Soldier Creek State 7-32H well (API # 43-007-30941) *T 125 R 13E S-32*

Ms. Daniels,

Enclosed you will find the certified survey results and logs of the Soldier Creek State 7-32H well. These results are enclosed pursuant to R649-3-11 and R649-3-21 of the Utah Oil and Gas Conservation General Rules. Enclosed for inclusion into the state records are the following documents:

Certified Directional Survey Listing

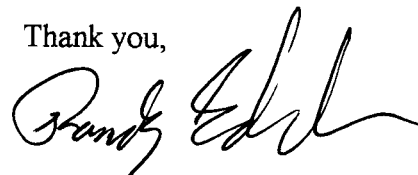
1:240 Gamma Ray, Measured Depth

1:240 Gamma Ray, True Vertical Depth

} Also with log files

Please keep all applicable information in the strictest confidence during the predetermined period.

Thank you,



Randy Edelen
Project Engineer

Enc.-3
Certified Surveys
MD Gamma Ray Log
TVD Gamma Ray Log

RECEIVED

DEC 18 2003

DIV. OF OIL, GAS & MINING

CONFIDENTIAL



**Scientific
Drilling**

DIRECTIONAL SURVEY REPORT

Prepared For

**J.W. Operating
Soldier Creek State #7-32 H
Carbon County, UT**

***Prepared By:
Summer Whitehouse - Well Planner
Scientific Drilling International
Rocky Mountain District***

Scientific Drilling International
7237 W. Barton Rd., Casper, WY 82604
P.O. Box 1600, Mills, WY 82644
(307) 472-6621
sdicasper@touchtronics.net

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DEC 1 8 2003

DIV. OF OIL, GAS & MINING



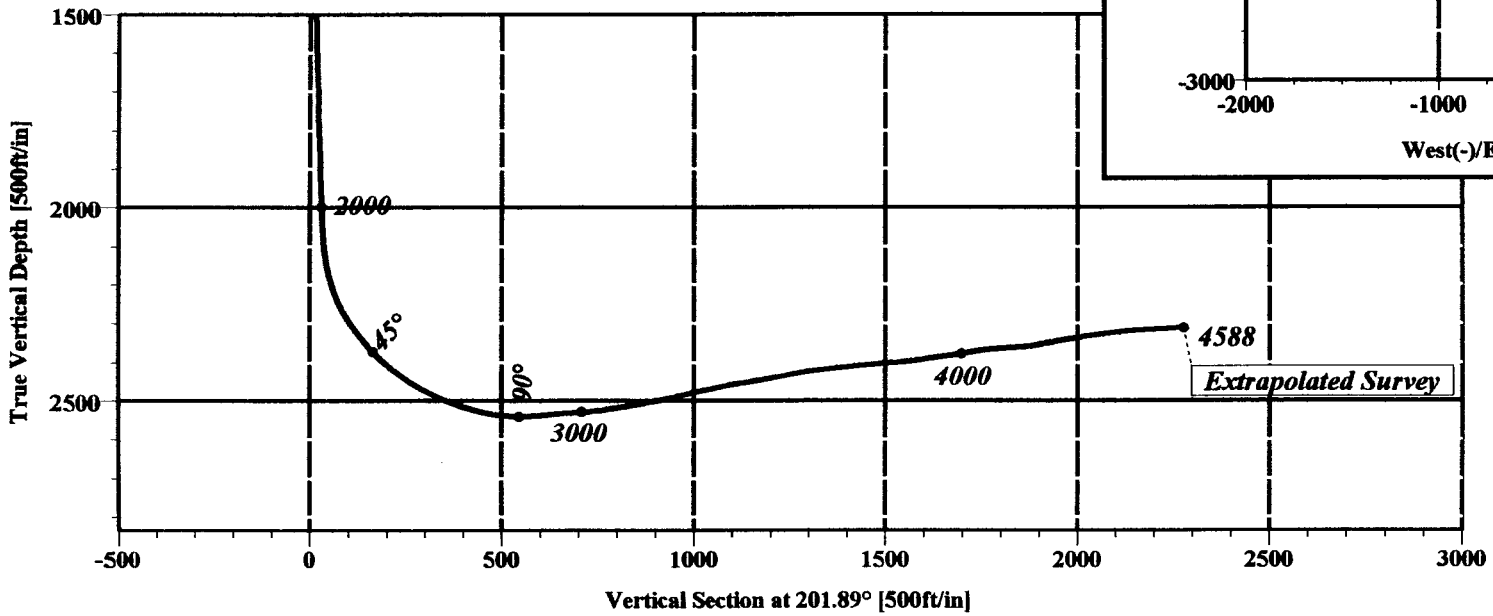
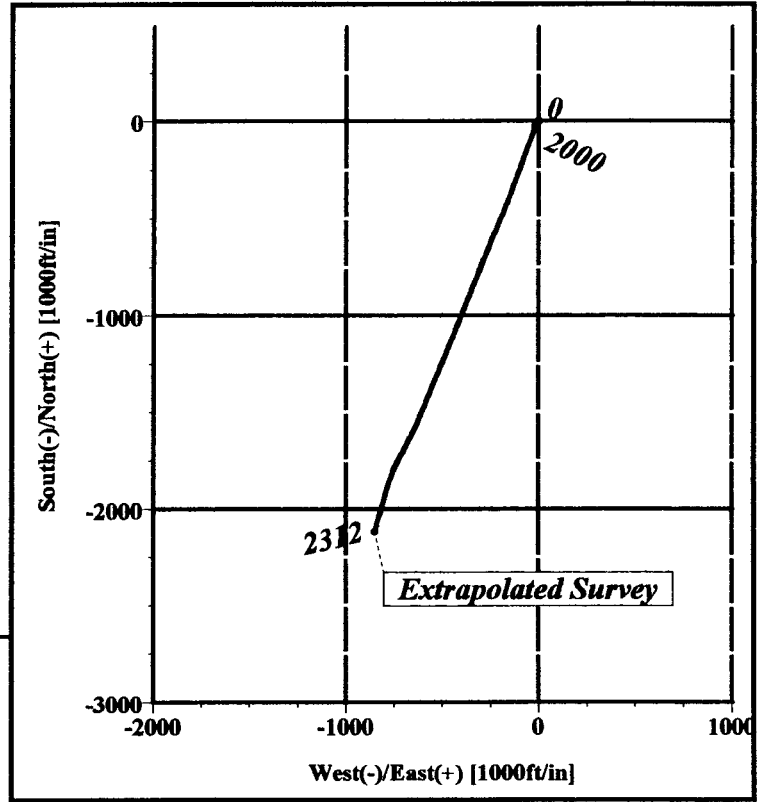
J.W. Operating

Wellbore

Field: Carbon County, Utah
Site: Soldier Creek State 7-32H
Well: 7-32H
Wellpath: OH
Survey: Survey #1

BOTTOM HOLE CLOSURE

2278.3' VS 201.89° Azimuth
4588' MD 2311.8 TVD
(Survey at 4588' MD is an extrapolation.)





Scientific Drilling Survey Completion Report

Company: J.W. Operating	Date: 11/17/2003	Time: 16:48:42	Page: 2
Field: Carbon County, Utah	Co-ordinate(NE) Reference:	Site: Soldier Creek State 7-32H	
Site: Soldier Creek State 7-32H	Vertical (TVD) Reference:	System: Mean Sea Level	
Well: 7-32H	Section (VS) Reference:	Well (0.00N,0.00E,201.89Azi)	
Wellpath: OH	Survey Calculation Method: Minimum Curvature	Db: Sybase	

Survey

Meas Depth ft	Inclination deg	Azimuth deg	TVD ft	Vert Sect ft	N/S ft	E/W ft	DLS deg/100ft	CLen ft	ClSD ft	ClSA deg
2445.0	47.90	200.90	2397.9	190.7	-175.9	-73.7	7.67	30.0	190.7	202.73
2476.0	51.10	200.60	2418.1	214.3	-198.0	-82.1	10.35	31.0	214.3	202.51
2506.0	54.40	200.70	2436.2	238.2	-220.3	-90.5	11.00	30.0	238.2	202.33
2537.0	57.80	200.30	2453.5	263.9	-244.4	-99.5	11.02	31.0	263.9	202.15
2568.0	61.00	199.90	2469.3	290.5	-269.5	-108.7	10.38	31.0	290.5	201.96
2599.0	64.00	199.90	2483.6	318.0	-295.3	-118.0	9.68	31.0	318.0	201.78
2631.0	67.10	199.50	2496.8	347.1	-322.7	-127.8	9.75	32.0	347.1	201.61
2663.0	70.50	199.90	2508.4	376.9	-350.8	-137.9	10.69	32.0	376.9	201.46
2694.0	73.30	201.00	2518.0	406.4	-378.4	-148.2	9.64	31.0	406.4	201.38
2726.0	75.90	202.40	2526.5	437.2	-407.1	-159.6	9.15	32.0	437.2	201.41
2758.0	79.30	202.20	2533.4	468.5	-436.0	-171.4	10.64	32.0	468.5	201.47
2789.0	83.40	202.80	2538.1	499.1	-464.3	-183.2	13.36	31.0	499.1	201.53
2820.0	87.80	202.70	2540.4	530.0	-492.8	-195.1	14.20	31.0	530.0	201.60
2851.0	91.90	202.90	2540.5	561.0	-521.4	-207.1	13.24	31.0	561.0	201.67
2881.0	94.30	203.60	2538.9	591.0	-548.9	-219.0	8.33	30.0	591.0	201.75
2913.0	95.30	203.80	2536.2	622.8	-578.1	-231.8	3.19	32.0	622.8	201.85
2944.0	94.50	203.50	2533.6	653.7	-606.4	-244.2	2.75	31.0	653.7	201.93
2975.0	93.10	202.50	2531.5	684.6	-634.9	-256.2	5.55	31.0	684.6	201.98
3006.0	94.40	202.10	2529.5	715.6	-663.5	-268.0	4.39	31.0	715.6	201.99
3037.0	97.50	201.40	2526.3	746.4	-692.1	-279.4	10.25	31.0	746.4	201.98
3053.0	98.50	202.10	2524.1	762.2	-706.8	-285.3	7.60	16.0	762.2	201.98
3125.0	99.20	200.70	2513.0	833.4	-773.1	-311.2	2.15	72.0	833.4	201.93
3156.0	100.90	201.50	2507.6	863.9	-801.5	-322.2	6.04	31.0	863.9	201.90
3188.0	98.90	201.60	2502.1	895.4	-830.9	-333.8	6.26	32.0	895.4	201.89
3223.0	102.00	202.70	2495.7	929.8	-862.7	-346.8	9.38	35.0	929.8	201.90
3236.0	103.60	202.70	2492.8	942.5	-874.4	-351.7	12.31	13.0	942.5	201.91
3255.0	104.10	202.80	2488.3	960.9	-891.4	-358.8	2.68	19.0	960.9	201.92
3287.0	102.90	202.30	2480.8	992.1	-920.2	-370.7	4.05	32.0	992.1	201.94
3319.0	101.00	201.80	2474.2	1023.4	-949.2	-382.5	6.13	32.0	1023.4	201.95
3351.0	102.60	201.60	2467.7	1054.7	-978.3	-394.1	5.04	32.0	1054.7	201.94
3383.0	101.50	201.40	2461.0	1086.0	-1007.4	-405.5	3.49	32.0	1086.0	201.93
3412.0	99.00	201.80	2455.8	1114.5	-1033.9	-416.0	8.73	29.0	1114.5	201.92
3444.0	98.80	202.20	2450.9	1146.1	-1063.3	-427.9	1.38	32.0	1146.1	201.92
3475.0	100.40	202.10	2445.7	1176.7	-1091.6	-439.4	5.17	31.0	1176.7	201.93
3507.0	101.00	202.10	2439.8	1208.1	-1120.7	-451.2	1.87	32.0	1208.1	201.93
3539.0	101.00	201.90	2433.6	1239.5	-1149.8	-463.0	0.61	32.0	1239.5	201.93
3561.0	100.60	202.00	2429.5	1261.2	-1169.9	-471.1	1.87	22.0	1261.2	201.93
3593.0	98.70	202.80	2424.2	1292.7	-1199.0	-483.1	6.43	32.0	1292.7	201.95
3626.0	96.70	203.00	2419.7	1325.4	-1229.2	-495.8	6.09	33.0	1325.4	201.97
3657.0	96.40	202.80	2416.2	1356.2	-1257.5	-507.8	1.16	31.0	1356.2	201.99
3689.0	95.70	202.20	2412.8	1388.0	-1286.9	-520.0	2.87	32.0	1388.0	202.00
3721.0	96.40	202.70	2409.5	1419.8	-1316.3	-532.1	2.68	32.0	1419.8	202.01
3753.0	95.00	202.80	2406.3	1451.7	-1345.7	-544.5	4.39	32.0	1451.7	202.03
3785.0	94.80	202.90	2403.5	1483.5	-1375.1	-556.8	0.70	32.0	1483.5	202.05
3817.0	94.20	202.30	2401.0	1515.4	-1404.5	-569.1	2.65	32.0	1515.4	202.06
3848.0	94.90	202.80	2398.6	1546.3	-1433.1	-580.9	2.46	31.0	1546.3	202.07
3880.0	98.40	202.20	2394.9	1578.1	-1462.5	-593.0	11.01	32.0	1578.1	202.07
3912.0	98.70	202.30	2390.1	1609.8	-1491.8	-605.0	0.99	32.0	1609.8	202.08
3943.0	97.50	203.80	2385.7	1640.4	-1520.0	-617.0	5.68	31.0	1640.5	202.09
3975.0	98.40	204.00	2381.3	1672.1	-1549.0	-629.7	3.07	32.0	1672.1	202.12
4007.0	99.90	204.90	2376.2	1703.7	-1577.8	-642.8	5.45	32.0	1703.7	202.17
4039.0	98.60	206.20	2371.1	1735.2	-1606.3	-656.4	5.71	32.0	1735.2	202.23



Scientific Drilling Survey Completion Report

Company: J.W. Operating	Date: 11/17/2003	Time: 16:48:42	Page: 3
Field: Carbon County, Utah	Co-ordinate(NE) Reference:	Site: Soldier Creek State 7-32H	
Site: Soldier Creek State 7-32H	Vertical (TVD) Reference:	System: Mean Sea Level	
Well: 7-32H	Section (VS) Reference:	Well (0.00N,0.00E,201.89Azi)	
Wellpath: OH	Survey Calculation Method:	Minimum Curvature	Db: Sybase

Survey

Meas Depth ft	Inclination deg	Azimuth deg	TVD ft	Vert Sect ft	N/S ft	E/W ft	DLS deg/100ft	CLen ft	ClsD ft	ClsA deg
4071.0	96.00	207.30	2367.0	1766.8	-1634.6	-670.7	8.81	32.0	1766.9	202.31
4103.0	93.90	207.50	2364.3	1798.6	-1662.9	-685.4	6.59	32.0	1798.6	202.40
4134.0	93.70	207.50	2362.2	1829.3	-1690.3	-699.7	0.65	31.0	1829.4	202.49
4165.0	94.20	208.20	2360.1	1860.1	-1717.7	-714.1	2.77	31.0	1860.2	202.58
4198.0	100.50	207.80	2355.9	1892.6	-1746.6	-729.5	19.13	33.0	1892.8	202.67
4260.0	99.20	200.80	2345.2	1953.6	-1802.2	-754.6	11.32	62.0	1953.8	202.72
4290.0	99.00	199.70	2340.5	1983.2	-1830.0	-764.9	3.68	30.0	1983.4	202.68
4321.0	98.60	198.80	2335.7	2013.8	-1858.9	-775.0	3.15	31.0	2014.0	202.63
4353.0	97.30	197.00	2331.3	2045.4	-1889.1	-784.7	6.89	32.0	2045.6	202.56
4385.0	97.40	195.50	2327.2	2077.0	-1919.6	-793.6	4.66	32.0	2077.1	202.46
4417.0	96.30	195.70	2323.4	2108.6	-1950.2	-802.1	3.49	32.0	2108.7	202.36
4448.0	94.50	196.10	2320.5	2139.3	-1979.8	-810.6	5.95	31.0	2139.3	202.27
4480.0	93.30	195.70	2318.3	2171.0	-2010.5	-819.3	3.95	32.0	2171.1	202.17
4511.0	93.30	196.20	2316.5	2201.8	-2040.3	-827.8	1.61	31.0	2201.8	202.08
4543.0	93.50	196.40	2314.6	2233.6	-2071.0	-836.8	0.88	32.0	2233.6	202.00
4588.0	93.78	196.68	2311.8	2278.3	-2114.0	-849.6	0.88	45.0	2278.3	201.89

Annotation

MD ft	TVD ft	
4588.0	2311.8	Extrapolated Survey

015

From: <KRead@jwoperating.com>
To: <caroldaniels@utah.gov>
Date: 2/18/04 8:32AM
Subject: Soldier Creek #7-32H, Carbon County, Utah

CONFIDENTIAL

T125 R12E S-32
APF # 43-cc9-30941

<<SCRE0732.doc>>

I will have Diane get with you as soon as she returns. Hope this helps.

RECEIVED *2:00 PM*
FEB 18 2004
DIV. OF OIL, GAS & MIN.

01/08/04: (RCE) 7", 30 PSIG; 2-3/8", 10 PSIG; Swab well; Tag fluid level @ 1900'; Made (42) swab runs pulling from seat nipple; Recover (174) BBLs fluid; SDFN.

DISTRIBUTION:

J-W Dallas (PDW)

Bayless

Wray (MS, RCK, RCE, KLR, AJB, RLB, TRL, BRM, SS, NOS, MBS, DK, HRG, JB, LD)

LEASE DESCRIPTION: Soldier Creek State #7-32H

J-WOC

LOCATION: 697' FNL & 822' FEL, NENE/4, Section 32-T12S-R12E

ELEV: 7379'

COUNTY: Carbon STATE: Utah API #: 43-007-30941

FIELD: Soldier Creek

Page 9 of 9

01/09/04: (RCE) 7" & 2-3/8", 0 PSIG; Swab well; Tag fluid level @ 1900'; Made (50) swab runs; Recover (187) BBLs fluid level; Accumulative after clean out (743) BBLs; SDFN.

01/10/04: (RCE) 7", 30# & 2-3/8", 5 PSIG; Swab well; Tag fluid level @ 1900'; Made (51) swab runs; Recover (195) BBLs gas-cut fluid; Cumulative after clean out (938) BBLs; SDFN.

01/11/04: (RCE) 7", 150# & 2-3/8", 20#; Swab well; Tag fluid level @ 1500'; Made (50) swab runs; Recover (194) BBLs gas-cut fluid; Cumulative after clean out (1132) BBLs; 7" gradual built to 330# at end of day; SDFS.

01/13/04: (RCE) 7", 400# & 2-3/8", 40#; Swab well; Tag fluid level scattered @ 1500'; Made (42) swab runs; Well flowed on 38th swab run for 20 mins; Recover (181) BBLs gas-cut fluid; Cumulative after clean out (1313) BBLs; SDFN.

01/14/04: (RCE) 7", 500# & 2-3/8", 20#; Swab well; Tag fluid level scattered @ 1400'; Made (38) swab runs; Well started flowing on 2nd swab run for 10 mins; Well flowed a total of (5) times during day after swabbing for an average of 10-20 mins after run; Recover (144) BBLs gas-cut fluid; SDFN.

01/15/04: (RCE) 7", 440# & 2-3/8", 40#; Swab well; Tag fluid level scattered @ 1400'; Made (43) swab runs; Well started flowing on 17th swab run for 20 mins; Well flowed a total of (5) times during day after swabbing for an average of 10-20 mins after run; Recover (182) BBLs gas-cut fluid; SI well @ 360# SDFN.

01/16/04: (RCE) 7", 400# & 2-3/8", 40#; Blow well dead; ND Tree; NU BOP; POOH & LD 2-3/8" tubing; PU & RIH w/ (1) 3-1/2" notched collar, (1) 3-1/2" SN & (80) jts 3-1/2" tbg; SDFN.

01/17/04: (RCE) Continue PU & RIH w/ 3-1/2" tbg, Land EOT @ 2832' KB, Total of (90) jts 3-1/2" tbg, ND BOP, NU Tree, Swab well, Tag FL @ 1900', Made (2) runs pulling from SN, Rec (8) BBLs fluid, SI well, RDMO Excell Service Rig 15

02/15/04: (RCE) MIRU Sanjel CTU; Run inside 3-1/2" tbg w/ (1) 1-1/2" pump-off plug & 2775' 1-1/2" coil tubing; Hang off 1-1/2" w/ tubing hanger; EOT at 2775'; Pump off plug; RDMO Sanjel CTU.
Estimated Daily Cost: \$10,500.

DISTRIBUTION:

J-W Dallas (PDW)

Bayless

Wray (MS, RCK, RCE, KLR, AJB, RLB, TRL, BRM, SS, NOS, MBS, DK, HRG, JB, LD)

LEASE DESCRIPTION: Soldier Creek State #7-32H

J-WOC

LOCATION: 697' FNL & 822' FEL, NENE/4, Section 32-T12S-R12E

ELEV: 7379'

COUNTY: Carbon STATE: Utah API #: 43-007-30941

FIELD: Soldier Creek

Page 8 of 9

12/23/03: (RCE) RIH w/swab, tag fluid level @ 1800'; Made (6) swab runs pulling from seat nipple; Recover (24) BBLs fluid; Accumulative (1960) BBLs; Flowback well on 5th swab run for (10) min well died; RIH w/(7) jts 2-3/8" tbg; Land EOT @ 2937 meas depth; Inject air down annulus 600 SCFM @ 520 PSIG; Attempt to unload well; SDFN.

12/24/03: (RCE) Swab well; Tag fluid level @ 1800'; Made (6) swab runs, pulling from seat nipple; Recover (44) BBLs gas cut fluid; Accumulative (1980) BBLs; SDFHolidays.

12/30/03: (RCE) Clear snow; Unload 2-7/8" tbg; Swab well; Made (3) swab runs pulling from seat nipple; Well kicked off on third run; Recover (26) BBLs fluid; Accumulative (2006) BBLs; Left well flowing to Frac Tank; SDFN.

12/31/03: (RCE) Swab well; Made (7) swab runs, pulling from seat nipple; Tag fluid level @ 1900' on 1st run; Recover (40) BBLs fluid; Accumulative (2046) BBLs; Blow well dead; Nip down tree; Nip up BOP; POOH stand back 2-3/8" tbg; MIRU Triplex pump; SDFN.

01/01/04: (RCE) RIH w/(1) 2-3/8" notched collars, (1) 2-3/8" seat nip, (78) jts 2-3/8" tbg; Load (170) BBLs prod wtr; Break circ, (6) BBLs min 200 PSIG; Circ 15 min; SDFN.

01/02/04: (RCE) Thaw pump & equipment; Tbg on vacuum; Load (159) BBLs prod wtr; Break circ, (6) BBLs min 200 PSIG; Continue to pick up & RIH w/2-3/8" tbg; Circ every third stand; Pick up (3) stands 2-7/8" tbg; EOT 3065'; SDFN.

01/03/04: (RCE) Thaw WH & equipment; Continue picking up 2-7/8" tbg & wash hole from 3063'-4242'; Circ bottoms up every third jts; Recover small amounts of coal finds & pea size coal; POOH stand back (10) jts 2-7/8"; Drain pump & lines; SDFN.

01/04/04: (RCE) RIH w/(10) jts 2-7/8" tbg & break circ; (6) BBLs per min @ 150 PSIG; Continue washing hole from 4242'-4410'; Circ bottoms up; POOH & lay down (49) jts 2-7/8" tbg & (3) jts 2-3/8" tbg; Land 2-3/8" tbg @ 2839' KB; Nip down BOP; Nip up tree; Plumb in test separator; SDFN.

01/05/04: (RCE) Thaw separator & WH; Swab well; Tag fluid @ 800'; Made (8) swab runs pulling from seat nipple; Recover (61) BBLs fluid; Csg on slight blow; SDFN.

01/06/04: (RCE) Swab well; Tag fluid level @ 1000'; Made (19) swab run pulling from seat nipple; Recover (97) BBLs fluid; Csg on vacuum; SDFN.

01/07/04: (RCE) Thaw ice plug & WH; 7", 30 PSIG; 2-3/8", 20 PSIG; Swab well; Tag fluid @ 1800'; Made (40) swab runs pulling from seat nipple; Recover (224) BBLs fluid; SDFN.

DISTRIBUTION:

J-W Dallas (PDW)

Bayless

Wray (MS, RCK, RCE, KLR, AJB, RLB, TRL, BRM, SS, NOS, MBS, DK, HRG, JB, LD)

LEASE DESCRIPTION: Soldier Creek State #7-32H

J-WOC

LOCATION: 697' FNL & 822' FEL, NENE/4, Section 32-T12S-R12E

ELEV: 7379'

COUNTY: Carbon STATE: Utah API #: 43-007-30941

FIELD: Soldier Creek

Page 7 of 8

12/11/03: (RCE) Finish plumbing in gas line to flare stack, RIH w/3-1/2" swab, tag fluid level @ 600'; Well kicked off on 10th swab run, flare gas, flow 56 BBLs of water w/approx 40% gas cut to frac tanks for 1 hr, Swab well, valve flowed through 7/16" choke @ 30 PSIG for 20 minutes, avg. fluid recovery rate 40 BBLs per hour. Made 18 total swab runs recovery total of 252 BBLs of fluid. SDFN.

ESTIMATED DAILY COST: \$16,937.00

12/12/03: (RCE) RIH w/3-1/2" swab & tag fluid level @ 900'; made (39) swab runs pulling from seat nipple; recover (327) BBLs of fluid. Accumulative recovery (579) BBLs. SDFN.

ESTIMATED DAILY COST: \$3,450.00

12/14/03: (RCE) RIH w/swab, tag fluid level @ 1400'; Made (36) swab runs, pulling from seat nip; Recover (245) BBLs; Accumulative (824) BBLs; SDFN.

12/15/03: (RCE) Made (36) swab runs, pulling from seat nip; Recover (210) BBLs; Accumulative (1035) BBLs; SDFN.

12/16/03: (RCE) RIH w/swab, tag fluid level @ 1600'; Made (22) swab runs, pulling from seat nip; Recover (249) BBLs; Accumulative (1284) BBLs; SDFN.

ESTIMATED DAILY COST: \$3,640.00

12/17/03: (RCE) RIH w/swab, tag fluid level @ 1800'; Pull from seat nip & recover (146) BBLs fluid; Accumulative (1430) BBLs; Excell Service Rig #15 RDMO; Precision Air Compressor MIRU; Booster & Chemical injection pump; SDFN.

ESTIMATED DAILY COST: \$3,450.00

12/18/03: (RCE) Finish RU Compression Equipment; Unload well, (800) SCFM @ 500 PSIG; Misting w/air, foamers & inhibitors; Continue to unload well @ (1600) SCFM; Recover (206) BBLs fluid in 16 hrs; Accumulative (1636) BBLs; Continue to unload well.

12/19/03: (RCE) Continue to unload well (94) BBLs wtr w/gas, up 3-1/2" tbg w/air, 1600 SCFM @ 275 PSIG; Shut-down air injection; Kill well w/(60) BBLs prod wtr; Nip up BOP; SDFN.

12/20/03: (RCE) Excell Service Rig #15 MIRU; Kill well; Nip down tree; Nip up BOP; POOH laydown 3-1/2" tbg; RIH w/(1) 2-3/8" collar, (1) 2-3/8" seat nip & (83) jts 2-3/8" J55 4.7# tbg; Land EOT @ 2709' KB; Nip down BOP; Nip up tree; Excell Service Rig #15 RDMO; RU Air Compression Equipment; Unload well; Misting w/foamers & inhibitors 1600 SCFM @ 710 PSIG; Continue to unload @ 800 SCFM @ 325 PSIG; Recover (63) BBLs wtr; Accumulative (1699) BBLs.

12/21/03: (RCE) Unload well; Misting w/air, foamers & corrosion inhibitors, 600 SCFM @ 350 PSIG; Attempt to flow well; Dead in (5) min; Recover (84) BBLs wtr; Accumulative (1783) BBLs.

12/22/03: (RCE) Continue unload w/air, foamers & corrosion inhibitors, 600 SCFM @ 300 PSIG; Recover (153) BBLs gas cut fluid; Accumulative (1936) BBLs; Attempt to flow well w/out air; Dead in (10) min.

J-W Dallas (PDW)

Bayless

Wray (MS, RCK, RCE, KLR, AJB, RLB, TRL, BRM, SS, NOS, MBS, DK, HRG, JB, LD)

LEASE DESCRIPTION: Soldier Creek State #7-32H

J-WOC

LOCATION: 697' FNL & 822' FEL, NENE/4, Section 32-T12S-R12E

ELEV: 7379'

COUNTY: Carbon STATE: Utah API #: 43-007-30941

FIELD: Soldier Creek

Page 6 of 8

11/11/03: (WJH) @ 7:00 AM @ 4210' & RU Gas Buster & Flowline. Previous 24 Hrs – Drl 6-1/4" hole; Circ samples; Lay down (41) jts fo drl pipe & (15) stands; RU gas buster & flowline.

ESTIMATED DAILY COST: \$ 8,520.00

ACCUMULATIVE COST: \$256,591.00

THIRD PARTY COST PER COHORT: \$24,758.00

11/12/03: (WJH) @ 7:00 AM @ TD of 4588' & ST. Previous 24 Hrs – RU gas buster & flowline; TIH; Ream; Drl 6-1/4" hole; Circ; Drl 6-1/4" hole to TD of 4588' @ 2:30 AM, 11/12/03, w/mwt 8.2#, vis 25; Cond mud & circ; Remove rotating head; ST.

ESTIMATED DAILY COST: \$ 8,520.00

ACCUMULATIVE COST: \$265,111.00

THIRD PARTY COST PER COHORT: \$18,154.00

11/13/03: (WJH) @ 7:00 AM @ TD of 4588' & TOOH. Previous 24 Hrs – Circ; TOOH; WOFormation Packer; TIH; Set packer @ 4410'; TOOH.

ESTIMATED DAILY COST: \$ 8,520.00

ACCUMULATIVE COST: \$273,631.00

11/14/03: (TRL) @ 7:00 AM @ TD of 4588' & TIH. Previous 24 Hrs – TOOH; WOlay down crew; RIH w/ (32) jts perforated, (2) jts non perforated 10.5#, 4-1/2" prod csg; Csg C 4-1/2" L & R csg hanger meas 1373', set @ 4380', csg hanger set @ 3027'; RD csg crew; TIH w/csg hanger; Set csg hanger; TOOH; Break down hanger tool; TIH w/42 stands; RU laydown Crew; Safety Mtg; Lay Down 42 stands; TIH.

ESTIMATED DAILY COST: \$ 8,520.00

ACCUMULATIVE COST: \$282,151.00

11/15/03: (WJH) @ 7:00 AM @ TD of 4588' & RDMO. Previous 24 Hrs – Lay down drl string; Nip down; Install WH; Rel rig @ 7:00 PM, 11/14/03.

ESTIMATED DAILY COST: \$ 4,260.00

ACCUMULATIVE COST: \$286,411.00

12/09/03: (RCE) Excell Service Rig #15 MIRU; Nip up BOP; RIH (1) 4-1/2" notch collar, (1) 4-1/2"x3-1/2" x-over sub, (41) jts 3-1/2" tbg, (1) 3-1/2" gas lift valve w/5/16" port & (16) jts 3-1/2" tbg; EOT @ 1810'; SDFN.

ESTIMATED DAILY COST: \$12,374.00

12/10/03: (RCE) RIH w/(29) jts 3-1/2" tbg & (10) jts 2-7/8" tbg; Tag liner top @ 3027' meas depth; POOH laydown 2-7/8" tbg; Land 3-1/2", EOT 2712'; Nip down BOP; Nip up tree; Plumb Frac tank; Plumb wtr & gas lines; SDFN.

ESTIMATED DAILY COST: \$4,561.00

LEASE DESCRIPTION: Soldier Creek State #7-32H
LOCATION: 697' FNL & 822' FEL, NENE/4, Section 32-T12S-R12E
COUNTY: Carbon STATE: Utah API #: 43-007-30941

J-WOC
ELEV: 7379'
FIELD: Soldier Creek
Page 5 of 8

11/04/03: (WJH) @ 7:00 AM @ 2864' & Drl 6-1/4" Hole. Previous 24 Hrs – WOOrders; Nip up BOP; Make up BHA; Laydown; Pick up BHA; Break circ; Test tools; Lay down (11) jts; Drl 6-1/4" hole 2802'-2864'.

ESTIMATED DAILY COST: \$ 8,520.00
ACCUMULATIVE COST: \$220,559.00
THIRD PARTY COST PER COHORT: \$17,500.00

11/05/03: (WJH) @ 7:00 AM @ 3252' & Lay down BHA. Previous 24 Hrs – Drl 6-1/4" hole 2864'-3252'; Cond mud & circ; TOOH replace chain on rotary clutch; Lay down BHA.

ESTIMATED DAILY COST: \$ 8,520.00
ACCUMULATIVE COST: \$229,079.00
THIRD PARTY COST PER COHORT: \$17,500.00

11/06/03: (WJH) @ 7:00 AM @ 3252' & WOParts. Previous 24 Hrs – WOParts.

ESTIMATED DAILY COST: \$ 0.00
ACCUMULATIVE COST: \$229,079.00
THIRD PARTY COST PER COHORT: \$17,500.00

11/07/03: (WJH) @ 7:00 AM @ 3252' & WOParts. Previous 24 Hrs – WOParts.

ESTIMATED DAILY COST: \$ 0.00
ACCUMULATIVE COST: \$229,079.00
THIRD PARTY COST PER COHORT: \$17,500.00

11/08/03: (WJH) @ 7:00 AM @ 3426' & Drl 6-1/4" Hole. Previous 24 Hrs – WOParts; Repair; Make up BHA; TIH; Drl 6-1/4" hole.

ESTIMATED DAILY COST: \$ 3,195.00
ACCUMULATIVE COST: \$232,274.00
THIRD PARTY COST PER COHORT: \$17,500.00

11/09/03: (WJH) @ 7:00 AM @ 3606' & Drl 6-1/4" Hole. Previous 24 Hrs – Drl 6-1/4" hole; Serv rig; Drl 6-1/4" hole; Cond mud & circ; Break down tool & motor; Make-up BHA & WOTools; TIH; Put on rotating head; Drl 6-1/4" hole.

ESTIMATED DAILY COST: \$ 7,277.00
ACCUMULATIVE COST: \$239,551.00
THIRD PARTY COST PER COHORT: \$19,204.00

11/10/03: (WJH) @ 7:00 AM @ 4179' & Drl 6-1/4" Hole. Previous 24 Hrs – Drl 6-1/4" hole; Circ & WOOrders; Drl 6-1/4" hole; Slide from 3858'-3862'.

ESTIMATED DAILY COST: \$ 8,520.00
ACCUMULATIVE COST: \$248,071.00
THIRD PARTY COST PER COHORT: \$18,154.00

DISTRIBUTION:

016

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

016

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: ML-48131
2. NAME OF OPERATOR: J-W OPERATING COMPANY		6. IF INDIAN, ALLOTTEE OR TRIBE NAME: N/A
3. ADDRESS OF OPERATOR: P.O. BOX 305 CITY WRAY STATE CO ZIP 80758		7. UNIT or CA AGREEMENT NAME: SN/A
4. LOCATION OF WELL FOOTAGES AT SURFACE: 697' FNL & 822' FEL SLB&M COUNTY: CARBON QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NENE 32 T12S 12E STATE: UTAH		8. WELL NAME and NUMBER: SOLDIER CREEK STATE #7-32H
		9. API NUMBER: 4300730941
		10. FIELD AND POOL, OR WILDCAT: Soldier Creek
		PHONE NUMBER: (970) 332-3151

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

TYPE OF SUBMISSION	TYPE OF ACTION		
<input type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: _____	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> REPERFORATE CURRENT FORMATION
	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> SIDETRACK TO REPAIR WELL
	<input type="checkbox"/> CASING REPAIR	<input type="checkbox"/> NEW CONSTRUCTION	<input type="checkbox"/> TEMPORARILY ABANDON
	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> TUBING REPAIR
	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> VENT OR FLARE
<input checked="" type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion: 12/2003	<input type="checkbox"/> CHANGE WELL NAME	<input type="checkbox"/> PLUG BACK	<input type="checkbox"/> WATER DISPOSAL
	<input checked="" type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> PRODUCTION (START/RESUME)	<input type="checkbox"/> WATER SHUT-OFF
	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input checked="" type="checkbox"/> OTHER: START COMPLETION
	<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.
MIRV Excell Service Rig.
RIH w/ tubing, swab well, swab test well.

NAME (PLEASE PRINT) Robert C. Eller	TITLE Engineer
SIGNATURE <i>Robert C. Eller</i>	DATE 6/30/2004

(This space for State use only)

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

FORM 9

SUNDRY NOTICES AND REPORTS ON WELLS

5. LEASE DESIGNATION AND SERIAL NUMBER:

ML-48131

6. IF INDIAN, ALLOTTEE OR TRIBE NAME:

N/A

7. UNIT or CA AGREEMENT NAME:

SN/A

8. WELL NAME and NUMBER:

SOLDIER CREEK STATE #7-32H

9. API NUMBER:

4300730941

10. FIELD AND POOL, OR WILDCAT:

Soldier Creek

1. TYPE OF WELL

OIL WELL

GAS WELL

OTHER _____

2. NAME OF OPERATOR:

J-W OPERATING COMPANY

3. ADDRESS OF OPERATOR:

P.O. BOX 305

CITY WRAY

STATE CO

ZIP 80758

PHONE NUMBER:

(970) 332-3151

4. LOCATION OF WELL

FOOTAGES AT SURFACE: 697' FNL & 822' FEL SLB&M

COUNTY: CARBON

QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NENE 32 T12S 12E

STATE:

UTAH

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

TYPE OF SUBMISSION	TYPE OF ACTION		
<input type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: _____	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> REPERFORATE CURRENT FORMATION
	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> SIDETRACK TO REPAIR WELL
	<input 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 checked="" type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> PRODUCTION (START/RESUME)	<input type="checkbox"/> WATER SHUT-OFF
	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input checked="" type="checkbox"/> OTHER: <u>START</u>
	<input type="checkbox"/> CONVERT WELL TYPE	<input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION	<u>COMPLETION</u>

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

Activity Report for February 2004

RIH w/ 1-1/2" coil tubing & land EOT tubing inside 3-1/2" tubing. MIRU gas compressor; gas lift well; test well.

NAME (PLEASE PRINT) Robert C. Eller

TITLE Engineer

SIGNATURE

DATE 6/30/2004

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

FORM 9

SUNDRY NOTICES AND REPORTS ON WELLS

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2. NAME OF OPERATOR: J-W OPERATING COMPANY		6. IF INDIAN, ALLOTTEE OR TRIBE NAME: N/A
3. ADDRESS OF OPERATOR: P.O. BOX 305 CITY WRAY STATE CO ZIP 80758		7. UNIT or CA AGREEMENT NAME: SN/A
4. LOCATION OF WELL FOOTAGES AT SURFACE: 697' FNL & 822' FEL SLB&M COUNTY: CARBON		8. WELL NAME and NUMBER: SOLDIER CREEK STATE #7-32H
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NENE 32 T12S 12E STATE: UTAH		9. API NUMBER: 4300730941
PHONE NUMBER: (970) 332-3151		10. FIELD AND POOL, OR WILDCAT: Soldier Creek

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
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	<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 checked="" type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> PRODUCTION (START/RESUME)	<input type="checkbox"/> WATER SHUT-OFF
	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input checked="" type="checkbox"/> OTHER: <u>START</u>
	<input type="checkbox"/> CONVERT WELL TYPE	<input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION	<u>COMPLETION</u>

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

Activity Report for March 2004

Continue to test well.

NAME (PLEASE PRINT) <u>Robert C. Eller</u>	TITLE <u>Engineer</u>
SIGNATURE <u><i>Robert C. Eller</i></u>	DATE <u>6/30/2004</u>

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DIVISION OF OIL, GAS AND MINING

FORM 9

020

SUNDRY NOTICES AND REPORTS ON WELLS

5. LEASE DESIGNATION AND SERIAL NUMBER:

ML-48131

6. IF INDIAN, ALLOTTEE OR TRIBE NAME:

N/A

7. UNIT or CA AGREEMENT NAME:

SN/A

8. WELL NAME and NUMBER:

SOLDIER CREEK STATE #7-32H

9. API NUMBER:

4300730941

10. FIELD AND POOL, OR WILDCAT:

Soldier Creek

1. TYPE OF WELL

OIL WELL GAS WELL OTHER _____

2. NAME OF OPERATOR:

J-W OPERATING COMPANY

3. ADDRESS OF OPERATOR:

P.O. BOX 305 CITY WRAY STATE CO ZIP 80758

PHONE NUMBER:

(970) 332-3151

4. LOCATION OF WELL

FOOTAGES AT SURFACE: 697' FNL & 822' FEL SLB&M

COUNTY: CARBON

QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NENE 32 T12S 12E

STATE: UTAH

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

TYPE OF SUBMISSION	TYPE OF ACTION		
<input type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: _____	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> REPERFORATE CURRENT FORMATION
	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> SIDETRACK TO REPAIR WELL
<input checked="" type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion: _____	<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 checked="" type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> PRODUCTION (START/RESUME)	<input type="checkbox"/> WATER SHUT-OFF
	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input checked="" type="checkbox"/> OTHER: <u>START</u>
	<input type="checkbox"/> CONVERT WELL TYPE	<input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION	<u>COMPLETION</u>

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

Activity Report for April 2004

Continue to test well.

NAME (PLEASE PRINT) Robert C. Eller TITLE Engineer
SIGNATURE *Robert C. Eller* DATE 6/30/2004

(This space for State use only)

RECEIVED
JUL 02 2004
DIV. OF OIL, GAS & MINING

021

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: ML-48131
2. NAME OF OPERATOR: J-W OPERATING COMPANY		6. IF INDIAN, ALLOTTEE OR TRIBE NAME: N/A
3. ADDRESS OF OPERATOR: P.O. BOX 305 CITY WRAY STATE CO ZIP 80758		7. UNIT or CA AGREEMENT NAME: SN/A
4. LOCATION OF WELL FOOTAGES AT SURFACE: 697' FNL & 822' FEL SLB&M COUNTY: CARBON QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NENE 32 T12S 12E STATE: UTAH		8. WELL NAME and NUMBER: SOLDIER CREEK STATE #7-32H
PHONE NUMBER: (970) 332-3151		9. API NUMBER: 4300730941
		10. FIELD AND POOL, OR WILDCAT: Soldier Creek

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 checked="" type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> PRODUCTION (START/RESUME)	<input type="checkbox"/> WATER SHUT-OFF
	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input checked="" type="checkbox"/> OTHER: <u>START COMPLETION</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.

Activity Report for May 2004

Continue to test well.

NAME (PLEASE PRINT) <u>Robert C. Eller</u>	TITLE <u>Engineer</u>
SIGNATURE <u><i>Robert C. Eller</i></u>	DATE <u>6/30/2004</u>

(This space for State use only)

RECEIVED
RECEIVED
JUL 02 2004
DIV. OF OIL, GAS & MINING

J-W OPERATING COMPANY

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

October 13, 2004

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

**RE: Form 8 Well Completion Report
Soldier Creek State #7-32H
NE-NE/4 Sec.32-T12S-R12E
Carbon County, Utah**

Ms. Daniels:

Enclosed is one (1) original and one (1) copy of Form 8, Well Completion Report for the Soldier Creek State #7-32H located in the NE-NE/4 of Section 32, Township 12 South, Range 12 East, Carbon County, Utah.

Should you have any questions or require additional information regarding the Soldier Creek State #7-32H well, please do not hesitate to contact this office.

Sincerely,

J-W OPERATING COMPANY



Robert C. Eller
Engineer

RECEIVED

OCT 15 2004

DIV OF OIL GAS & MINING

/rce

cc: J-W Well File

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

AMENDED REPORT FORM 8
(highlight changes)

023

WELL COMPLETION OR RECOMPLETION REPORT AND LOG

5. LEASE DESIGNATION AND SERIAL NUMBER:
ML-48131

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

7. UNIT or CA AGREEMENT NAME
N/A

8. WELL NAME and NUMBER:
SOLDIER CREEK STATE #7-32

9. API NUMBER:
43-007-30941

10. FIELD AND POOL, OR WILDCAT
SOLDIER CREEK

11. QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN:
NENE 32 12S 12E 6

12. COUNTY
CARBON

13. STATE
UTAH

14. DATE SPUDDED: 10/4/2003

15. DATE T.D. REACHED: 11/12/2003

16. DATE COMPLETED: 12/8/2003

ABANDONED READY TO PRODUCE

17. ELEVATIONS (DF, RKB, RT, GL):
7391DF, 7391KB, 7379' GL

18. TOTAL DEPTH: MD 4,588
TVD 2,312

19. PLUG BACK T.D.: MD 4,410
TVD 2,323

20. IF MULTIPLE COMPLETIONS, HOW MANY? *

21. DEPTH BRIDGE MD 4,410
PLUG SET: TVD 2,323

22. TYPE ELECTRIC AND OTHER MECHANICAL LOGS RUN (Submit copy of each)
MWD GAMMA RAY

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
17.5"	13.37 J-55	54.5	0	238		IV 230	50	SURF CIR	
9.875"	7.0 J-55	20	0	3,182		G 350	84	1400 CAL	
6.25	4.5 J-55	10.5	3,027	4,380					

25. TUBING RECORD

SIZE	DEPTH SET (MD)	PACKER SET (MD)	SIZE	DEPTH SET (MD)	PACKER SET (MD)	SIZE	DEPTH SET (MD)	PACKER SET (MD)
3.5	2,832		1.5	2,775		0.375	2,850	

26. PRODUCING INTERVALS

FORMATION NAME	TOP (MD)	BOTTOM (MD)	TOP (TVD)	BOTTOM (TVD)	INTERVAL (Top/Bot - MD)	SIZE	NO. HOLES	PERFORATION STATUS	
(A) SNNYSDE COAL			2,831	2,840		0.25	32,472	Open <input type="checkbox"/>	Squeezed <input type="checkbox"/>
(B)								Open <input type="checkbox"/>	Squeezed <input type="checkbox"/>
(C)								Open <input type="checkbox"/>	Squeezed <input type="checkbox"/>
(D)								Open <input type="checkbox"/>	Squeezed <input type="checkbox"/>

27. PERFORATION RECORD

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

DEPTH INTERVAL	AMOUNT AND TYPE OF MATERIAL

29. ENCLOSED ATTACHMENTS:

ELECTRICAL/MECHANICAL LOGS

SUNDRY NOTICE FOR PLUGGING AND CEMENT VERIFICATION

GEOLOGIC REPORT

CORE ANALYSIS

DST REPORT

OTHER: _____

DIRECTIONAL SURVEY

30. WELL STATUS: **RECEIVED**
OCT 15 2004

31. INITIAL PRODUCTION

INTERVAL A (As shown in item #26)

DATE FIRST PRODUCED: 3/16/2004		TEST DATE: 12/11/2003		HOURS TESTED: 24		TEST PRODUCTION RATES: <input type="checkbox"/>	OIL - BBL: 0	GAS - MCF: 35	WATER - BBL: 55	PROD. METHOD: seperator
CHOKE SIZE: 7/16"	TBG. PRESS. 45	CSG. PRESS. 90	API GRAVITY 0.00	BTU - GAS 990	GAS/OIL RATIO	24 HR PRODUCTION RATES: <input type="checkbox"/>	OIL - BBL:	GAS - MCF: 35	WATER - BBL: 42	INTERVAL STATUS: coal

INTERVAL B (As shown in item #26)

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

INTERVAL C (As shown in item #26)

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

INTERVAL D (As shown in item #26)

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

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

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)
				UPPER SUNNYSIDE COAL	2.831

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) ROBERT C. ELLER

TITLE ENGINEER

SIGNATURE *Robert C Eller*

DATE 10/13/2004

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

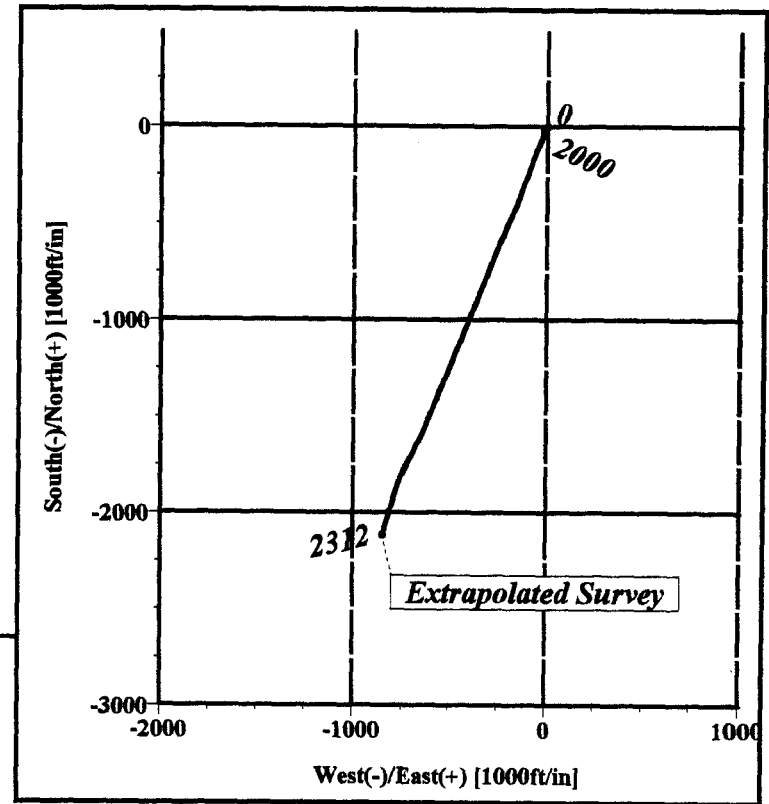
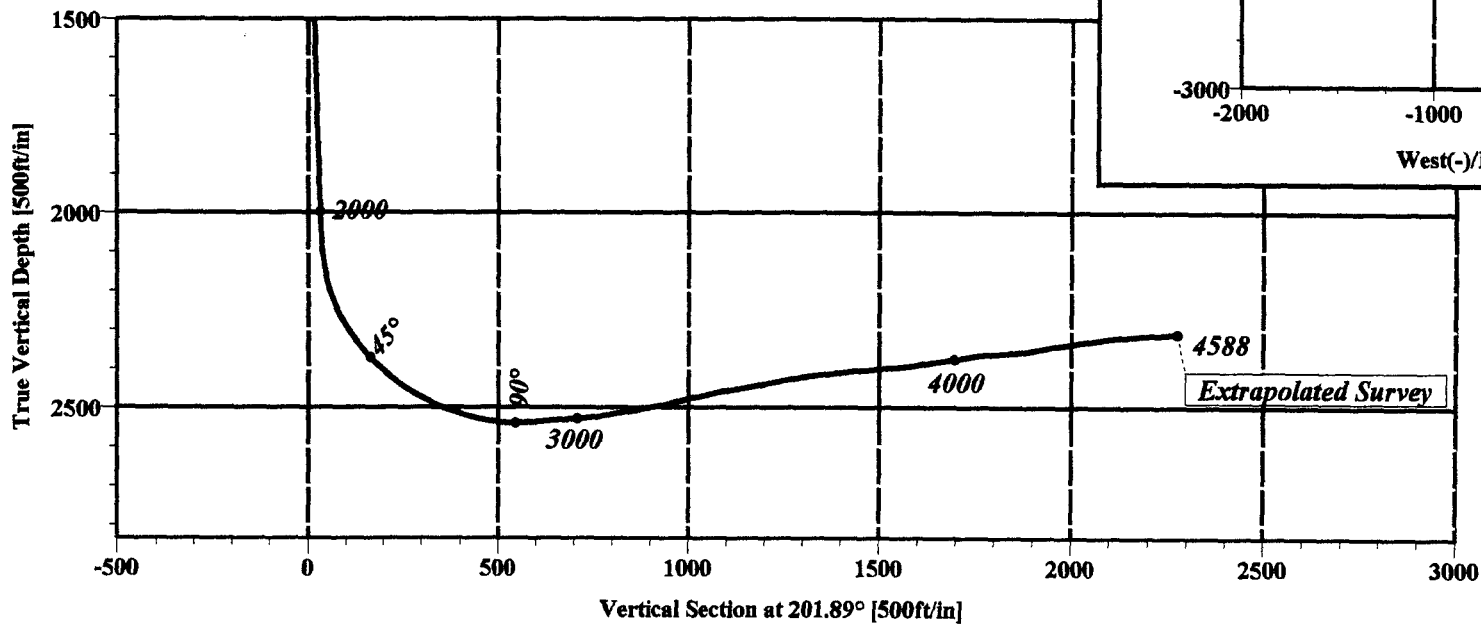


J.W. Operating

Field: Carbon County, Utah
Site: Soldier Creek State 7-32H
Well: 7-32H
Wellpath: OH
Survey: Survey #1

BOTTOM HOLE CLOSURE

2278.3' VS 201.89° Azimuth
4588' MD 2311.8 TVD
(Survey at 4588' MD is an extrapolation.)





Scientific Drilling Survey Completion Report

Company: J.W. Operating	Date: 11/17/2003	Time: 16:48:42	Page: 1
Field: Carbon County, Utah	Co-ordinate(NE) Reference:	Site: Soldier Creek State 7-32H	
Site: Soldier Creek State 7-32H	Vertical (TVD) Reference:	System: Mean Sea Level	
Well: 7-32H	Section (VS) Reference:	Well (0.00N,0.00E,201.89Azi)	
Wellpath: OH	Survey Calculation Method: Minimum Curvature	Db: Sybase	

Survey: Survey #1	Start Date: 11/12/2003	
Company: Scientific Drilling	Engineer: Stetz / Mayo	
Tool: E-Field,	Tied-to: From Surface	

Field: Carbon County, Utah	
Map System: US State Plane Coordinate System 1927	Map Zone: Utah, Central Zone
Geo Datum: NAD27 (Clarke 1866)	Coordinate System: Site Centre
Sys Datum: Mean Sea Level	Geomagnetic Model: igrf2000

Site: Soldier Creek State 7-32H SHL SEC.32,T12S,R12E 697FNL & 822FEL			
Site Position:	Northing:	m	Latitude:
From: Lease Line	Easting:	m	Longitude:
Position Uncertainty: 0.0 ft			North Reference: True
Ground Level: 7380.0 ft			Grid Convergence: 0.64 deg

Well: 7-32H	Slot Name:
Well Position: +N/-S 0.0 ft	Northing: 148500.99 m
+E/-W 0.0 ft	Easting : 695399.59 m
Position Uncertainty: 0.0 ft	Latitude: 39 39 59.999 N
	Longitude: 110 30 0.000 W

Wellpath: OH	Drilled From: Surface
Current Datum: Mean Sea Level	Tie-on Depth: 0.0 ft
Magnetic Data: 7/22/2003	Above System Datum: Mean Sea Level
Field Strength: 52925 nT	Declination: 12.65 deg
Vertical Section: Depth From (TVD)	Mag Dip Angle: 65.63 deg
ft	+N/-S
	ft
0.0	0.0
	ft
	0.0
	201.89

Survey											
Meas Depth	Inclination	Azimuth	TVD	Vert Sect	N/S	E/W	DLS	CLen	CLsD	CLsA	
ft	deg	deg	ft	ft	ft	ft	deg/100ft	ft	ft	deg	
0.0	0.00	0.00	0.0	0.0	0.0	0.0	0.00	0.0	0.0	0.00	
439.0	0.70	207.10	439.0	2.7	-2.4	-1.2	0.16	439.0	2.7	207.10	
547.0	0.80	205.10	547.0	4.1	-3.7	-1.8	0.10	108.0	4.1	206.73	
835.0	0.60	218.90	835.0	7.5	-6.7	-3.6	0.09	288.0	7.6	208.70	
978.0	0.80	238.00	977.9	9.1	-7.8	-5.0	0.21	143.0	9.2	212.57	
1100.0	0.80	223.60	1099.9	10.5	-8.8	-6.3	0.16	122.0	10.8	215.37	
1221.0	0.80	243.80	1220.9	11.9	-9.8	-7.6	0.23	121.0	12.4	217.78	
1406.0	0.90	224.60	1405.9	14.2	-11.4	-9.8	0.16	185.0	15.0	220.60	
1596.0	1.50	216.30	1595.9	18.0	-14.5	-12.3	0.33	190.0	19.0	220.35	
1780.0	1.80	210.10	1779.8	23.2	-18.9	-15.2	0.19	184.0	24.3	218.73	
1967.0	2.20	206.40	1966.7	29.7	-24.7	-18.3	0.22	187.0	30.7	216.48	
2030.0	2.40	201.80	2029.6	32.2	-27.0	-19.3	0.43	63.0	33.2	215.54	
2062.0	3.50	203.70	2061.6	33.9	-28.5	-19.9	3.45	32.0	34.8	214.94	
2093.0	5.10	203.00	2092.5	36.2	-30.6	-20.8	5.16	31.0	37.1	214.22	
2134.0	8.40	200.10	2133.2	41.0	-35.1	-22.6	8.09	41.0	41.8	212.73	
2166.0	12.20	197.60	2164.7	46.7	-40.6	-24.4	11.95	32.0	47.3	211.04	
2197.0	16.70	195.60	2194.7	54.4	-48.0	-26.6	14.60	31.0	54.9	209.01	
2229.0	21.40	197.00	2224.9	64.8	-58.0	-29.5	14.76	32.0	65.1	207.00	
2259.0	26.00	198.80	2252.4	76.8	-69.5	-33.3	15.52	30.0	77.0	205.59	
2289.0	30.20	200.40	2278.9	91.0	-82.8	-38.0	14.22	30.0	91.1	204.67	
2321.0	34.60	201.00	2305.9	108.1	-98.8	-44.1	13.79	32.0	108.2	204.05	
2353.0	38.70	201.00	2331.5	127.2	-116.6	-50.9	12.81	32.0	127.3	203.59	
2384.0	42.40	201.10	2355.1	147.3	-135.4	-58.2	11.94	31.0	147.4	203.24	
2415.0	45.60	201.00	2377.4	168.9	-155.5	-65.9	10.33	31.0	168.9	202.96	



Scientific Drilling Survey Completion Report

Company: J.W. Operating
Field: Carbon County, Utah
Site: Soldier Creek State 7-32H
Well: 7-32H
Wellpath: OH

Date: 11/17/2003 **Time:** 16:48:42 **Page:** 2
Co-ordinate(NE) Reference: Site: Soldier Creek State 7-32H
Vertical (TVD) Reference: System: Mean Sea Level
Section (VS) Reference: Well (0.00N,0.00E,201.89Azi)
Survey Calculation Method: Minimum Curvature **Db:** Sybase

Survey

Meas Depth ft	Inclination deg	Azimuth deg	TVD ft	Vert Sect ft	N/S ft	E/W ft	DLS deg/100ft	CLen ft	ClsD ft	ClsA deg
2445.0	47.90	200.90	2397.9	190.7	-175.9	-73.7	7.67	30.0	190.7	202.73
2476.0	51.10	200.60	2418.1	214.3	-198.0	-82.1	10.35	31.0	214.3	202.51
2506.0	54.40	200.70	2436.2	238.2	-220.3	-90.5	11.00	30.0	238.2	202.33
2537.0	57.80	200.30	2453.5	263.9	-244.4	-99.5	11.02	31.0	263.9	202.15
2568.0	61.00	199.90	2469.3	290.5	-269.5	-108.7	10.38	31.0	290.5	201.96
2599.0	64.00	199.90	2483.6	318.0	-295.3	-118.0	9.68	31.0	318.0	201.78
2631.0	67.10	199.50	2496.8	347.1	-322.7	-127.8	9.75	32.0	347.1	201.61
2663.0	70.50	199.90	2508.4	376.9	-350.8	-137.9	10.69	32.0	376.9	201.46
2694.0	73.30	201.00	2518.0	406.4	-378.4	-148.2	9.64	31.0	406.4	201.38
2726.0	75.90	202.40	2526.5	437.2	-407.1	-159.6	9.15	32.0	437.2	201.41
2758.0	79.30	202.20	2533.4	468.5	-436.0	-171.4	10.64	32.0	468.5	201.47
2789.0	83.40	202.80	2538.1	499.1	-464.3	-183.2	13.36	31.0	499.1	201.53
2820.0	87.80	202.70	2540.4	530.0	-492.8	-195.1	14.20	31.0	530.0	201.60
2851.0	91.90	202.90	2540.5	561.0	-521.4	-207.1	13.24	31.0	561.0	201.67
2881.0	94.30	203.60	2538.9	591.0	-548.9	-219.0	8.33	30.0	591.0	201.75
2913.0	95.30	203.80	2536.2	622.8	-578.1	-231.8	3.19	32.0	622.8	201.85
2944.0	94.50	203.50	2533.6	653.7	-606.4	-244.2	2.75	31.0	653.7	201.93
2975.0	93.10	202.50	2531.5	684.6	-634.9	-256.2	5.55	31.0	684.6	201.98
3006.0	94.40	202.10	2529.5	715.6	-663.5	-268.0	4.39	31.0	715.6	201.99
3037.0	97.50	201.40	2526.3	746.4	-692.1	-279.4	10.25	31.0	746.4	201.98
3053.0	98.50	202.10	2524.1	762.2	-706.8	-285.3	7.60	16.0	762.2	201.98
3125.0	99.20	200.70	2513.0	833.4	-773.1	-311.2	2.15	72.0	833.4	201.93
3156.0	100.90	201.50	2507.6	863.9	-801.5	-322.2	6.04	31.0	863.9	201.90
3188.0	98.90	201.60	2502.1	895.4	-830.9	-333.8	6.26	32.0	895.4	201.89
3223.0	102.00	202.70	2495.7	929.8	-862.7	-346.8	9.38	35.0	929.8	201.90
3236.0	103.60	202.70	2492.8	942.5	-874.4	-351.7	12.31	13.0	942.5	201.91
3255.0	104.10	202.80	2488.3	960.9	-891.4	-358.8	2.68	19.0	960.9	201.92
3287.0	102.90	202.30	2480.8	992.1	-920.2	-370.7	4.05	32.0	992.1	201.94
3319.0	101.00	201.80	2474.2	1023.4	-949.2	-382.5	6.13	32.0	1023.4	201.95
3351.0	102.60	201.60	2467.7	1054.7	-978.3	-394.1	5.04	32.0	1054.7	201.94
3383.0	101.50	201.40	2461.0	1086.0	-1007.4	-405.5	3.49	32.0	1086.0	201.93
3412.0	99.00	201.80	2455.8	1114.5	-1033.9	-416.0	8.73	29.0	1114.5	201.92
3444.0	98.80	202.20	2450.9	1146.1	-1063.3	-427.9	1.38	32.0	1146.1	201.92
3475.0	100.40	202.10	2445.7	1176.7	-1091.6	-439.4	5.17	31.0	1176.7	201.93
3507.0	101.00	202.10	2439.8	1208.1	-1120.7	-451.2	1.87	32.0	1208.1	201.93
3539.0	101.00	201.90	2433.6	1239.5	-1149.8	-463.0	0.61	32.0	1239.5	201.93
3561.0	100.60	202.00	2429.5	1261.2	-1169.9	-471.1	1.87	22.0	1261.2	201.93
3593.0	98.70	202.80	2424.2	1292.7	-1199.0	-483.1	6.43	32.0	1292.7	201.95
3626.0	96.70	203.00	2419.7	1325.4	-1229.2	-495.8	6.09	33.0	1325.4	201.97
3657.0	96.40	202.80	2416.2	1356.2	-1257.5	-507.8	1.16	31.0	1356.2	201.99
3689.0	95.70	202.20	2412.8	1388.0	-1286.9	-520.0	2.87	32.0	1388.0	202.00
3721.0	96.40	202.70	2409.5	1419.8	-1316.3	-532.1	2.68	32.0	1419.8	202.01
3753.0	95.00	202.80	2406.3	1451.7	-1345.7	-544.5	4.39	32.0	1451.7	202.03
3785.0	94.80	202.90	2403.5	1483.5	-1375.1	-556.8	0.70	32.0	1483.5	202.05
3817.0	94.20	202.30	2401.0	1515.4	-1404.5	-569.1	2.65	32.0	1515.4	202.06
3848.0	94.90	202.60	2398.6	1546.3	-1433.1	-580.9	2.46	31.0	1546.3	202.07
3880.0	98.40	202.20	2394.9	1578.1	-1462.5	-593.0	11.01	32.0	1578.1	202.07
3912.0	98.70	202.30	2390.1	1609.8	-1491.8	-605.0	0.99	32.0	1609.8	202.08
3943.0	97.50	203.60	2385.7	1640.4	-1520.0	-617.0	5.68	31.0	1640.5	202.09
3975.0	98.40	204.00	2381.3	1672.1	-1549.0	-629.7	3.07	32.0	1672.1	202.12
4007.0	99.90	204.90	2376.2	1703.7	-1577.8	-642.8	5.45	32.0	1703.7	202.17
4039.0	98.60	206.20	2371.1	1735.2	-1606.3	-656.4	5.71	32.0	1735.2	202.23



Scientific Drilling Survey Completion Report

Company: J.W. Operating
Field: Carbon County, Utah
Site: Soldier Creek State 7-32H
Well: 7-32H
Wellpath: OH

Date: 11/17/2003 **Time:** 16:48:42 **Page:** 3
Co-ordinate(NE) Reference: Site: Soldier Creek State 7-32H
Vertical (TVD) Reference: System: Mean Sea Level
Section (VS) Reference: Well (0.00N,0.00E,201.89Azi)
Survey Calculation Method: Minimum Curvature **Db:** Sybase

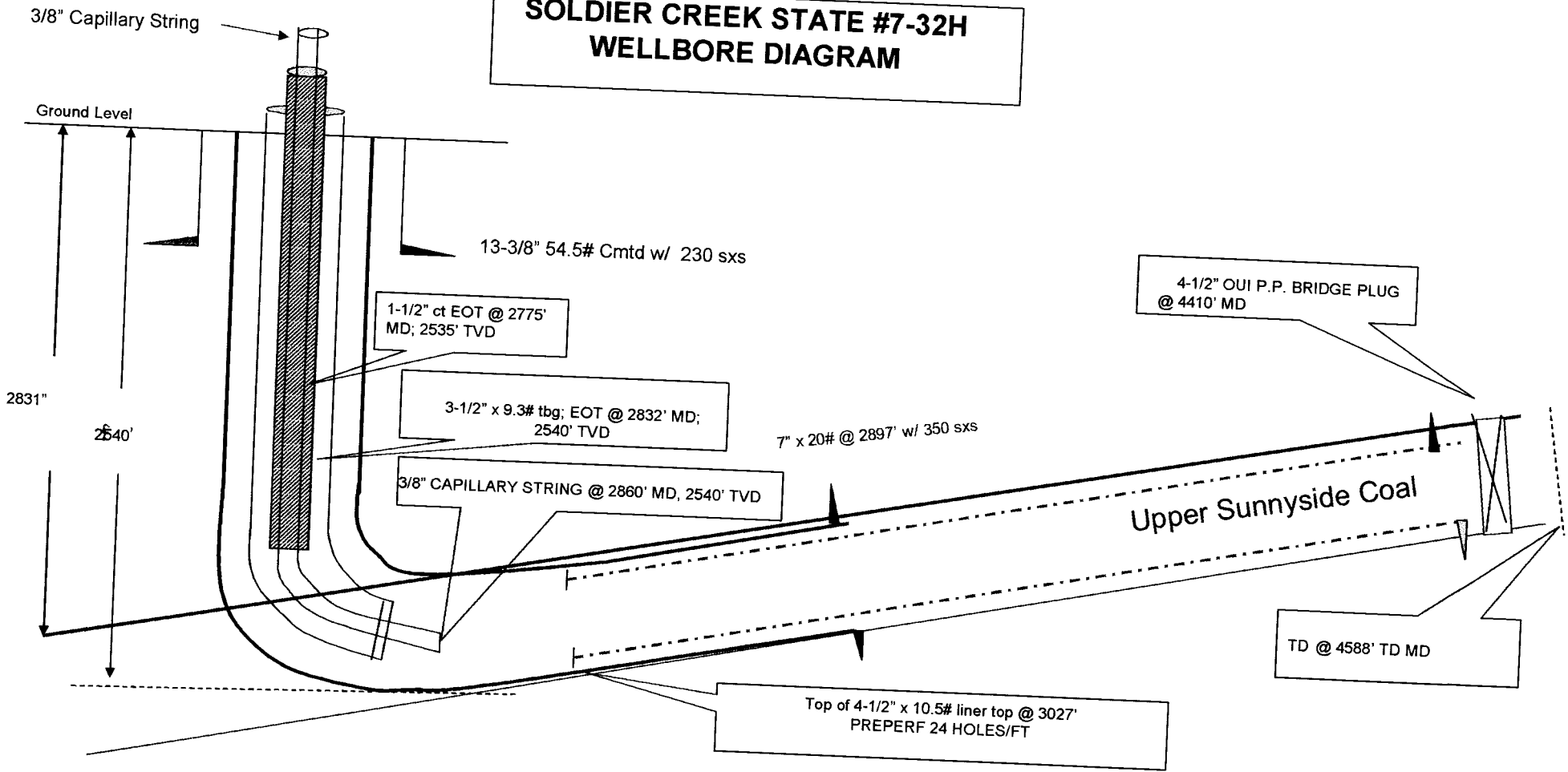
Survey

Meas Depth ft	Inclination deg	Azimuth deg	TVD ft	Vert Sect ft	N/S ft	E/W ft	DLS deg/100ft	CLen ft	CLsD ft	CLsA deg
4071.0	96.00	207.30	2367.0	1766.8	-1634.6	-670.7	8.81	32.0	1766.9	202.31
4103.0	93.90	207.50	2364.3	1798.6	-1662.9	-685.4	6.59	32.0	1798.6	202.40
4134.0	93.70	207.50	2362.2	1829.3	-1690.3	-699.7	0.65	31.0	1829.4	202.49
4165.0	94.20	208.20	2360.1	1860.1	-1717.7	-714.1	2.77	31.0	1860.2	202.58
4198.0	100.50	207.80	2355.9	1892.6	-1746.6	-729.5	19.13	33.0	1892.8	202.67
4260.0	99.20	200.80	2345.2	1953.6	-1802.2	-754.6	11.32	62.0	1953.8	202.72
4290.0	99.00	199.70	2340.5	1983.2	-1830.0	-764.9	3.68	30.0	1983.4	202.68
4321.0	98.60	198.80	2335.7	2013.8	-1858.9	-775.0	3.15	31.0	2014.0	202.63
4353.0	97.30	197.00	2331.3	2045.4	-1889.1	-784.7	6.89	32.0	2045.6	202.56
4385.0	97.40	195.50	2327.2	2077.0	-1919.6	-793.6	4.66	32.0	2077.1	202.46
4417.0	96.30	195.70	2323.4	2108.6	-1950.2	-802.1	3.49	32.0	2108.7	202.36
4448.0	94.50	196.10	2320.5	2139.3	-1979.8	-810.6	5.95	31.0	2139.3	202.27
4480.0	93.30	195.70	2318.3	2171.0	-2010.5	-819.3	3.95	32.0	2171.1	202.17
4511.0	93.30	196.20	2316.5	2201.8	-2040.3	-827.8	1.61	31.0	2201.8	202.08
4543.0	93.50	196.40	2314.6	2233.6	-2071.0	-836.8	0.88	32.0	2233.6	202.00
4588.0	93.78	196.68	2311.8	2278.3	-2114.0	-849.6	0.88	45.0	2278.3	201.89

Annotation

MD ft	TVD ft	
4588.0	2311.8	Extrapolated Survey

SOLDIER CREEK STATE #7-32H WELLBORE DIAGRAM



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

FORM 9

SUNDRY NOTICES AND REPORTS ON WELLS		5. LEASE DESIGNATION AND SERIAL NUMBER: UT-007-00014-000 / ML48131
Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.		6. IF INDIAN, ALLOTTEE OR TRIBE NAME: n/a
1. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER _____		7. UNIT or CA AGREEMENT NAME: n/a
2. NAME OF OPERATOR: J-W Operating Company		8. WELL NAME and NUMBER: Soldier Creek #7-32H
3. ADDRESS OF OPERATOR: 7074 S Revere Parkway CITY Centennial STATE CO ZIP 80112		9. API NUMBER: 4300730941
4. LOCATION OF WELL FOOTAGES AT SURFACE: 697' FNL & 822' FEL		10. FIELD AND POOL, OR WILDCAT: WILDCAT
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NENE 32 12S 12E 6		COUNTY: Carbon
		STATE: UTAH

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

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

Well was shut in on August 2, 2006.

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

(This space for State use only)

AUG 17 2006



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

OIL AND GAS PROPERTY MANAGEMENT

August 15, 2006

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

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

Gentlemen:

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

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

Sincerely,

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

Judith K. Pruitt
Engineering Technician

/jkp
Enclosures

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

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

FORM 9

SUNDRY NOTICES AND REPORTS ON WELLS			5. LEASE DESIGNATION AND SERIAL NUMBER: UT-007-0001-001
Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.			6. IF INDIAN, ALLOTTEE OR TRIBE NAME: N/A
1. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER _____			7. UNIT or CA AGREEMENT NAME: N/A
2. NAME OF OPERATOR: J-W OPERATING COMPANY			8. WELL NAME and NUMBER: SOLDIER CREEK # 7-32H
3. ADDRESS OF OPERATOR: 7074 S. Revere Parkway CITY Centennial STATE CO ZIP 80112		PHONE NUMBER: (303) 422-4990	9. API NUMBER: 4300730941
4. LOCATION OF WELL FOOTAGES AT SURFACE: 697' FNL & 822' FEL			10. FIELD AND POOL, OR WILDCAT: WILDCAT
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NENE 32 12S 12E 6			COUNTY: CARBON
			STATE: UTAH

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

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

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

Operator have also resumed sampling the produced water.

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

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

FORM 9

SUNDRY NOTICES AND REPORTS ON WELLS

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

1. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER _____		5. LEASE DESIGNATION AND SERIAL NUMBER: UT-007-0001-001
2. NAME OF OPERATOR: J-W OPERATING COMPANY		6. IF INDIAN, ALLOTTEE OR TRIBE NAME: N/A
3. ADDRESS OF OPERATOR: 7074 S REVERE PARKWAY CITY CENTENNIAL STATE CO ZIP 80112		7. UNIT or CA AGREEMENT NAME: N/A
4. LOCATION OF WELL FOOTAGES AT SURFACE: 697' FNL & 822' FEL		8. WELL NAME and NUMBER: SOLDIER CREEK # 7-32H
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NENE 32 12S 12E 6		9. API NUMBER: 4300730941
COUNTY: CARBON		10. FIELD AND POOL, OR WILDCAT: WILDCAT
STATE: UTAH		

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

TYPE OF SUBMISSION	TYPE OF ACTION		
<input type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: _____	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> REPERFORATE CURRENT FORMATION
	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> SIDETRACK TO REPAIR WELL
	<input type="checkbox"/> CASING REPAIR	<input type="checkbox"/> NEW CONSTRUCTION	<input type="checkbox"/> TEMPORARILY ABANDON
	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> TUBING REPAIR
	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> VENT OR FLARE
<input checked="" type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion: 10/24/2006	<input type="checkbox"/> CHANGE WELL NAME	<input type="checkbox"/> PLUG BACK	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> PRODUCTION (START/RESUME)	<input type="checkbox"/> WATER SHUT-OFF
	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input checked="" type="checkbox"/> OTHER: <u>SHUT IN WELL</u>
	<input type="checkbox"/> CONVERT WELL TYPE	<input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION	

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

Well was shut in on October 24, 2006

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

(This space for State use only)

RECEIVED
OCT 30 2006

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

FORM 9

SUNDRY NOTICES AND REPORTS ON WELLS		5. LEASE DESIGNATION AND SERIAL NUMBER: UT-007-0001-001
		6. IF INDIAN, ALLOTTEE OR TRIBE NAME: N/A
Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.		7. UNIT or CA AGREEMENT NAME: N/A
		8. WELL NAME and NUMBER: SOLDIER CREEK 7-32H
1. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER _____	9. API NUMBER: 4300730941	
2. NAME OF OPERATOR: J-W OPERATING COMPANY	PHONE NUMBER: (303) 422-4990	10. FIELD AND POOL, OR WILDCAT: WILDCAT
3. ADDRESS OF OPERATOR: 7074 S REVERE PARKWAY CITY CENTENNIAL STATE CO ZIP 80112	10. FIELD AND POOL, OR WILDCAT: WILDCAT	
4. LOCATION OF WELL FOOTAGES AT SURFACE: 697' FNL 822' FEL	COUNTY: CARBON	
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NENE 32 12S 12E 6	STATE: UTAH	

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

TYPE OF SUBMISSION	TYPE OF ACTION		
<input checked="" type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: <u>10/15/2007</u>	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> REPERFORATE CURRENT FORMATION
<input type="checkbox"/> 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 checked="" type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> VENT OR FLARE
	<input type="checkbox"/> CHANGE WELL NAME	<input type="checkbox"/> PLUG BACK	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> PRODUCTION (START/RESUME)	<input type="checkbox"/> WATER SHUT-OFF
	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input type="checkbox"/> OTHER: _____
	<input type="checkbox"/> CONVERT WELL TYPE	<input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION	

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.
J-W OPERATING COMPANY intent to plug and abandon this well on October 15, 2007.
Attached are the procedure and the well bore diagram

COPIES SENT TO OPERATOR
 10/15/07
 RM

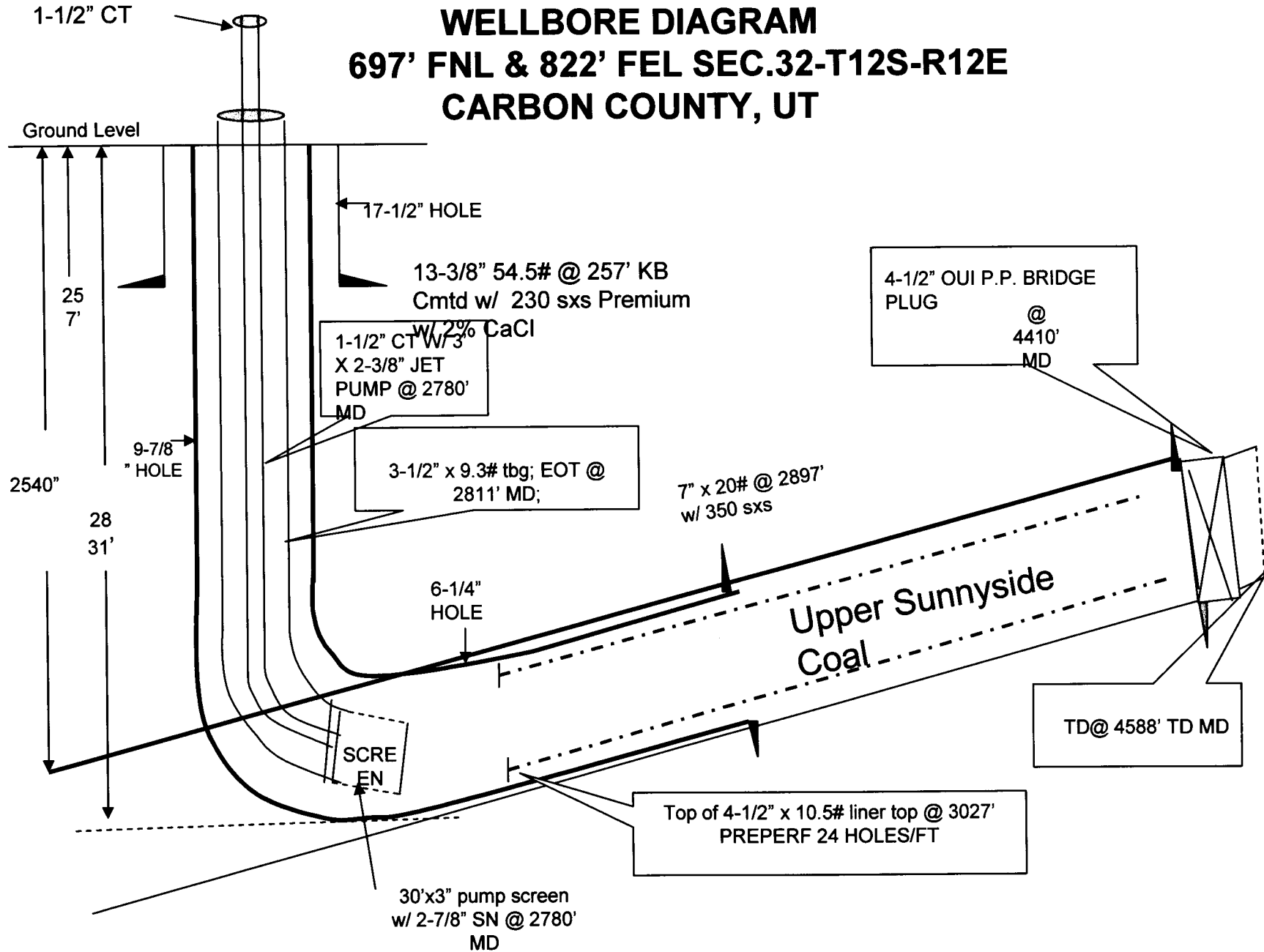
NAME (PLEASE PRINT) Pingkan Zaremba TITLE Eng.Tech
 SIGNATURE *Pingkan Zaremba* DATE 9/25/2007

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

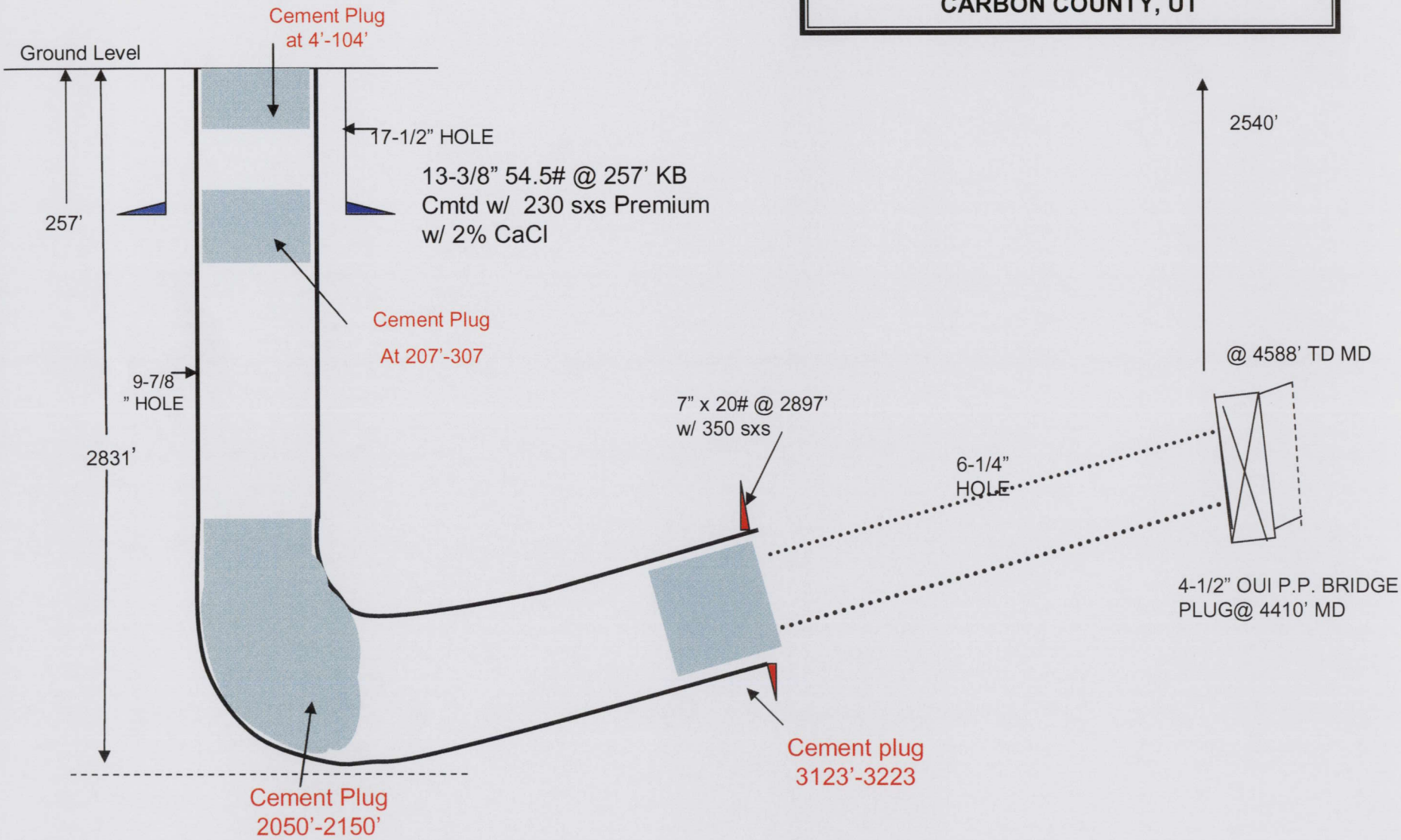
RECEIVED
OCT 09 2007
 DIV. OF OIL, GAS & MINING

DATE: 10/19/07
 BY: *[Signature]* (See Instructions on Reverse Side)
 *See Conditions of Approval (Attached)

SOLDIER CREEK STATE #7-32H WELLBORE DIAGRAM 697' FNL & 822' FEL SEC.32-T12S-R12E CARBON COUNTY, UT



SOLDIER CREEK STATE #7-32H
API 43-007-30941
697' FNL & 822' FEL
SEC.32-T12S-R12E
CARBON COUNTY, UT



J-W OPERATING COMPANY
SOLDIER CREEK # 7-32H
697' FNL & 822' FEL, NE/NE, Section 32-T12S-R12E
Carbon County, Colorado

Date: 24 September 2007

AFE No.:

AFE Cost: \$73,035

Purpose: Plug and Abandon Procedure.

	<u>OD.</u> <u>IN</u>	<u>DRIFT</u> <u>ID. IN</u>	<u>WT.</u> <u>#/FT</u>	<u>GRADE</u>	<u>DEPTH.</u> <u>FT.</u>	<u>CMT.</u> <u>SKS.</u>	<u>EST.</u> <u>TOC. FT</u>	<u>CAP.</u> <u>BBL/FT</u>	<u>BURST. PSI</u>	<u>COLLAPSE.</u> <u>PSI</u>
Surface	13-3/8	12.459	54.5	NLS	257MD	230	Surface	0.15459	2730	1130
Intermediate	7	6.33	20	J-55	3173MD	350	1314	0.04049	3740	2270
Production Liner	4-1/2	3.927	10.5	J-55	438MD			0.015950	4790	4010
Tubing	3-1/2	2.992	9.3	J-55	2780			0.015950	6980	7400

Items needed :

- See attached wellbore schematic for borehole and casing information.
- 2 % KCl water
- BOP
- Pump and tank
- Cement bulk truck
- Coil tubing equipment.

Procedures:

1. Bleed down casing & tubing to 0 #.
2. MIRU Coil Tubing unit
3. ND tree and NU coil tubing BOP.
4. POOH w/ (1) 1-1/2" coiled tbg +/- 2811' ,(1) 3' x 2.375" jet pump.
5. MIRU work over rig with pump and tank.
6. NU BOPE.

7. POOH (1) 30'x3" pump screen, (1) 2-7/8" seat nipple , (1) 2-7/8"x 3-1/2" crossover ,(1) 3-1/2 tbg., (89) jnt 3-1/2" of tubing.
8. RIH w/ (100) 3-1/2" tubing +/- 3027', line hanger tool, bumper sub, and jar. Connect the line hanger in to 4-1/2" to L&R casing hanger.
9. POOH w/ 3-1/2" tubing, line hanger tool, bumper sub, jar, (32)jts perforated casing liner,(2)jts non perforated casing liner 4-1/2" 10.5# liner. Lay down casing liner on the pipe racks.
10. RIH w/ tubing 3-1/2" +/- 3223'. Mix and spot (100') 19 sks Class G premium cement plug 3123'-3223'MD. The cement plug will be 1/2 inside the 7" casing tub and 1/2 out side in the 6-1/8" open hole.
11. POOH. While POOH displace the hole (40 bbls) mud spacer 9 ppg from 3123' to 2150'.
12. Mix, pump and spot (100') 20 sks Class G Premium cement plug from 2050'-2150'. Reverse circulation tubing clean w/ fresh water. POOH and lay down tubing to racks. While POOH with tubing, displace hole (71 bbls) with mud spaces 9ppg from 2050'-307'
13. Mix and spot (100') 20 sks Class G premium cement plug 207'-307' MD. POOH and lay down tubing to racks. While POOH with tubing, displace hole (4 bbls) with mud spaces 9ppg from 104'-207'.
14. Continue POOH to 104' LD 3-1/2" tubing. Mix and spot (\pm 100') 20sks Class G Premium cement plug from \pm 4'-104'
15. POOH finish LD 3-1/2" tubing.
16. Cut wellhead 4' below ground level.
17. RDMO w/o rig.
18. Weld 1/4" thick steel plate over casing stub and install dry hole marker.
19. Remove Surface equipment from location.
20. Restore and reclaim the location.



State of Utah

Department of
Natural Resources

MICHAEL R. STYLER
Executive Director

Division of
Oil, Gas & Mining

JOHN R. BAZA
Division Director

JON M. HUNTSMAN, JR.
Governor

GARY R. HERBERT
Lieutenant Governor

CONDITIONS OF APPROVAL TO PLUG AND ABANDON WELL

Well Name and Number: Soldier Creek St 7-32H
API Number: 43-007-30941
Operator: J-W Operating Company
Reference Document: Original Sundry Notice dated September 25, 2007,
received by DOGM on October 9, 2007.

Approval Conditions:

1. Notify the Division at least 24 hours prior to conducting abandonment operations. Please call Dan Jarvis at 801-538-5338.
2. **Amend Plug #3 (procedural step #13):** Plug # 3 shall be amended to an inside/outside 100' plug. RIH w/WL and perf squeeze holes at $\pm 307'$. RIH w/CICR and set at $\pm 257'$. Establish injection. M&P 66 sx cement and squeeze 56 sx below CICR, sting out of CICR and dump 10 sx on top of CICR. If injection cannot be established, spot 20 sx on top of CICR. Inside/outside plug could also be effectively set by opening 13 3/8 " x 7" casing valve, shutting in rams and squeezing 46sx of the 66sx out the perfs at 307'.
3. Surface reclamation shall be done in accordance with R649-3-34 – Well Site Restoration. Evidence of compliance with this rule should be supplied to the Division upon completion of reclamation.
4. Balance plugs shall be tagged to ensure they are at the depths specified in the proposal.
5. All annuli shall be cemented from a minimum depth of 100' to the surface.
6. All requirements in the Oil and Gas Conservation General Rule R649-3-24 shall apply.
7. If there are any changes to the plugging procedure or the wellbore configuration, notify Dustin Doucet at 801-538-5281 (ofc) or 801-733-0983 (home) prior to continuing with the procedure.
8. All other requirements for notice and reporting in the Oil and Gas Conservation General Rules shall apply.

Dustin K. Doucet
Petroleum Engineer

October 19, 2007

Date

Wellbore Diagram

API Well No: 43-007-30941-00-00 **Permit No:**
Company Name: J-W OPERATING COMPANY
Location: Sec: 32 T: 12S R: 12E Spot: NENE
Coordinates: X: 534593 Y: 4398466
Field Name: SOLDIER CREEK
County Name: CARBON

Well Name/No: SOLDIER CREEK ST 7-32H

String Information

String	Bottom (ft sub)	Diameter (inches)	Weight (lb/ft)	Length (ft)	Capacity (ft/cf)
HOL1	238	17.5			
SURF	238	13.37	54.5	238	
HOL2	3182	9.875			
II	3182	7	20	3182	4.399
HOL3	4380	6.25	10.5	4380	
PROD	4380	4.5	10.5	4380	11.167
T1	2832	3.5			
PKR	2850	0.375			



Plug #4 (Step #14)
 $(20\%)(1.15)(4399) = 101'$

Cement from 238 ft. to surface
 Surface: 13.37 in. @ 238 ft.
 Hole: 17.5 in. @ 238 ft.

Plug #3 (Step #13)

Annuli 100' to surf
 forward to inside/outside
 outside

below shoe
 $6\frac{1}{4} \times (1.15)(2.0055) = 305x$
 Above shoe
 $3\frac{1}{4} \times (1.15)(1.665) = 165x$

140' inside
 $100' / (1.15)(4.399) = 205x$
 (665x req.)

Plug #2 (Step #12)

$(20\%)(1.15)(4.399) = 101'$
 Cement from 3182 ft. to 1400 ft. Total 2050' ✓ o.k.
 Intermediate: 7 in. @ 3182 ft. Tag

Hole: 9.875 in. @ 3182 ft.
 Cement from 4380 ft.
 Packer: 0.375 in. @ 2850 ft.
 Tubing: 3.5 in. @ 2832 ft.

Total @ 3027'
Plug #1 (Step #10)

Below 7" shoe
 $41' / (1.15)(3.2596) = 11x$

pull liner Above shoe
 $(8\%)(1.15)(4399) = 41'$

Production: 4.5 in. @ 4380 ft.
 Hole: 6.25 in. @ 4380 ft.
 Hole: Unknown

Cement Information

String	BOC (ft sub)	TOC (ft sub)	Class	Sacks
II	3182	1400	G	350
PROD	4380			
SURF	238	0	UK	230

Perforation Information

Top (ft sub)	Bottom (ft sub)	Shts/Ft	No Shts	Dt Squeeze
2831	2840			

Formation Information

Formation	Depth
SUNSD	2831

TOC @ 3141 w/208 without below shoe
 # Must tag @ min. of 3123'

TD: 4588 TVD: 2312 PBTD: 4410

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

FORM 9

SUNDRY NOTICES AND REPORTS ON WELLS			5. LEASE DESIGNATION AND SERIAL NUMBER: UT-007-0001-001
Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.			6. IF INDIAN, ALLOTTEE OR TRIBE NAME: -
1. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER _____			7. UNIT or CA AGREEMENT NAME: -
2. NAME OF OPERATOR: J-W Operating Company			8. WELL NAME and NUMBER: Soldier Creek 7-32H
3. ADDRESS OF OPERATOR: 7074S. Revere Parkway CITY Centennial STATE CO ZIP 80112			9. API NUMBER: 4300730053 9A1
4. LOCATION OF WELL FOOTAGES AT SURFACE: 697' FNL 822' FEL			10. FIELD AND POOL, OR WILDCAT: Wild Cat
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NENE 32 12S 12E 6			COUNTY: CARBON STATE: UTAH

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA			
TYPE OF SUBMISSION	TYPE OF ACTION		
<input type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: _____ <input checked="" type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion: 11/1/2007	<input type="checkbox"/> ACIDIZE <input type="checkbox"/> ALTER CASING <input type="checkbox"/> CASING REPAIR <input type="checkbox"/> CHANGE TO PREVIOUS PLANS <input type="checkbox"/> CHANGE TUBING <input type="checkbox"/> CHANGE WELL NAME <input type="checkbox"/> CHANGE WELL STATUS <input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS <input type="checkbox"/> CONVERT WELL TYPE	<input type="checkbox"/> DEEPEN <input type="checkbox"/> FRACTURE TREAT <input type="checkbox"/> NEW CONSTRUCTION <input type="checkbox"/> OPERATOR CHANGE <input checked="" type="checkbox"/> PLUG AND ABANDON <input type="checkbox"/> PLUG BACK <input type="checkbox"/> PRODUCTION (START/RESUME) <input type="checkbox"/> RECLAMATION OF WELL SITE <input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION	<input type="checkbox"/> REPERFORATE CURRENT FORMATION <input type="checkbox"/> SIDETRACK TO REPAIR WELL <input type="checkbox"/> TEMPORARILY ABANDON <input type="checkbox"/> TUBING REPAIR <input type="checkbox"/> VENT OR FLARE <input type="checkbox"/> WATER DISPOSAL <input type="checkbox"/> WATER SHUT-OFF <input type="checkbox"/> OTHER: _____

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

Pump 30 bbls fresh water and attempt circulation, could not circulate.
 Mix and pump 25 sxs class G cement and displace with 27 bbl fresh water.
 Attempt to reverse circ with 120 bbl water without success.
 Pump 30 bbl water down tbg, wait on cement for 4 hrs. It did not tag.
 Approval to set cement retainer above 7" casing shoe at 2616'.
 Perforate 4 sqz hole @ 307'.
 Sting in the retainer with 132 sx cement class G. Sting out pump of 10 sxs of cement.
 Pump 40 bbl 9 ppg mud spacer up to 2138'
 Mix and pump 25 sxs cement plug class G 15.8 ppg on top the spacer.
 Pump 72 bbl 9 ppg mud spacer up to 310'.
 Mix and pump 150 sxs cement class G 15.8 ppg, pump from 310' between annulus up to surface, also inside 7" casing from 310' all the way to the surface.

Attached are cement summary and wellbore diagram

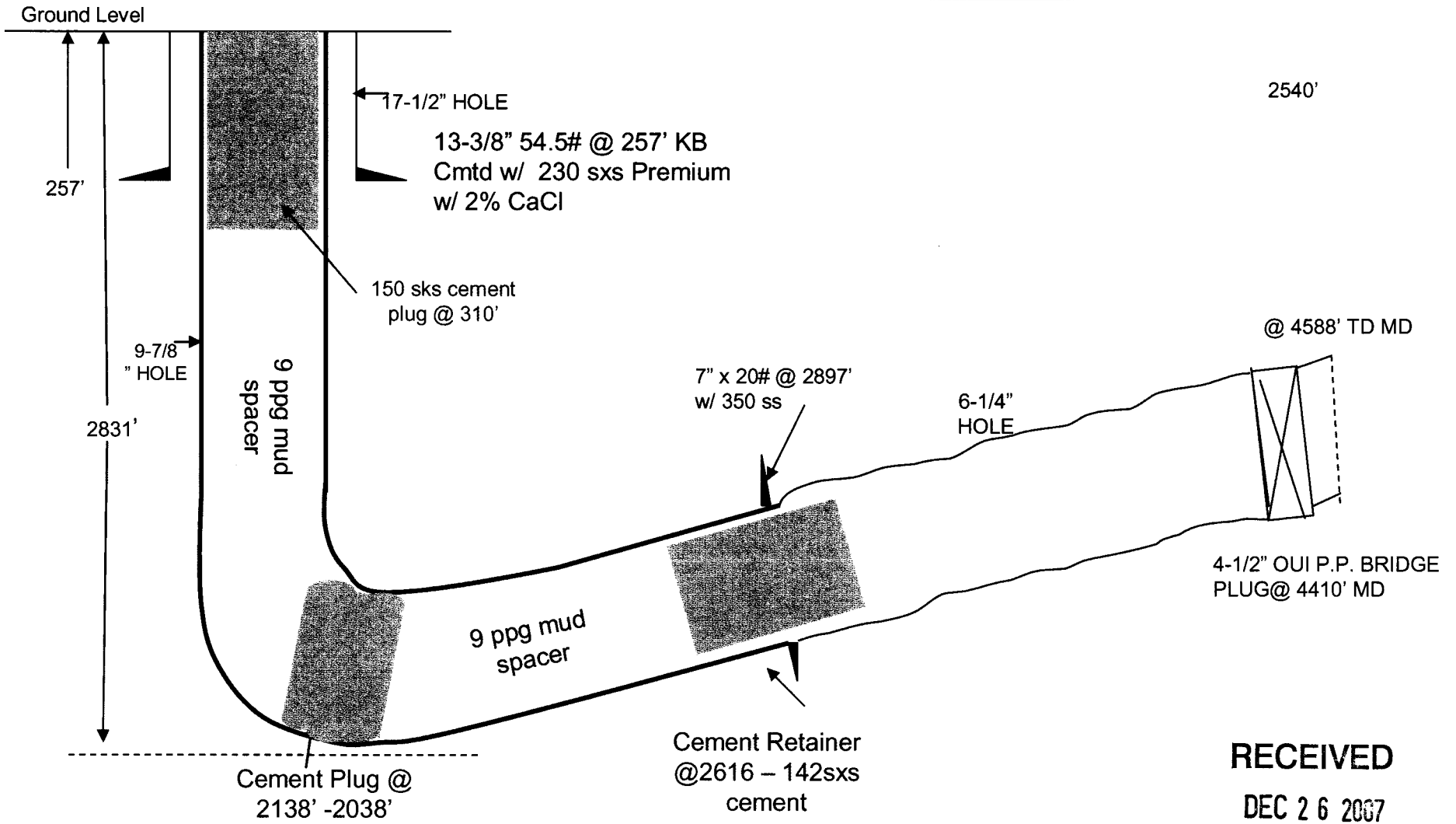
NAME (PLEASE PRINT) <u>Pingkan Zaremba</u>	TITLE <u>Engineering Tech</u>
SIGNATURE <u><i>Pingkan Zaremba</i></u>	DATE <u>12/18/2007</u>

(This space for State use only)

RECEIVED
DEC 26 2007

DIV. OF OIL, GAS & MINING

SOLDIER CREEK STATE #7-32H
API 43-007-30941
697' FNL & 822' FEL
SEC.32-T12S-R12E
CARBON COUNTY, UT



RECEIVED
DEC 26 2007

Customer Information

Customer Name J.W. OPERATING

Lease Information

Lease Name SOLDIER CREEK 7-32H
Physical Location NINE MILE
County CARBON
State UTAH

Well Information

Casing Size 7"
Casing Weight 20#
Casing Connection 8-RD
Casing I.D.
Hole Size 6 1/8"
Calculated Annular Excess %
BHST
T.D.
Casing Length
Shoe Joint
Float Collar
Calculated T.O.C.
Previous Casing Depth
Previous Casing Size
Previous Casing Weight
Drill Pipe Size

Call-Out Information

Job Type PTA
Service Center(s) VERNAL
Bulk Location(s) VERNAL
Supervisor(s) DERRICK
Pumping Equipment 356
Auxillary Equipment NOWSCO I
Time Called Out 06:00
Time On Location 08:30
Planned Time of Job 08:00
Weather Conditions CLOUDY

{1} Primary - Job Log

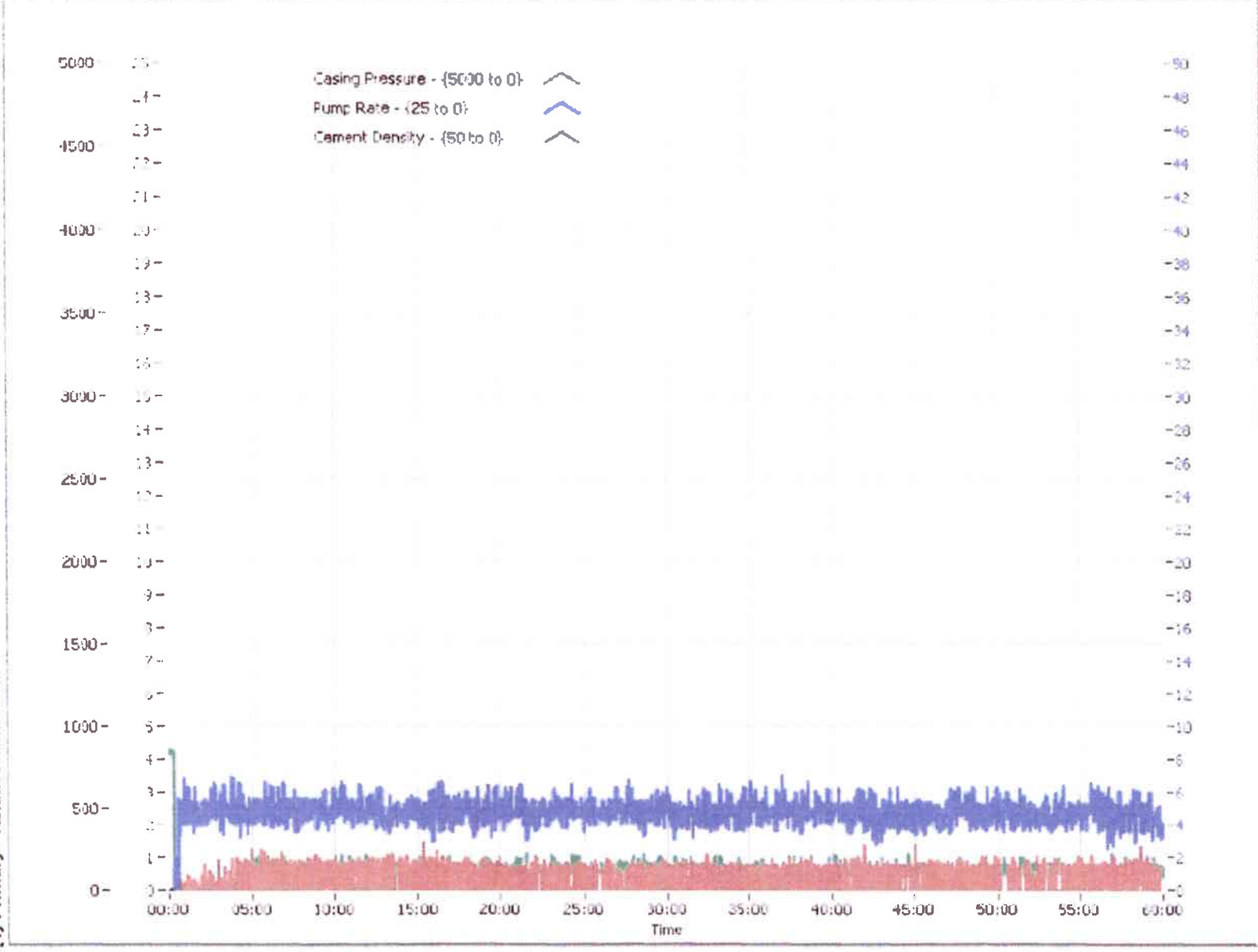


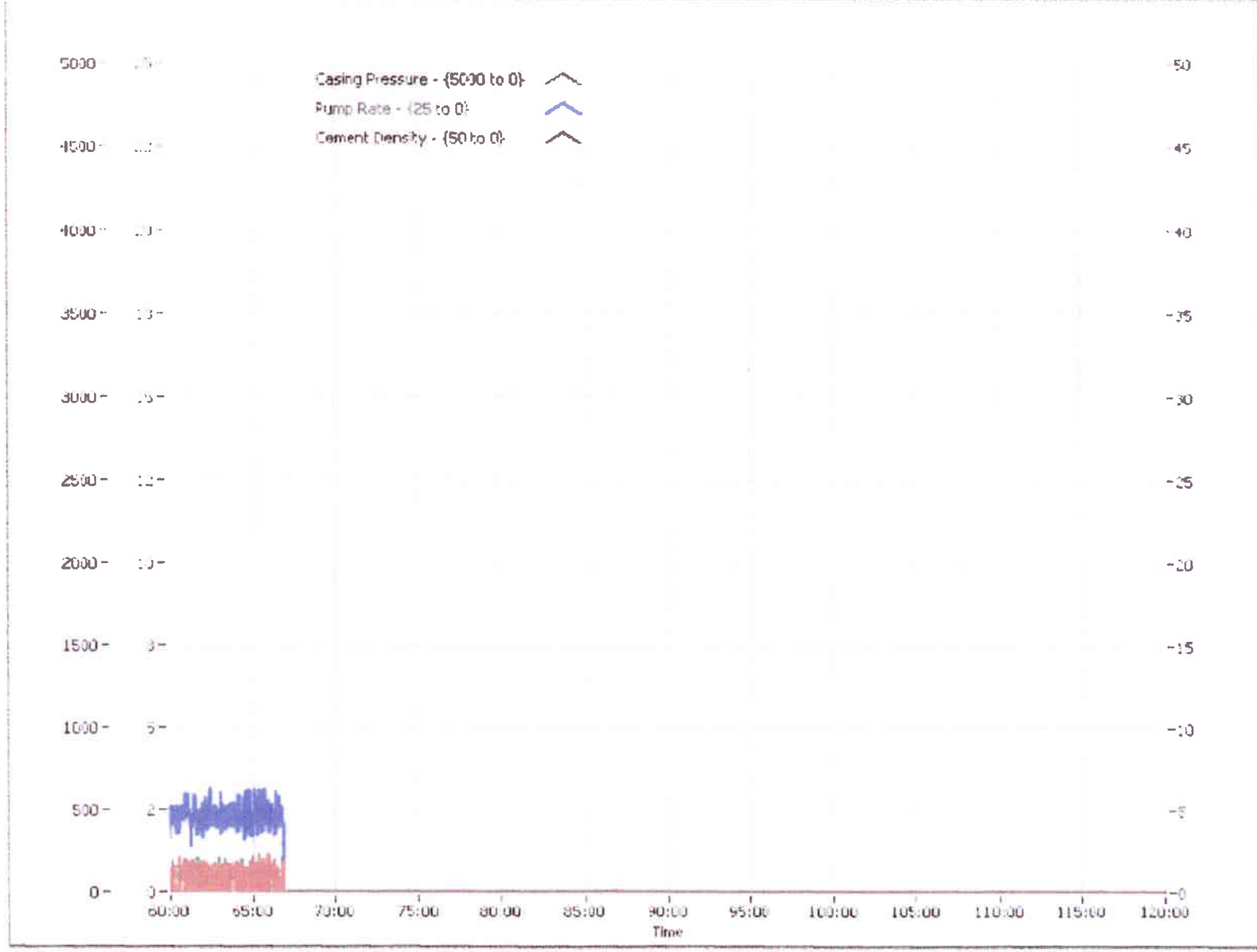
{1} Primary - Units

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



{1} Primary - Relative Time Chart





29-000466-00-1-RT-2

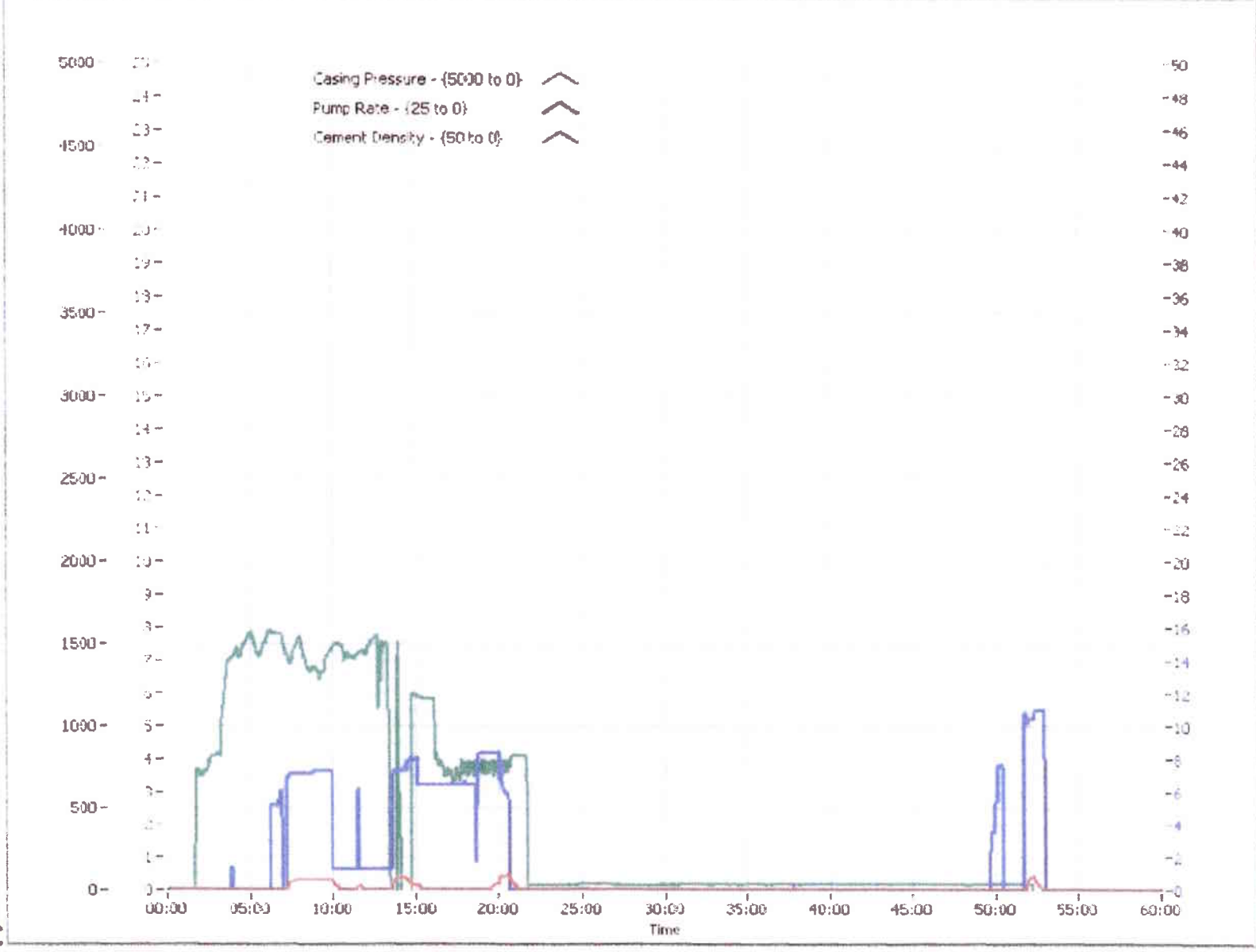
{2} - Job Log

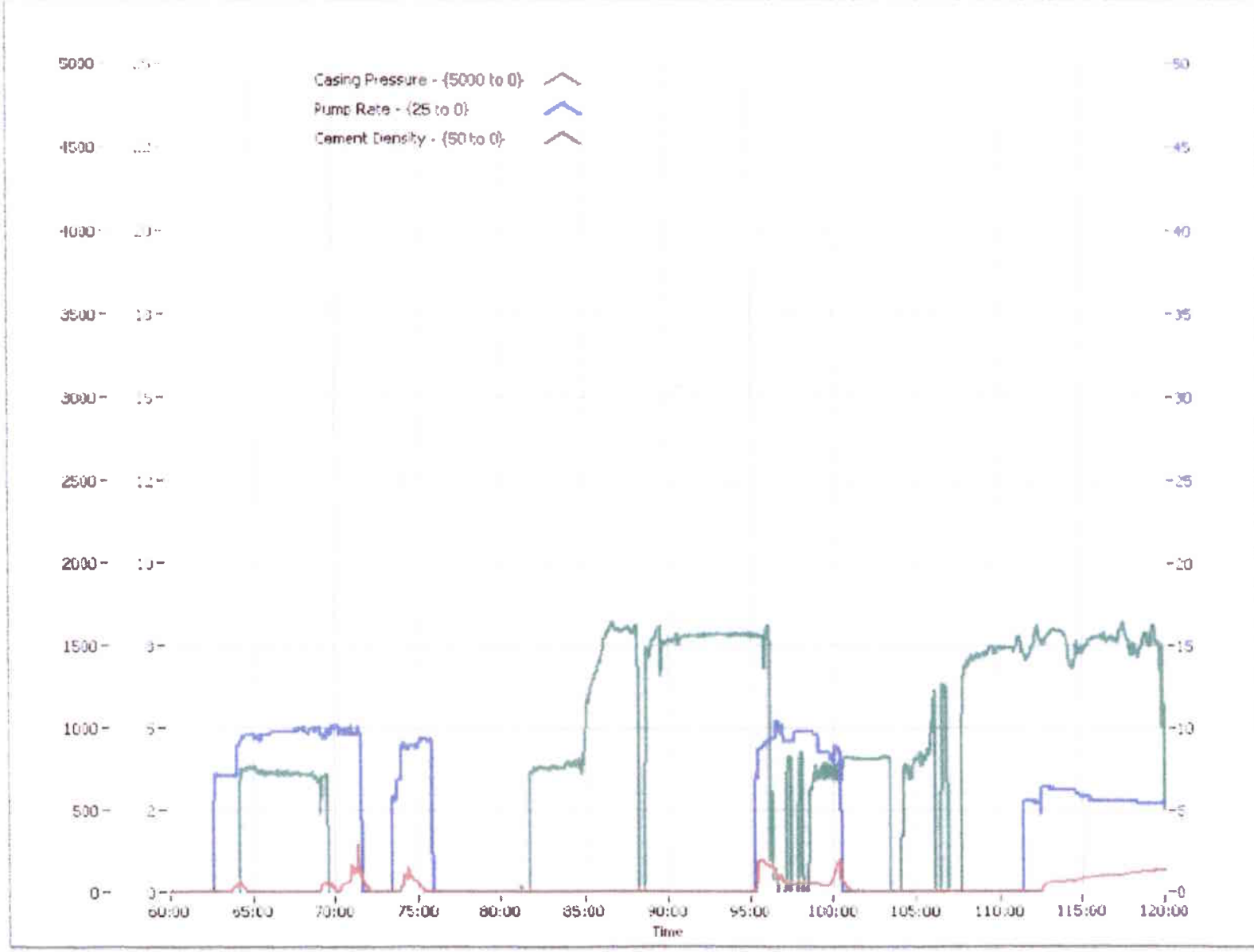
{2} - Units

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

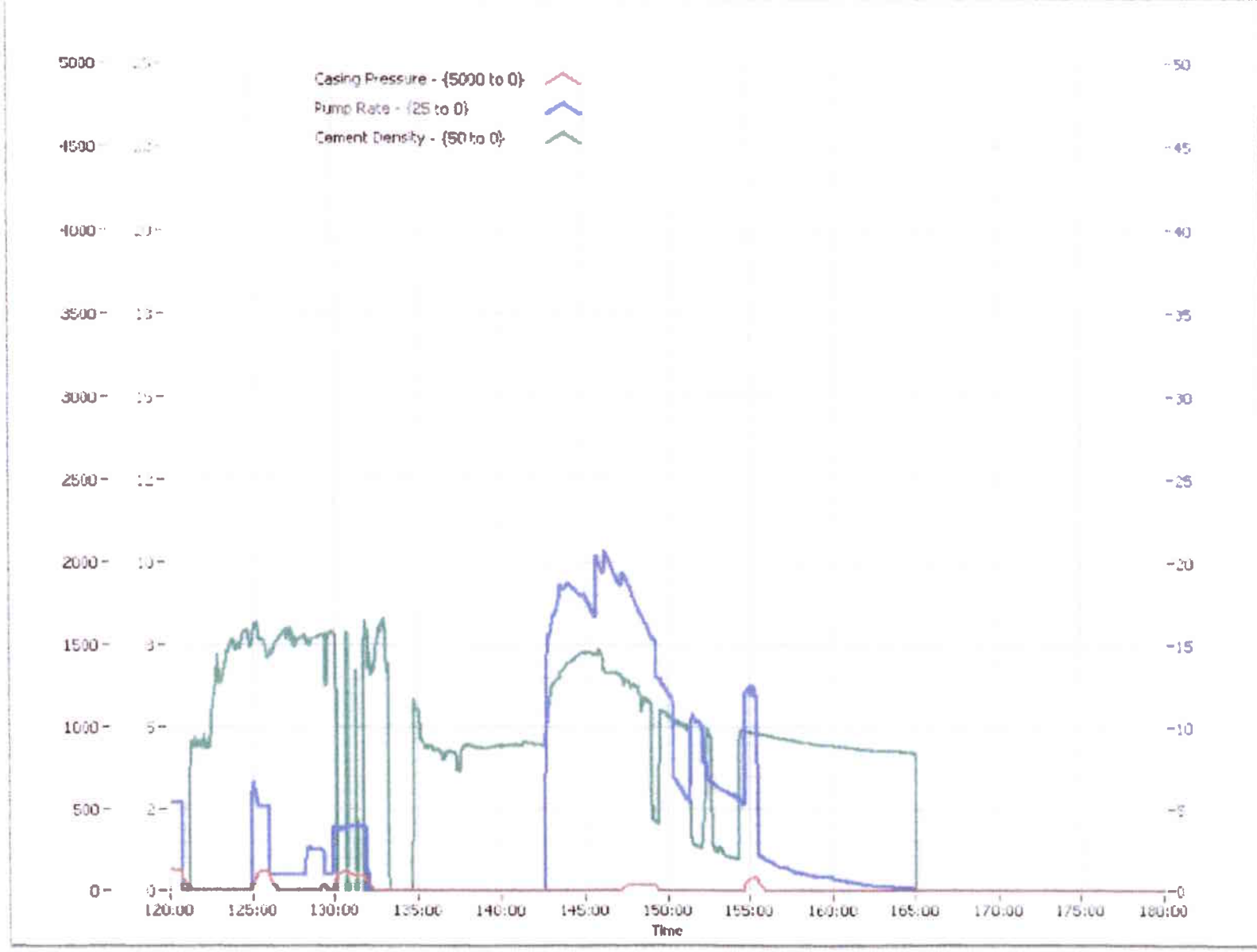


{2} - Relative Time Chart





29-000466-01-2-RT-2



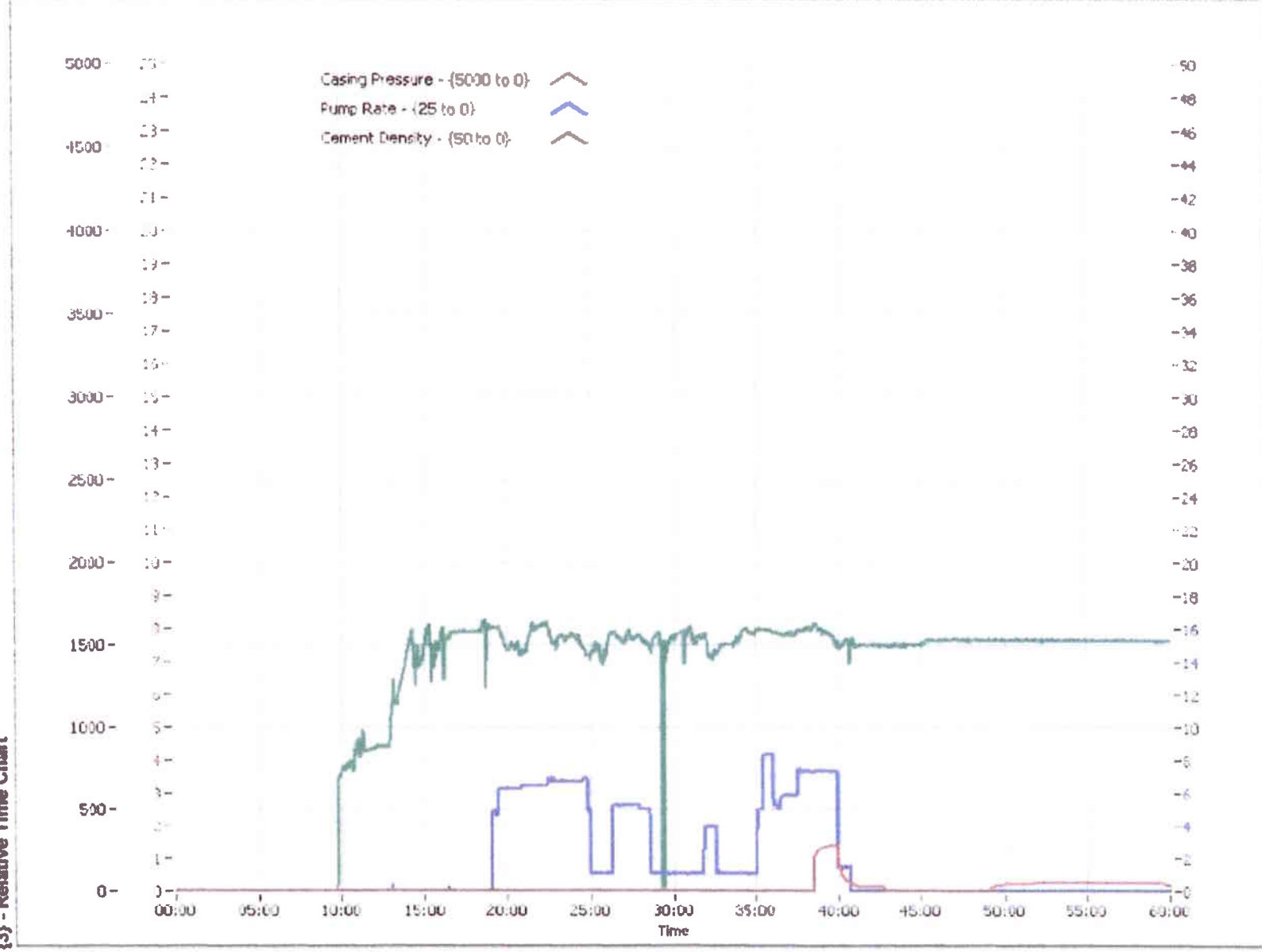
{3} - Job Log

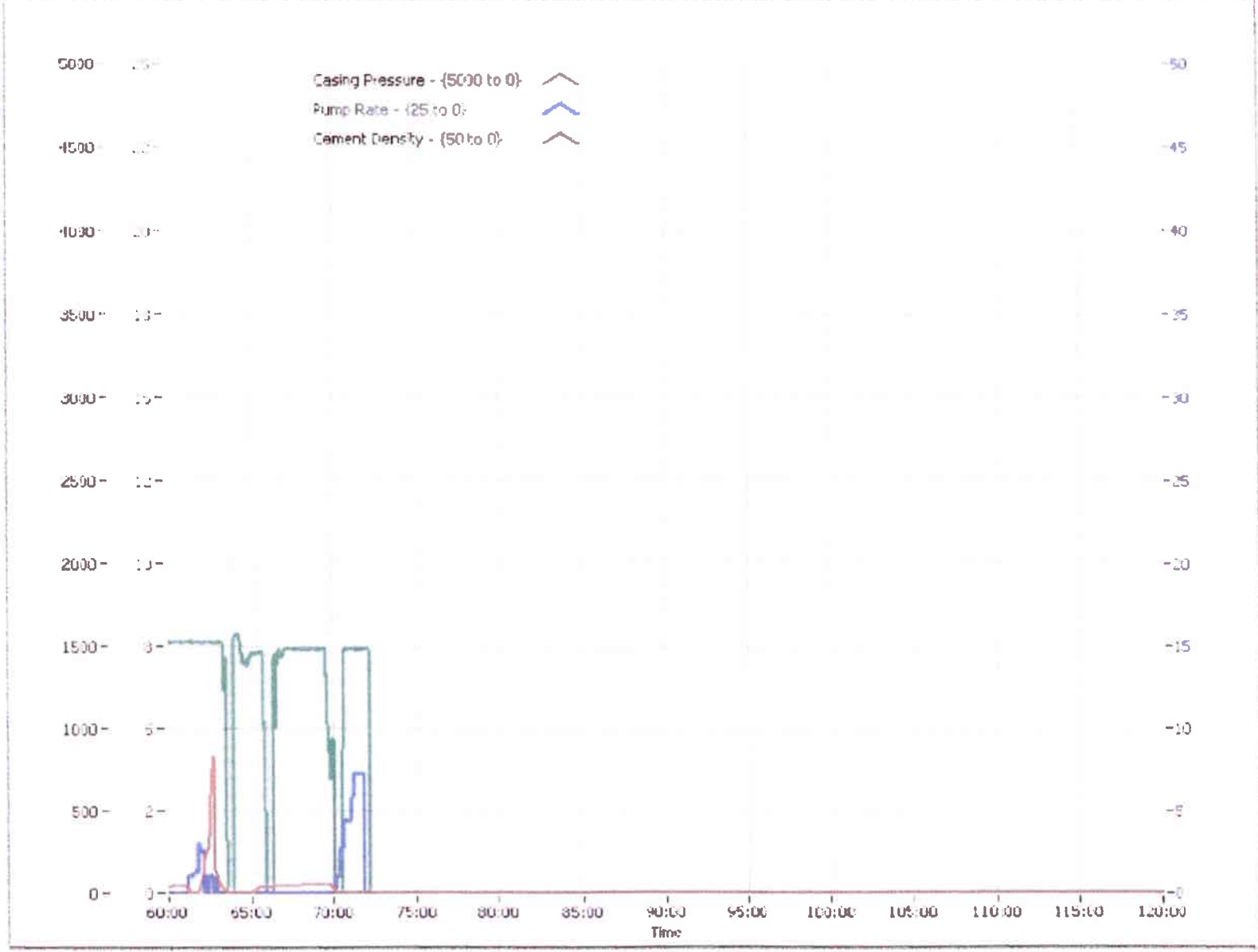
{3} - Units

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



{3} - Relative Time Chart





Post Job Summary

Pressure Test	4000
Initial Circulating Rate	3
Initial Circulating Pressure	
Lead Slurry Sacks	600
Lead Slurry Volume	
Tail Slurry Sacks	
Tail Slurry Volume	
Bottom Plug Displacement	
Top Plug Displacement	
Cmt Vol Circulated to Surface	
Average Displacement Rate	
Final Circulating Rate	
Final Circulating Pressure	
Plug Bumped?	
Pressure When Plug Bumped	
Floats Hold?	



JOB SUMMARY

CUSTOMER:
WELL #:
JOB TYPE:

J.W. OPERATING
SOLDIER CREEK STATE #7-32H
P.T.A.

	TYPE	BBLs.	DENSITY
PRE FLUSH #1			

	ADDITIVES	DENSITY	YIELD	WATER
G CEMENT				
SKS.				
600		15.8	1.15	5.2
	NEAT WITH 2% CALC2			

	ADDITIVES	DENSITY	YIELD	WATER
SKS				

JOB LOG

CUSTOMER:

J.W.OPERATING

WELL #

SOLDER CREEK 7-32H

JOB TYPE:

PTA

TIME	EVENT	PRESSURE	VOLUME	RATE
6:00	CALLED OUT			
8:00	ON LOCATION			
8:30	SAFETY MEETING			
10:00	PRESSURE TEST	3000	0	0
10:10	START FRESH	0	0	3
10:22	END FRESH	20	30	3
10:22	START CEMENT	20	0	3
10:28	END CEMENT	15	6	3
10:28	START DISPLACEMENT	15	0	3
10:32	END DISPLACEMENT	0	11.1	3
10:35	PULL UP HOLE	0	0	0
10:48	REVERSE	0	0	0
11:12	NO CIRCULATION	0	140	0
11:12	SHUT DOWN	0	140	0
11:15	PUMP DOWN TUBING	245	0	5
11:22	SHUT DOWN	100	35	5
16:00	GO HOME FOR THE DAY	0	0	0
10:00	ON LOCATION	0	0	0
10:00	SAFETY MEETING	0	0	0
13:00	START CEMENT THRU RETAINER	0	0	3
13:05	END CEMENT	30	26	3
13:05	START DISPLACEMENT	30	0	3
13:11	END DISPLACEMENT	130	20	3
13:12	STING OUT OF RETAINER	0	0	0
13:13	PULL UP HOLE	0	0	0
13:20	RIG PUMP MUD	0	0	0
14:23	START H2O	20	0	3
14:25	END H2O	20	5	3
14:25	START CEMENT	20	0	4
14:27	END CEMENT	50	5	4
14:27	START DISPLACEMENT	50	0	4
14:32	END DISPLACEMENT	230	20	4
14:32	PULL UP HOLE	0	0	0
14:35	RIG PUMP MUD	0	0	0
16:10	START CEMENT	30	0	3
16:31	END CEMENT	100	31	3
16:31	NO CEMENT TO SURFACE	0	0	0
16:35	RIG CIRCULATE CEMENT OUT OF THE HOLE	0	0	0
17:00	GO HOME FOR THE DAY	0	0	0
8:00	ON LOCATION	0	0	0
9:25	START CEMENT DOWN CASING	3	0	3
9:45	CEMENT TO SURFACE	280	62	3
9:45	SHUT DOWN	280	62	3
10:09	CEMENT TO SURFACE GOOD	0	0	0
11:00	RELEASED	0	0	0
	THANKS DERRICK & CREW			

43-00730941
32 12s 12e



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

OIL AND GAS PROPERTY MANAGEMENT

Dec 28th, 2007

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

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

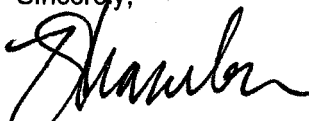
Dear Sir/Madam,

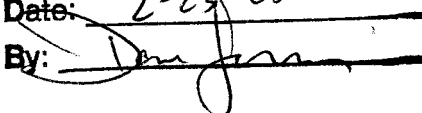
J-W Operating Company has decided to discontinue operation production at the State of Utah. J-W Operating Company would like to terminate the Soldier Creek Emergency Evaporation pit discharge permit. All the producing wells at the Soldier Creek field in Carbon County already have been plugged and abandoned.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

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

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

Sincerely,


Pingkan Zaremba.

**Approved by the
Utah Division of
Oil, Gas and Mining**
Date: 2-25-08
By: 

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DEC 31 2007
DIV. OF OIL, GAS & MINING

The Plan for Reclamation of well sites and Emergency Evaporation Pit

1. Plugged and Abandoned.

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

2. Well Sites Restoration.

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

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

3. Emergency Evaporation Pit Restoration

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



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

OIL AND GAS PROPERTY MANAGEMENT

9 May 2008

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

Re: Soldier Creek Field Reclamation and Release Agreement

Dear Sir/Madam,

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

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

Sincerely,


Pingkan Zaremba

RECEIVED

MAY 15 2008

DIV OF OIL, GAS & MINING

J-W OPERATING COMPANY

7074 SOUTH REVERE PARKWAY
CENTENNIAL, COLORADO 80112-3932

OIL AND GAS PROPERTY MANAGEMENT

PHONE 303 422-4990
FAX 303 422-0178

May 16, 2008

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

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

Dear Mr. Iriart:

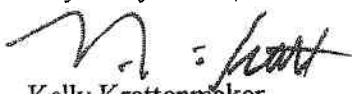
It has come to our attention that the Soldier Creek State #6-32 and Soldier Creek State #7-32H wells were inadvertently left off the captioned Surface Reclamation, Release, and Indemnity Agreement. The purpose of this letter is to amend such Agreement to include those wells and accurately reflect our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

We apologize for any inconvenience this may cause you.

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

Your cooperation is appreciated.

Very Truly Yours,



Kelly Krattenmaker
Rocky Mountain Business Manager

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

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

SURFACE RECLAMATION, RELEASE, AND INDEMNITY AGREEMENT

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

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

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

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

Recitations

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

Agreement

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

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

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

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

SIGNED this 31 day of March, 2008.

Iriart Family Limited Partnership

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

J-W Operating Company

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

