



14421 County Rd. 10 • Ft. Lupton, Colorado 80621 • (303) 857-9999 • FAX (303) 857-0577 • E-MAIL Permitco 1@aol.com

June 27, 2006

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

Attn: Diana Whitney

Re: Pioneer Natural Resources USA, Inc.
Jensen Fee #23C-9-12-10
1873' FSL and 2244' FWL
NE SW Section 9, T12S - R10E
Carbon County, Utah

Dear Diana,

Enclosed please find two copies of the Application for Permit to Drill, along with the required drilling program, BOP diagram, wellsite maps and diagrams.

If you should need additional information, please don't hesitate to contact me. Approved copies of the A.P.D. should be sent to Permitco Inc. at the address shown above.

Sincerely,

PERMITCO INC.

Venessa Langmacher
Consultant for
Pioneer Natural Resources USA, Inc.

Enc.

cc: Pioneer Natural Resources USA, Inc. - Denver, CO
Utah Division of Oil, Gas & Mining - Roosevelt, UT

RECEIVED
JUN 28 2006
DIV. OF OIL, GAS & MINING

AMENDED REPORT
(highlight changes)

APPLICATION FOR PERMIT TO DRILL			5. MINERAL LEASE NO.: Fee	6. SURFACE: Fee
1A. TYPE OF WORK: DRILL <input checked="" type="checkbox"/> REENTER <input type="checkbox"/> DEEPEN <input type="checkbox"/>			7. IF INDIAN, ALLOTTEE OR TRIBE NAME: N/A	
B. TYPE OF WELL: OIL <input type="checkbox"/> GAS <input type="checkbox"/> OTHER <u>CBM</u> SINGLE ZONE <input checked="" type="checkbox"/> MULTIPLE ZONE <input type="checkbox"/>			8. UNIT or CA AGREEMENT NAME: N/A	
2. NAME OF OPERATOR: Pioneer Natural Resources USA, Inc.			9. WELL NAME and NUMBER: Jensen Fee #23C-9-12-10	
3. ADDRESS OF OPERATOR: 1401 17th Street, Suite 1200, Denver, CO 80202		PHONE NUMBER: 303/298-8100	10. FIELD AND POOL, OR WILDCAT: Castlegate 13	
4. LOCATION OF WELL (FOOTAGES) AT SURFACE: 516417X 1873' FSL and 2244' FWL AT PROPOSED PRODUCING ZONE: NE SW 4404938Y			11. QTR/QTR, SECTION, TOWNSHIP, RANGE MERIDIAN: Section 9, T12S - R10E	
14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE: Approximately 12 miles north of Helper, UT			12. COUNTY: Carbon	13. STATE: UT
15. DISTANCE TO NEAREST PROPERTY OR LEASE LINE (FEET) 871'	16. NUMBER OF ACRES IN LEASE: 2712.91	17. NUMBER OF ACRES ASSIGNED TO THIS WELL: 40 Acres		
18. DISTANCE TO NEAREST WELL (DRILLING, COMPLETED, OR APPLIED FOR) ON THIS LEASE (FEET): Approximately 1050'	19. PROPOSED DEPTH: 5,000'	20. BOND DESCRIPTION: Utah Bond No. 104319463		
21. ELEVATIONS (SHOW WHETHER DF, RT, GR, ETC.): 7415' GL	22. APPROXIMATE DATE WORK WILL START: Upon Approval	23. ESTIMATED DURATION: 7 Days		

PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	CASING SIZE, GRADE, AND WEIGHT PER FOOT	SETTING DEPTH	CEMENT TYPE, QUANTITY, YIELD, AND SLURRY WEIGHT
11"	8-5/8", J-55, 24#	600'	450 sx Class G, 1.2 cft/sk, 15.6 ppg
7-7/8"	5-1/2", J-55, 17#	5000'	250 sx Hifill, 3.86 cf/sk, 11 ppg + 300 sx 50/50 Poz AG, 1.19 cft/sk, 14.5 ppg
CONFIDENTIAL-TIGHT HOLE			

25. **ATTACHMENTS**

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

<input checked="" type="checkbox"/> WELL PLAT OR MAP PREPARED BY LICENSED SURVEYOR OR ENGINEER	<input checked="" type="checkbox"/> COMPLETE DRILLING PLAN
<input checked="" 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

AGENT: **PermitCo Inc., 14421 County Road 10, Fort Lupton, CO 80621** AGENT'S PHONE NO.: **303/857-9999**

NAME (PLEASE PRINT): **Venessa Langmacher** TITLE: **Agent for Pioneer Natural Resources USA, Inc.**

SIGNATURE: *Venessa Langmacher* DATE: **June 27, 2006**

(This space for State use only)

API NUMBER ASSIGNED: **43-007-31211**

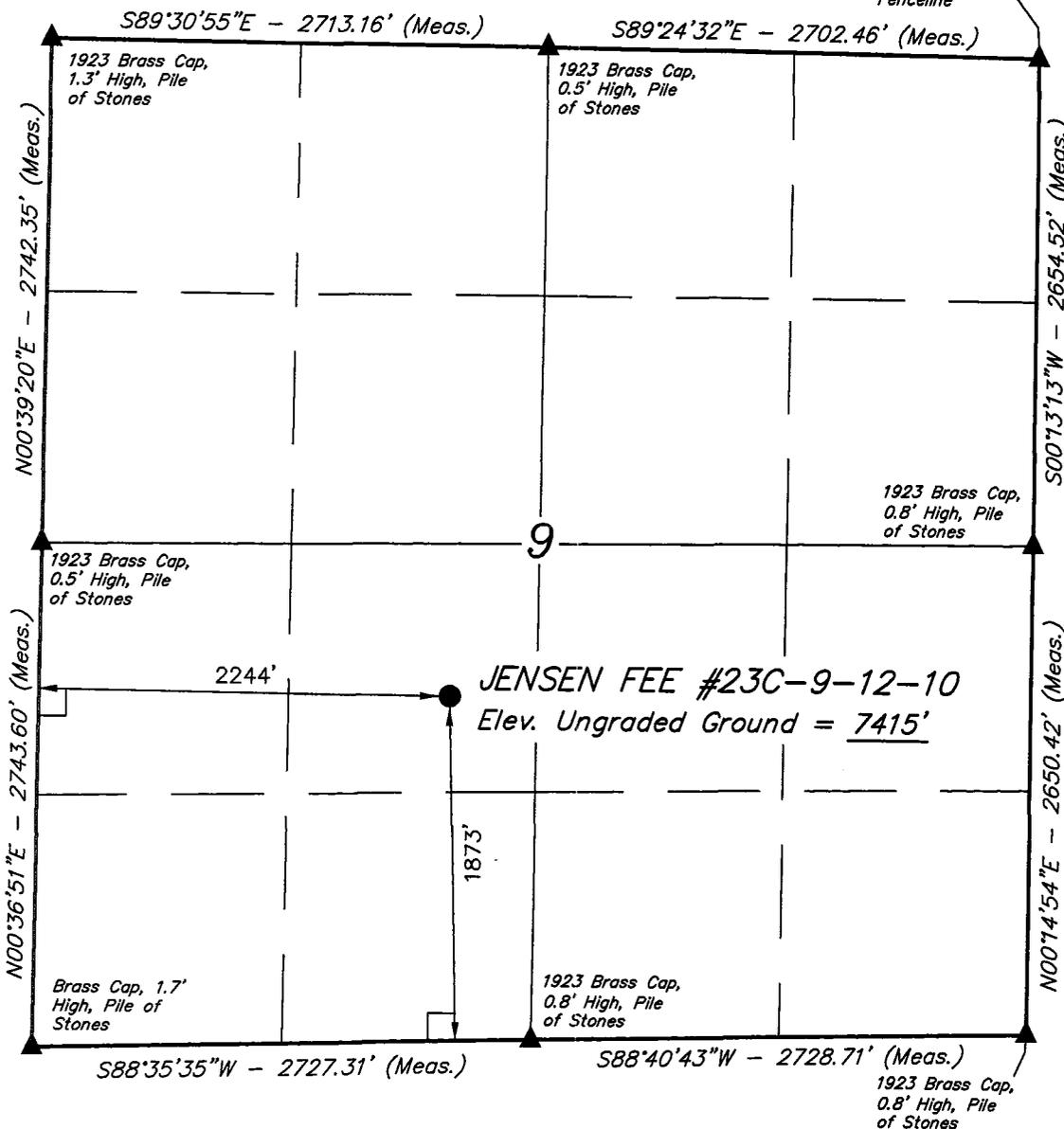
Approved by the
Utah Division of
Oil, Gas and Mining

RECEIVED
JUN 28 2006
DIV. OF OIL, GAS & MINING

Date: *06-21-06*
By: *[Signature]*

T12S, R10E, S.L.B.&M.

1923 Brass Cap,
1.0' High, Pile
of Stones, N-S
Fenceline



- LEGEND:**
- = 90° SYMBOL
 - = PROPOSED WELL HEAD.
 - = SECTION CORNERS LOCATED.

(AUTONOMUS NAD 83)
 LATITUDE = 39°47'45.84" (39.796067)
 LONGITUDE = 110°48'32.22" (110.808950)
 (AUTONOMUS NAD 27)
 LATITUDE = 39°47'45.98" (39.796106)
 LONGITUDE = 110°48'29.65" (110.808236)

PIONEER NATURAL RESOURCES USA, INC.

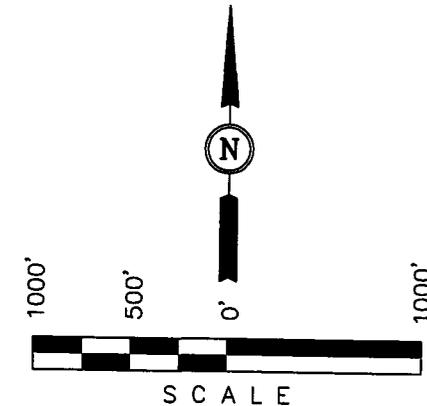
Well location, JENSEN FEE #23C-9-12-10, located as shown in the NE 1/4 SW 1/4 of Section 9, T12S, R10E, S.L.B.&M. Carbon County, Utah.

BASIS OF ELEVATION

BENCH MARK LOCATED IN THE SW 1/4 NE 1/4 OF SECTION 10, T12S, R10E, S.L.B.&M. TAKEN FROM THE MATTS SUMMIT, QUADRANGLE, UTAH, 7.5 MINUTE QUAD. (TOPOGRAPHIC MAP) PUBLISHED BY THE UNITED STATES DEPARTMENT OF THE INTERIOR, GEOLOGICAL SURVEY. SAID ELEVATION IS MARKED AS BEING 7131 FEET.

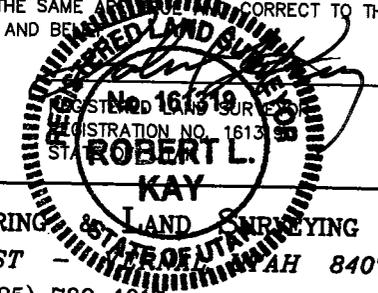
BASIS OF BEARINGS

BASIS OF BEARINGS IS A G.P.S. OBSERVATION.



CERTIFICATE

THIS IS TO CERTIFY THAT THE ABOVE PLAT WAS PREPARED FROM FIELD NOTES OF ACTUAL SURVEYS MADE BY ME OR UNDER MY SUPERVISION AND THAT THE SAME ARE CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF.



UINTAH ENGINEERING & LAND SURVEYING
 85 SOUTH 200 EAST - CANYON BLVD. SUITE 100 - SALT LAKE CITY, UTAH 84078
 (435) 789-1017

SCALE 1" = 1000'	DATE SURVEYED: 05-11-06	DATE DRAWN: 05-12-06
PARTY D.A. T.A. L.K.	REFERENCES G.L.O. PLAT	
WEATHER WARM	FILE PIONEER NATURAL RESOURCES USA, INC.	

CONFIDENTIAL - TIGHT HOLE

Jensen Fee #23C-9-12-10
1873' FSL and 2244' FWL
NE SW Section 9, T12S - R10E
Carbon County, Utah

Prepared For:

Pioneer Natural Resources USA, Inc.

By:

PERMITCO INC.
14421 County Road 10
Fort Lupton, CO 80621
303/857-9999

CONFIDENTIAL-TIGHT HOLE

Copies Sent To:

- 2 - Utah Division of Oil, Gas & Mining - SLC, UT
- 1 - Utah Division of Oil, Gas & Mining - Roosevelt, UT
- 2 - Pioneer Natural Resources USA, Inc. - Denver, CO



Jensen Fee #23C-9-12-10

1873' FSL and 2244' FWL
NE SW Section 9, T12S - R10E
Carbon County, Utah

DRILLING PROGRAM

1. Estimated Tops/Geologic Markers

The estimated tops of important geologic markers are as follows:

<i>Formation</i>	<i>Depth</i>	<i>Subsea</i>
Flagstaff/North Horn	Surface	7,411'
Price River	2,456'	4,965'
Castlegate	3,116'	4,305'
Blackhawk	3,886'	3,535'
First Coal	4,240'	3,181'
K2 Coal	4,563'	2,858'
Aberdeen SS	4,747'	2,674'
Spring Canyon SS	4,940'	2,481'
T.D.	5,000'	2,421'

2. Estimated Depths and Names of Anticipated Water, Oil, Gas or Other Minerals Bearing Formations.

<i>Substance</i>	<i>Formation</i>	<i>Depth</i>
Gas	Castlegate	3,116'
Gas	Blackhawk Coal	3,886'
Gas	First Coal	4,240'
Gas	K2 Coal	4,563'



3. Well Control Equipment & Testing Procedures

Pioneer Natural Resources USA, Inc.'s minimum specifications for pressure control equipment are as follows:

Ram Type: 11" Hydraulic double, 3000 psi w.p.

Pioneer Natural Resources USA, Inc. will comply will all requirements pertaining to well control as listed in the Rule R649-3-7 of the Utah Division of Oil, Gas & Mining.

The size and rating of the BOP stack is shown on the attached diagram.

4. Casing Program

The proposed casing program will be as follows:

<i>Purpose</i>	<i>Depth</i>	<i>Hole Size</i>	<i>O.D.</i>	<i>Weight</i>	<i>Grade</i>	<i>Type</i>	<i>New/Used</i>
Surface	0'-600'	11"	8-5/8"	24#	J-55	ST&C	New
Production	0'-5,000'	7-7/8"	5-1/2"	17#	J-55	LT&C	New

Casing design subject to revision based on geologic conditions encountered.

5. Cement Program

<i>Surface</i>	<i>Type and Amount</i>
0-600'	450 sx Class G, 1.2 cf/sk, 15.6 ppg
<i>Production</i>	<i>Type and Amount</i>
550'-5,000'	Lead: 250 sx Hifill, 3.86 cf/sk, 11 ppg Tail: 300 sx 50/50 Poz AG, 2% Bentonite, 1.18 cft/sk, 14.5 ppg

*Note: Actual cement volume to be based upon caliper log.



6. Drilling Fluids

The proposed circulating mediums to be employed in drilling are as follows:

<i>Interval</i>	<i>Mud Type</i>	<i>Mud Wt.</i>	<i>Visc.</i>	<i>F/L</i>
0'-600'	Spud Mud	8.4-9.5	28-40	N/C
600'-5,000'	2% KCL/Polymer	8.8-9.5	40-45	10-14

7. Testing, Logging and Coring

The anticipated type and amount of testing, logging and coring are as follows:

- a. No drill stem tests are anticipated.
- b. The logging program will consist of a Triple Combo Hi Res Density log to be run from TD to surface casing.
- c. No cores are anticipated.

8. Anticipated Pressures and H₂S

- a. Normal pressures and temperatures are expected in the objective formation. A maximum bottom hole pressure of 2150 psi is expected. A maximum bottom hole temperature of 145 degrees Fahrenheit is anticipated. Sour gas (H₂S) is not anticipated.

9. Water Source

- a. Water will be trucked from Pioneer's Central Production Facility located in Section 11, T12S - R10E under Water Right #94-4983.



Jensen Fee #23C-9-12-10

1873' FSL and 2244' FWL

NE SW Section 9, T12S - R10E

Carbon County, Utah

DRILLING PROGRAM

Page 4

10. Other Information

- a. Drilling is planned to commence upon approval of this application.
- b. It is anticipated that the drilling of this well will take approximately 7 days.
- c. Lining of the reserve pit will be done if deemed necessary by the Utah Division of Oil, Gas and Minerals.
- d. At the end of drilling operations the location will be reclaimed and re-seeded as requested by the surface owner.

Surface Owner

James Jensen

2961 East Caitland Court

Salt Lake City, UT 84121

801/944-6600 Work

801/560-3800 Cell

801/943-8800 Home



PIONEER NATURAL RESOURCES USA, INC.

JENSEN FEE #23C-9-12-10

LOCATED IN CARBON COUNTY, UTAH
SECTION 9, T12S, R10E, S.L.B.&M.

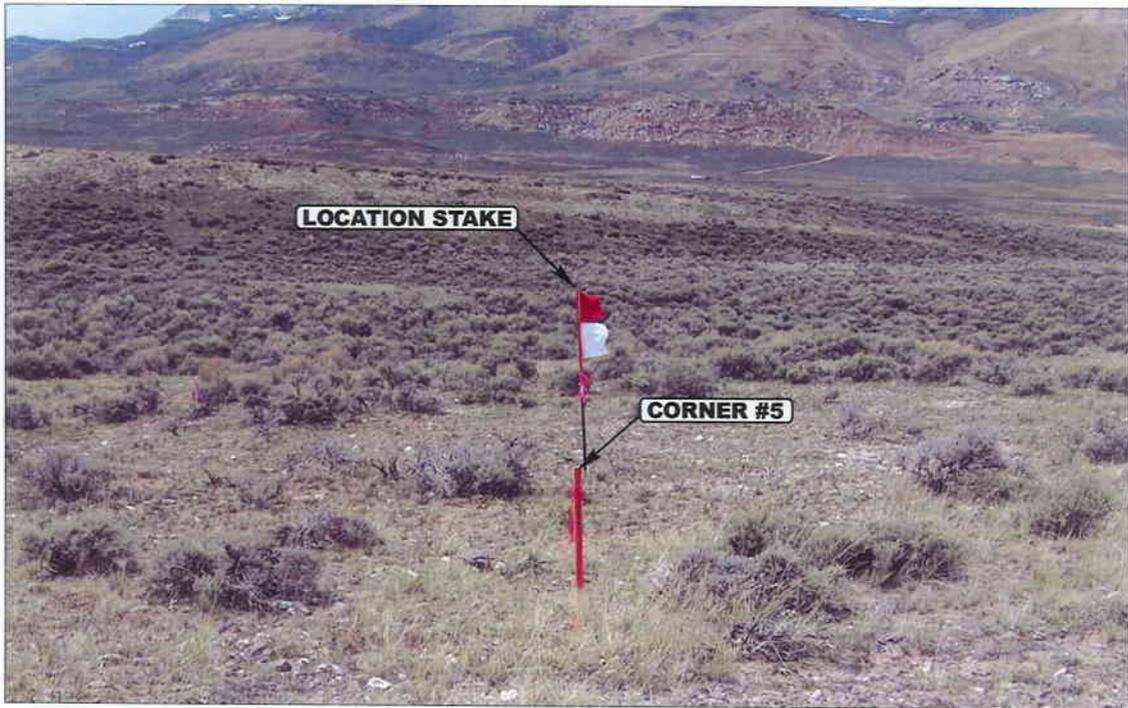


PHOTO: VIEW FROM CORNER #5 TO LOCATION STAKE

CAMERA ANGLE: NORTHWESTERLY



PHOTO: VIEW FROM BEGINNING OF PROPOSED ACCESS

CAMERA ANGLE: NORTHERLY



- Since 1964 -

UELS Uintah Engineering & Land Surveying
85 South 200 East Vernal, Utah 84078
435-789-1017 uels@uelsinc.com

LOCATION PHOTOS

05 15 06
MONTH DAY YEAR

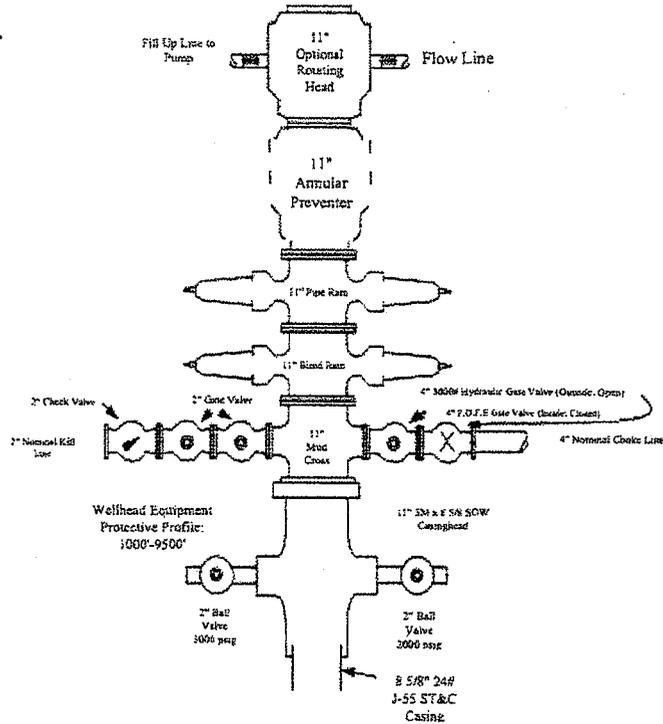
PHOTO

TAKEN BY: D.A.

DRAWN BY: L.K.

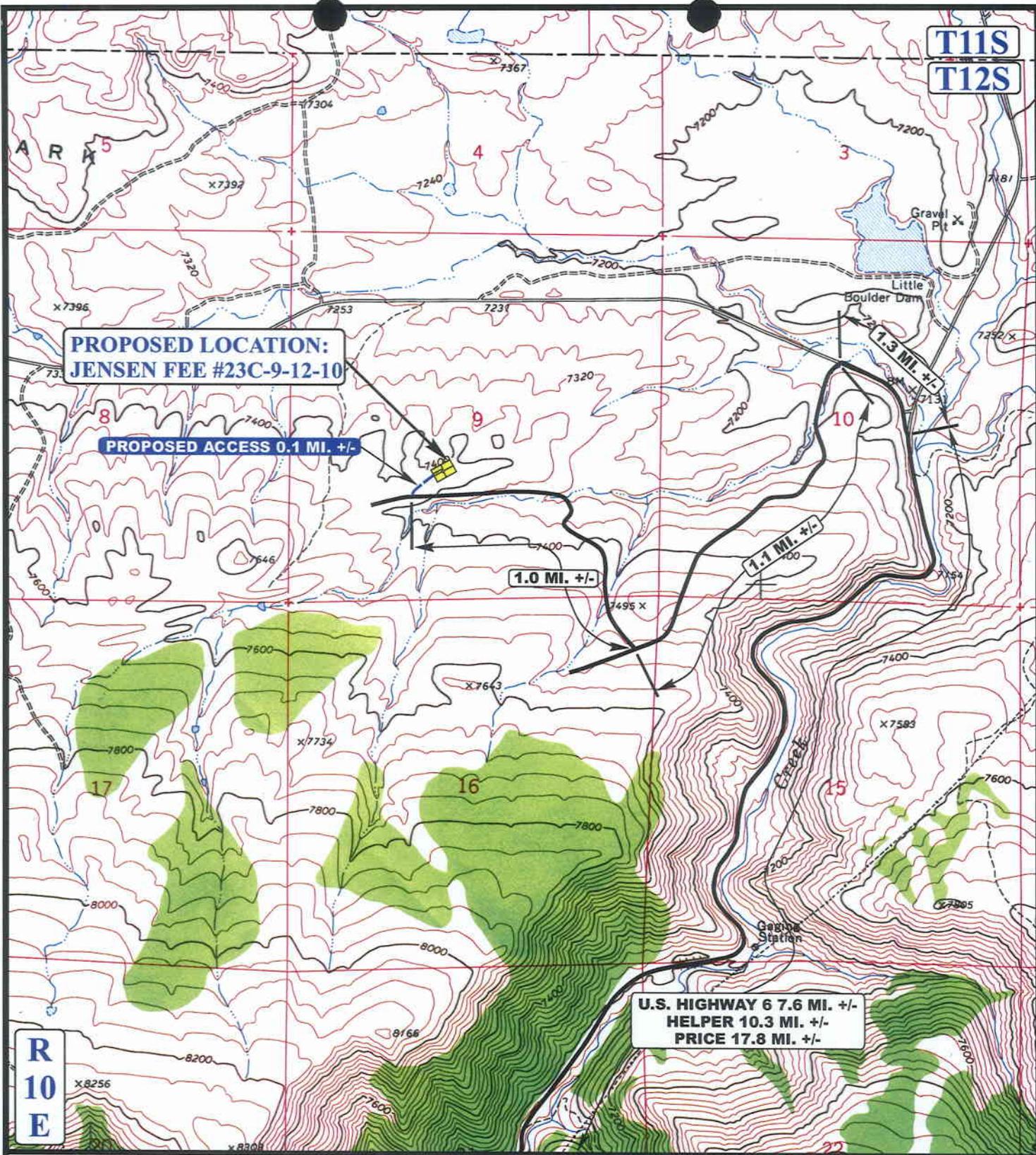
REVISED: 00-00-00

Pioneer Minimum Class 3 Annular
 Blow-Out Preventer Requirements
 All 3000 PSI WP Equipment
 (Except Casinghead & Spools as Noted
 Below



T11S

T12S



**PROPOSED LOCATION:
JENSEN FEE #23C-9-12-10**

PROPOSED ACCESS 0.1 MI. +/-

1.0 MI. +/-

1.1 MI. +/-

2.13 MI. +/-

**U.S. HIGHWAY 6 7.6 MI. +/-
HELPER 10.3 MI. +/-
PRICE 17.8 MI. +/-**

**R
10
E**

LEGEND:

-  EXISTING ROAD
-  PROPOSED ACCESS ROAD

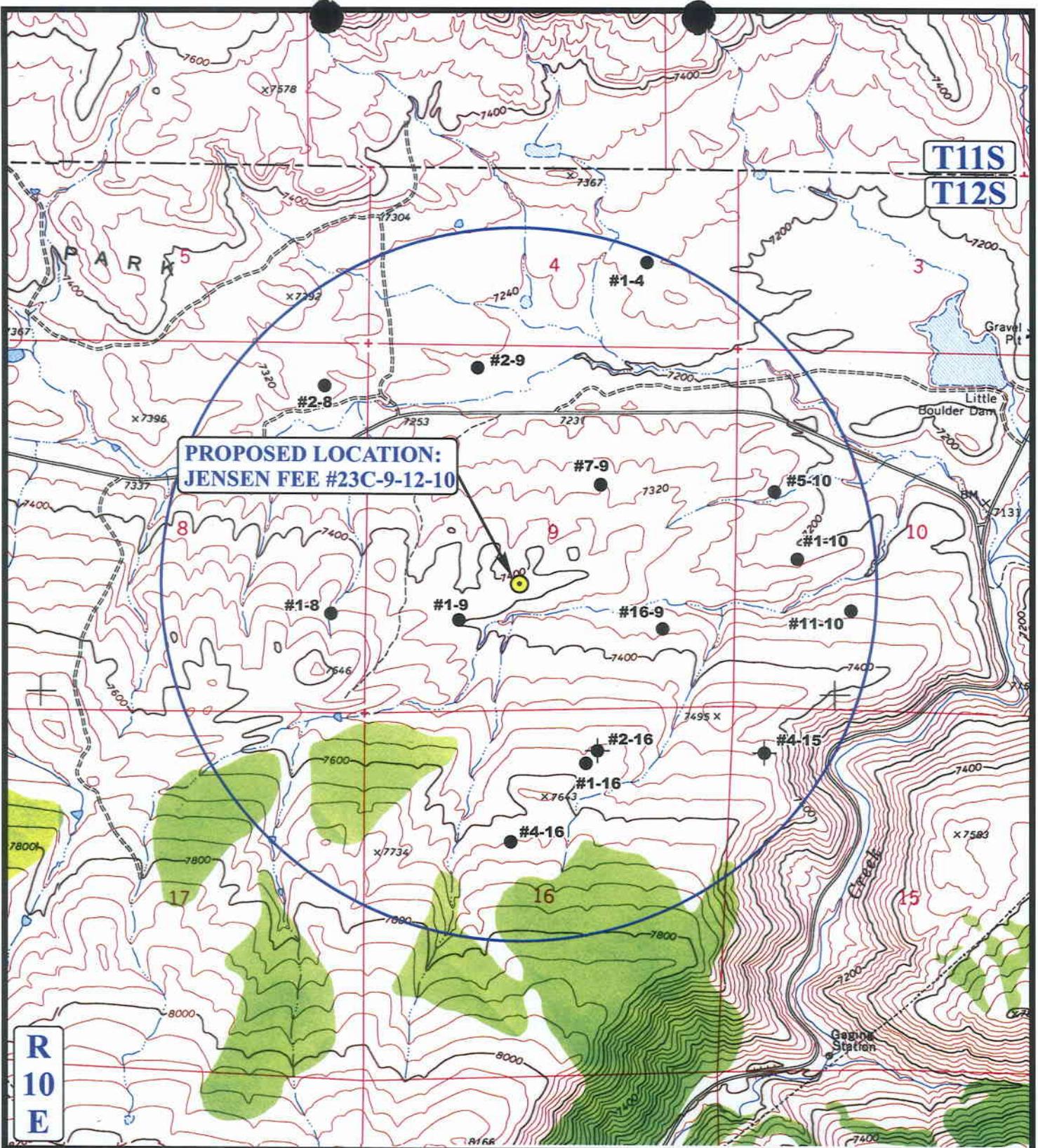


PIONEER NATURAL RESOURCES USA, INC.

**JENSEN FEE #23C-9-12-10
SECTION 9, T12S, R10E, S.L.B.&M.
1873' FSL 2244' FWL**

U E I S **Uintah Engineering & Land Surveying**
85 South 200 East Vernal, Utah 84078
(435) 789-1017 * FAX (435) 789-1813

TOPOGRAPHIC MAP **05 15 06**
MONTH DAY YEAR **B**
SCALE: 1" = 2000' DRAWN BY: L.K. REVISED: 00-00-00 **TOPO**



**PROPOSED LOCATION:
JENSEN FEE #23C-9-12-10**

**R
10
E**

LEGEND:

- | | |
|-------------------|-------------------------|
| ⊗ DISPOSAL WELLS | ⊗ WATER WELLS |
| ● PRODUCING WELLS | ● ABANDONED WELLS |
| ● SHUT IN WELLS | ● TEMPORARILY ABANDONED |



PIONEER NATURAL RESOURCES USA, INC.

**JENSEN FEE #23C-9-12-10
SECTION 9, T12S, R10E, S.L.B.&M.
1873' FSL 2244' FWL**



Uintah Engineering & Land Surveying
85 South 200 East Vernal, Utah 84078
(435) 789-1017 * FAX (435) 789-1813

TOPOGRAPHIC MAP

05 15 06
MONTH DAY YEAR

SCALE: 1" = 2000' DRAWN BY: L.K. REVISED: 00-00-00

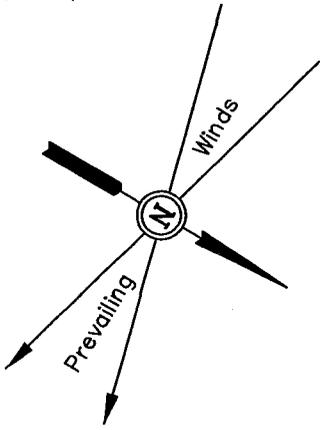


PIONEER NATURAL RESOURCES USA, INC.

FIGURE #1

LOCATION LAYOUT FOR

JENSEN FEE #23C-9-12-10
SECTION 9, T12S, R10E, S.L.B.&M.
1873' FSL 2244' FWL

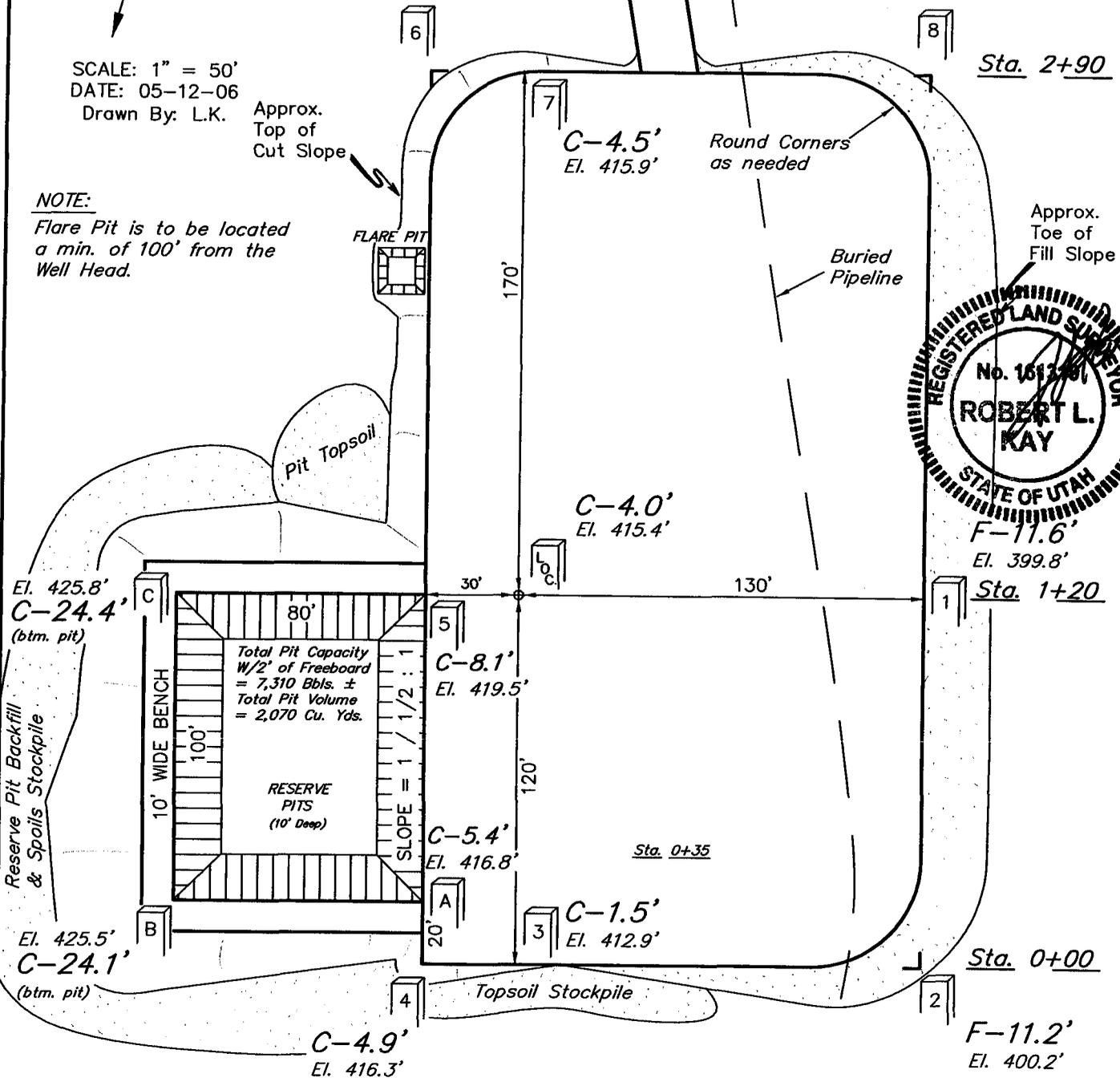
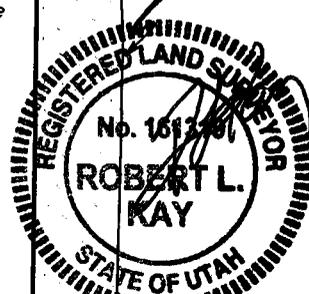


SCALE: 1" = 50'
DATE: 05-12-06
Drawn By: L.K.

Approx. Top of Cut Slope

NOTE:

Flare Pit is to be located a min. of 100' from the Well Head.



NOTES:

Elev. Ungraded Ground At Loc. Stake = 7415.4'
FINISHED GRADE ELEV. AT LOC. STAKE = 7411.4'

PIONEER NATURAL RESOURCES USA, INC.

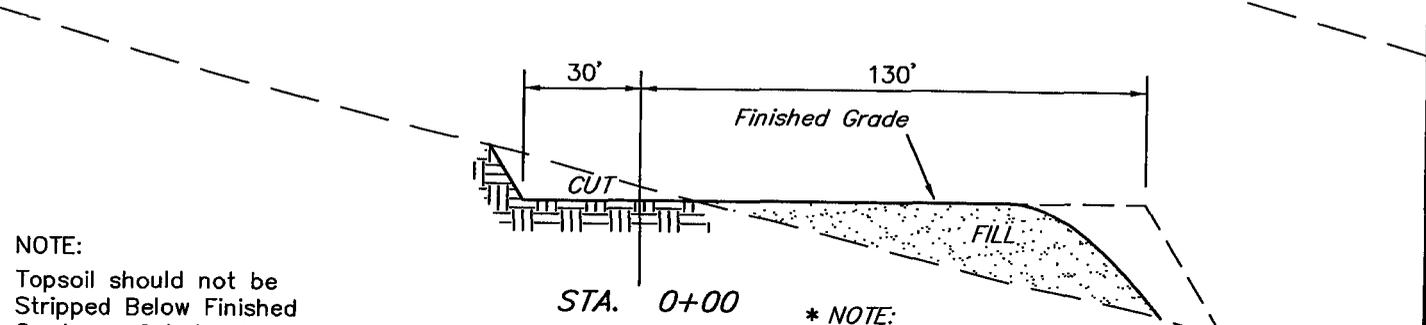
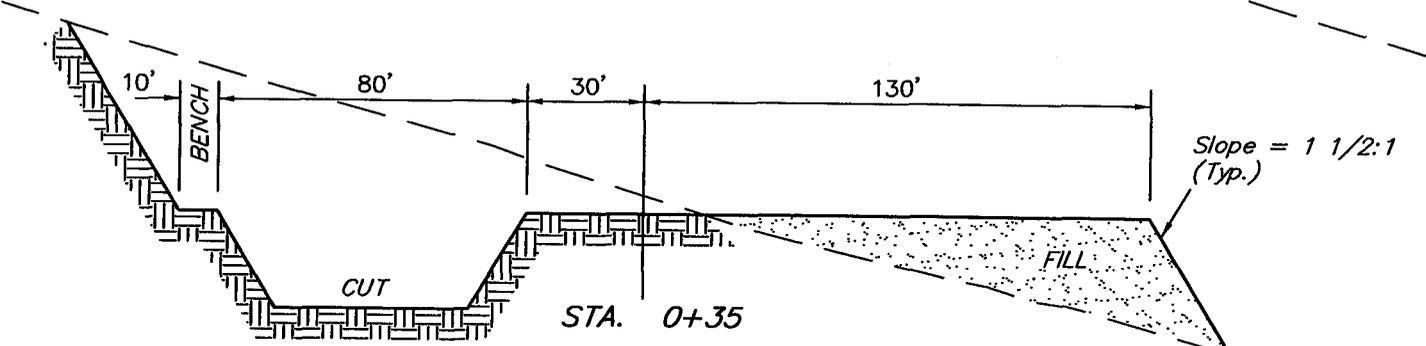
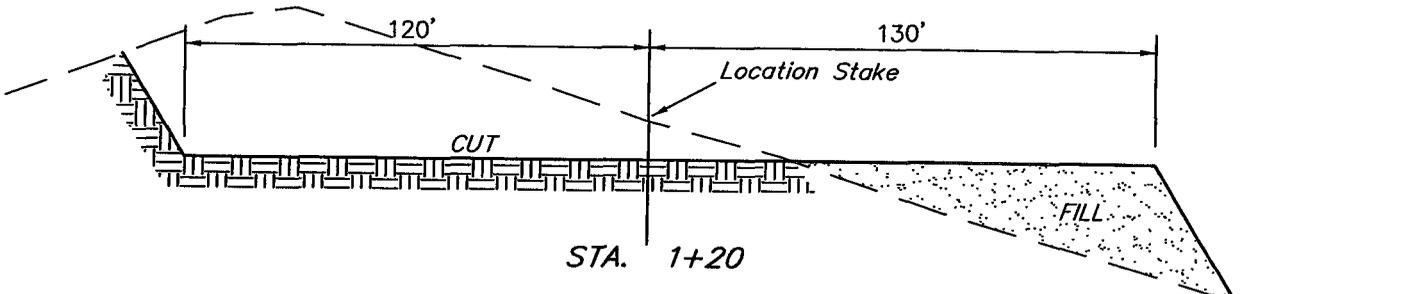
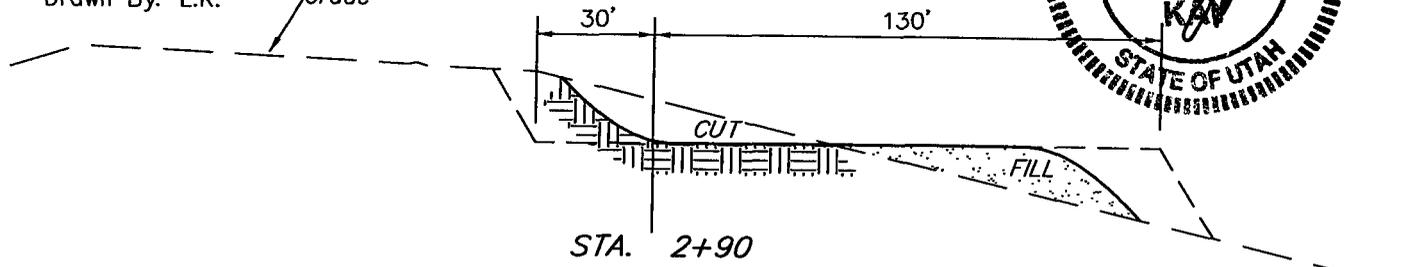
FIGURE #2

TYPICAL CROSS SECTIONS FOR
 JENSEN FEE #23C-9-12-10
 SECTION 9, T12S, R10E, S.L.B.&M.
 1873' FSL 2244' FWL

1" = 20'
 X-Section Scale
 1" = 50'

DATE: 05-12-06
 Drawn By: L.K.

Preconstruction Grade



NOTE:

Topsoil should not be Stripped Below Finished Grade on Substructure Area.

* NOTE:
 FILL QUANTITY INCLUDES 5% FOR COMPACTION

APPROXIMATE YARDAGES

CUT	
(6") Topsoil Stripping	= 1,410 Cu. Yds.
Remaining Location	= 10,100 Cu. Yds.
TOTAL CUT	= 11,510 CU.YDS.
FILL	= 9,060 CU.YDS.

EXCESS MATERIAL	= 2,450 Cu. Yds.
Topsoil & Pit Backfill (1/2 Pit Vol.)	= 2,450 Cu. Yds.
EXCESS UNBALANCE (After Interim Rehabilitation)	= 0 Cu. Yds.

UINTAH ENGINEERING & LAND SURVEYING
 85 So. 200 East * Vernal, Utah 84078 * (435) 789-1017

**WORKSHEET
APPLICATION FOR PERMIT TO DRILL**

APD RECEIVED: 06/28/2006

API NO. ASSIGNED: 43-007-31211

WELL NAME: JENSEN FEE 23C-9-12-10
 OPERATOR: PIONEER NATL RES USA (N5155)
 CONTACT: VENESSA LANGMACHER

PHONE NUMBER: 303-857-9999

PROPOSED LOCATION:

NESW 09 120S 100E
 SURFACE: 1873 FSL 2244 FWL
 BOTTOM: 1873 FSL 2244 FWL
 COUNTY: CARBON
 LATITUDE: 39.79613 LONGITUDE: -110.8083
 UTM SURF EASTINGS: 516417 NORTHINGS: 4404938
 FIELD NAME: CASTLEGATE (13)

INSPECT LOCATN BY: / /		
Tech Review	Initials	Date
Engineering	DKD	8/21/06
Geology		
Surface		

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

PROPOSED FORMATION: BLKHK
 COALBED METHANE WELL? YES

RECEIVED AND/OR REVIEWED:

- Plat
- Bond: Fed[] Ind[] Sta[] Fee[]
(No. 104319462)
- Potash (Y/N)
- Oil Shale 190-5 (B) or 190-3 or 190-13
- Water Permit
(No. 94-4983)
- RDCC Review (Y/N)
(Date: _____)
- Fee Surf Agreement (Y/N)
- Intent to Commingle (Y/N)

LOCATION AND SITING:

- ___ R649-2-3.
- Unit: _____
- ___ R649-3-2. General
Siting: 460 From Qtr/Qtr & 920' Between Wells
- ___ R649-3-3. Exception
- Drilling Unit
Board Cause No: 220-07
Eff Date: 1-16-06
Siting: 460' from well & 920' from other wells.
- ___ R649-3-11. Directional Drill

COMMENTS: Needs Permit (07-26-06)

STIPULATIONS: 1- STATEMENT OF BASIS

T12S R10E

HUBER JENSEN
2-9-12-10

CAUSE: 220-05 / 5-24-2005

JENSEN 41-9

CASTLEGATE FIELD

HUBER-FEDERAL
7-9-12-10

JENSEN FED
42C-9-12-10

JENSEN FED
43P-9-12-10

JENSEN 12-9

JENSEN FED
23C-9-12-10

JENSEN FED
33C-9-12-10

HUBER JENSEN
1-9-12-10

HUBER JENSEN
16-9-12-10

JENSEN 14-9

CAUSE: 220-07 / 6-16-2006

OPERATOR: PIONEER NAT RES (N5155)

SEC: 9 T. 12S R. 10E

FIELD: CASTLEGATE (13)

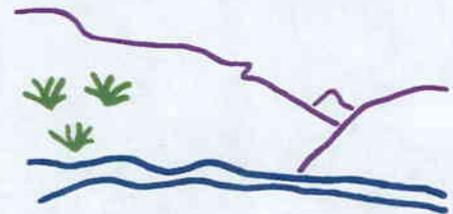
COUNTY: CARBON

CAUSE: 220-07 / 6-16-2006

- Field Status**
- ABANDONED
 - ACTIVE
 - COMBINED
 - INACTIVE
 - PROPOSED
 - STORAGE
 - TERMINATED

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

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



Utah Oil Gas and Mining



PREPARED BY: DIANA WHITNEY
DATE: 29-JUNE-2006

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

OPERATOR: Pioneer Natural Resources USA, Inc.
WELL NAME & NUMBER: Jensen Fee #23C-9-12-10
API NUMBER: 43-007-31211
LOCATION: 1/4,1/4 NWSE Sec: 9 TWP: 12 S RNG: 10 E 1873 FSL 2244 FWL

Geology/Ground Water:

A well drilled at this location will likely spud into a permeable soil developed on the Tertiary/Cretaceous-age Undivided Flagstaff Limestone/North Horn Formation. It is likely that considerable volumes of fresh water may be encountered in permeable Tertiary Flagstaff Limestone and Cretaceous-age North Horn and Mesa Verde Group strata. The nearest mapping of the base of moderately saline ground water in the area (~13 miles east) implies that it may be as much as 5,000' below the surface. Numerous water rights have been filed, including many underground water rights within a mile of the location. Drainage is to the north into a small, unnamed drainage in Emma Park that feeds into nearby Willow Creek, which eventually flows into the Price River. The proposed casing and cementing program and the drilling fluid system **will not** adequately protect the ground water resource from the KCL/Polymer mud system to be used below 600' if it is necessary to keep all dissolved solids out of USDW aquifers within the Colorado River Drainage. The 600' of surface casing likely will only protect the Flagstaff Limestone and part of the North Horn Formation. The prodigious column of permeable sands in the Cretaceous is exposed during drilling below the surface casing.

Reviewer: Christopher J. Kierst **Date:** 8/2/06

Surface:

On-site conducted July 25, 2006. In attendance: Bart Kettle (DOGM), Bob Sencenbaugh (Pioneer), Dallas Christensen (Pioneer), Lisa Smith (PermitCo), Jerry Jensen (representing surface owner), and Robert Kay (Uintah Engineering). Invited but choosing not to attend Gayla Williams (Carbon County), Rex Sacco (Carbon County and Sandy Lehman (Carbon County).

Reserve pit should be fenced on three sides while drilling with the fourth side being fenced immediately upon the removal of the drilling rig.

Reviewer: Bart T Kettle **Date:** 07/06/2006

Conditions of Approval/Application for Permit to Drill:

1. Fence reserve pit on three sides while drilling, fence fourth side immediately upon removal of drilling rig.

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

OPERATOR: Pioneer Natural Resources USA, Inc.

WELL NAME & NUMBER: Jensen Fee #23C-9-12-10

API NUMBER: 43-007-31211

LEASE: Fee **FIELD/UNIT:** Castlegate

LOCATION: 1/4, 1/4 NWSE **Sec:** 9 **TWP:** 12 S **RNG:** 10 E 1873 FSL 2244 FWL

LEGAL WELL SITING: 460 F SEC. LINE; 460 F 1/4 LINE; 920 F ANOTHER WELL.

GPS COORD (UTM): X = E; Y = N **SURFACE OWNER:** Fee

PARTICIPANTS

Bart Kettle (DOGM), Bob Sencenbaugh (Pioneer), Dallas Christensen (Pioneer), Lisa Smith (PermitCo), Jerry Jensen (representing surface owner), Robert Kay (Uintah Engineering). Invited but choosing not to attend Gayla Williams (Carbon County), Rex Sacco (Carbon County and Sandy Lehman (Carbon County).

REGIONAL/LOCAL SETTING & TOPOGRAPHY

Proposed project is ~12.5 miles north of Helper, located in Carbon County Utah. Location is surrounded by sage-step rangelands. Rangelands consist of a large sage-step valley nearly 10 miles wild. To the north topography rise into steep hillside dominated by Douglas fir and mountain browse communities, to the south are a series of steep canyons/ledges covered with Pinion/Juniper woodlands and Ponderosa pine and Gamble oak communities. Willow creek is a perennial stream, located one mile east of the project area. Grazing appears to be intense early season and is presumed to have been that way for sometime. The project is located in a 16-18" precept zone in what is referred to as Emma Park. Regional topography is semi-arid rangelands dominated by Pinion/Juniper woodlands and salt scrub communities. Soils in the region are generally poorly developed, and moderate to highly erosive.

SURFACE USE PLAN

CURRENT SURFACE USE: Seasonal livestock grazing, spring/summer big game range, wildlife habitat, and gas production.

PROPOSED SURFACE DISTURBANCE: 0.01 mile of new road construction. Well pad 290'x240'

LOCATION OF EXISTING WELLS WITHIN A 1 MILE RADIUS: Many, refer to GIS layer.

LOCATION OF PRODUCTION FACILITIES AND PIPELINES: Production facilities proposed on location, pipeline planned to follow access road.

SOURCE OF CONSTRUCTION MATERIAL: On location or local sources.

ANCILLARY FACILITIES: Trailers located on location for company representative, rig personal and associated service providers.

WILL DRILLING AT THIS LOCATION GENERATE PUBLIC INTEREST OR CONCERNS: Limited public interest/concern is anticipated during drilling and production of this well. Project area is located in the center of the existing Castlegate gas field; surface owners are involved in field development.

WASTE MANAGEMENT PLAN:

Reserve pit will be lined and fenced to allow fluids too evaporate. Once dry the reserve pit contents will be buried in place, back fill will be sufficiently deep so that no liner is exposed. Trash will be contained in a portable metal container and will be hauled from location and disposed of at an approved disposal site. Chemical toilets will be placed on location and sewage will be disposed of at an appropriated disposal site.

ENVIRONMENTAL PARAMETERS

AFFECTED FLOODPLAINS AND/OR WETLANDS: No floodplains or wetlands will be disturbed by building the well pad. There is, however a lotic riparian area located within 200' of the southern boundary of the well pad. Sedimentation is not expected to have a significant detrimental effect on condition and function of the riparian system.

FLORA/FAUNA: Mule deer, elk, sage grouse, cottontail rabbits, raptors, rodents and lizards.

Grasses: Salina wild rye, thick spike wheatgrass, Indian ricegrass, elk sedge, and Sandburg's bluegrass. Shrubs: Wyoming sage, Woods rose, Douglas rabbit brush, buckwheat, common snowberry, long leaf phlox, spiny phlox and green stem rubber rabbit brush. Trees: Rocky Mountain Juniper. Forbs: Western yarrow, Russian thistle, poverty weed, prostrate knotweed, owl clover, vetch spp, Gray thistle, rocky mountain aster, aster spp, hairy aster, bastard toadflax, and firecracker penstomen.

SOIL TYPE AND CHARACTERISTICS: Clay loam soils many limestone fragments on northern portion of well pad. Sandy loam soils with fair sized sandstone outcrop on southern portion of well pad.

SURFACE FORMATION & CHARACTERISTICS: Flagstaff/North Horn formation. Soils at the well site are generally clay loams intermixed with limestone and sandstone on a moderate slopes. Due to slope and poor ground cover soils are slightly erosive in nature.

EROSION/SEDIMENTATION/STABILITY: Most of the project area lies in areas of clay and clay loam soils with moderate potential for wind erosion. The project area has moderate water erosion potential. Soil erosion would increase during the initial construction phase of the project. Removal of vegetation and physical soil crust will reduce surface soil aggregates and therefore reduce soil stability. Loose unstable berms of soil will be left along the roadside and water runoff patterns will be re-directed. These factors will contribute to increased potential for wind and water erosion. As vegetation and soil crusts recover along the roadway soils will become more stable. Wind and water erosion rates would be partially reduced, but still accelerated from normal rates.

PALEONTOLOGICAL POTENTIAL: None noted

RESERVE PIT

CHARACTERISTICS: 100'x80'x10'

LINER REQUIREMENTS (Site Ranking Form attached): Lining is required.

SURFACE RESTORATION/RECLAMATION PLAN

Well site and immediate area will be cleared of debris and material not needed for production after the completion of drilling. Areas not required for production will be graded to as near original condition as possible and contoured to maintain possible erosion to a minimum. Topsoil will be distributed over the disturbed areas and reseeded as prescribed by the landowner.

SURFACE AGREEMENT: Not signed.

CULTURAL RESOURCES/ARCHAEOLOGY: NA

OTHER OBSERVATIONS/COMMENTS

Reserve pit should be fenced.

ATTACHMENTS

Photos of this location were taken and placed on file.

Bart Kettle
DOGM REPRESENTATIVE

07/26/2006 1:19 p.m.
DATE/TIME

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

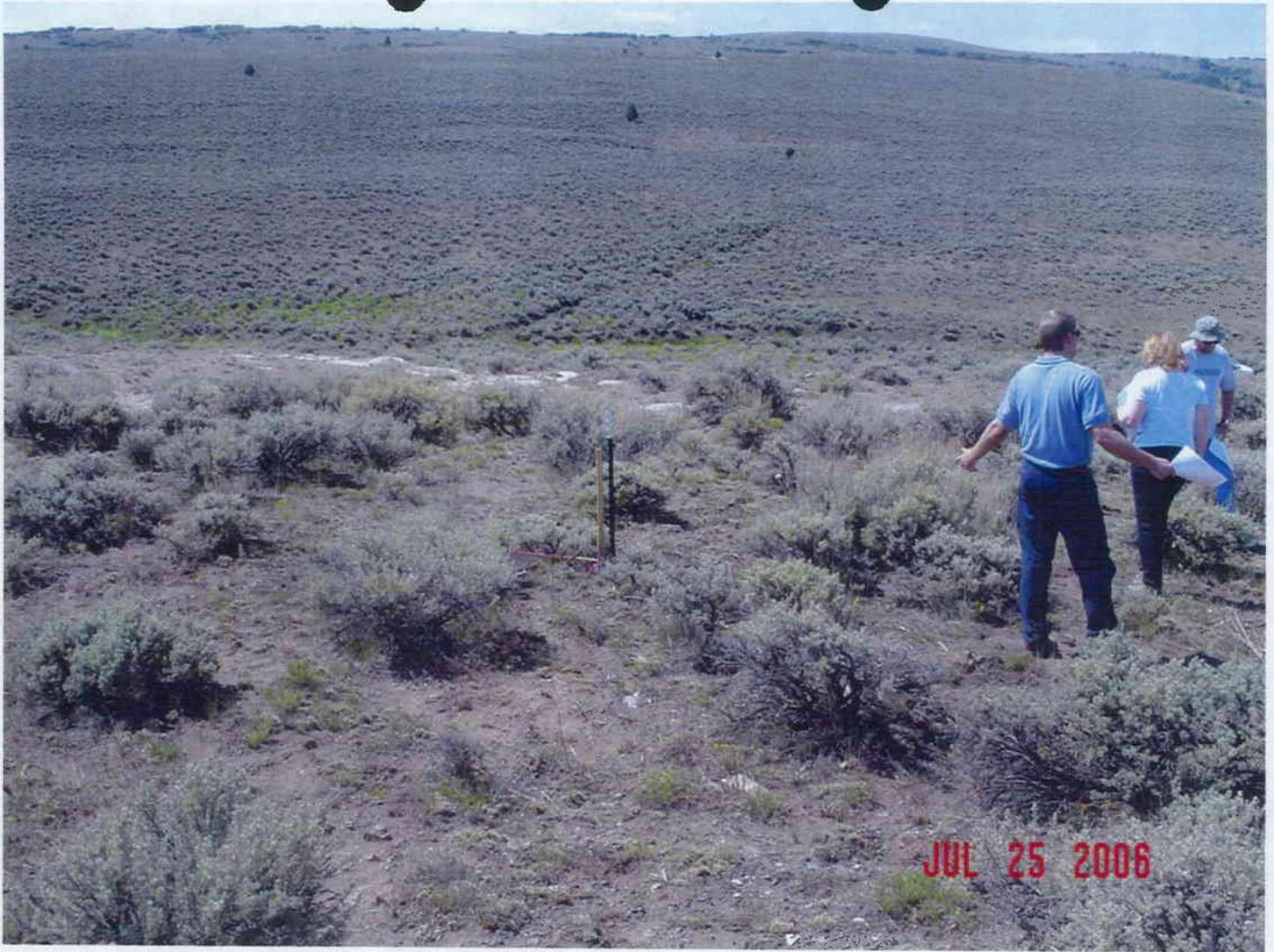
<u>Site-Specific Factors</u>	<u>Ranking</u>	<u>Site Ranking</u>
Distance to Groundwater (feet)		
>200	0	
100 to 200	5	
75 to 100	10	
25 to 75	15	
<25 or recharge area	20	<u>5</u>
Distance to Surf. Water (feet)		
>1000	0	
300 to 1000	2	
200 to 300	10	
100 to 200	15	
< 100	20	<u>2</u>
Distance to Nearest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

Final Score 27 (Level I Sensitivity)

Sensitivity Level I = 20 or more; total containment is required, consider criteria for excluding pit use.

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

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

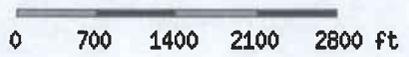
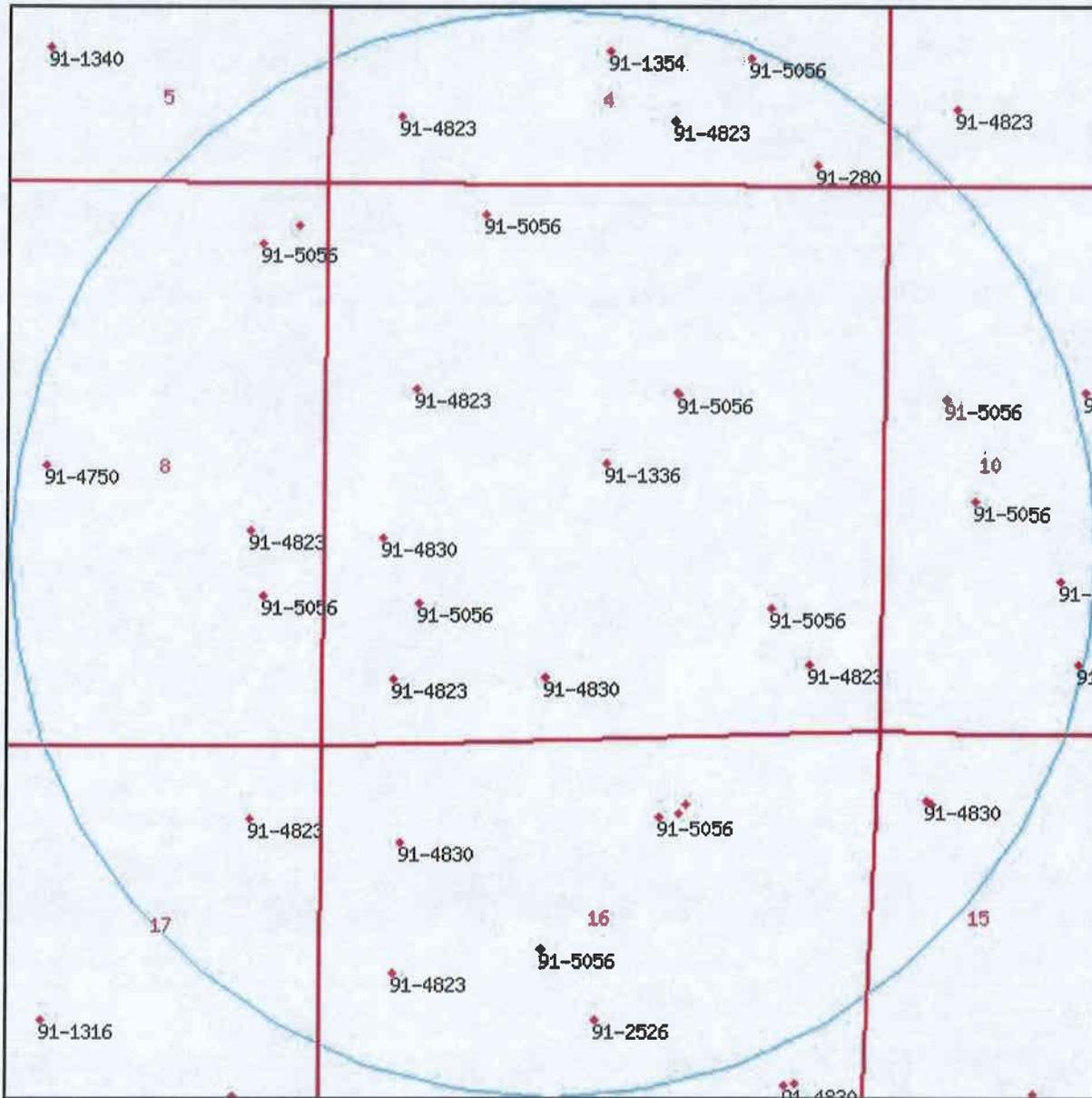


UTAH DIVISION OF WATER RIGHTS

WRPLAT Program Output Listing

Version: 2004.12.30.00 Rundate: 08/02/2006 02:25 PM

Radius search of 5280 feet from a point N1873 E2244 from the SW corner, section 09, Township 12S, Range 10E, SL b&m Criteria:wrtypes=W,C,E podtypes=all status=U,A,P usetypes=all



Water Rights

WR Number	Diversion Type/Location	Well Log	Status	Priority	Uses	CFS	ACFT	Owner Name
<u>91-1262</u>	Point to Point N660 W660 S4 09 12S 10E SL		P	18600000	S	0.011	0.000	PIERRE MOYNIER 748 NORTH 400 EAST
<u>91-1263</u>	Point to Point S660 W660 E4 17 12S 10E SL		P	19020000	S	0.011	0.000	PIERRE MOYNIER 748 NORTH 400 EAST
<u>91-1264</u>	Point to Point S660 W660 NE 17 12S 10E SL		P	19020000	S	0.011	0.000	PIERRE MOYNIER 748 NORTH 400 EAST
<u>91-1315</u>	Point to Point N660 E660 W4 17 12S 10E SL		P	19020000	S	0.011	0.000	PAUL MOYNIER RFD #1
<u>91-1316</u>	Point to Point S660 E660 NW 17 12S 10E SL		P	19020000	S	0.011	0.000	PAUL MOYNIER RFD #1
<u>91-1335</u>	Point to Point 0 0 04 12S 10E SL		P	18600000	S	0.000	0.000	LEA MOYNIER 284 NORTH CARBON AVE.
<u>91-1336</u>	Point to Point S660 E660 N4 09 12S 10E SL		P	18600000	S	0.011	0.000	LEA MOYNIER 284 NORTH CARBON AVE.
<u>91-1337</u>	Point to Point S660 W660 NE 08 12S 10E SL		P	18600000	S	0.011	0.000	LEA MOYNIER 284 NORTH CARBON AVE.
<u>91-1338</u>	Point to Point N520 E90 S4 05 12S 10E SL		P	19020000	S	0.000	0.000	LEA MOYNIER 284 NORTH CARBON AVE.
<u>91-1340</u>	Point to Point 0 0 05 12S 10E SL		P	19020000	S	0.011	0.000	LEA MOYNIER 284 NORTH CARBON AVE.
<u>91-1353</u>	Point to Point N660 W660 S4 04 12S 10E SL		P	19020000	S	0.000	0.000	LEA MOYNIER 284 NORTH CARBON AVE.
<u>91-1354</u>	Point to Point S660 E660 W4 04 12S		P	19020000	S	0.000	0.000	LEA MOYNIER 284 NORTH CARBON AVE.

10E SL						
<u>91-2386</u>	Point to Point	P	18690000 S	0.011	0.000	PRICE FIELD OFFICE USA BUREAU OF LAND MANAGEMENT 125 SOUTH 600 WEST
	N660 E660 W4 08 12S 10E SL					
<u>91-2387</u>	Point to Point	P	18690000 S	0.011	0.000	PRICE FIELD OFFICE USA BUREAU OF LAND MANAGEMENT 125 SOUTH 600 WEST
	N660 W660 E4 08 12S 10E SL					
<u>91-2526</u>	Point to Point	P	18690000 S	0.011	0.000	UTAH SCHOOL AND INSTITUTIONAL TRUST LANDS ADMIN. 675 EAST 500 SOUTH, 5TH FLOOR
	S660 E660 W4 16 12S 10E SL					
<u>91-4586</u>	Point to Point	P	19020000 OS	0.000	0.000	PRICE FIELD OFFICE USA BUREAU OF LAND MANAGEMENT MOAB DISTRICT OFFICE
	N660 E1980 W4 08 12S 10E SL					
<u>91-4750</u>	Point to Point	P	18690000 OS	0.000	0.000	PRICE FIELD OFFICE USA BUREAU OF LAND MANAGEMENT MOAB DISTRICT
	N660 E660 W4 08 12S 10E SL					
<u>91-280</u>	Surface	U	19601026 MO	0.000	2.200	PRICE RIVER WATER IMPROVEMENT DISTRICT P.O. BOX 903
	N200 W700 SE 04 12S 10E SL					
<u>91-4823</u>	Underground	U	19920423 M	10.000	0.000	PRICE RIVER WATER IMPROVEMENT DISTRICT P.O. BOX 903
	N2050 W850 SE 17 12S 10E SL					
<u>91-4823</u>	Underground	U	19920423 M	10.000	0.000	PRICE RIVER WATER IMPROVEMENT DISTRICT
	S700 W700 NE 17					

	12S 10E SL				P.O. BOX 903
<u>91-4823</u>	Underground	U	19920423 M	10.000 0.000	PRICE RIVER WATER IMPROVEMENT DISTRICT
	N2100 W700 SE 08 12S 10E SL				P.O. BOX 903
<u>91-4823</u>	Underground	U	19920423 M	10.000 0.000	PRICE RIVER WATER IMPROVEMENT DISTRICT
	S415 W288 NE 08 12S 10E SL				P.O. BOX 903
<u>91-4823</u>	Underground	U	19920423 M	10.000 0.000	PRICE RIVER WATER IMPROVEMENT DISTRICT
	S2200 E700 NW 16 12S 10E SL				P.O. BOX 903
<u>91-4823</u>	Underground	U	19920423 M	10.000 0.000	PRICE RIVER WATER IMPROVEMENT DISTRICT
	N650 E700 SW 09 12S 10E SL				P.O. BOX 903
<u>91-4823</u>	Underground	U	19920423 M	10.000 0.000	PRICE RIVER WATER IMPROVEMENT DISTRICT
	N650 E700 SW 04 12S 10E SL				P.O. BOX 903
<u>91-4823</u>	Underground	U	19920423 M	10.000 0.000	PRICE RIVER WATER IMPROVEMENT DISTRICT
	S2000 E850 NW 09 12S 10E SL				P.O. BOX 903
<u>91-4823</u>	Underground	U	19920423 M	10.000 0.000	PRICE RIVER WATER IMPROVEMENT DISTRICT
	N650 W2100 SE 04 12S 10E SL				P.O. BOX 903
<u>91-4823</u>	Underground	U	19920423 M	10.000 0.000	PRICE RIVER WATER IMPROVEMENT DISTRICT
	S2000 W2050 NE 09 12S 10E SL				P.O. BOX 903
<u>91-4823</u>	Underground	U	19920423 M	10.000 0.000	PRICE RIVER WATER IMPROVEMENT DISTRICT

S700 W1900 NE 16

P.O. BOX 903

12S 10E SL					
<u>91-4823</u>	Underground	U	19920423 M	10.000 0.000	PRICE RIVER WATER IMPROVEMENT DISTRICT P.O. BOX 903
	N2000 W600 SE 16 12S 10E SL				
<u>91-4823</u>	Underground	U	19920423 M	10.000 0.000	PRICE RIVER WATER IMPROVEMENT DISTRICT P.O. BOX 903
	N650 W700 SE 09 12S 10E SL				
<u>91-4823</u>	Underground	U	19920423 M	10.000 0.000	PRICE RIVER WATER IMPROVEMENT DISTRICT P.O. BOX 903
	S700 E500 NW 15 12S 10E SL				
<u>91-4823</u>	Underground	U	19920423 M	10.000 0.000	PRICE RIVER WATER IMPROVEMENT DISTRICT P.O. BOX 903
	N750 E650 SW 03 12S 10E SL				
<u>91-4823</u>	Underground	U	19920423 M	10.000 0.000	PRICE RIVER WATER IMPROVEMENT DISTRICT P.O. BOX 903
	N1900 E1700 SW 15 12S 10E SL				
<u>91-4823</u>	Underground	U	19920423 M	10.000 0.000	PRICE RIVER WATER IMPROVEMENT DISTRICT P.O. BOX 903
	N650 E1900 SW 10 12S 10E SL				
<u>91-4823</u>	Underground	U	19920423 M	10.000 0.000	PRICE RIVER WATER IMPROVEMENT DISTRICT P.O. BOX 903
	S2000 E1900 NW 10 12S 10E SL				
<u>91-4830</u>	Underground	U	19920826 IMOSP 2.000	0.000	PG&E RESOURCES COMPANY SUITE 1000
	N2024 E592 SW 09 12S 10E SL				
<u>91-4830</u>	Underground	U	19920826 IMOSP 2.000	0.000	PG&E RESOURCES COMPANY SUITE 1000
	S922 E760 NW 16 12S 10E SL				
<u>91-4830</u>	Underground	U	19920826 IMOSP 2.000	0.000	PG&E RESOURCES COMPANY

	N675 E2170 SW 09 12S 10E SL				SUITE 1000
91-4830	Underground	U	19920826	IMOSP 2.000 0.000	PG&E RESOURCES COMPANY
	S2019 W2038 NE 09 12S 10E SL				SUITE 1000
91-4830	Underground	U	19920826	IMOSP 2.000 0.000	PG&E RESOURCES COMPANY
	S780 W1971 NE 16 12S 10E SL				SUITE 1000
91-4830	Underground	U	19920826	IMOSP 2.000 0.000	PG&E RESOURCES COMPANY
	N1198 W1059 SE 09 12S 10E SL				SUITE 1000
91-4830	Underground	U	19920826	IMOSP 2.000 0.000	PG&E RESOURCES COMPANY
	N1993 W702 SE 16 12S 10E SL				SUITE 1000
91-4830	Underground	U	19920826	IMOSP 2.000 0.000	PG&E RESOURCES COMPANY
	S660 E450 NW 15 12S 10E SL				SUITE 1000
91-4830	Underground	U	19920826	IMOSP 2.000 0.000	PG&E RESOURCES COMPANY
	S2065 E570 NW 10 12S 10E SL				SUITE 1000
91-4830	Underground	U	19920826	IMOSP 2.000 0.000	PG&E RESOURCES COMPANY
	N1896 E1709 SW 15 12S 10E SL				SUITE 1000
91-4830	Underground	U	19920826	IMOSP 2.000 0.000	PG&E RESOURCES COMPANY
	N1461 E1735 SW 10 12S 10E SL				SUITE 1000
91-5056	Underground	A	20011022	IOS 5.000 0.000	J.M. HUBER CORPORATION
	S585 W645 NE 08 12S 10E SL				1050 17TH STREET SUITE 700
91-5056	Underground	A	20011022	IOS 5.000 0.000	J.M. HUBER CORPORATION
	N1470 W565 SE 08 12S 10E SL				1050 17TH STREET SUITE 700
91-5056	Underground	A	20011022	IOS 5.000 0.000	J.M. HUBER CORPORATION
	N1400 E940 SW 09 12S 10E SL				1050 17TH STREET SUITE 700

<u>91-5056</u>	Underground S300 E1520 NW 09 12S 10E SL	A	20011022 IOS	5.000	0.000	J.M. HUBER CORPORATION 1050 17TH STREET SUITE 700
<u>91-5056</u>	Underground S1960 E2140 NW 16 12S 10E SL	A	20011022 IOS	5.000	0.000	J.M. HUBER CORPORATION 1050 17TH STREET SUITE 700
<u>91-5056</u>	Underground S820 W2163 NE 16 12S 10E SL	A	20011022 IOS	5.000	0.000	J.M. HUBER CORPORATION 1050 17TH STREET SUITE 700
<u>91-5056</u>	Underground S2019 W2038 NE 09 12S 10E SL	A	20011022 IOS	5.000	0.000	J.M. HUBER CORPORATION 1050 17TH STREET SUITE 700
<u>91-5056</u>	Underground N1250 W1360 SE 04 12S 10E SL	A	20011022 IOS	5.000	0.000	J.M. HUBER CORPORATION 1050 17TH STREET SUITE 700
<u>91-5056</u>	Underground N1198 W1059 SE 09 12S 10E SL	A	20011022 IOS	5.000	0.000	J.M. HUBER CORPORATION 1050 17TH STREET SUITE 700
<u>91-5056</u>	Underground S2065 E570 NW 10 12S 10E SL	A	20011022 IOS	5.000	0.000	J.M. HUBER CORPORATION 1050 17TH STREET SUITE 700
<u>91-5056</u>	Underground N2238 E912 SW 10 12S 10E SL	A	20011022 IOS	5.000	0.000	J.M. HUBER CORPORATION 1050 17TH STREET SUITE 700

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08-06 Pioneer Jensen 23C-9-2-10
Casing Schematic

Surface

8-5/8"
MW 8.4
Frac 19.3

TOC @
0.
TOC @
454.
Surface
600. MD

✓ w/ 18% Washout

BHP
 $(.052)(9.5)(5000) = 2470$
Anticipate 2150

G_{es}
 $(.12)(5000) = 600$
MASP = 1870

BOPE - 3,000 ✓

Surf CSG - 2950
70% = 2065

Max pressure @ Surf CSG shoe = 1502
✓ Test To 1500#

✓ Adequate due to 8/21/06

2456 Price River

3116 Costlegate ✓ w/ 16% washout

3780 TOC Tail

3886 Blackhawk

5-1/2"
MW 9.5

Production
5000. MD

← Bmsw

Well name:	08-06 Pioneer Jensen 23C-9-12-10	
Operator:	Pioneer Natural Resources USA	
String type:	Surface	Project ID: 43-007-31211
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

Environment:

H2S considered? No
Surface temperature: 75 °F
Bottom hole temperature: 83 °F
Temperature gradient: 1.40 °F/100ft
Minimum section length: 290 ft

Burst

Max anticipated surface pressure: 528 psi
Internal gradient: 0.120 psi/ft
Calculated BHP 600 psi

Burst:

Design factor 1.00

Cement top: Surface

No backup mud specified.

Tension:

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

Non-directional string.

Tension is based on buoyed weight.
Neutral point: 524 ft

Re subsequent strings:

Next setting depth: 5,000 ft
Next mud weight: 9.500 ppg
Next setting BHP: 2,468 psi
Fracture mud wt: 19.250 ppg
Fracture depth: 600 ft
Injection pressure 600 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	600	8.625	24.00	J-55	ST&C	600	600	7.972	28.9
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	262	1370	5.236	600	2950	4.92	13	244	19.40 J

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

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

Date: August 10, 2006
Salt Lake City, Utah

Remarks:
Collapse is based on a vertical depth of 600 ft, a mud weight of 8.4 ppg. The casing is considered to be evacuated for collapse purposes. Collapse strength is based on the Westcott, Dunlop & Kemler method of biaxial correction for tension.

Burst strength is not adjusted for tension.

Well name:	08-06 Pioneer Jensen 23C-9-12-10		
Operator:	Pioneer Natural Resources USA		
String type:	Production	Project ID:	43-007-31211
Location:	Carbon County		

Design parameters:

Collapse

Mud weight: 9.500 ppg
 Design is based on evacuated pipe.

Burst

Max anticipated surface pressure: 736 psi
 Internal gradient: 0.346 psi/ft
 Calculated BHP: 2,468 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 buoyed weight.
 Neutral point: 4,281 ft

Environment:

H2S considered? No
 Surface temperature: 75 °F
 Bottom hole temperature: 145 °F
 Temperature gradient: 1.40 °F/100ft
 Minimum section length: 1,500 ft

 Cement top: 454 ft

Non-directional string.

Run Seq	Segment Length (ft)	Size (in)	Nominal Weight (lbs/ft)	Grade	End Finish	True Vert Depth (ft)	Measured Depth (ft)	Drift Diameter (in)	Internal Capacity (ft³)
1	5000	5.5	15.50	J-55	LT&C	5000	5000	4.825	156.7
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	2468	4040	1.637	2468	4810	1.95	66	217	3.27 J

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

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

Date: August 10, 2006
 Salt Lake City, Utah

Remarks:

Collapse is based on a vertical depth of 5000 ft, a mud weight of 9.5 ppg. The casing is considered to be evacuated for collapse purposes. Collapse strength is based on the Westcott, Dunlop & Kemler method of biaxial correction for tension.

Burst strength is not adjusted for tension.

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

AFFIDAVIT

STATE OF COLORADO §
§
COUNTY OF DENVER §

Betty Brownson, being duly sworn upon oath, deposes and says that she is the Attorney-in-Fact of Pioneer Natural Resources USA, Inc., a Delaware corporation, qualified and authorized to do business in the State of Utah, and makes this Affidavit on behalf of said Corporation:

An Access, Surface Damage and Use Agreement exists by and between Pioneer Natural Resources USA, Inc., successor in interest to Evergreen Resources, Inc. & James T. Jensen, Jerry Jensen and Dix Jensen covering the use of land connected with the Jensen Fee 23C-9-12-10 well located in the NE/4SW/4 of Section 9, Township 12 South, Range 10 East, Carbon County, Utah.

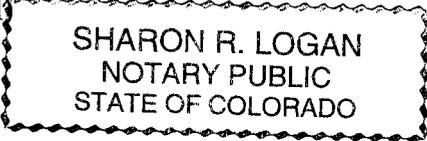
Further Affiant sayth not.


Betty Brownson, Attorney-in-Fact for
Pioneer Natural Resources USA, Inc.

Subscribed and sworn to before me this 19th day of September 2006 by Betty Brownson, Attorney-in-Fact of Pioneer Natural Resources USA, Inc.

Witness my hand and official seal.

My commission expires:

(seal) 
My Commission Expires 02/18/2008

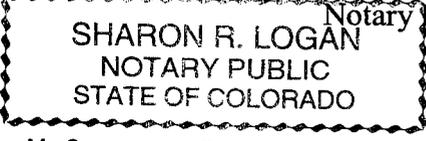

Notary Public: Sharon R. Logan

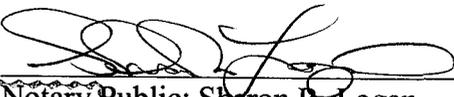
STATE OF COLORADO §
§
COUNTY OF DENVER §

The foregoing instrument was acknowledged before me this 19th day of September 2006, by Betty Brownson, Attorney in Fact of Pioneer Natural Resources USA, Inc.

Witness my hand and official seal.

My Commission Expires:

(seal) 
My Commission Expires 02/18/2008


Notary Public: Sharon R. Logan

RECEIVED
SEP 21 2006



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

September 21, 2006

Pioneer Natural Resources USA, Inc.
1401 17th St., Ste. 1200
Denver, CO 80202

Re: Jensen Fee 23C-9-12-10 Well, 1873' FSL, 2244' FWL, NE SW, Sec. 9,
T. 12 South, R. 10 East, Carbon County, Utah

Gentlemen:

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

This approval shall expire one year from the above date unless substantial and continuous operation is underway, or a request for extension is made prior to the expiration date. The API identification number assigned to this well is 43-007-31211.

Sincerely,

Gil Hunt
Associate Director

pab
Enclosures

cc: Carbon County Assessor

Operator: Pioneer Natural Resources USA, Inc.
Well Name & Number Jensen Fee 23C-9-12-10
API Number: 43-007-31211
Lease: Fee

Location: NE SW Sec. 9 T. 12 South R. 10 East

Conditions of Approval

1. **General**

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

2. **Notification Requirements**

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

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

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

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

3. **Reporting Requirements**

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

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

CONFIDENTIAL

DIVISION OF OIL, GAS AND MINING

SPUDDING INFORMATION

Name of Company: PIONEER NATURAL RESOURCES USA INC

Well Name: JENSEN FEE 23C-9-12-10

Api No: 43-007-31211 Lease Type: FEE

Section 09 Township 12S Range 10E County CARBON

Drilling Contractor PETE MARTIN'S RIG # RATHOLE

SPUDDED:

Date 10/26/06

Time NOON

How DRY

Drilling will Commence: _____

Reported by TOMMY HARRING

Telephone # (719) 859-6510

Date 10/30/06 Signed CHD

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: FEE
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: Pioneer Natural Resources USA, Inc., Attn: Kally Moran		8. WELL NAME and NUMBER: Jensen Fee 23C-9-12-10
3. ADDRESS OF OPERATOR: 1401 17th Street, # 1200 CITY Denver STATE CO ZIP 80202		9. API NUMBER: 4300731211
4. LOCATION OF WELL FOOTAGES AT SURFACE: 1873 FSL 2244 FWL		10. FIELD AND POOL, OR WILDCAT: Castlegate
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NESW 9 12S 10E		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 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: Spud Date - Conductor
<input checked="" type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion: 10/26/2006			

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

Please be advised that Pioneer Natural Resources has spud the Jensen Fee 23C-9-12-10 well. Pioneer set 40' of 14" conductor casing on 10/26/2006. The well is waiting on drilling.

NAME (PLEASE PRINT) <u>Kallasandra M. Moran</u>	TITLE <u>Engineering Analyst</u>
SIGNATURE	DATE <u>10/26/2006</u>

(This space for State use only)

RECEIVED
NOV 03 2006

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

FORM 6

ENTITY ACTION FORM

Operator: Pioneer Natural Resources USA, Inc. Operator Account Number: N 5155
Address: 1401 17th Street, Suite 1200
city Denver
state CO zip 80202 Phone Number: (303) 675-2719

Well 1

API Number	Well Name		QQ	Sec	Twp	Rng	County
4300731212	Jensen Fee 33C-9-12-10		NWSE	9	12S	10E	Carbon
Action Code	Current Entity Number	New Entity Number	Spud Date		Entity Assignment Effective Date		
BA	99999	15769	10/26/2006		11/8/06		
Comments: <u>MVRD</u>							CONFIDENTIAL

Well 2

API Number	Well Name		QQ	Sec	Twp	Rng	County
4300731211	Jensen Fee 23C-9-12-10		NESW	9	12S	10E	Carbon
Action Code	Current Entity Number	New Entity Number	Spud Date		Entity Assignment Effective Date		
BA	99999	15770	10/26/2006		11/8/06		
Comments: <u>MVRD</u>							CONFIDENTIAL

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:							RECEIVED

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)

Kallasandra M. Moran

Name (Please Print)

Kallasandra M. Moran
Signature
Engineering Analyst

Title

DIV. OF OIL, GAS & MINING

11/6/2006

Date

NOTICE

Utah Oil and Gas Conservation General Rule R649-3-21 states that,

- A well is considered completed when the well has been adequately worked to be capable of producing oil or gas or when well testing as required by the division is concluded.
- Within 30 days after the completion or plugging of a well, the following shall be filed:
 - Form 8, Well Completion or Recompletion Report and Log
 - A copy of electric and radioactivity logs, if run
 - A copy of drillstem test reports,
 - A copy of formation water analyses, porosity, permeability or fluid saturation determinations
 - A copy of core analyses, and lithologic logs or sample descriptions if compiled
 - A copy of directional, deviation, and/or measurement-while-drilling survey for each horizontal well

Failure to submit reports in a timely manner will result in the issuance of a Notice of Violation by the Division of Oil, Gas and Mining, and may result in the Division pursuing enforcement action as outlined in Rule R649-10, Administrative Procedures, and Section 40-6-11 of the Utah Code.

As of the mailing of this notice, the division has not received the required reports for

Operator: Pioneer Natural Resources USA, INC

Today's Date: 09/18/2007

Well:	API Number:	Drilling Commenced:
Fed Atchee Ridge 22-13-25 drlg/wcr	4304735678	10/04/2005
Jensen Fee 23C-9-12-10 drlg/wcr	4300731211	10/26/2006
Jensen Fee 43P-9-12-10 drlg/wcr	4300731214	10/26/2006
Jensen Fee 33C-9-12-10 drlg/wcr	4300731212	10/26/2006
Jensen Fee 42C-9-12-10 drlg/wcr	4300731213	10/31/2006
Castelgate Fed 22C-9-12-10 drlg/wcr	4300731225	10/31/2006
UTCO Fee 23C-15-12-25 drlg/wcr	4304738252	11/16/2006

To avoid compliance action, required reports should be mailed within 7 business days to:

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

If you have questions or concerns regarding this matter, please call (801) 538-5284.

cc: Well File
Compliance File

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

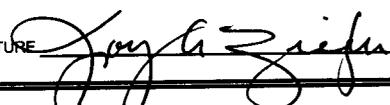
CONFIDENTIAL

FORM 9

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QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NESW 9 12S 10E		COUNTY: Carbon
		STATE: UTAH

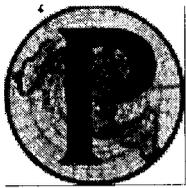
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TYPE OF SUBMISSION	TYPE OF ACTION		
<input type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: _____	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> REPERFORATE CURRENT FORMATION
	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> SIDETRACK TO REPAIR WELL
<input type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion: _____	<input type="checkbox"/> CASING REPAIR	<input type="checkbox"/> NEW CONSTRUCTION	<input type="checkbox"/> TEMPORARILY ABANDON
	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> TUBING REPAIR
	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> VENT OR FLARE
	<input type="checkbox"/> CHANGE WELL NAME	<input type="checkbox"/> PLUG BACK	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> PRODUCTION (START/RESUME)	<input type="checkbox"/> WATER SHUT-OFF
	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input checked="" type="checkbox"/> OTHER: <u>Status Report</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.
 The Jensen Fee 23C-9-12-10 well was spudded on 11/4/06 and drilled to a TD of 4915' - 5-1/2" surface casing set @ 4914' - (please see attached State Wellbore Report). Completion is planned to be started by year end 2007.

NAME (PLEASE PRINT) Joy A. Ziegler TITLE Senior Engineering Tech
 SIGNATURE  DATE 9/24/2007

(This space for State use only)

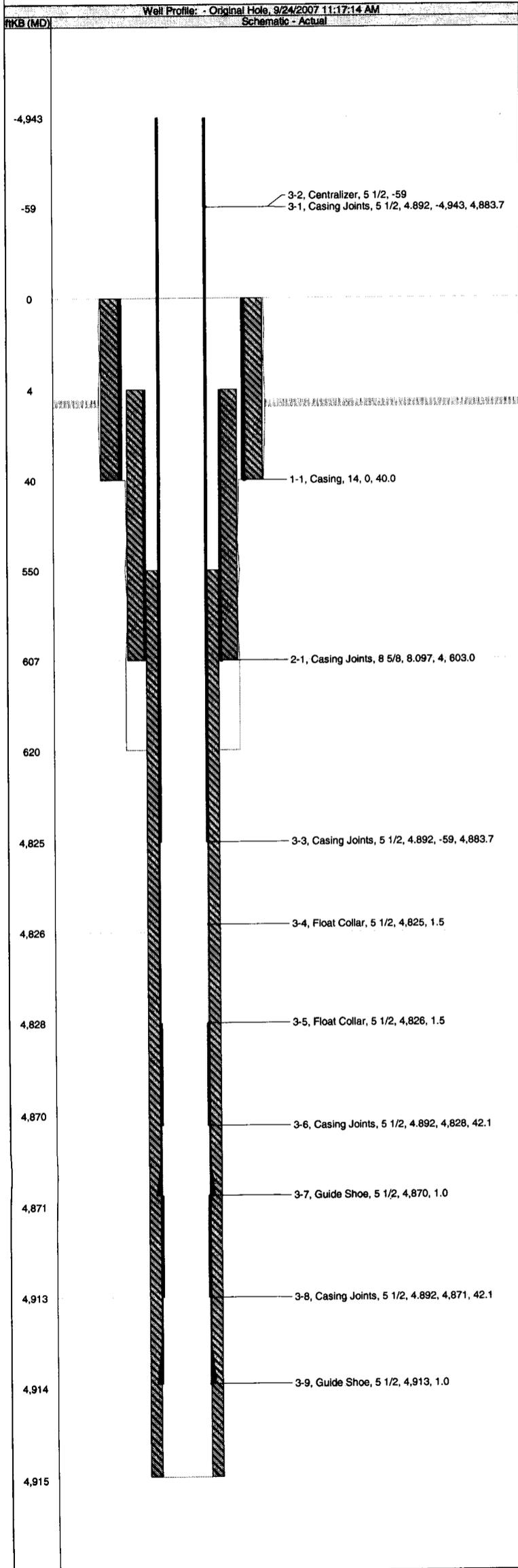
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SEP 26 2007



State Wellbore Rpt

Well Name: Jensen Fee 23C-9-12-10

Western Division



Area Block Number CASTLEGATE		County CARBON		State UTAH	
KB-Grd (ft) 11.00	Orig KB Elev (ft) 7,422.00	Gr Elev (ft) 7,411.00	Total Depth (ftKB) 4,915.0	Spud Date 10/26/2006	
QTR/QTR NESW		Section 9	Township 12S	Range 10E	
API/UWI 43-007-31211-0000			Operator PIONEER NATURAL RESRC USA, INC.		
Perforations					
Top (ftKB)		Btm (ftKB)		Zone	
Wellbores					
Wellbore Name					
Original Hole					
Size (in)		Act Top (ftKB)		Act Btm (ftKB)	
18		0.0		40.0	
12 1/4		40.0		620.0	
5 1/2		620.0		4,915.0	
PBTDs					
Date			Depth (ftKB)		
Tubing Strings					
Run Date	Set Depth (ftKB)	Full Date	Cut Pull Date	Depth Cut Pull (ft...)	
Tubing Components					
Top (ftKB)	Btm (ftKB)	Grade	OD (in)	ID (in)	Wt (lbs/ft)
Casing Strings					
Conductor, 40.0ftKB					
Run Date	Comment				
10/26/2006					
OD (in)	Item Description	Btm (ftKB)	Jts	ID (in)	Wt (kips) Grade
14	Casing	40.0	1		1.6 Sch 40
Surface, 607.0ftKB					
Run Date	Comment				
11/4/2006					
OD (in)	Item Description	Btm (ftKB)	Jts	ID (in)	Wt (kips) Grade
8 5/8	Casing Joints	607.0	15	8.097	14.5 J-55
Production, 4,914.0ftKB					
Run Date	Comment				
12/6/2006					
OD (in)	Item Description	Btm (ftKB)	Jts	ID (in)	Wt (kips) Grade
5 1/2	Casing Joints	-58.9	116	4.892	83.0 J-55
5 1/2	Centralizer	-4,942.5	1		
5 1/2	Casing Joints	4,826.3	116	4.892	83.0 J-55
5 1/2	Float Collar	-57.4	1		
5 1/2	Float Collar	4,869.9	1		
5 1/2	Casing Joints	4,868.4	1	4.892	0.7 J-55
5 1/2	Guide Shoe	4,913.0	1		
5 1/2	Casing Joints	4,912.0	1	4.892	0.7 J-55
5 1/2	Guide Shoe	4,914.0	1		
Cement					
Production Casing Cement, casing, <Start Date?>					
Description	Start Date	End Date	String	Type	
Production Casing Cement			Production, 4,914.0ftKB	casing	
1, 550.0-4,915.0ftKB					
Stage Number	Top (ftKB)	Bottom (ftKB)	Full Return?		
1	550.0	4,915.0	Yes		
Class	Amount (sacks)	Density (lb/gal)	Yield (ft ³ /sack)		
		8.34			
Mix H2O Ratio (gal/sack)	Yield (ft ³ /sack)				
Add	Amount	Amt Units	Conc Units	Conc	
Class	Amount (sacks)	Density (lb/gal)	Yield (ft ³ /sack)		
	8	10.00			
Mix H2O Ratio (gal/sack)	Yield (ft ³ /sack)				
Add	Amount	Amt Units	Conc Units	Conc	
MI Gel					
Class	Amount (sacks)	Density (lb/gal)	Yield (ft ³ /sack)		
		8.34			
Mix H2O Ratio (gal/sack)	Yield (ft ³ /sack)				
Add	Amount	Amt Units	Conc Units	Conc	
Class	Amount (sacks)	Density (lb/gal)	Yield (ft ³ /sack)		
Class A	290	11.00	3.82		
Mix H2O Ratio (gal/sack)	Yield (ft ³ /sack)				
23.00	3.82				
Add	Amount	Amt Units	Conc Units	Conc	
Stock Salt					
			%wt of cmt	3.0	
Class A			LBS/GAL	11.0	
MI Gel			%wt of cmt	16.0	
FLOCELE			LBS/SX	0.25	
Gilsonite			lbs/SX	10.0	



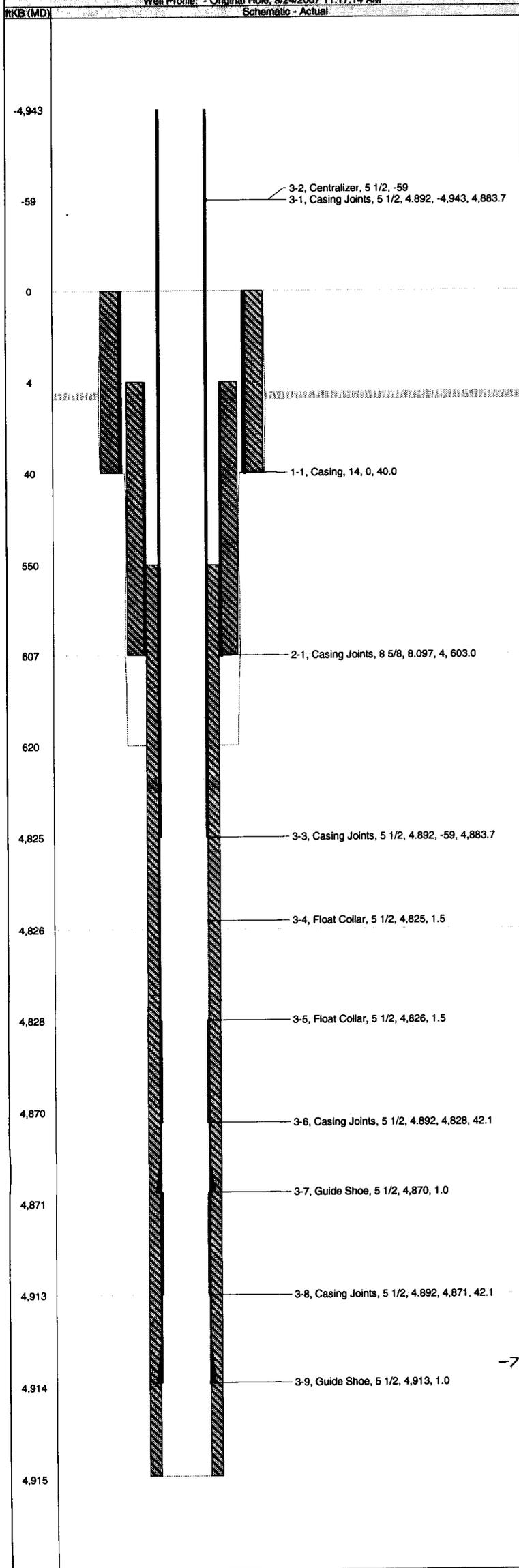
State Wellbore Rpt

Well Name: Jensen Fee 23C-9-12-10

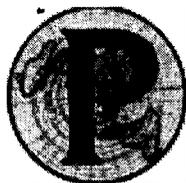
Western Division

Well Profile: - Original Hole, 9/24/2007 11:17:14 AM

Schematic - Actual



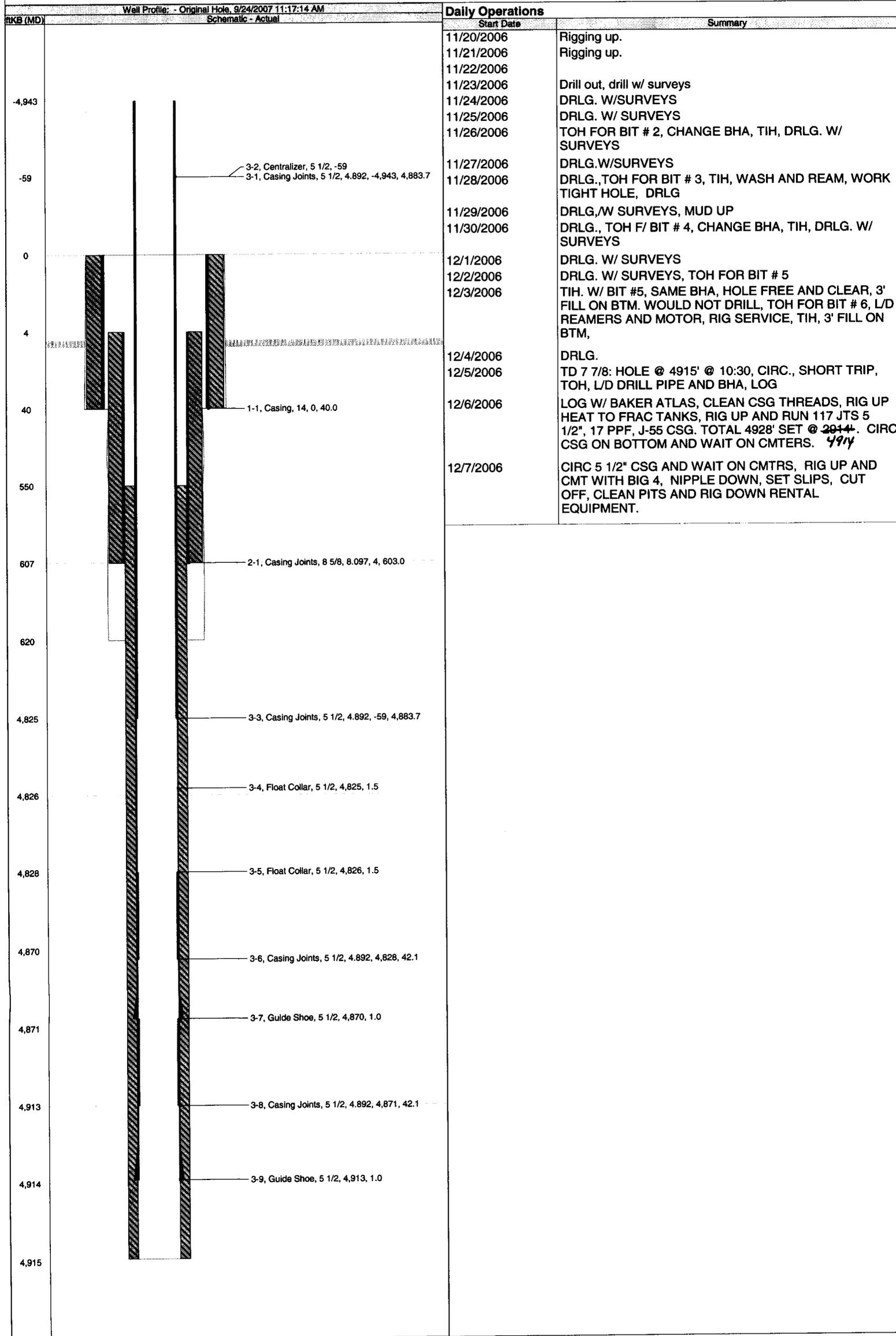
Add	Amount	Amt Units	Conc Units	Conc
GR3				
Class	Amount (sacks)	Density (lb/gal)	Yield (ft ³ /sack)	LBS/SX
Class G	130	14.20	1.60	2.0
Mix H2O Ratio (gal/sack)	7.90		Yield (ft ³ /sack)	1.60
W-60 Gypsum				
Class	Amount (sacks)	Density (lb/gal)	Yield (ft ³ /sack)	%wt of cmt
Class G FLOCELE				10.0
				LBS/GAL 14.2
				LBS/GAL 0.25
Cement				
Conductor Cement, casing, 10/27/2006 16:00				
Description	Start Date	End Date	String	Type
Conductor Cement	10/27/...	10/27/...	Conductor, 40.0ftKB	casing
1, 0.0-40.0ftKB				
Stage Number	Top (ftKB)	Bottom (ftKB)	Full Return?	
1	0.0	40.0	Yes	
Class	Amount (sacks)	Density (lb/gal)	Yield (ft ³ /sack)	
Redi-mix	2			
Mix H2O Ratio (gal/sack)			Yield (ft ³ /sack)	
Surface Casing Cement, casing, 11/4/2006 22:30				
Description	Start Date	End Date	String	Type
Surface Casing Cement	11/4/2...	11/4/2...	Surface, 607.0ftKB	casing
1, 4.0-607.0ftKB				
Stage Number	Top (ftKB)	Bottom (ftKB)	Full Return?	
1	4.0	607.0	Yes	
Class	Amount (sacks)	Density (lb/gal)	Yield (ft ³ /sack)	
		8.30		
Mix H2O Ratio (gal/sack)			Yield (ft ³ /sack)	
Jobs				
Job Category	Primary Job Type		Start Date	End Date
DEVELOPMENT	ORIG DRILL & COMPLETE		10/26/2006	
Job Summary				
Drill & Complete development well.				
Daily Operations				
Start Date	Summary			
10/26/2006	MIRU Pete Martin Drilling. Spud and set 40' of 14" conductor casing. Will cement on 10/27/06.			
10/27/2006	Wait on cement truck. Cement conductor casing with 2 yards redi-mix concrete. END DAY.			
10/28/2006	W.O Surface Drilling Rig.			
10/29/2006	W.O Surface Drilling Rig.			
10/30/2006	W.O. OK from LC			
10/31/2006	W.O. Surface Rig			
11/1/2006	W.O. Surface Rig			
11/2/2006	W.O. Surface Rig			
11/3/2006	W.O. Surface Rig			
11/4/2006	MIRU Bill Martin Drilling. Drill 12 1/4" surface hole. C & C hole. TOOH, RU and run 8 5/8" casing. TP 603', set @ 607', KB. Cement casing, put 12 bbls good cement to pit. END DAY W.O.C.			
11/5/2006	W.O. Elenburg #11			
11/6/2006	W.O. Elenburg #11			
11/7/2006	W.O. Elenburg #11			
11/8/2006	W.O. Elenburg #11			
11/18/2006	Begin moving rig.			
11/18/2006	Moving rig.			
11/19/2006	Finish moving and begin to rigup.			



State Wellbore Rpt

Well Name: Jensen Fee 23C-9-12-10

Western Division



SUNDRY NOTICES AND REPORTS ON WELLS

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1. TYPE OF WELL OIL WELL GAS WELL OTHER _____

2. NAME OF OPERATOR:
Pioneer Natural Resources USA, Inc., Attn: Joy A. Ziegler

3. ADDRESS OF OPERATOR:
1401 17th Street, # 1200 CITY Denver STATE CO ZIP 80202

PHONE NUMBER:
(303) 675-2663

4. LOCATION OF WELL
FOOTAGES AT SURFACE: 1873 FSL 2244 FWL

COUNTY: Carbon

QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NESW 9 12S 10E

STATE: UTAH

5. LEASE DESIGNATION AND SERIAL NUMBER:
FEE

6. IF INDIAN, ALLOTTEE OR TRIBE NAME:

7. UNIT or CA AGREEMENT NAME:

8. WELL NAME and NUMBER:
Jensen Fee 23C-9-12-10

9. API NUMBER:
4300731211

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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"/> 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
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NAME (PLEASE PRINT) Joy A. Ziegler

TITLE Senior Engineering Tech

SIGNATURE Joy A. Ziegler

DATE 9/27/2007

(This space for State use only)

RECEIVED
OCT 01 2007

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

5. LEASE DESIGNATION AND SERIAL NUMBER:
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SUNDRY NOTICES AND REPORTS ON WELLS

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7. UNIT or CA AGREEMENT NAME:

1. TYPE OF WELL OIL WELL GAS WELL OTHER _____

8. WELL NAME and NUMBER:
Jensen Fee 23C-9-12-10

2. NAME OF OPERATOR:
Pioneer Natural Resources USA, Inc., Attn: Joy A. Ziegler

9. API NUMBER:
4300731211

3. ADDRESS OF OPERATOR:
1401 17th Street, # 1200 CITY Denver STATE CO ZIP 80202

PHONE NUMBER:
(303) 675-2663

10. FIELD AND POOL, OR WILDCAT:
Castlegate

4. LOCATION OF WELL
FOOTAGES AT SURFACE: 1873 FSL 2244 FWL

COUNTY: Carbon

QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NESW 9 12S 10E

STATE: UTAH

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

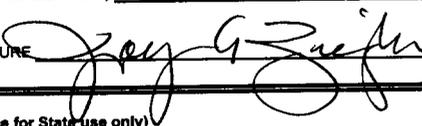
TYPE OF SUBMISSION	TYPE OF ACTION		
<input type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: _____	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> REPERFORATE CURRENT FORMATION
	<input type="checkbox"/> ALTER CASING	<input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

The Jensen Fee 23C-9-12-10 well remained SI during the month of October 2007 and continues to be SI.

NAME (PLEASE PRINT) Joy A. Ziegler

TITLE Senior Engineering Tech

SIGNATURE 

DATE 11/1/2007

(This space for State use only)

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NOV 05 2007

DIV. OF OIL, GAS & MINING

NOTICE

Utah Oil and Gas Conservation General Rule R649-3-21 states that,

- A well is considered completed when the well has been adequately worked to be capable of producing oil or gas or when well testing as required by the division is concluded.
- Within 30 days after the completion or plugging of a well, the following shall be filed:
 - Form 8, Well Completion or Recompletion Report and Log
 - A copy of electric and radioactivity logs, if run
 - A copy of drillstem test reports,
 - A copy of formation water analyses, porosity, permeability or fluid saturation determinations
 - A copy of core analyses, and lithologic logs or sample descriptions if compiled
 - A copy of directional, deviation, and/or measurement-while-drilling survey for each horizontal well

Failure to submit reports in a timely manner will result in the issuance of a Notice of Violation by the Division of Oil, Gas and Mining, and may result in the Division pursuing enforcement action as outlined in Rule R649-10, Administrative Procedures, and Section 40-6-11 of the Utah Code.

As of the mailing of this notice, the division has not received the required reports for

Operator: Pioneer Natural Resources USA, Inc

Today's Date: 02/14/2008

Well:	API Number:	Drilling Commenced:
Fed Athcee Ridge 22-13-25 drlg rpts/wcr	4304735678	10/04/2005
Jensen Fee 23C-9-12-10 drlg rpts/wcr	4300731211	10/26/2006
Jensen Fee 43P-9-12-10 drlg rpts/wcr	4300731214	10/26/2006
Jensen Fee 33C-9-12-10 drlg rpts/wcr	4300731212	10/26/2006
Jensen Fed 42C-9-12-10 drlg rpts/wcr	4300731213	10/31/2006
Castlegate Fed 22C-9-12-10 drlg rpts/wcr	4300731225	10/31/2006
UTCO Fee 23C-25-12-25 drlg rpts/wcr	4304738252	11/16/2006
Main Cyn Fed 12-8-15-23 drlg rpts/wcr	4304739428	07/06/2007

12S 10E 9

To avoid compliance action, required reports should be mailed within 7 business days to:

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

If you have questions or concerns regarding this matter, please call (801) 538-5284.

cc: Well File
Compliance File

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

CONFIDENTIAL

AMENDED REPORT FORM 8
(highlight changes)

WELL COMPLETION OR RECOMPLETION REPORT AND LOG

1a. TYPE OF WELL: OIL WELL GAS WELL DRY OTHER _____
 b. TYPE OF WORK: NEW WELL HORIZ. LATS. DEEP-EN RE-ENTRY DIFF. RESVR. OTHER _____

2. NAME OF OPERATOR:
Pioneer Natural Resources USA, Inc.

3. ADDRESS OF OPERATOR: 1401 17th Street - #1200 CITY Denver STATE CO ZIP 80202
 PHONE NUMBER: (303) 675-2663

4. LOCATION OF WELL (FOOTAGES)
 AT SURFACE: 2244' FWL & 1873' FSL
 AT TOP PRODUCING INTERVAL REPORTED BELOW: Same
 AT TOTAL DEPTH: Same

5. LEASE DESIGNATION AND SERIAL NUMBER:
Fee

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

7. UNIT or CA AGREEMENT NAME

8. WELL NAME and NUMBER:
Jensen Fee 23C-9-12-10

9. API NUMBER:
43-007-31211

10. FIELD AND POOL, OR WILDCAT
Castlegate

11. QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN:
NESW 9 12S 10E

12. COUNTY Carbon 13. STATE UTAH

14. DATE SPURRED: 10/26/2006 15. DATE T.D. REACHED: 12/5/2006 16. DATE COMPLETED: 12/4/2007
 ABANDONED READY TO PRODUCE 17. ELEVATIONS (DF, RKB, RT, GL): KB 7422, GL 7411

18. TOTAL DEPTH: MD 4,915 TVD 4,915 19. PLUG BACK T.D.: MD 4,868 TVD 4,868 20. IF MULTIPLE COMPLETIONS, HOW MANY? * 21. DEPTH BRIDGE MD PLUG SET: TVD

22. TYPE ELECTRIC AND OTHER MECHANICAL LOGS RUN (Submit copy of each)
Hi Definition Ind GR/Cal; Compensated Z Density/CN; CBL
 23. WAS WELL CORED? NO YES (Submit analysis)
 WAS DST RUN? NO YES (Submit report)
 DIRECTIONAL SURVEY? NO YES (Submit copy)

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

HOLE SIZE	SIZE/GRADE	WEIGHT (#/ft.)	TOP (MD)	BOTTOM (MD)	STAGE CEMENTER DEPTH	CEMENT TYPE & NO. OF SACKS	SLURRY VOLUME (BBL)	CEMENT TOP **	AMOUNT PULLED
18"	14" Sch 40	40	Surf	40		Redimix 2 yd		Surf	
12-1/4"	8-5/8" J55	24	Surf	607		CI 5 300	63	Surf - CBL	
7-7/8"	5-1/2 J55	17	Surf	4,914		CI A 290	186	2140 - CBL	
						130	36		

25. TUBING RECORD

SIZE	DEPTH SET (MD)	PACKER SET (MD)	SIZE	DEPTH SET (MD)	PACKER SET (MD)	SIZE	DEPTH SET (MD)	PACKER SET (MD)
2-7/8"	4,706							

26. PRODUCING INTERVALS 27. PERFORATION RECORD

FORMATION NAME	TOP (MD)	BOTTOM (MD)	TOP (TVD)	BOTTOM (TVD)	INTERVAL (Top/Bot - MD)	SIZE	NO. HOLES	PERFORATION STATUS
(A) Blackhawk	3,870	4,750			4,618 4,669	.25	48	Open <input checked="" type="checkbox"/> Squeezed <input type="checkbox"/>
(B)					4,520 4,571	.25	45	Open <input checked="" type="checkbox"/> Squeezed <input type="checkbox"/>
(C)					4,364 4,413	.25	45	Open <input checked="" type="checkbox"/> Squeezed <input type="checkbox"/>
(D)								Open <input type="checkbox"/> Squeezed <input type="checkbox"/>

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

DEPTH INTERVAL	AMOUNT AND TYPE OF MATERIAL
4618-4669	49,300 20/40 sd; 230,000 N2 scf
4520-4571	49,300 20/40 sd; 232,000 N2 scf
4364-4413	49,300 20/40 sd; 222,000 N2 scf

RECEIVED
MAR 07 2008

DIV. OF OIL, GAS & MINING

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

30. WELL STATUS:
Producing

31. INITIAL PRODUCTION

INTERVAL A (As shown in item #26)

DATE FIRST PRODUCED: 11/20/2007		TEST DATE: 12/10/2007		HOURS TESTED: 24		TEST PRODUCTION RATES: →		OIL - BBL: 0	GAS - MCF: 40	WATER - BBL: 235	PROD. METHOD: Pumping
CHOKE SIZE:	TBG. PRESS. 90	CSG. PRESS. 25	API GRAVITY	BTU - GAS	GAS/OIL RATIO	24 HR PRODUCTION RATES: →	OIL - BBL: 0	GAS - MCF: 40	WATER - BBL: 235	INTERVAL STATUS: Producing	

INTERVAL B (As shown in item #26)

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

INTERVAL C (As shown in item #26)

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

INTERVAL D (As shown in item #26)

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

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

Test: Gas Vented; Date 1st Produced: Sold

33. SUMMARY OF POROUS ZONES (Include Aquifers):

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

34. FORMATION (Log) MARKERS:

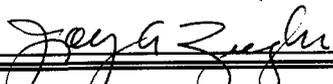
Formation	Top (MD)	Bottom (MD)	Descriptions, Contents, etc.	Name	Top (Measured Depth)
Price River	2,455	2,762	Sand Stone - No cores, not tested	Price River	2,660
Castlegate	3,096	3,266	Sand Stone w/Chert - No core, not tstd	Castlegate	3,096
Aberdeen	4,750	4,798	Sand Stone w/Sh - No core, not tstd	Blackhawk	3,870
				K2 Coal	4,515
				Aberdeen	4,750

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) Joy A. Ziegler

TITLE Senior Engineering Tech

SIGNATURE 

DATE 3/4/2008

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

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

FORM 9

SUNDRY NOTICES AND REPORTS ON WELLS

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

1. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER _____		5. LEASE DESIGNATION AND SERIAL NUMBER:
2. NAME OF OPERATOR: Blue Tip Castlegate, Inc. <i>N 3680</i>		6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
3. ADDRESS OF OPERATOR: 15810 Park Ten Place - Ste 160 CITY Houston STATE TX ZIP 77084		7. UNIT or CA AGREEMENT NAME:
PHONE NUMBER: (303) 979-6023		8. WELL NAME and NUMBER: See Attached List
4. LOCATION OF WELL FOOTAGES AT SURFACE:		9. API NUMBER:
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN:		10. FIELD AND POOL, OR WILDCAT:
COUNTY: Carbon		
STATE: UTAH		

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

TYPE OF SUBMISSION	TYPE OF ACTION		
<input checked="" type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: <u>4/1/2010</u>	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> REPERFORATE CURRENT FORMATION
	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> SIDETRACK TO REPAIR WELL
<input type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion: _____	<input type="checkbox"/> CASING REPAIR	<input type="checkbox"/> NEW CONSTRUCTION	<input type="checkbox"/> TEMPORARILY ABANDON
	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input checked="" type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> TUBING REPAIR
	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> VENT OR FLARE
	<input type="checkbox"/> CHANGE WELL NAME	<input type="checkbox"/> PLUG BACK	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> PRODUCTION (START/RESUME)	<input type="checkbox"/> WATER SHUT-OFF
	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input type="checkbox"/> OTHER: _____
	<input type="checkbox"/> CONVERT WELL TYPE	<input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION	

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

Blue Tip Castlegate, Inc. has acquired all of Pioneer Natural Resources USA, Inc's interest in the Castlegate Field - see attached well list. The effective date of change of operator is April 1, 2010.

Betty Brown 5/13/10
Betty Brown Date
Attorney-In-Fact
Pioneer Natural Resources USA, Inc. *N 5155*
1401 17th Street - Suite 1200
Denver, CO 80202
Phone: 303-675-2610

Bruce L Taylor 5/13/10
Bruce L. Taylor Date
Manager Vice President *BLT*
Blue Tip Castlegate, Inc.
15810 Park Ten Place - Suite 160
Houston, TX 77084
Telephone: 303-979-6023
State Bond No.: B005639
BLM Bond No.: B005638

NAME (PLEASE PRINT) <u>Bruce L. Taylor</u>	TITLE <u>Manager Vice President <i>BLT</i></u>
SIGNATURE <i>Bruce L Taylor</i>	DATE <u>5/13/10</u>

(This space for State use only)

APPROVED 6/30/2010
Earlene Russell
Earlene Russell
Division of Oil, Gas and Mining
Earlene Russell, Engineering Technician

RECEIVED
JUN 03 2010
DIV. OF OIL, GAS & MINING

PIONEER NATURAL RESOURCES (N5155) to BLUE TIP CASTLEGATE (N3680)

well_name	sec	twp	rng	api	entity	lease	type	stat	C
SHIMMIN TRUST 5-14-12-10	14	120S	100E	4300730122	14175	Fee	GW	P	
CASTLEGATE FED 7-9-12-10	09	120S	100E	4300730137	12991	Federal	GW	P	
JENSEN 9-10-12-10	10	120S	100E	4300730159	12906	Fee	GW	P	
JENSEN 5-10-12-10	10	120S	100E	4300730162	12905	Fee	GW	S	
JENSEN 16-9-12-10	09	120S	100E	4300730163	12904	Fee	GW	P	
JENSEN 11-10-12-10	10	120S	100E	4300730164	11405	Fee	GW	P	
SHIMMIN TRUST 11-11-12-10	11	120S	100E	4300730166	11410	Fee	GW	P	
CASTLEGATE ST 1-16-12-10	16	120S	100E	4300730589	12610	State	GW	P	
JENSEN 1-10-12-10	10	120S	100E	4300730596	12611	Fee	GW	P	
SHIMMIN TRUST 2-11-12-10	11	120S	100E	4300730659	13070	Fee	GW	P	
SHIMMIN TRUST 4-14-12-10	14	120S	100E	4300730662	13071	Fee	GW	P	
SHIMMIN TRUST 1-11-12-10	11	120S	100E	4300730673	12901	Fee	GW	P	
JENSEN 2-10-12-10	10	120S	100E	4300730675	14225	Fee	GW	OPS	
JENSEN 1-9-12-10	09	120S	100E	4300730717	12903	Fee	GW	P	
JENSEN 1-18-12-10	18	120S	100E	4300730718	14226	Fee	GW	P	
JENSEN 1-4-12-10	04	120S	100E	4300730733	13068	Fee	GW	P	
JENSEN 2-8-12-10	08	120S	100E	4300730734	13275	Fee	GW	P	
JENSEN 2-9-12-10	09	120S	100E	4300730735	13317	Fee	GW	P	
JENSEN 1-15-12-10	15	120S	100E	4300730736	13072	Fee	GW	P	
JENSEN 1-8-12-10	08	120S	100E	4300730768	13359	Fee	GW	P	
CASTLEGATE ST 4-16-12-10	16	120S	100E	4300730785	13318	State	GW	P	
JENSEN DEEP 7-15-12-10	15	120S	100E	4300730786	13247	Fee	GW	S	
CASTLEGATE ST 11-16H-12-10	16	120S	100E	4300730961	14224	State	GW	S	
SHIMMIN 11-14-12-10	14	120S	100E	4300730962	14223	Fee	GW	OPS	
JENSEN 23C-9-12-10	09	120S	100E	4300731211	15770	Fee	GW	P	
JENSEN 33C-9-12-10	09	120S	100E	4300731212	15769	Fee	GW	P	
JENSEN 42C-9-12-10	09	120S	100E	4300731213	15766	Fee	GW	P	
JENSEN 43C-9-12-10	09	120S	100E	4300731214	15768	Fee	GW	P	C
CASTLEGATE FED 22C-9-12-10	09	120S	100E	4300731225	15767	Federal	GW	P	
JENSEN 41C-9-12-10	09	120S	100E	4300731452	17246	Fee	GW	OPS	C
JENSEN 14C-10-12-10	10	120S	100E	4300731453	17235	Fee	GW	P	
JENSEN FED 14C-3-12-10	03	120S	100E	4300731495		Federal	GW	APD	C
JENSEN FED 22C-10-12-10	10	120S	100E	4300731498		Federal	GW	APD	C
JENSEN FED 11C-10-12-10	10	120S	100E	4300731499		Federal	GW	APD	C
JENSEN 14C-4-12-10	04	120S	100E	4300731500		Fee	GW	APD	C
JENSEN 44C-4-12-10	04	120S	100E	4300731501		Fee	GW	APD	C
JENSEN 44C-5-12-10	05	120S	100E	4300731502		Fee	GW	APD	C
JENSEN 34C-9-12-10	09	120S	100E	4300731503		Fee	GW	APD	C
JENSEN 31C-9-12-10	09	120S	100E	4300731504		Fee	GW	APD	C
JENSEN 14C-9-12-10	09	120S	100E	4300731505		Fee	GW	APD	C
JENSEN 11C-9-12-10	09	120S	100E	4300731506		Fee	GW	APD	C
JENSEN 24C-9-12-10	09	120S	100E	4300731507		Fee	GW	APD	C
JENSEN ST 11C-34-11-9	34	110S	090E	4304930024	17071	State	GW	S	C

Division of Oil, Gas and Mining
 Operator Change/Name Change Worksheet-for State use only

Effective Date: 7/1/2016

FORMER OPERATOR:	NEW OPERATOR:
Blue Tip Castlegate, Inc. 15810 Park Ten Place, Suite 160 Houston TX 77084	Liberty Pioneer Energy Sources, Inc. 1411 East 840 North Orem UT 84097
CA Number(s):	Unit(s): N/A

WELL INFORMATION:

Well Name	Sec	TWN	RNG	API	Entity	Mineral	Surface	Type	Status
See Attached List									

OPERATOR CHANGES DOCUMENTATION:

1. Sundry or legal documentation was received from the **FORMER** operator on: 7/21/2016
2. Sundry or legal documentation was received from the **NEW** operator on: 7/21/2016
3. New operator Division of Corporations Business Number: 6353640-0143

REVIEW:

1. Surface Agreement Sundry from **NEW** operator on Fee Surface wells received on: N/A
2. Receipt of Acceptance of Drilling Procedures for APD on: N/A
3. Reports current for Production/Disposition & Sundries: 8/26/2016
4. OPS/SI/TA well(s) reviewed for full cost bonding: 8/26/2016
5. UIC5 on all disposal/injection/storage well(s) approved on: 8/26/2016
6. Surface Facility(s) included in operator change: N/A
7. Inspections of PA state/fee well sites complete on (only upon operators request): N/A

NEW OPERATOR BOND VERIFICATION:

1. Federal well(s) covered by Bond Number: ~~N/A~~ UTB000334
2. Indian well(s) covered by Bond Number: N/A
3. State/fee well(s) covered by Bond Number(s): RLB0012097

DATA ENTRY:

1. Well(s) update in the **OGIS** on: 8/26/2016
2. Entity Number(s) updated in **OGIS** on: 8/26/2016
3. Unit(s) operator number update in **OGIS** on: N/A
4. Surface Facilities update in **OGIS** on: N/A
5. State/Fee well(s) attached to bond(s) in **RBDMS** on: 8/26/2016
6. Surface Facilities update in **RBDMS** on: N/A

COMMENTS:

From: Blue Tip Castlegate, Inc.
 To: Liberty Pioneer Energy Source, Inc.
 Effective: 7/1/2016

Well Name	Sec	TWN	RNG	API Number	Entity	Mineral	Surface	Type	Status
CASTLEGATE ST 1-35-12-10 WD	35	110S	100E	4301332308	13472	State	State	WD	A
JENSEN 9-10-12-10	10	120S	100E	4300730159	12906	Fee	Fee	GW	P
JENSEN 5-10-12-10	10	120S	100E	4300730162	12905	Fee	Fee	GW	P
JENSEN 16-9-12-10	9	120S	100E	4300730163	12904	Fee	Fee	GW	P
JENSEN 11-10-12-10	10	120S	100E	4300730164	11405	Fee	Fee	GW	P
CASTLEGATE ST 1-16-12-10	16	120S	100E	4300730589	12610	State	State	GW	P
JENSEN 1-10-12-10	10	120S	100E	4300730596	12611	Fee	Fee	GW	P
JENSEN 1-9-12-10	9	120S	100E	4300730717	12903	Fee	Fee	GW	P
JENSEN 2-9-12-10	9	120S	100E	4300730735	13317	Fee	Fee	GW	P
JENSEN 1-15-12-10	15	120S	100E	4300730736	13072	Fee	Fee	GW	P
JENSEN 1-8-12-10	8	120S	100E	4300730768	13359	Fee	Fee	GW	P
JENSEN DEEP 7-15-12-10	15	120S	100E	4300730786	13247	Fee	Fee	GW	P
JENSEN 23C-9-12-10	9	120S	100E	4300731211	15770	Fee	Fee	GW	P
JENSEN 33C-9-12-10	9	120S	100E	4300731212	15769	Fee	Fee	GW	P
JENSEN 43C-9-12-10	9	120S	100E	4300731214	15768	Fee	Fee	GW	P
CASTLEGATE FED 22C-9-12-10	9	120S	100E	4300731225	15767	Federal	Federal	GW	P
JENSEN 41C-9-12-10	9	120S	100E	4300731452	17246	Fee	Fee	GW	P
JENSEN 14C-10-12-10	10	120S	100E	4300731453	17235	Fee	Fee	GW	P
JENSEN FED 6-10-12-10	10	120S	100E	4300750177	18209	Federal	Fee	GW	P
SHIMMIN TRUST 5-14-12-10	14	120S	100E	4300730122	14175	Fee	Fee	GW	S
CASTLEGATE FED 7-9-12-10	9	120S	100E	4300730137	12991	Federal	Federal	GW	S
SHIMMIN TRUST 11-11-12-10	11	120S	100E	4300730166	11410	Fee	Fee	GW	S
SHIMMIN TRUST 2-11-12-10	11	120S	100E	4300730659	13070	Fee	Fee	GW	S
SHIMMIN TRUST 4-14-12-10	14	120S	100E	4300730662	13071	Fee	Fee	GW	S
SHIMMIN TRUST 1-11-12-10	11	120S	100E	4300730673	12901	Fee	Fee	GW	S
JENSEN 1-18-12-10	18	120S	100E	4300730718	14226	Fee	Fee	GW	S
JENSEN 1-4-12-10	4	120S	100E	4300730733	13068	Fee	Fee	GW	S
JENSEN 2-8-12-10	8	120S	100E	4300730734	13275	Fee	Fee	GW	S
CASTLEGATE ST 4-16-12-10	16	120S	100E	4300730785	13318	State	State	GW	S
CASTLEGATE ST 11-16H-12-10	16	120S	100E	4300730961	14224	State	State	GW	S
JENSEN 42C-9-12-10	9	120S	100E	4300731213	15766	Fee	Fee	GW	S
JENSEN 2C-9	9	120S	100E	4300750179	18242	Fee	Fee	GW	S
JENSEN ST 11C-34-11-9	34	110S	090E	4304930024	17071	State	Fee	GW	S

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: SEE ATTACHED LIST
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: Liberty Pioneer Energy Source, Inc.		8. WELL NAME and NUMBER: SEE ATTACHED LIST
3. ADDRESS OF OPERATOR: 1411 E 840 N CITY Orem STATE UT ZIP 84097		9. API NUMBER: SEE ATTACHED LIST
PHONE NUMBER: (801)224-4771		10. FIELD AND POOL, OR WILDCAT:
4. LOCATION OF WELL FOOTAGES AT SURFACE: SEE ATTACHED LIST		COUNTY:
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN:		STATE: UTAH

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

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

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

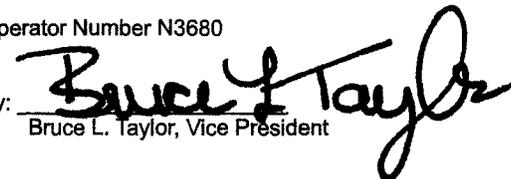
CHANGE OF OPERATOR

PREVIOUS OPERATOR:
Blue Tip Castlegate, Inc. **N3680**
15810 Park Ten Place - Suite 160
Houston, TX 77084
Phone (281) 994-3800

NEW OPERATOR:
Liberty Pioneer Energy Source, Inc. **N2855**
1411 East 840 North
Orem, UT 84097
Phone (801) 224-4771

Operator Number N3680

Operator Number N2855

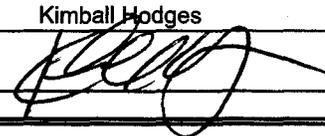
By: 
Bruce L. Taylor, Vice President

RECEIVED

JUL 21 2016

DIV. OF OIL, GAS & MINING

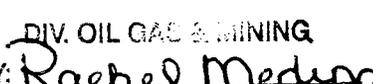
Be advised that Liberty Pioneer Energy Source, Inc. is responsible under the terms and conditions of the related leases for the operations conducted upon the leased lands. Bond coverage is covered by Bond No. RLB0012097.

NAME (PLEASE PRINT) <u>Kimball Hodges</u>	TITLE <u>Vice President of Liberty Pioneer Energy Source, Inc.</u>
SIGNATURE 	DATE <u>7/18/16</u>

(This space for State use only)

APPROVED

AUG 26 2016

DIV. OIL GAS & MINING
BY: 

ATTACHED LIST to Change of Operator Sundry Notice

BTC WELL NUMBER	WELL NAME AND NUMBER	LEGAL DESCRIPTION	OPERATOR	API	COUNTY	STATE
2080001	JENSEN 1-4-12-10	Salt Lake Meridian T12S R10E Sec 04: SWSE	BLUE TIP CASTLEGATE INC.	43-007-30733-0000	CARBON	UTAH
2080002	JENSEN 1-8-12-10	Salt Lake Meridian T12S R10E Sec 08: NESE	BLUE TIP CASTLEGATE INC.	43-007-30768-0000	CARBON	UTAH
2080003	JENSEN 2-8-12-10	Salt Lake Meridian T12S R10E Sec 08: NENE	BLUE TIP CASTLEGATE INC.	43-007-30734-0000	CARBON	UTAH
2080004	CASTLEGATE FED 22C-9-12-10	Salt Lake Meridian T12S R10E Sec 09: SENW	BLUE TIP CASTLEGATE INC.	43-007-31225-0000	CARBON	UTAH
2080005	CASTLEGATE FED 7-9-12-10	Salt Lake Meridian T12S R10E Sec 09: SWNE	BLUE TIP CASTLEGATE INC.	43-007-30137-0000	CARBON	UTAH
2080006	JENSEN 1-9-12-10	Salt Lake Meridian T12S R10E Sec 09: NWSW	BLUE TIP CASTLEGATE INC.	43-007-30717-0000	CARBON	UTAH
2080007	JENSEN 2-9-12-10	Salt Lake Meridian T12S R10E Sec 09: NENW	BLUE TIP CASTLEGATE INC.	43-007-30735-0000	CARBON	UTAH
2080008	JENSEN 16-9-12-10	Salt Lake Meridian T12S R10E Sec 09: SESE	BLUE TIP CASTLEGATE INC.	43-007-30163-0000	CARBON	UTAH
2080009	JENSEN 23C-9-12-10	Salt Lake Meridian T12S R10E Sec 09: NESW	BLUE TIP CASTLEGATE INC.	43-007-31211-0000	CARBON	UTAH
2080010	JENSEN 33C-9-12-10	Salt Lake Meridian T12S R10E Sec 09: NWSE	BLUE TIP CASTLEGATE INC.	43-007-31212-0000	CARBON	UTAH
2080011	JENSEN 42C-9-12-10	Salt Lake Meridian T12S R10E Sec 09: SENE	BLUE TIP CASTLEGATE INC.	43-007-31213-0000	CARBON	UTAH
2080012	JENSEN 43C-9-12-10	Salt Lake Meridian T12S R10E Sec 09: NESE	BLUE TIP CASTLEGATE INC.	43-007-31214-0000	CARBON	UTAH
2080013	JENSEN 1-10-12-10	Salt Lake Meridian T12S R10E Sec 10: NWSW	BLUE TIP CASTLEGATE INC.	43-007-30596-0000	CARBON	UTAH
2080014	JENSEN 5-10-12-10	Salt Lake Meridian T12S R10E Sec 10: SWNW	BLUE TIP CASTLEGATE INC.	43-007-30162-0000	CARBON	UTAH
2080015	JENSEN 11-10-12-10	Salt Lake Meridian T12S R10E Sec 10: NESW	BLUE TIP CASTLEGATE INC.	43-007-30164-0000	CARBON	UTAH

ATTACHED LIST to Change of Operator Sundry Notice

BTC WELL NUMBER	WELL NAME AND NUMBER	LEGAL DESCRIPTION	OPERATOR	API	COUNTY	STATE
2080016	JENSEN 14C-10-12-10	Salt Lake Meridian T12S R10E Sec 10: SWSW	BLUE TIP CASTLEGATE INC.	43-007-31453-0000	CARBON	UTAH
2080017	SHIMMIN TRUST 1-11-12-10	Salt Lake Meridian T12S R10E Sec 11: SWSW	BLUE TIP CASTLEGATE INC.	43-007-30673-0000	CARBON	UTAH
2080018	SHIMMIN TRUST 2-11-12-10	Salt Lake Meridian T12S R10E Sec 11: SFSW	BLUE TIP CASTLEGATE INC.	43-007-30659-0000	CARBON	UTAH
2080019	SHIMMIN TRUST 4-14-12-10	Salt Lake Meridian T12S R10E Sec 14: SENW	BLUE TIP CASTLEGATE INC.	43-007-30662-0000	CARBON	UTAH
2080020	SHIMMIN TRUST 5-14-12-10	Salt Lake Meridian T12S R10E Sec 14: NWNE	BLUE TIP CASTLEGATE INC.	43-007-30122-0000	CARBON	UTAH
2080021	JENSEN 1-15-12-10	Salt Lake Meridian T12S R10E Sec 15: SWNE	BLUE TIP CASTLEGATE INC.	43-007-30736-0000	CARBON	UTAH
2080022	JENSEN DEEP 7-15-12-10	Salt Lake Meridian T12S R10E Sec 15: SWNE	BLUE TIP CASTLEGATE INC.	43-007-30786-0000	CARBON	UTAH
2080023	CASTLEGATE ST 1-16-12-10	Salt Lake Meridian T12S R10E Sec 16: NWNE	BLUE TIP CASTLEGATE INC.	43-007-30589-0000	CARBON	UTAH
2080024	CASTLEGATE ST 4-16-12-10	Salt Lake Meridian T12S R10E Sec 16: SENW	BLUE TIP CASTLEGATE INC.	43-007-30785-0000	CARBON	UTAH
2080025	JENSEN 1-18-12-10	Salt Lake Meridian T12S R10E Sec 18: NESE	BLUE TIP CASTLEGATE INC.	43-007-30718-0000	CARBON	UTAH
2080026	CASTLEGATE ST 1-35-12-10 WD	Salt Lake Meridian T11S R10E Sec 35: SWSW	BLUE TIP CASTLEGATE INC.	43-013-32308-0000	DUCHESNE	UTAH
2080027	CASTLEGATE ST 11-16H-12-10	Salt Lake Meridian T12S R10E Sec 16: NWNW	BLUE TIP CASTLEGATE INC.	43-007-30961-0000	CARBON	UTAH
2080028	JENSEN STATE 11C-34-11-9	Salt Lake Meridian T11S R9E Sec 34: NWNW	BLUE TIP CASTLEGATE INC.	43-049-30024-0000	UTAH	UTAH
2080030	JENSEN 41C-9-12-10	Salt Lake Meridian T12S R10E Sec 09: NENE	BLUE TIP CASTLEGATE INC.	43-007-31452-0000	CARBON	UTAH

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ATTACHED LIST to Change of Operator Sundry Notice

BTC WELL NUMBER	WELL NAME AND NUMBER	LEGAL DESCRIPTION	OPERATOR	API	COUNTY	STATE
2080032	JENSEN 9-10-12-10	Salt Lake Meridian T12S R10E Sec 10: NESE	BLUE TIP CASTLEGATE INC.	43-007-30159-0000	CARBON	UTAH
2080033	SHIMMIN TRUST 11-11-12-10	Salt Lake Meridian T12S R10E Sec 11: NESW	BLUE TIP CASTLEGATE INC.	43-007-30166-0000	CARBON	UTAH
2080042	JENSEN 2C-9-12-10	Salt Lake Meridian T12S R10E Sec 9: NW4NE4	BLUE TIP CASTLEGATE INC.	43-007-01790-0000 50179	CARBON	UTAH
2080043	JENSEN FED 6-10-12-10	Salt Lake Meridian T12S R10E Sec 6: SE4NW4	BLUE TIP CASTLEGATE INC.	43-007-50177-0000	CARBON	UTAH

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

UIC FORM 5

TRANSFER OF AUTHORITY TO INJECT

Well Name and Number Castlegate St 1-35-12-10	API Number 4301332308
Location of Well Footage : 540' FSL, 1135' FWL County : Duchesne QQ, Section, Township, Range: SWSW 35 11S 10E State : UTAH	Field or Unit Name Castlegate Lease Designation and Number ML-48822

EFFECTIVE DATE OF TRANSFER: 7/1/2016

CURRENT OPERATOR

Company: <u>Blue Tip Castlegate, Inc.</u>	Name: <u>Bruce L. Taylor</u>
Address: <u>P. O. Box 842317</u>	Signature: <u><i>Bruce L. Taylor</i></u>
<u>city</u> <u>Houston</u> <u>state</u> <u>TX</u> <u>zip</u> <u>77284</u>	Title: <u>Secretary</u>
Phone: <u>(281) 944-3800</u>	Date: <u>7/1/2016</u>
Comments:	

NEW OPERATOR

Company: <u>WEM Castlegate, LLC</u>	Name: <u>Cory Kusen</u>
Address: <u>1411 East 840 North</u>	Signature: <u><i>Cory Kusen</i></u>
<u>city</u> <u>Orem</u> <u>state</u> <u>UT</u> <u>zip</u> <u>84097</u>	Title: <u>Manager</u>
Phone: _____	Date: <u>7/1/16</u>
Comments:	

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Transfer approved by: *Don Juan*
Title: UIC Geologist

Approval Date: 8/3/16

Comments:

RECEIVED
JUL 21 2016



Dustin K. Doucet
Petroleum Engineer
Division of Oil, Gas and Mining
1594 West North Temple, Ste 1210
Salt Lake City, Utah 84116

RE: Bonding for Castlegate Field Wells

August 15, 2016

Dustin:

Blue Tip Energy Management, LLC was the previous operator and bondholder of the Castle Gate Field and associated wells listed below. Liberty Pioneer Energy Source, Inc. ("LPES") has submitted the necessary paperwork to take over as the new operator of these wells. Per our recent communications we would like to make the following proposal pertaining to the bonding of the wells listed below so that all of the wells in the field will be covered by LPES blanket bond #RLB0012097.

1) LPES plans to P&A the following wells prior to November 1, 2016:

13318 CASTLEGATE ST 4-16-12-10
14224 CASTLEGATE ST 11-16H-12-10

2) LPES is currently getting pricing to build a pipeline to the following well which is believed to be capable of production. If pricing is reasonable, LPES will propose production testing and flaring. We will notify you of our decision to either run a pipeline or plug and abandon this well before the end of 2016. If the decision is to produce, LPES will commence the pipeline permitting process before the end of 2016:

17071 JENSEN STATE 11C-34-11-9

3) Wells that are currently producing or will be returned to producing status by October 1, 2016:

13070 SHIMMIN TRUST 2-11-12-10
13275 JENSEN 2-8-12-10
13071 SHIMMIN TRUST 4-14-12-10
13068 JENSEN 1-4-12-10
18242 JENSEN 2C-9-12-10
12991 CASTLEGATE FED 7-9-12-10
11405 JENSEN 11-10-12-10
12610 CASTLEGATE ST 1-16-12-10
12611 JENSEN 1-10-12-10
12903 JENSEN 1-9-12-10
12904 JENSEN 16-9-12-10
12905 JENSEN 5-10-12-10
12906 JENSEN 9-10-12-10
13072 JENSEN 1-15-12-10
13247 JENSEN DEEP 7-15-12-10
13317 JENSEN 2-9-12-10
13359 JENSEN 1-8-12-10
15766 JENSEN 42C-9-12-10
15767 CASTLEGATE FED 22C-9-12-10
15768 JENSEN 43C-9-12-10
15769 JENSEN 33C-9-12-10
15770 JENSEN 23C-9-12-10
17235 JENSEN 14C-10-12-10
17246 JENSEN 41C-9-12-10
14226 JENSEN 1-18-12-10
11410 SHIMMIN TRUST 11-11-12-10
12901 SHIMMIN TRUST 1-11-12-10
14175 SHIMMIN TRUST 5-14-12-10
18209 JENSEN 6-10-12-10

Thanks for your help. Please let us know if you have any questions.

Sincerely,



Daniel R. Gunnell
President
Liberty Pioneer Energy Source, Inc.
1411 East 840 North
Orem, UT 84097



Rachel Medina <rachelmedina@utah.gov>

Fwd: LPES plans for the Castlegate field wells/Bonding

2 messages

Dayne Doucet <daynedoucet@utah.gov>

Wed, Aug 17, 2016 at 11:46 AM

To: Rachel Medina <rachelmedina@utah.gov>, Randy Thackeray <randythackeray@utah.gov>

FYI

----- Forwarded message -----

From: **Daniel Gunnell** <dgunnell@rockiesstandard.com>

Date: Wed, Aug 17, 2016 at 9:40 AM

Subject: Re: LPES plans for the Castlegate field wells/Bonding

To: Dustin Doucet <dustindoucet@utah.gov>

Cc: Brad Gunnell <bgunnell@rockiesstandard.com>, Cory Jensen <cjensen@rockiesstandard.com>, Kimball Hodges <khodges@rockiesstandard.com>, Dayne Doucet <daynedoucet@utah.gov>, Joshua Payne <joshuapayne@utah.gov>

Dustin:

Thanks for your help with this! Please find Bond Proposal Letter attached.

If there is anything else you need please let me know. The Blue Tip guys are anxious to get their bond released.

Let me know if I need to send a hard copy of the letter.

Best,

Danny

On Mon, Aug 8, 2016 at 9:24 AM, Dustin Doucet <dustindoucet@utah.gov> wrote:

Danny,

Yes if you would just edit your previous plan and resubmit so there is no confusion. I think that would make it cleaner. If you decide to put a well online and have it online by the plugging deadline, then that should be fine.

Dustin

On Tue, Aug 2, 2016 at 4:31 PM, Daniel Gunnell <dgunnell@rockiesstandard.com> wrote:

Dustin:

Sorry for not getting back to you on this until now. There maybe a couple of wells that we may come back to you specifically on, but I think that we have now got a pretty good go forward plan that will meet and exceed your end of the year time frame for getting the wells in categories 2 and 3 in production.

There is one material change to my previous email that we want to make you aware of - instead of plugging the 11C-34 we are seriously considering running a pipeline to it and bringing online... not a final decision yet, but we are have got and are getting additional bids, and designing a test plan to better understand what production would look like.

Do I need to submit a formal letter with dates of Nov 1 for plugging and end of year to get wells on production under our existing bonds or are these emails sufficient?

Thanks for your help!

Best,

Danny

What time do you think you need? I would think by the end of the year max. If you can line out more justification, I'm open to listening to the reasoning.

Dustin

On Thu, Jun 30, 2016 at 12:21 PM, Daniel Gunnell <dgunnell@rockiesstandard.com> wrote:
Dustin:

Sounds good. Thanks for your help.

Can we push back just a little to get as much time as possible for shut in wells that we need to come up with a plan for or plug (#2 in my original email?) - how much beyond Oct 2016 could you give us? We are going to be really busy so as much extra time as you can give really helps... we are reclaiming those evaporation ponds immediately, taking over operations, retrofitting the plant, plugging the identified wells, and ramping up production by reworking multiple shut-in wells that are we have already reviewed.

Let me know and thanks again.

Best,

Danny

On Thu, Jun 30, 2016 at 10:30 AM, Dustin Doucet <dustindoucet@utah.gov> wrote:
Danny,

I would be o.k. with the timing and plan on part 1. The timing on part 2 does not work. Those have been SI/TA anywhere from 2.5 to 5 years. Did you mean October 2016? Our discussions were if you had a plan to produce or plug within a short period (meaning a few months), then we could forego increased bonding but increased bonding would be necessary if that wasn't accomplished. Part 3 would be similar to part 2 on the wells that have been SI/TA. The producing ones would probably be fine as you have 1 year allowed by rule (see below).

Production data through Jan 2016

13070	SHIMMIN TRUST 2-11-12-10 <u>SI since Sep 2014</u>
13275	JENSEN 2-8-12-10 <u>SI since Nov 2015</u>
13071	SHIMMIN TRUST 4-14-12-10 <u>SI since Dec 2015</u>
13068	JENSEN 1-4-12-10 <u>Produced 1 day in Jan 2016</u>
18242	JENSEN 2C-9-12-10 <u>Producing</u>
12991	CASTLEGATE FED 7-9-12-10 <u>Producing</u>
11405	JENSEN 11-10-12-10 <u>Producing</u>
12610	CASTLEGATE ST 1-16-12-10 <u>Producing</u>
12611	JENSEN 1-10-12-10 <u>Producing</u>
12903	JENSEN 1-9-12-10 <u>Producing</u>
12904	JENSEN 16-9-12-10 <u>Producing</u>
12905	JENSEN 5-10-12-10 <u>Producing</u>
12906	JENSEN 9-10-12-10 <u>Producing</u>
13072	JENSEN 1-15-12-10 <u>Produced 1 day in Jan 2016</u>
13247	JENSEN DEEP 7-15-12-10 <u>Produced 1 day in Jan 2016</u>

13359 JENSEN 1-8-12-10 Producing
15766 JENSEN 42C-9-12-10 Producing
15767 CASTLEGATE FED 22C-9-12-10 Producing
15768 JENSEN 43C-9-12-10 Producing
15769 JENSEN 33C-9-12-10 Producing
15770 JENSEN 23C-9-12-10 SI since Nov 2015
17235 JENSEN 14C-10-12-10 Producing
17246 JENSEN 41C-9-12-10 Producing
18209 JENSEN 6-10-12-10 Producing

On Fri, Jun 24, 2016 at 11:28 AM, Daniel Gunnell <dgunnell@rockiesstandard.com> wrote:

Dustin:

Per our recent conversation, I wanted to informally run our plans/bonding proposal for the Castle Gate Field by you for your comment prior to submitting a final proposal. Here is what we are considering:

Blue Tip Energy Management, LLC ("Blue Tip"), is the current operator and bondholder, of the Castle Gate Field and associated wells listed below ("Wells"). LPES should take over as the new operator effective July 1 2016. In anticipation of the transfer of operations and per our recent phone conversation we would like to make the following proposal pertaining to the LPES bonding of the wells listed below so that all of the wells in the field will be covered by LPES blanket bond #RLB0012097.

1) LPES will P&A the following wells prior to November 1, 2016:

17071 JENSEN STATE 11C-34-11-9
14224 CASTLEGATE ST 11-16H-12-10

2) LPES will evaluate and propose a go forward plan after evaluation on the following shut-in wells prior to October 1 2017:

13318 CASTLEGATE ST 4-16-12-10
14226 JENSEN 1-18-12-10
11410 SHIMMIN TRUST 11-11-12-10
12901 SHIMMIN TRUST 1-11-12-10
14175 SHIMMIN TRUST 5-14-12-10

13070 SHIMMIN TRUST 2-11-12-10

13275 JENSEN 2-8-12-10

13071 SHIMMIN TRUST 4-14-12-10

13068 JENSEN 1-4-12-10

18242 JENSEN 2C-9-12-10

12991 CASTLEGATE FED 7-9-12-10

11405 JENSEN 11-10-12-10

12610 CASTLEGATE ST 1-16-12-10

12611 JENSEN 1-10-12-10

12903 JENSEN 1-9-12-10

12904 JENSEN 16-9-12-10

12905 JENSEN 5-10-12-10

12906 JENSEN 9-10-12-10

13072 JENSEN 1-15-12-10

13247 JENSEN DEEP 7-15-12-10

13317 JENSEN 2-9-12-10

13359 JENSEN 1-8-12-10

15766 JENSEN 42C-9-12-10

15767 CASTLEGATE FED 22C-9-12-10

15768 JENSEN 43C-9-12-10

15769 JENSEN 33C-9-12-10

15770 JENSEN 23C-9-12-10

17235 JENSEN 14C-10-12-10

17246 JENSEN 41C-9-12-10

18209 JENSEN 6-10-12-10

If this proposal is acceptable please let me know and I will submit a formal letter for approval. Thanks for your help.

Best,

Danny

—

Daniel R. Gunnell
1411 East 840 North
Orem, UT 84097
(801) 224-4771

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 **Statewide Bond Proposal.pdf**
421K

Dustin Doucet <dustindoucet@utah.gov>

Wed, Aug 17, 2016 at 2:01 PM

To: Daniel Gunnell <dgunnell@rockiesstandard.com>, Rachel Medina <rachelmedina@utah.gov>

Cc: Brad Gunnell <bgunnell@rockiesstandard.com>, Cory Jensen <cjensen@rockiesstandard.com>, Kimball Hodges <khodges@rockiesstandard.com>, Dayne Doucet <daynedoucet@utah.gov>, Joshua Payne <joshuapayne@utah.gov>

Danny,

I think that looks fine. If the deadlines aren't met we will be looking for full cost bonding in addition to getting the wells back into compliance. I have copied Rachel Medina on this email so she can proceed with the operator change with this plan and conditions. thanks.