



2580 Creekview Road
Moab, Utah 84532
435/719-2018 435/719-2019 Fax

January 29, 2007.

Fluid Minerals Group
Bureau of Land Management
82 East Dogwood
Moab, Utah 84532

RE: Application for Permit to Drill - Savoy Energy LLC
Savoy #2- 711' FSL & 737' FEL, SE/4 SE/4,
Section 17, T15S, R12E, SLB&M, Carbon County, Utah

Dear Fluid Minerals Group:

On behalf of Savoy Energy LLC (Savoy Energy), Buys & Associates, Inc. respectfully submits the enclosed original and three copies of the Application for Permit to Drill (APD) for the above referenced federal surface and mineral vertical CO₂ well. Included with the APD is the following supplemental information:

- Exhibit "A" - Survey plat and layout of the proposed well site;
- Exhibit "B" - Proposed location maps with access & pipeline corridor;
- Exhibit "C" - H₂S Drilling Operations Plan;
- Exhibit "D" - Drilling Plan;
- Exhibit "E" - Surface Use Plan;
- Exhibit "F" - Typical BOP and Choke Manifold diagram.

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

Thank you very much for your timely consideration of this application. Please feel free to contact myself or Steve Lund or Jon Larsen of Savoy Energy at 435-851-0535 if you have any questions or need additional information.

Sincerely,

Don Hamilton
Don Hamilton
Agent for Savoy Energy

cc: Steve Lund, Savoy Energy
Jon Larsen, Savoy Energy
Don Stephens, BLM - Price Field Office
Diana Whiney, Division of Oil, Gas & Mining

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FEB 01 2007

DIV. OF OIL, GAS & MINING

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CONFIDENTIAL

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
APPLICATION FOR PERMIT TO DRILL OR REENTER

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

1a. Type of work: <input checked="" type="checkbox"/> DRILL <input type="checkbox"/> REENTER		5. Lease Serial No. UTU-76255
1b. Type of Well: <input type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input checked="" type="checkbox"/> Other ^{CO₂} <input type="checkbox"/> Single Zone <input checked="" type="checkbox"/> Multiple Zone		6. If Indian, Allottee or Tribe Name N/A
2. Name of Operator Savoy Energy LLC		7. If Unit or CA Agreement, Name and No. N/A
3a. Address P.O. Box 87 Maanti, Utah 84642	3b. Phone No. (include area code) 435-851-0535	8. Lease Name and Well No. Savoy #2
4. Location of Well (Report location clearly and in accordance with any State requirements.) At surface 711' FSL & 737' FEL, SE/4 SE/4 5351524 39.514885 At proposed prod. zone 711' FSL & 737' FEL, SE/4 SE/4 43737874 110.591086		9. API Well No. 43-007-31267
14. Distance in miles and direction from nearest town or post office* 7.9 miles southeast of Wellington, Utah		10. Field and Pool, or Exploratory undesignated Whidlon
15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any) 603'	16. No. of acres in lease 1,684.62 acres	11. Sec., T. R. M. or Blk. and Survey or Area Section 17, T15S, R12E, SLB&M
17. Spacing Unit dedicated to this well 40 acres	18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft. 45'	12. County or Parish Carbon
19. Proposed Depth 3,800'	20. BLM/BIA Bond No. on file UTB 000210	13. State UT
21. Elevations (Show whether DF, KDB, RT, GL, etc.) 5,596' GR	22. Approximate date work will start* 03/01/2007	23. Estimated duration 15 days drilling 30 days completion

24. Attachments

The following, completed in accordance with the requirements of Onshore Oil and Gas Order No.1, must be attached to this form:

- | | |
|--|---|
| 1. Well plat certified by a registered surveyor. | 4. Bond to cover the operations unless covered by an existing bond on file (see item 20 above). |
| 2. A Drilling Plan. | 5. Operator certification |
| 3. A Surface Use Plan (if the location is on National Forest System Lands, the SUPO must be filed with the appropriate Forest Service Office). | 6. Such other site specific information and/or plans as may be required by the BLM. |

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25. Signature <i>Don Hamilton</i>	Name (Printed/Typed) Don Hamilton	Date 01/29/2007
Title Agent for Savoy Energy LLC		
Approved by (Signature) <i>Bradley G. Hill</i>	Name (Printed/Typed) BRADLEY G. HILL	Date 02-01-07
Title Off. ENVIRONMENTAL MANAGER		

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

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

*(Instructions on page 2)

**Federal Approval of this
Action is Necessary**

RECEIVED

FEB 01 2007

DIV. OF OIL, GAS & MINING

PREPARED FOR:

Savoy Energy

P.O. Box 87
Manti, Utah 84542

PREPARED BY:

Barker & Associates

36 W. Main St. (PO Box 43)
Wellington, Utah 84542

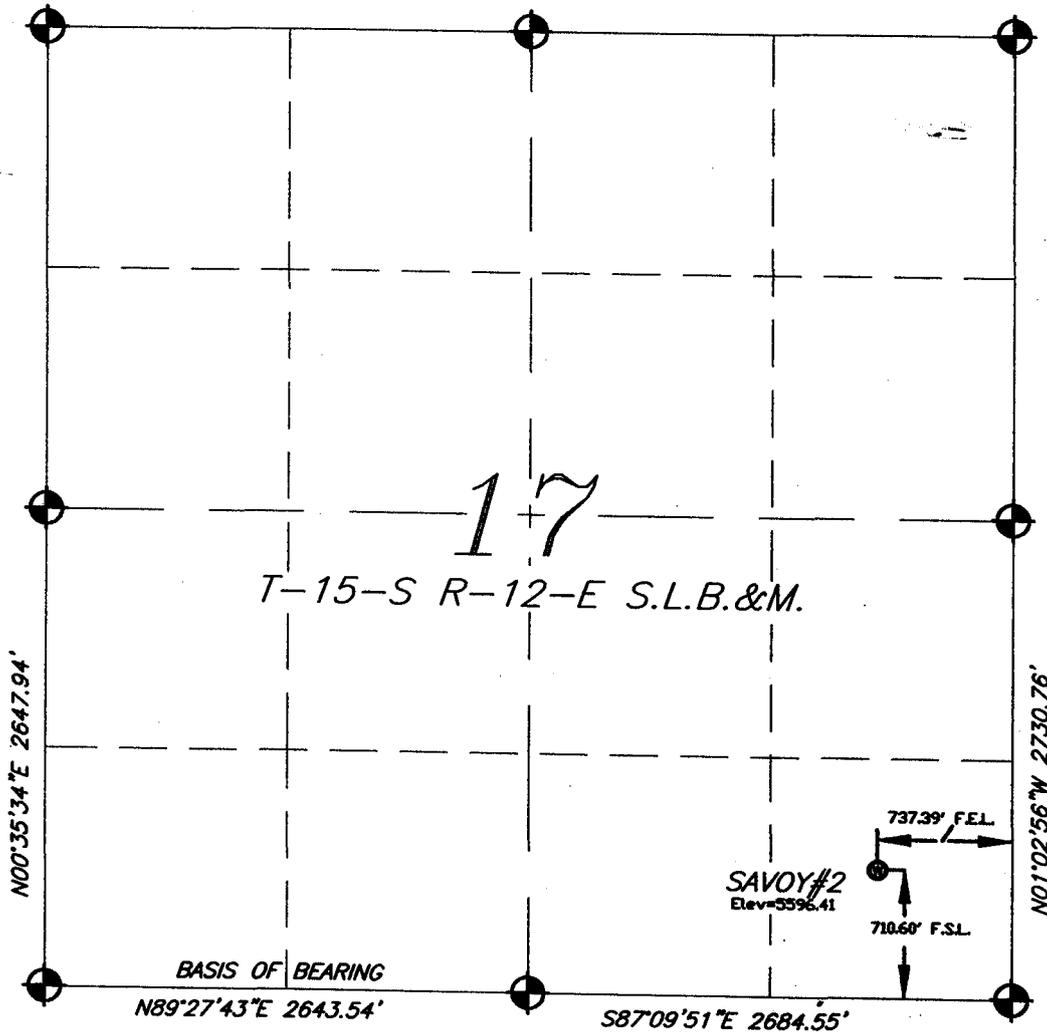
Location map for Well # Savoy 2

Section 17, T-15-S R-12-E S.L.B.& M.

DATUM: W.G.S. 84

Latitude: N39°30'54.0"

Longitude: W110°35'30.3"



Surveyor's Certificate

I, Art F. Barker do hereby depose and say that I am a Registered Land Surveyor as prescribed by the laws of the state of Utah and hold certificate number 162812 I further certify that I have made the survey shown herewith.

Art F. Barker
 Art F. Barker
 Utah Reg. No. 162812
 ART F. BARKER
 162812
 LAND SURVEYOR

11/18/07
Date:

Drilling Program

Attached to BLM Form 3
Savoy Energy LLC
Savoy #2
711' FSL & 737' FEL, SE/4 SE/4
Sec. 17 - T15S-R12E SLB&M
Carbon County, Utah

1. The Geologic Surface Formation

Ferron

2. Estimated Tops of Important Geologic Markers

<u>Marker</u>	<u>Depth (MD)</u>
Ferron Sandstone	Surface - 905'
Buckhorn Conglomerate	905' - 950'
Morrison	950' - 1960'
Entrada - Carmel	1960' - 2715'
Navajo - Wingate	2715' - 3525'
Chinle	3525' - 3725'
Shinarump	3725' - 3765'
Moenkopi	3765' - 3800'
Total Depth	3800'

3. Projected Gas & Water Zones

Ferron sandstones Surface to 350 feet

No groundwater is expected to be encountered. Water encountered will be reported on a Form 7 "Report of Water Encountered During Drilling".

Casing & cementing will be done to protect potentially productive Carbon dioxide and possibly hydrocarbons, lost circulation zones, abnormal pressure zones, and prospectively valuable mineral deposits.

All indications of usable water will be reported.

Surface casing will be tested to 2000 psi.

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4. The Proposed Casing and Cementing Programs

<u>HOLE SIZE</u>	<u>SETTING DEPTH (INTERVAL)</u>	<u>CSG SIZE (OD)</u>	<u>WEIGHT, GRADE & JOINT</u>	<u>CONDITION</u>
12-1/4"	350'	8-5/8"	24# J-55 ST&C	New
7-7/8"	3800'	5-1/2"	15.5# J-55 ST&C	New

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

Surface Casing: 240 sacks Howco Premium Plus V + CaCl + Flocele;
Weight: 15.6 #/gal
Yield: 1.20 cu.ft/sk

Production Casing: 264 sacks Howco CBM Light LCM
Weight: 10.5 #/gal
Yield: 4.59 cu.ft/sk
243 sacks Howco CBM Light
Weight: 13.0 #/gal
Yield: 1.99 cu.ft/sk

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

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

5. The Operator's Minimum Specifications for Pressure Control

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

will be checked on each trip.

6. The Type and Characteristics of the Proposed Circulating Muds

0 - 350' 12-1/4" hole Drill with air, will mud-up if necessary.

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

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

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

350-TD Schlumberger Neutron-Density, PEX-AITH

Overpressuring

No abnormal pressures or temperatures have been noted or reported in wells drilled in the area nor at the depths anticipated in this well. Bottom hole pressure expected is 1000 psi max. No hydrogen sulfide or other hazardous gases or fluids have been found, reported or are known to exist at these depths in the area.

Lost Circulation

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

8. Anticipated Starting Date and Duration of the Operations.

The well will be drilled approx.: March 15, 2007.

Verbal and/or written notifications listed below shall be submitted in accordance with instructions from the Bureau of Land Management:

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

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

SURFACE USE PLAN

Attachment for Permit to Drill

Name of Operator: Savoy Energy LLC
Address: P.O. Box 87
Manti, Utah 84642
Well Location: Savoy #2
711' FSL & 737' FEL, SE/4 SE/4
Section 17, T15S, R12E
Carbon County, UT

The dirt contractor will be provided with an approved copy of the surface use plan of operations before initiating construction.

An off-lease federal right-of-way is being requested with this application and is necessary for use of the off-lease portion of the access to SR-6 and pipeline corridor to Pure CO₂ surface as reflected on the attached map.

The BLM onsite inspection for the referenced well was conducted on Thursday, December 14, 2006 at approximately 9:30 am. In attendance at the onsite inspections were the following individuals:

Don Stephens	Geologist	Bureau of Land Management—Price
David Watson	Realty Specialist	Bureau of Land Management—Price
Steve Lund	Company Representative	Savoy Energy LLC
Jon Larsen	Company Representative	Savoy Energy LLC
Don Hamilton	Agent	Buys & Associates, Inc.

1. Existing Roads:

- a. The proposed well site is located approximately 7.9 miles southeast of Wellington, Utah.
- b. From Price, travel 10.7 miles east from the eastern most exit in Price along SR-6 through Wellington to a gravel parking area on the south side of SR-6. Turn right and travel through the parking area and right-of-way fence along the native-surfaced Carbon County maintained Mounds road for 1.6 miles. Turn east at the existing native-surfaced BLM road and travel 1.8 miles in a southeastern direction to the Savoy #2 (see attached maps).
- c. The use of roads under State and County Road Department maintenance are necessary to access the project area. An encroachment permit is not anticipated for SR-6 with the UDOT but an encroachment is anticipated and will be applied for with Carbon County for use and upgrade of the Mounds Road.
- d. From SR-6 the existing roads to the wellsite will require blading, resurfacing, ditching and crowning. Upgrades to these segments of road are requested with this application.
- e. All existing roads will be maintained and kept in good repair during all phases of operation.
- e. Vehicle operators will obey posted speed restrictions and observe safe speeds commensurate with road and weather conditions.
- f. An off-lease federal right-of-way is necessary for the off-lease portions of the access road trending northwest to SR-6 and the pipeline corridor trending southwest to the Pure CO₂ from the federal lease UTU-76255. An off-lease federal right-of-way grant is being requested with this application.

2. Planned Access Roads:

- a. Existing roads will be utilized with no new access proposed with this application.
- b. From SR-6 the existing native-surface Carbon County maintained Mounds Road trending southeast will be upgraded for approximately 1.6 miles. From that point the existing native-surfaced road trending southeast to the proposed well site will be upgraded for 1.8 miles.
- c. The access consists of entirely existing disturbance and crosses no significant drainages.
- d. A road design plan is not anticipated at this time.
- e. The proposed access road will consist of a 24' travel surface within a 30' disturbed area across entirely BLM managed lands.
- f. BLM approval to upgrade the existing access corridor is requested with this application.
- g. A maximum grade of 10% will be maintained throughout the project with no turnouts proposed.
- h. No low water crossings and one 18' culvert at the Mounds Road / BLM road intersection is anticipated. Additional culverts and adequate drainage structures will be incorporated into the remaining existing road.
- i. No surfacing material will come from federal or Indian lands.
- j. No gates or cattle guards are anticipated at this time.
- k. Surface disturbance and vehicular travel will be limited to the approved location access road.
- l. All access roads and surface disturbing activities will conform to the standards outlined in the Bureau of Land Management and Forest Service publication: Surface Operating Standards for Oil and Gas Exploration and Development, (1989).
- m. The operator will be responsible for all maintenance of the access road including drainage structures.

3. Location of Existing Wells:

- a. An existing plugged CO2 well is reflected on the attached location layout and maps. No other wells are known to exist within a one mile radius of the proposed well.

4. Location of Production Facilities:

- a. All permanent structures will be painted a flat, non-reflective Desert Tan to match the standard environmental colors. All facilities will be painted within six months of installation. Facilities complying with the Occupational Safety and Health Act (OSHA) may be excluded.
- b. Site security guidelines identified in 43 CFR 3163.7-5 and Onshore Oil and Gas Order No. 3 will be adhered to.
- c. A gas meter run will be constructed and located on lease within 500 feet of the wellhead. Meter runs will be housed and/or fenced. All gas production and measurement shall comply with the provisions of 43 CFR 3162.7-3, Onshore Oil and Gas Order No. 5, and American Gas Association (AGA) Report No. 3,

- d. A two-tank battery will be constructed on this location, it will be surrounded by a dike of sufficient capacity to contain the storage capacity of the largest tank. All loading lines and valves will be placed inside the berm surrounding the tank battery. All liquid hydrocarbons production and measurement shall conform to the provisions of 43 CFR 3162.7-3 and Onshore Oil and Gas Order No. 4 and Onshore Oil and Gas Order No. 5 for natural gas production and measurement.
- e. Any necessary pits will be properly fenced to prevent any wildlife and livestock entry.
- f. All access roads will be maintained as necessary to prevent erosion and accommodate year-round traffic. The road will be maintained in a safe useable condition.
- g. The site will require periodic maintenance to ensure that drainages are kept open and free of debris, ice, and snow, and that surfaces are properly treated to reduce erosion, fugitive dust, and impacts to adjacent areas.
- h. A gas pipeline is associated with this application and is being applied for at this time. The proposed gas pipeline corridor will leave the southwest side of the well site and traverse 1.26 miles east to the proposed Pure CO₂ facility crossing both federal surface (approximately 5,900') and private surface (approximately 700').
- i. The new gas pipeline will be a 4.5" reinforced plastic buried pipeline within a 30' wide utility corridor. The use of the proposed well sites and existing access roads will facilitate the staging of the pipeline construction. A new pipeline length of approximately 1.26 miles is associated with this well.
- j. Savoy intends on installing the pipeline utilizing a spider plow mounted on a dozer. The method is similar to the method utilized to install fiber-optic cable. The pipe is on a spool that is carried by a support vehicle or dozer. Long lengths of pipe are spliced utilizing the company developed fusing method.
- k. The pipeline will be buried unless surface rock exists or conditions encountered during construction prohibit the burial of the pipeline.

5. Location and Type of Water Supply:

- a. The water supply for construction, drilling and operations will be provided by Sunnyside City, a local source of municipal water through a coin operated delivery tap. The water is available to Sunnyside City through an existing valid water right.
- b. Water will be trucked to the wellsite over approved access roads.
- c. No water well is proposed with this application.
- d. Should additional water sources be pursued they will be properly permitted through the State of Utah – Division of Water Rights.

6. Source of Construction Material:

- a. The use of materials will conform to 43 CFR 3610.2-3.
- b. No construction materials will be removed from BLM lands.

- c. If any gravel is used, it will be obtained from a state approved gravel pit.

7. Methods of Handling Waste Disposal:

- a. All wastes associated with this application will be contained and disposed of utilizing approved facilities.
- b. Drill cuttings will be contained and buried on site.
- c. The reserve pit will be located inboard of the location and along the east side of the pad.
- d. The reserve pit will be constructed so as not to leak, break, or allow any discharge.
- e. The reserve pit will be lined with 12 mil minimum thickness plastic nylon reinforced liner material. The liner will overlay a felt liner pad only if rock is encountered during excavation. The pit liner will overlap the pit walls and be covered with dirt and/or rocks to hold it in place. No trash, scrap pipe, etc., that could puncture the liner will be disposed of in the pit. Pit walls will be sloped no greater than 2:1. A minimum 2-foot freeboard will be maintained in the pit at all times during the drilling and completion operation.
- f. The reserve pit has been located in cut material. Three sides of the reserve pit will be fenced before drilling starts. The fourth side will be fenced as soon as drilling is completed, and shall remain until the pit is dry. After the reserve pit has dried, all areas not needed for production will be rehabilitated.
- g. No chemicals subject to reporting under SARA Title III (hazardous materials) in an amount greater than 10,000 pounds will be used, produced, stored, transported, or disposed of annually in association with the drilling, testing, or completion of the well. Furthermore, no extremely hazardous substances, as defined in 40 CFR 355, in threshold planning quantities, will be used, produced, stored, transported, or disposed of in association with the drilling, testing, or completion of the well.
- h. Trash will be contained in a trash cage and hauled away to an approved disposal site as necessary but no later than at the completion of drilling operations. The contents of the trash container will be hauled off periodically to the approved Carbon County Landfill near Price, Utah.
- i. Produced fluids from the well other than water will be produced into a test tank until such time as construction of production facilities is completed. Any spills of oil, gas, salt water or other produced fluids will be cleaned up and removed.
- j. After initial clean-up, a 400 bbl tank will be installed to contain produced waste water. This water will be transported from the tank to an approved disposal well for disposal near Roosevelt, Utah.
- k. Any salts and/or chemicals, which are an integral part of the drilling system, will be disposed of in the same manner as the drilling fluid.
- l. Sanitary facilities will be on site at all times during operations. Sewage will be placed in a portable chemical toilet and the toilet replaced periodically utilizing a licensed contractor to transport by truck the portable chemical toilet so that its contents can be delivered to the Price River Water Improvement District Wastewater Treatment Facility near Wellington, Utah in accordance with state and county regulations.

8. Ancillary Facilities:

- a. Garbage Containers and Portable Toilets are the only ancillary facilities proposed in this application.

9. Well Site Layout: (See Exhibit B)

- a. The well will be properly identified in accordance with 43 CFR 3162.6.
- b. Access to the well pad will be from the northwest.
- c. The pad and road designs are consistent with BLM specification
- d. A pre-construction meeting with responsible company representative, contractors and the BLM will be conducted at the project site prior to commencement of surface-disturbing activities. The pad and road will be construction-staked prior to this meeting.
- e. The pad has been staked at its maximum size of 185' X 225'; however it will be constructed smaller if possible, depending upon rig availability. Should the layout change, this application will be amended and approved utilizing a sundry notice.
- f. All surface disturbing activities, will be supervised by a qualified, responsible company representative who is aware of the terms and conditions of the APD and specifications in the approved plans.
- g. All cut and fill slopes will be such that stability can be maintained for the life of the activity.
- h. Diversion ditches will be constructed as shown around the well site to prevent surface waters from entering the well site area.
- i. The site surface will be graded to drain away from the pit to avoid pit spillage during large storm events.
- j. The stockpiled topsoil (first 6 inches or maximum available) will be stored in a windrow on the uphill side of the location to prevent any possible contamination. All topsoil will be stockpiled for reclamation in such a way as to prevent soil loss and contamination.
- k. Pits will remain fenced until site cleanup.
- l. The blooie line will be located at least 100 feet from the well head.
- m. Water injection may be implemented if necessary to minimize the amount of fugitive dust.

10. Plans for Restoration of the Surface (Interim Reclamation and Final Reclamation):

- a. Site reclamation for a producing well will be accomplished for portions of the site not required for the continued operation of the well.
- b. Upon well completion, any hydrocarbons in the pit shall be removed in accordance with 43 CFR 3162.7-1. Once the reserve pit is dry, the plastic nylon reinforced liner shall be torn and perforated before backfilling of the reserve pit. The reserve pit and that portion of the location not needed for production facilities/operations will be re-contoured to the approximate natural contours.

- c. Following BLM published Best Management Practices the interim reclamation will be completed within 90 days of completion of the well to reestablish vegetation, reduce dust and erosion and compliment the visual resources of the area.
 - a. All equipment and debris will be removed from the area proposed for interim reclamation and the pit area will be backfilled and re-contoured.
 - b. The area outside of the rig anchors and other disturbed areas not needed for the operation of the well will be re-contoured to blend with the surrounding area and reseeded at 12 lbs /acre with the following native grass seeds:
 - 1. Crested Wheat Grass (4 lbs / acre)
 - 2. Needle and Thread Grass (4 lbs / acre)
 - 3. Rice Grass (4 lbs / acre)
 - c. Reclaimed areas receiving incidental disturbance during the life of the producing well will be re-contoured and reseeded as soon as practical.
- d. The Operator will control noxious weeds along access road use authorizations, pipeline route authorizations, well sites, or other applicable facilities by spraying or mechanical removal. A list of noxious weeds may be obtained from the BLM or the appropriate County Extension Office. On BLM administered land, it is required that a Pesticide Use Proposal be submitted and approved prior to the application of herbicides, pesticides or possibly hazardous chemicals.
- e. Prior to final abandonment of the site, all disturbed areas, including the access road, will be scarified and left with a rough surface. The site will then be seeded and/or planted as prescribed by the BLM. The BLM recommended seed mix will be detailed within their approval documents.

11. Surface and Mineral Ownership:

- a. Surface Ownership – Federal under the management of the Bureau of Land Management - Price Field Office, 125 South 600 West, Price, Utah 84501; 435-636-3608.
- b. Mineral Ownership – Federal under the management of the Bureau of Land Management - Price Field Office, 125 South 600 West, Price, Utah 84501; 435-636-3608.

12. Other Information:

- a. Senco-Phenix Archaeological Consultants will conduct a Class III archeological survey. A copy of the pending report will be submitted under separate cover to the appropriate agencies by Senco-Phenix Archaeological Consultants.
- b. The need for a paleontological survey has been reviewed with BLM staff determining that no survey is necessary.
- c. Our understanding of the results of the onsite inspection are:
 - a. No Threatened and Endangered flora and fauna species were found during the onsite inspection.
 - b. The pipeline crossing Grassy Trails drainage will require a Section 404 permit prior to any construction

13. Operator's Representative and Certification

<u>Title</u>	<u>Name</u>	<u>Office Phone</u>
Company Representative (Manti)	Steve Lund	1-435-340-0557
Agent	Don Hamilton	1-435-719-2018

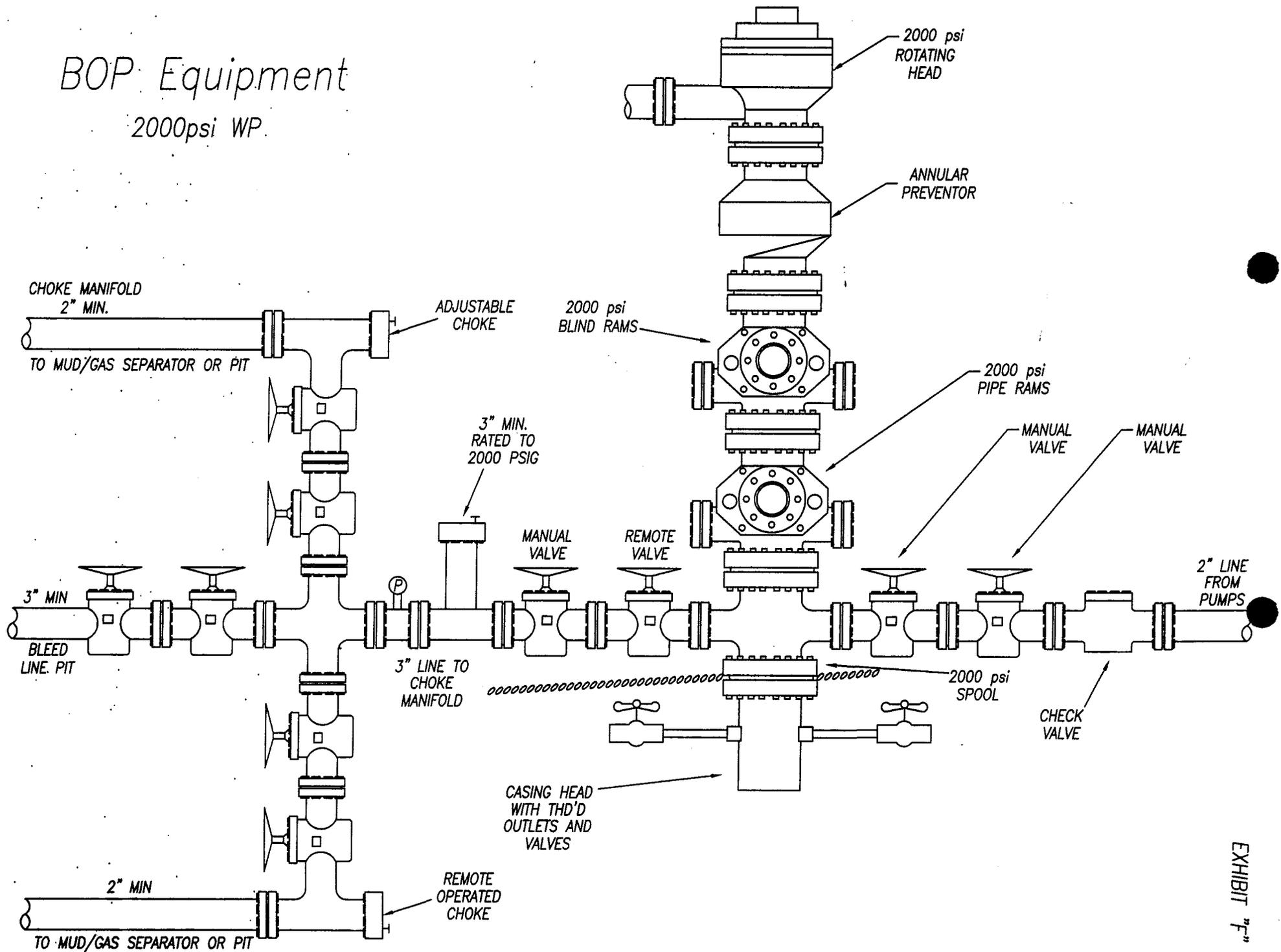
Certification:

I hereby certify that I, or persons under my direct supervision, have inspected the proposed drill site and access route; that I am familiar with the conditions which currently exists; that the statements made in this APD package are, to the best of my knowledge, true and correct; and that the work associated with the operations proposed herein will be performed by Savoy Energy LLC and its contractors and subcontractors in conformity with this APD package and the terms and conditions under which it is approved. I also certify responsibility for the operations conducted on that portion of the leased lands associated with this application, with bond coverage being provided under Savoy's BLM bond. This statement is subject to the provisions of 18 U.S.C. 1001 for the filing of a false statement.

Signature: Don Hamilton Date: 1-29-07

BOP Equipment

2000psi WP.



H₂S Drilling Operations Plan

Savoy Energy LLC

Savoy #2

**SE/4 SE/4, Section 17,
Township 15S – Range 12E
Carbon Co, Utah**

**Elevation 5,596' ft
(est. graded elev.)**

**Savoy Energy LLC
P.O. Box 87
Manti, Utah 84642**

Table of Contents

Introduction, directions, and general

I. Responsibilities and Duties

- A. All personnel**
- B. Savoy Drilling Foreman**
- C. Rig Supervisor- Toolpusher**
- D. Safety Consultant**
- E. Drilling Manager**

II. Well Location Layout

- A. Location**

III. Safety Procedures

- A. Training**
- B. Operating Conditions**
- C. Warning System Response and Evacuation Plan**
- D. Emergency Rescue Procedures**

IV. H₂S Safety Equipment

V. Operating Procedures and Equipment

VI. Well Ignition Procedures

- A. Ignition Equipment**
- B. Ignition Procedures**

VII. Residents- Public in Radius of Exposure

- A. Map of area around location**

VIII. Emergency Phone Directory

- A. Savoy Energy LLC**
- B. Emergency Services Phone List**

IX. Reference for Hydrogen Sulfide and Sulfur Dioxide

Introduction

The following H₂S Drilling Operations Plan (DOP) is to be used as a contingency plan during the drilling and completion of the Savoy #2 well. It is intended to follow and meet the requirements of the Bureau of Land Management (BLM) Onshore Oil and Gas Order 6 (Order 6). An H₂S Public Protection Plan (PPP) does not accompany this DOP because the Savoy #1 is located such that exposure risk to the public is minimal and the wellsite does not meet the criteria requiring a PPP as specified in Order 6.

The purpose of this plan is to act as a guideline for personnel working at the wellsite in the event of hydrogen sulfide release during drilling or completion operations. All personnel working at the wellsite as well as service personnel that may travel to location on an unscheduled basis must be familiar with this program and are expected to follow procedures in the plan if Hydrogen Sulfide (H₂S) is detected. The cooperation and participation of all personnel involved with the drilling or completion operation is necessary for this plan to be effective.

Directions to Location:

From Price, travel 10.7 miles east from the eastern most exit in Price along SR-6 through Wellington to a gravel parking area on the south side of SR-6. Turn right and travel through the parking area and right-of-way fence along the native-surfaced Carbon County maintained Mounds road for 1.6 miles. Turn east at the existing native-surfaced BLM road and travel 1.8 miles in a southeastern direction to the Savoy #2 (see attached maps).

General

A copy of this H₂S DOP is to be available at the wellsite beginning when operations become subject to the terms of Order 6. The operations on any BLM authorized well are subject to Order 6 when drilling reaches a depth of 500 feet above or 3 days prior to penetrating the first zone that is reasonably expected to contain in excess of 100 ppm in the gas stream. When the H₂S DOP becomes effective, initial training of personnel is to have been completed and all H₂S related safety equipment is to be installed, tested, and operational. On the Savoy #2, the first formation with potential to contain H₂S is the Navaho, at a projected top of 2,715'

I. Duties & Responsibilities

In order to assure proper execution of the contingency plan, it is essential that one person be responsible for and in charge of implementing the procedures outlined in this plan. The order of responsibility will be as follows:

1. Savoy representative on location – if unable to perform his/her duties.
2. Alternate Savoy representative – if unable to perform his/her duties.
3. Rig Toolpusher/Supervisor – if unable to perform his/her duties.
4. Safety consultant representative – if available.

A. All Personnel

1. Always be alert for possible H₂S alarms – both audible and visual.
2. Be familiar with location of Safe Briefing Areas (SBA) and protective breathing equipment.
3. Develop “wind awareness”. Be aware of prevailing wind direction as well as nearby uphill areas, should there be no wind.
4. Familiarize yourself with nearest escape routes for safe evacuation.
5. Should an H₂S alarm sound, DON'T PANIC – remain calm and follow instructions of person in charge.
6. If the H₂S alarms sound (indicating H₂S concentration greater than 10 ppm):
 - a. Essential personnel shall don the appropriate respiratory protective equipment and follow safety procedures. Essential personnel will continue to wear respiratory protective equipment until the area is declared safe (H₂S <10 ppm) by the person in charge.
 - b. Non-essential personnel shall evacuate to the appropriate safe briefing area using escape-breathing systems and then wait there for further instructions from the authorized Savoy drilling representative.
 - c. Initiate rescue protocol if necessary – following training procedures.

B. Savoy – Foreman

1. The Savoy foreman will confirm that all personnel on location at any time are trained in H₂S safety and aware of above list of duties.
2. The Savoy foreman will ensure that all personnel follow all safety and emergency procedures.
3. The Savoy foreman will endeavor to keep the number of personnel on location to a minimum and to ensure that only essential personnel are on location during critical operations.
4. Should any extreme danger condition exist (H₂S >10 ppm), the Savoy foreman will:
 - a. Assess the situation and inform all personnel by an appropriate means of communication
 - b. Be responsible for having an evaluation of the condition conducted and if warranted, have the red flags and warning signs posted at location entrances.
 - c. Go to safe briefing area and give clear instructions relative to hazard on location, and actions for personnel to follow.
 - d. Notify company and regulatory groups of current situation as outlined in this plan and company protocol. Follow appropriate emergency procedures for emergency services notification.
 - e. Proceed to rig floor with personal protection equipment and supervise operations with rig supervisor. Take action to control and reduce the H₂S hazard.
 - f. Verify that essential personnel are properly protected with supplied air breathing equipment and that non-essential personnel are in a safe breathing area.
 - g. Be responsible for contacting local emergency personnel to authorize and conduct and evacuation of persons/residents in area surrounding the drilling location.
 - h. Commence ignition procedures if the ignition criteria as outline in Section IV of this plan are met.

C. Rig Supervisor- Toolpusher

1. If the Savoy foreman is unable to perform his/her duties, and the alternate foreman is also unable or unavailable to perform his duties, the drilling rig toolpusher will assume command of the wellsite operations and all responsibilities listed above for drilling foreman.
2. Ensure that all rig personnel are properly trained to work in H₂S environment and fully understand purpose of H₂S alarms, and actions to take when alarms activate. Ensure that all crew personnel understand the buddy system, safe briefing areas, and individual duties as well as emergency evacuation procedures.
3. Should any extreme danger condition exist (H₂S >10 ppm), the rig toolpusher shall assist the Savoy foreman by doing the following:
 - a. Proceed to the rig floor with personal protection equipment and assist in supervising rig operations.
 - b. Ensure that only essential working personnel remain in hazardous areas.
 - c. Ensure that all crewmembers that remain in hazardous area wear respiratory protective equipment until notified that area is "clear" of any toxic gases.
 - d. Assign a rig crewmember or other service representative to block entrance to location. No unauthorized personnel will be allowed entry to location.
 - e. Help to determine hazardous areas on location using portable detection equipment and position electric fans to circulate air to any high concentration areas.

D. Safety Consultant

1. During normal operations (no H₂S present), the safety consultant will be responsible for doing the following:
 - a. Ensure that all wellsite safety equipment is in place and operational.
 - b. Ensure that all wellsite personnel are familiar with location safety layout and operation of all safety equipment.
 - c. Assist the Savoy foreman in performing weekly H₂S drills for personnel on location.
2. When an operational condition is classified as extreme danger (H₂S > 10 ppm), the safety consultant will be responsible for the following:
 - a. Account for all wellsite personnel.
 - b. Assess any injuries and administer or direct any necessary first aid.
 - c. Ensure that all safety and monitoring equipment is functioning properly and available where needed.
 - d. Monitor the safety of wellsite personnel.
 - e. Maintain a close communication with the Savoy foreman.
 - f. Be prepared to assist Savoy foreman with support for rig crew or other personnel using breathing equipment.
 - g. Be prepared to assist Savoy foreman with emergency procedures including possible well ignition.

E. Drilling Manager

1. The Drilling Manager will be responsible for notifying and maintaining contact with Savoy Senior Management and other company supervisory personnel.
2. Maintain communication with the Savoy foreman and be prepared to provide any assistance that might be required.
3. Travel to wellsite if appropriate.
4. Assist Savoy foreman with all other notifications – both company and regulatory.

II. Well Location Layout

A. Location

1. An attached well site diagram depicts location and rig orientation, prevailing wind directions, terrain of surrounding area, location of briefing areas, access roads (including secondary egress), location of flare lines and pits, location of caution/danger signs, and location of wind indicators.
2. If practical, the drilling rig will be situated on location to allow for the prevailing winds to blow across the rig toward the circulation tanks or at right angles to the lines from the BOP stack to the circulation tanks or as near this configuration as possible. The proposed orientation of the drilling rig at Savoy #2 is not situated as prescribed and is not practical to change the rig orientation..
3. If practical, there will be 2 roads from location with one at each end of location or as dictated by prevailing winds and terrain. If an alternate road is not practical, a clearly marked footpath to a safe area will be provided. The auxiliary escape route will be kept available and passable at all times so that a shift in wind direction will not prevent escape from the location if an emergency should occur.
4. The entrance(s) to the location will be designed to be barricaded if necessary because of a hydrogen sulfide emergency condition.
5. A minimum of 2 safe briefing areas (SBA) will be designated for assembly of personnel during emergency conditions. These will be located at least 150 feet from the wellbore and in such a location that at least one area will be upwind of the well at all times. Upon recognition of an emergency situation, all personnel will be trained to assemble at the designated briefing area for instructions.
6. Smoking areas will be established and smoking will be allowed only at those established smoking areas.
7. Reliable 24-hour telephone communications will be available at the drilling foremen's office.
8. The drilling rig will have a continuous electronic H₂S detections system that will be located to detect the presence of hydrogen sulfide in areas where it is most likely to appear on site. The sensor head locations will be: 1) rig floor by driller's console, 2) substructure area near the bell nipple, 3) the shale shaker, 4) the mud mixing area. Additional sensors will be positioned at the discretion of the drilling foreman. At least 1 light and 1 siren will be placed on the rig to indicate the presence of hydrogen sulfide. The light and siren will be strategically placed to be visible to all personnel on the drill site.
9. Equipment to indicate wind direction will be installed at prominent locations and will be visible at all times during drilling operations. At least 2 wind direction indicators (i.e. windsocks) will be placed at separate elevations (i.e. near ground level and rig floor height). At least 1 wind direction indicator will be clearly visible from all principal working areas at all times to that wind direction can be easily determined. In addition, a wind indicator will be provided at each of the two

briefing areas if the other wind direction indicators on location are not visible from the briefing areas.

10. Operational danger or cautions sign(s) will be displayed along all controlled accesses to the site. The sign(s) will be legible and large enough to be read by all persons entering the wellsite and be placed at a minimum of 200 feet but not more than 500 feet from the wellsite and at a location which allows vehicles to turn around at a safe distance prior to reaching the site.
11. Protective safety equipment will be available for all essential personnel. There will be five 30-minute SCBA and five air line breathing units with emergency escape cylinders located at the drilling floor or dog house, one SCBA and air line unit will be located in the derrick (for derrick man), one 30 minute SCBA per person will be located by the quarters of all personnel on location, and 30-minute SCBA and escape units will be distributed as needed near the shaker, mud tanks, and any other area where escape from an H₂S contaminated area could be difficult. A safety trailer containing the compressed breathing air will be located near the well site and air lines will be run from the safety trailer to where the air line breathing units are located.

III. Safety Procedures

A. Training

When this plan is in effect, everyone on the drilling location must be properly trained in hydrogen sulfide safety and carry documentation indicating that the training has occurred within the previous 12 months. There will be a training session that reviews this site specific H₂S plan and the H₂S PPP (if applicable) for all personnel on each work crew on location. Training will also include weekly H₂S and well control drills. All training sessions and drills are to be recorded in the driller's log, as well as in the safety trailer logbook.

Training topics shall include at a minimum:

1. Hazards and characteristics of hydrogen sulfide, nitrogen, and oxygen deficient atmospheres and symptoms of exposure to these gases.
2. Proper use, care and limitations of respiratory protective equipment with hands on practice.
3. Use of both fixed and portable detection toxic gas equipment.
4. Confined space procedures and work practices to reduce possibility of toxic gas exposure.
5. First aid for toxic gas exposure and resuscitation equipment.
6. The buddy system.
7. Emergency evacuation procedures.
8. A review of the contingency plan for this well.

B. Operating Conditions

A three-color flag warning system will be used to notify personnel approaching the drill site as to operating conditions on the wellsite. The flags represent the following:

Green Flag – Potential Danger

Yellow Flag – Moderate Danger

Red Flag – Extreme Danger – Do not approach if red flag is flying.

A red warning flag will be displayed when H₂S is detected in excess of 10 ppm at any detection point.

The operational danger or caution signs located at the entrance to the location will be painted a high visibility red, black and white, or yellow with black lettering. They will be legible and large enough to be read by all persons entering the wellsite and will read “DANGER – POISON GAS – HYDROGEN SULFIDE” and in small lettering “Do not approach if Red Flag is Flying”.

All sign(s) and, when appropriate, flag(s) will be visible to all personnel approaching the location under normal lighting and weather conditions.

Location access will be monitored and controlled during “non-routine” operations such as perforating, pressurized pumping, and well testing of potential H₂S bearing formations. The number of personnel on location will be restricted to “essential” personnel only.

C. Warning System Response and Evacuation Plan

When H₂S is detected in excess of 10 ppm at any detection point indicating that an extreme danger condition exists, all non-essential personnel will be moved to a safe area and essential personnel (i.e., those necessary to maintain control of the well) shall wear pressure-demand type protective breathing apparatus. Once accomplished, operations may proceed.

There are no permanent residents of areas frequented by the public within 1-mile radius of the drill site. The prevailing wind is from the southwest. The Savoy foreman will contact local authorities to authorize and work in coordination with them to evacuate and restrict non-essential personnel from areas near the wellsite where H₂S concentration levels could potentially exceed 10 ppm. All regulatory agencies will be notified as soon as possible.

D. Emergency Rescue Procedures

Well site personnel should not attempt emergency rescues unless they have been properly trained. A trained person who discovers another person overcome by hydrogen sulfide **should not attempt to rescue without first donning the proper breathing equipment**. When making an emergency rescue always use the following procedures:

1. Don rescue breathing equipment before attempting to rescue someone.
2. Remove the victim from the contaminated area to an area free of toxic gas by traveling upwind or cross wind. Be certain that you are in a safe area before removing your breathing equipment.
3. If the victim is not breathing, initiate mouth-to-mouth resuscitation immediately. Follow CPR guidelines and replace mouth to mouth with a bag mask resuscitator if available.
4. Treat the victim for shock, keeping the victim warm and calm. Never leave the victim alone.
5. Any personnel who experience hydrogen sulfide exposure must be taken to a hospital for examination and their supervisor must be notified of the incident.
6. Their supervisor shall follow the company Emergency Preparedness plan.

IV. H₂S Safety Equipment on Drilling Location

<u>Item</u>	<u>Amount</u>	<u>Description</u>
1.	1	Safety trailer with a cascade system of 10-300 cu. ft bottles of compressed breathing air complete with high-pressure regulators.
2.	At least 1000 ft.	Low-pressure airline equipped with Hanson locking fittings. This airline will be rigged up with manifolds to supply breathing air to the rig floor, substructure, derrick, shale shaker area, and mud mixing areas. Three high-pressure refill hoses will be attached to cascade systems for cylinder refill.
3.	Twelve (12)	Scott 30-minute self-contained breathing apparatuses (SCBA).
4.	Twelve (12)	Scott airline units with emergency escape cylinders.
5.	One (1)	4-channel continuous electronic H ₂ S monitors with audible and visual alarms. The set points for these alarms are 10 ppm for the low alarm and 15 ppm for the high alarm.
6.	Two (2)	Sensidyne portable hand operated pump type detection units with tubes for hydrogen sulfide and sulfur dioxide.
7.	One (1)	Oxygen resuscitator with spare oxygen cylinder.
8.	One (1)	Trauma first aid kit.
9.	One (1)	Stokes stretcher and one (1) KED.
10.	Four	Windsocks.
11.	At least one (1)	Well condition sign with 3 flag system.
12.	Two (2)	Safe Briefing Area (SBA) signs.
13.	One (1)	Fire blanket.
14.	One (1)	Set air splints.
15.	Two (2)	Electric explosion proof fans.
16.	One (1)	Bullhorn and chalk board.
17.	Three (3)	300 cu. ft. air bottles for the safe briefing area.
18.	Two (2)	30# fire extinguishers.
19.	Six (6)	Battery powered voice microphones for communication when wearing air masks.
20.	One (1)	Battery powered combustible gas meter.

V. Operating Procedures and Equipment

1. If zones containing in excess of 100 ppm of H₂S gas are encountered while drilling with air, gas, mist, other non-mud circulating mediums for aerated mud, the well will be killed with a water-based mud and mud will be used thereafter as the circulating medium for continued drilling.
2. A flare system will be designed and installed to safely gather and burn H₂S - bearing gas and it will be equipped with a suitable and safe means of ignition. If noncombustible gas is to be flared, the system will have a supplemental fuel to maintain ignition.
3. Flare lines will be located as far from the operating site as feasible and in a manner to compensate for wind changes. The flare line(s) mouth(s) will be located not less than 150 feet from the wellbore. Flare lines will be straight unless targeted with running tees.
4. If SO₂ is to be released as a result of flaring of H₂S, portable SO₂ detection equipment will be available for checking the SO₂ level in the flare impact area. If the flare impact area reaches a sustained ambient threshold level of 2 ppm or greater of SO₂ in air and includes any occupied residence, school, church, park, or place of business, or other area where the public could reasonably be expected to frequent, the PPP will be implemented.
5. The choke manifold included as a component of the well control system will have at least one remote controlled choke with controls readily accessible to the drilling or other authorized personnel.
6. A rotating head will be installed and operable.
7. A mud-gas separator will be rigged up and manifolded to the choke and flare system.
8. The drilling mud will be a water-based system maintained with a pH of 10 or greater. Corrosion inhibitor additives will be in the mud. Sufficient scavenger chemicals will be available on location and will be used to scavenge or neutralize any H₂S in the drilling fluid. Mud weight will be maintained as needed to control pressure in any formations encountered.
9. All equipment that has potential for exposure to H₂S will be suitable for H₂S service. The casing head and spools, blowout preventer assembly, rotating head, kill lines, choke manifold and lines, valves, mud-gas separator and other related equipment will have metallurgical standards conforming to NACE MR0175/ISO 15156. Elastomers, packing, and similar inner parts exposed to H₂S will be resistant at the maximum anticipated temperature of exposure. Drill strings, surface casing, intermediate casing, and BOP shear rams are exempt from these requirements.

10. All respiratory protective, H₂S detection, and other needed safety equipment will be in place and ready for use, and all rig crews and other service personnel will be trained in its use when this plan is effective.
11. There will be a continuous electronic H₂S detection system that will automatically activate visible and audible alarms if hydrogen sulfide is detected. The visible light will activate if 10 ppm H₂S is present. The audible siren will activate if 15 ppm H₂S or higher concentration is present. There will be at least four H₂S sensors in place on the drilling rig. Additional alarm lights & sirens may be added to ensure that all personnel on the drill site are able to notice the alarms at any time. All H₂S detection equipment will be calibrated as recommended by the manufacturer and calibration records will be maintained on location.
12. Both 30-minute self-contained breathing apparatuses (SCBA) and workline units with escape cylinders will be available on location. There will be sufficient numbers of this supplied air breathing equipment on location to ensure that all personnel on location have equipment available to them. All respiratory protective equipment will use nose cups to prevent fogging in temperatures below 32°F. Spectacle kits will be available for personnel that require corrective lenses when working under mask.
13. Electronic voice-microphones will be available for essential personnel to use when working under mask to facilitate communication.
14. Additional breathing equipment will be provided for non routine operations that require additional service personnel on the well location to ensure that all personnel on the well location have a dedicated supplied air respirator.
15. Electric explosion-proof ventilating fans (bug blowers) will be available to provide air movement in enclosed areas where gas might accumulate.
16. Any drill stem test performed on any formation potentially containing H₂S will be done with a minimal number of personnel at the drilling site as necessary to safely operate the test equipment. Any such drill-stem test will be conducted only during daylight hours and will be a closed chamber test with no fluids allowed to flow from surface.

VI. Well Ignition Procedures

If it should become apparent that an uncontrolled release of hydrogen sulfide to the atmosphere might endanger the health and safety of the public or well site personnel, the Savoy drilling foreman will make a decision to ignite the well. In the absence of mitigating circumstances, this should be when the discharge of H₂S is not controllable and continued discharge could expose the public to an H₂S concentration exceeding 10 ppm or well site personnel to an H₂S concentration exceeding 50 ppm. The following procedure should be followed before attempting to ignite the well.

A. Ignition Equipment – The following equipment will be available for on-site for use by the ignition team.

- 1. Two 12-gauge flare guns with flare shells.**
- 2. Two 500-foot fire-resistant retrieval ropes.**
- 3. One portable combustible gas meter.**
- 4. Self contained breathing apparatus (SCBA) for each member of the ignition team.**
- 5. One backup vehicle with communication equipment.**

B. Ignition Procedures:

- 1. The Savoy drilling foreman will ensure that well site personnel are evacuated to a safe area upwind of the well bore prior to any ignition action.**
- 2. The Savoy foreman and a designated partner “buddy” backed up by well site safety personnel will comprise the ignition team. All team members will be wearing 30-minute SCBA’s.**
- 3. The backup crew will be positioned near a radio-equipped vehicle at a safe distance from the sour gas release. They will stand by to rescue the actual team igniting the well.**
- 4. The partner of the ignition team will carry a combustible gas/Hydrogen Sulfide meter to continuously monitor the area in which they are working and define the perimeter of the of the gas cloud.**
- 5. The Savoy foreman will carry the flare gun and shells.**
- 6. The ignition team will determine the hazardous area and establish safe working perimeters. Once this is identified the team will proceed upwind of the release and fire a flare into the area. If trouble is encountered in trying to light the leak, reattempt to ignite by firing the flare shells at 45° and 90° angles to the gas source, but DO NOT approach close to the leak.**
- 7. After ignition, monitor sulfur dioxide and work with the support group to restrict access to the contaminated area.**

VII. Residents – Public in Radius of Exposure

There are no permanent residents or paved roads within a 1-mile radius of the well site. Savoy may have personnel working in the area and their contact numbers will be included. The surrounding area is federally and privately owned and maintained. This land may be used for recreational purposes including hunting and recreational vehicles any time during the drilling or completion of this well.

VIII. Emergency Phone Directory

A. Savoy Energy LLC

Steve Lund

office 435-851-0535
cell 435-340-0557

Jon Larsen

office 435-851-0535
cell 435-340-0075

B. Emergency Services Phone List

1. Castleview Hospital – Price, UT 435-637-4800
2. Ambulance Services – Carbon County, UT 911
3. Sheriff Department – Carbon County, UT 435-637-0890
4. Highway Patrol – Utah 800-222-0038
5. Fire Department – Wellington, UT 911
6. Don Stephens, BLM – Price, UT) 435-636-3608
7. Utah Division Oil, Gas & Mining – Salt Lake City, UT 801-538-5277
8. Medical Helicopter – Air Med- Salt Lake City, UT 800-453-0120
9. Utah OSHA (Mark LeBlanc) 801-530-6862

IX. Reference for Hydrogen Sulfide (H₂S) and Sulfur Dioxide (SO₂)

PROPERTY OF GAS

If gas should be produced, it could be a mixture of Carbon Dioxide, Hydrogen Sulfide, and Methane.

TOXICITY OF VARIOUS GASES

<u>Common Name</u>	<u>Chemical Formula</u>	<u>Specific Gravity Of Air=1</u>	<u>1 Threshold Limit</u>	<u>2 Hazardous Limit</u>	<u>3 Lethal Concern</u>
Hydrogen Cyanide	HCN	0.94	10 ppm	150 ppm/hr	300 ppm
Hydrogen Sulfide	H ₂ S	1.18	10 ppm	250 ppm/hr	600 ppm
Sulfur Dioxide	SO ₂	2.21	2 ppm	-----	1,000 ppm
Chloride	CL ₁	2.45	1 ppm	4 ppm/hr	1,000 ppm
Carbon Monoxide	CO	0.97	50 ppm	400 ppm/hr	1,000 ppm
Carbon Dioxide	CO ₂	1.52	5,000 ppm	5%	10%
Methane	CH ₄	0.55	90,000 ppm	Combustible Above 5% in Air	-----

1 Threshold=Concentration at which it is believed that all workers may repeatedly be exposed, day after day, without adverse site effects.

2 Hazardous=Concentration that may cause death.

3 Lethal=Concentration that will cause death with short-term exposure.

HYDROGEN SULFIDE

GENERAL PROPERTIES

Hydrogen Sulfide itself is a colorless and transparent gas and is flammable. It is heavier than air and, hence, may accumulate in low places.

Although the slightest presence of H₂S in the air is normally detectable by its Characteristic "Rotten Egg" odor, it is dangerous to rely on the odor as a means of detecting excessive concentrations because the sense of smell is rapidly lost allowing lethal concentrations to be accumulated without warning. The following table indicates the poisonous nature of Hydrogen Sulfide, which is more toxic than Carbon Monoxide.

COMMON NAMES: Sour Gas, Rotten Egg Gas, Sulphurated Hydrogen, Hydrogen Sulfide, Stink Damp, H₂S, Acid Gas, Sweet Gas*

PHYSICAL-CHEMICAL PROPERTIES

- Chemical Formula.....H₂S
1. Specific Gravity (Air = 1.000).....1.193 (@ 77°F)
 2. ColorNone
 3. OdorCompared to Rotten Eggs
 4. Odor Threshold0.13 part of 1 ppm
 5. CorrosivityReacts with metals, plastics, tissues and nerves.
 6. Solubility in Water4.0 to 1 in H₂O @ 32°F
2.6 to 1 in H₂O @ 68°F.
 7. Effects on Humans.....Olfactory nerves, respiratory nerves, irritates sensitive membranes in eyes, nose, and throat.
 8. Vapor Pressure19.6 atmospheres at 25°C
 9. Explosive Limits4.3% to 46% by volume in air.

* H₂S is a sweet tasting Gas, but often the word "tasting" is left out.

- 10. Ignition Temperature18°F (Burns with a pale blue flame)
- 11. Molecular Weight34.08
- 12. Conversion Factors1 mg/1 of air = 717 ppm (at 25°C and 760 mg HG). 1 ppm = 0.00139 mg/1 of air.
- 13. pH.....3 in water

INDUSTRIAL OCCURANCES

Hydrogen Sulfide exposures occur in certain processes in the petroleum industry, chemical plants, chemical laboratories, sulfur and gypsum mines, viscose rayon and rubber industries, tanneries, and in the manufacture of some chemicals, dyes, and pigments. It may be encountered in excavations in the swampy or filled ground. It is produced when sulfur-containing organic matter decomposes, and it can therefore be found in sewage or organic-waste treatment plants. A common sewer gas, it may find its way into utility manhole, particularly dangerous when encountered in tanks, vessels, and other enclosed spaces.

TOXIC PROPERTIES

Hydrogen Sulfide is an extremely toxic and irritating gas. Free Hydrogen Sulfide in the blood reduces its oxygen carrying capacity, thereby depressing the nervous system. Sufficiently high concentrations can cause blockage of the phrenic nerve, resulting in immediate collapse and death due to respiratory failure and asphyxiation.

Because Hydrogen Sulfide is oxidized quite rapidly to sulfates in the body, no permanent after effects occur in case of recovery from acute exposures unless oxygen deprivation of the nervous system is prolonged. However, in cases of acute exposures, there is always the possibility that pulmonary edema may develop. It is also reported that symptoms such as nervousness, dry nonproductive coughing, nausea, headache and insomnia, lasting up to about 3 days have occurred after acute exposures to Hydrogen Sulfide.

At low concentrations the predominant effect of Hydrogen Sulfide is on the eyes and respiratory tract. Eye irritation, conjunctivitis, pain, lacrimation, keratitis, and photophobia may persist for several days. Respiratory tract symptoms include coughing, painful breathing, and pain in the nose and throat.

There is no evidence that repeated exposures to Hydrogen Sulfide results in accumulative or systemic poisoning. Effects such as eye irritation, respiratory tract irritation, slow pulse rate, lassitude, digestive disturbances, and cold sweats may occur, but these symptoms disappear in a relatively short time after removal from the exposure. Repeated exposures to Hydrogen Sulfide do not appear to cause any increase or decrease in susceptibility to this gas.

The paralytic effect of Hydrogen Sulfide on the olfactory nerve is probably the most significant property of the gas. This paralysis may create a false sense of security. A worker can

be overcome after the typical rotten-egg odor has disappeared. Rather than the characteristic Hydrogen Sulfide odor, some victims of sudden acute overexposure have reported a brief sickeningly sweet odor just prior to unconsciousness.

Subjective olfactory responses to various concentrations of Hydrogen Sulfide have been summarized as follows:

0.02 ppm	No odor
0.13 ppm	Minimal perceptible odor
0.77 ppm	Faint, but readily perceptible odor
4.60 ppm	Easily detectable, moderate odor
27.0 ppm	Strong, unpleasant odor, but not intolerable

Physiological responses to various concentrations of Hydrogen Sulfide have been reported as follows:

10 ppm	Beginning eye irritation
50-100 ppm	Slight conjunctivitis and respiratory tract irritation after 1 hour exposure
100 ppm	Coughing, eye irritation, loss of sense of smell after 2-15 minute. Altered respiration, pain in the eyes, and drowsiness after 15-30 minutes, followed by throat irritation after 1 hour. Several hours ¹ exposure results in gradual increase in severity of these symptoms and death may occur within the next 48 hours.
200-300 ppm	Marked conjunctivitis and respiratory tract irritation after 1 hour exposure
500-700 ppm	Loss of consciousness and possibly death in 30 minutes
700 ppm	Rapid unconsciousness, cessation of respiration, and death.
1000-2000 ppm	Unconsciousness at once, with early cessation of respiration and death in a few minutes. Death may occur even if an individual is removed to fresh air at once.

ACCEPTABLE CONCENTRATIONS

ACCEPTABLE EIGHT-HOUR TIME-WEIGHTED AVERAGE

To avoid discomfort, the Time-Weighted average concentration of Hydrogen Sulfide Shall not exceed 10 ppm.

ACCEPTABLE CEILING CONCENTRATION

The acceptable concentration for protecting of health for an eight-hour, five-day week shall be 20 ppm, Fluctuations are to occur below this concentration.

ACCEPTABLE MAXIMUM FOR PEAKS ABOVE ACCEPTABLE BASE LINE FOR CONTINUOUS EXPOSURE

A single-peak concentration not exceeding 50 ppm for a maximum of 10 minutes is allowable provided that the daily time-weighted average is not exceeded.

H₂S EQUIVALENTS

<u>Parts Per Million</u>	<u>Percents</u>	<u>Grains per 100 cu. Ft.</u>
1	0.0001	0.055
10	0.001	0.55
18	0.0018	1.0
100	0.01	5.5
1000	0.1	55.5
10000	1.0	555.5

Grains per 100 cu. Ft. = % by volume Mole 636.4
1% by volume = 10,000 ppm

SULFUR DIOXIDE

Sulfur Dioxide (SO₂) is a colorless, transparent gas and is non-flammable.

Sulfur Dioxide is produced during the burning of H₂S. Although SO₂ is heavier than air, it will be picked up by a breeze and carried downwind at elevated temperatures, while Sulfur Dioxide is extremely irritating to the eyes and mucous membranes of the upper respiratory tract, it has exceptionally good warning powers in the respect.

CONCENTRATIONS

EFFECTS

<u>%SO₂</u>	<u>ppm</u>	
.0002	2	Safe for eight (8) hour exposure
.0005	5	Pungent odor-normally a person can detect SO ₂ in this range.
.0012	12	Throat irritation, coughing, constriction of the chest, tearing and smarting of the eyes.
.015	150	So irritating that it can only be endured for a few minutes.
.05	500	Causes a sense of suffocation, even with the first breath.

PHYSICAL PROPERTIES AND CHARACTERISTICS

Chemical Formula.....	SO ₂
1. Specific Gravity	2.212
2. Color	None
3. Flammable.....	No
4. Odor	Characteristic, pungent, gives ample warning of its presence.
5. Corrosivity	Dry---not corrosive to ordinary metals. Wet---corrosive to most common metals.
6. Allowable Concentrations.....	2 ppm (ACGIH) 2 ppm (OSHA)
7. Effects on Humans.....	Irritates eyes, throat and upper respiratory system.

TOXIC PROPERTIES

Sulfur Dioxide is an irritating gas in its vapor form and the odor is so intensely irritating that concentrations of 3 to 5 parts per million in the air are readily detectable by the normal person. In higher concentrations, the severely irritating effect of the gas makes it unlikely that any person would be able to remain in a Sulfur Dioxide contaminated atmosphere unless they were unconscious or trapped.

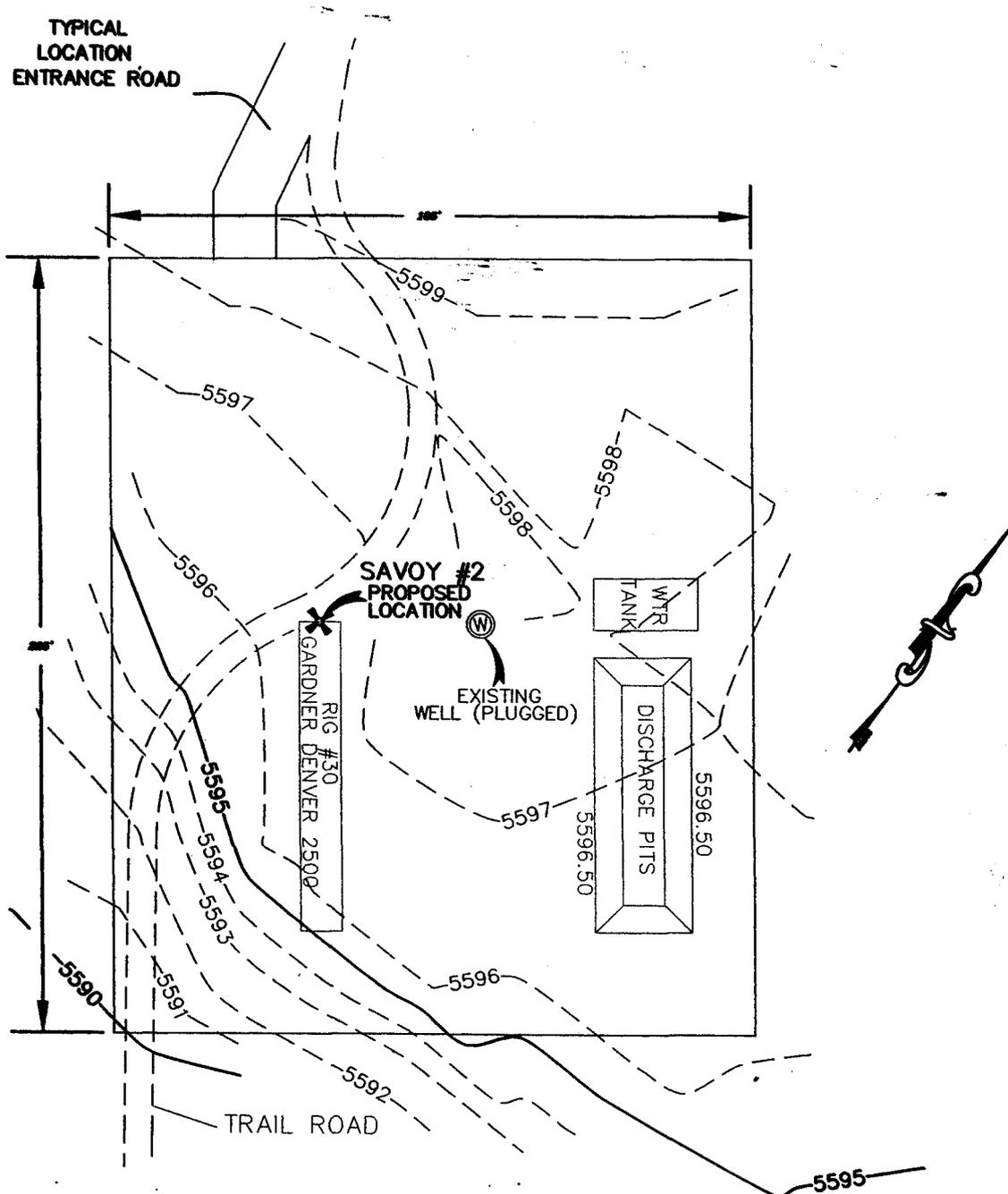
Sulfur Dioxide is intensely irritating to the eyes, throat, and upper respiratory system. Inhalation of this gas in concentrations of 8 to 12 parts per million in air causes throat irritation, coughing, constriction of the chest, tearing and smarting of the eyes. 150 parts per million is so extremely irritating that it can be endured only for a few minutes. 500 parts per million is so acutely irritating to the upper respiratory tract that it causes a sense of suffocation, even with the first breath.

Out of numerous reported exposures to Sulfur Dioxide, there are few references that would indicate pneumonia as an after effect.

SAVOY ENERGY

PURE CO²

TYPICAL
LOCATION
ENTRANCE ROAD

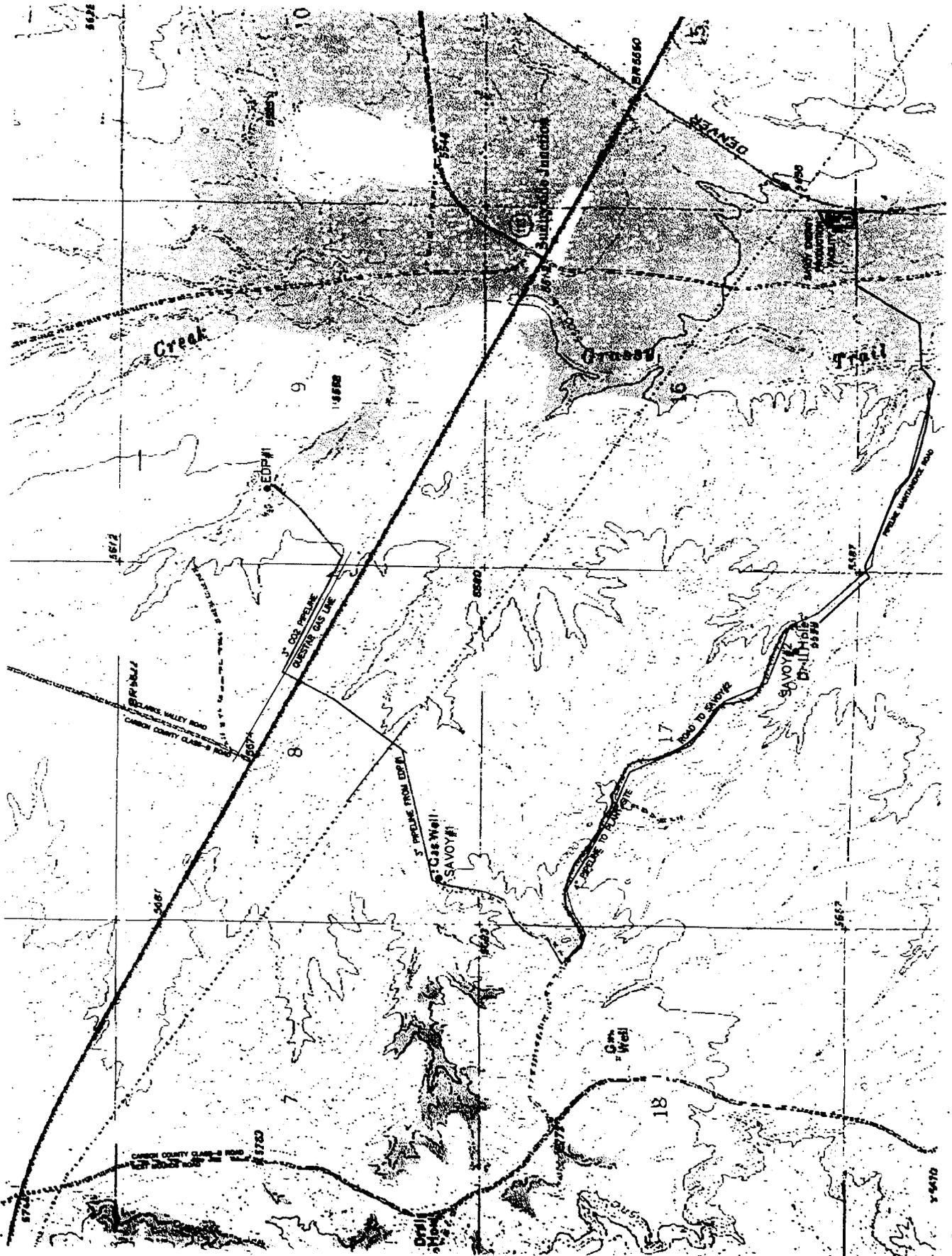


JOB NAME: SAVOY#2	DRAWN BY: G.L.B.	CHECKED BY: A.F.B.
	SCALE: 1" = 50'	
LOCATION: PAD 2 SE 1/4 SECT. 17 T-15-S R-12-E SLB&M	DATE: JANUARY 02 2007	
	JOB NUMBER	PROJECT:
DESCRIPTION: TYPICAL LOCATION LAYOUT	PAD_2_LAYOUT.DWG	26040EC 

SAVOY ENERGY

LOCATED IN T-15-S R-12-E S.L.B&M.

AP IS A PORTION OF: "SUNNYSIDE JUNCTION QUADRANGLE" UTAH-CARBON COUNTY 7.5' SERIES (TOPOGRAPHIC)



SAVOY ENERGY PIPELINE & ROAD ALIGNMENTS

**WORKSHEET
APPLICATION FOR PERMIT TO DRILL**

APD RECEIVED: 02/01/2007

API NO. ASSIGNED: 43-007-31262

WELL NAME: SAVOY 2

OPERATOR: SAVOY ENERGY, LLC (N2690)

CONTACT: DON HAMILTON

PHONE NUMBER: 435-851-0535

PROPOSED LOCATION:

SESE 17 150S 120E

SURFACE: 0711 FSL 0737 FEL

BOTTOM: 0711 FSL 0737 FEL

COUNTY: CARBON

LATITUDE: 39.51489 LONGITUDE: -110.5911

UTM SURF EASTINGS: 535152 NORTHINGS: 4373787

FIELD NAME: WILDCAT (1)

INSPECT LOCATN BY: / /

Tech Review	Initials	Date
Engineering		
Geology		
Surface		

LEASE TYPE: 1 - Federal

LEASE NUMBER: UTU-76255

SURFACE OWNER: 1 - Federal

PROPOSED FORMATION: MNKP

COALBED METHANE WELL? NO

RECEIVED AND/OR REVIEWED:

- Plat
- Bond: Fed[1] Ind[] Sta[] Fee[]
(No. UTB 000210)
- Potash (Y/N)
- Oil Shale 190-5 (B) or 190-3 or 190-13
- Water Permit
(No. MUNICIPAL)
- RDCC Review (Y/N)
(Date: _____)
- Fee Surf Agreement (Y/N)
- 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: _____
Eff Date: _____
Siting: _____
- R649-3-11. Directional Drill

COMMENTS:

STIPULATIONS:

1- Lease Approval
2- Spacing Stip

T15S R12E

EDP 1

9

FARNHAM DOME FIELD ABANDONED

FARNHAM DOME 1-A
FARNHAM DOME UNIT 1
SAVOY 1

MOUNDS 3-A

GOVT MOUNDS 3

18

17

16

FARNHAM DOME U 2
SAVOY 2

FEDERAL 1-19

OPERATOR: SAVOY ENERGY (N2690)

SEC: 8,17 T.15S R. 12E

FIELD: WILDCAT (001)

COUNTY: CARBON

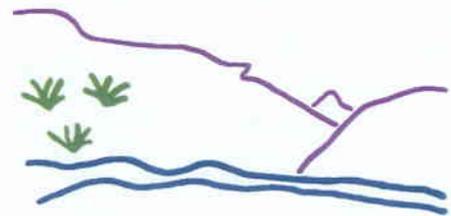
SPACING: R649-3-2 / GENERAL SITING

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



Utah Oil Gas and Mining



PREPARED BY: DIANA MASON
DATE: 1-FEBRUARY-2007



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

February 1, 2007

Savoy Energy, LLC
P O Box 87
Manti, UT 84642

Re: Savoy 2 Well, 711' FSL, 737' FEL, SE SE, Sec. 17, T. 15 South, R. 12 East,
Carbon County, Utah

Gentlemen:

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

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 43-007-31262.

Sincerely,

Gil Hunt
Associate Director

pab
Enclosures

cc: Carbon County Assessor
Bureau of Land Management, Moab District Office

Operator: Savoy Energy, LLC
Well Name & Number Savoy 2
API Number: 43-007-31262
Lease: UTU-76255

Location: SE SE Sec. 17 T. 15 South R. 12 East

Conditions of Approval

1. General

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

2. Notification Requirements

Notify the Division within 24 hours of spudding the well.

- Contact Carol Daniels at (801) 538-5284.

Notify the Division prior to commencing operations to plug and abandon the well.

- Contact Dan Jarvis at (801) 538-5338

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. State approval of this well does not supersede the required federal approval, which must be obtained prior to drilling.

5. This proposed well is located in an area for which drilling units (well spacing patterns) have not been established through an order of the Board of Oil, Gas and Mining (the "Board"). In order to avoid the possibility of waste or injury to correlative rights, the operator is requested, once the well has been drilled, completed, and has produced, to analyze geological and engineering data generated therefrom, as well as any similar data from surrounding areas if available. As soon as is practicable after completion of its analysis, and if the analysis suggests an area larger than the quarter-quarter section upon which the well is located is being drained, the operator is requested to seek an appropriate order from the Board establishing drilling and spacing units in conformance with such analysis by filing a Request for Agency Action with the Board.

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
APPLICATION FOR PERMIT TO DRILL OR REENTER

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

5. Lease Serial No. UTU-76255	
6. If Indian, Allottee or Tribe Name N/A	
7. If Unit or CA Agreement, Name and No. N/A	
8. Lease Name and Well No. Savoy #2	
9. API Well No. 430073262	
1a. Type of work: <input checked="" type="checkbox"/> DRILL <input type="checkbox"/> REENTER	10. Field and Pool, or Exploratory undesignated
1b. Type of Well: <input type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input checked="" type="checkbox"/> Other <input type="checkbox"/> Single Zone <input checked="" type="checkbox"/> Multiple Zone	11. Sec., T. R. M. or Blk. and Survey or Area Section 17, T15S, R12E, SLB&M
2. Name of Operator Savoy Energy LLC	12. County or Parish Carbon
3a. Address P.O. Box 87 Manti, Utah 84642	13. State UT
3b. Phone No. (include area code) 435-851-0535	14. Distance in miles and direction from nearest town or post office* 7.9 miles southeast of Wellington, Utah
4. Location of Well (Report location clearly and in accordance with any State requirements.)* At surface 711' FSL & 737' FEL, SE/4 SE/4 At proposed prod. zone 711' FSL & 737' FEL, SE/4 SE/4	15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any) 603'
16. No. of acres in lease 1,684.62 acres	17. Spacing Unit dedicated to this well 40 acres
18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft. 45'	19. Proposed Depth 3,800'
20. BLM/BIA Bond No. on file UTB 000210	21. Elevations (Show whether DF, KDB, RT, GL, etc.) 5,596' GR
22. Approximate date work will start* 03/01/2007	23. Estimated duration 15 days drilling 30 days completion

24. Attachments

The following, completed in accordance with the requirements of Onshore Oil and Gas Order No.1, must be attached to this form:

- | | |
|--|---|
| 1. Well plat certified by a registered surveyor. | 4. Bond to cover the operations unless covered by an existing bond on file (see item 20 above). |
| 2. A Drilling Plan. | 5. Operator certification |
| 3. A Surface Use Plan (if the location is on National Forest System Lands, the SUPO must be filed with the appropriate Forest Service Office). | 6. Such other site specific information and/or plans as may be required by the BLM. |

CONFIDENTIAL

25. Signature <i>Don Hamilton</i>	Name (Printed/Typed) Don Hamilton	Date 01/29/2007
Title Agent for Savoy Energy LLC		
Approved by (Signature) <i>[Signature]</i>	Name (Printed/Typed) [Name]	Date 6/21/07
Title Assistant Field Manager, Division of Resources		
Office Division of Resources Moab Field Office		

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

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

*(Instructions on page 2)

CONDITIONS OF APPROVAL ATTACHED

RECEIVED
JUN 25 2007
DIV. OF OIL, GAS & MINING

RECEIVED
MOAB FIELD OFFICE
2007 JAN 30 A 12:40

PREPARED FOR:

Savoy Energy

P.O. Box 87
Manti, Utah 84642

PREPARED BY:

Barker & Associates

36 W. Main St. (PO Box 43)
Wellington, Utah 84542

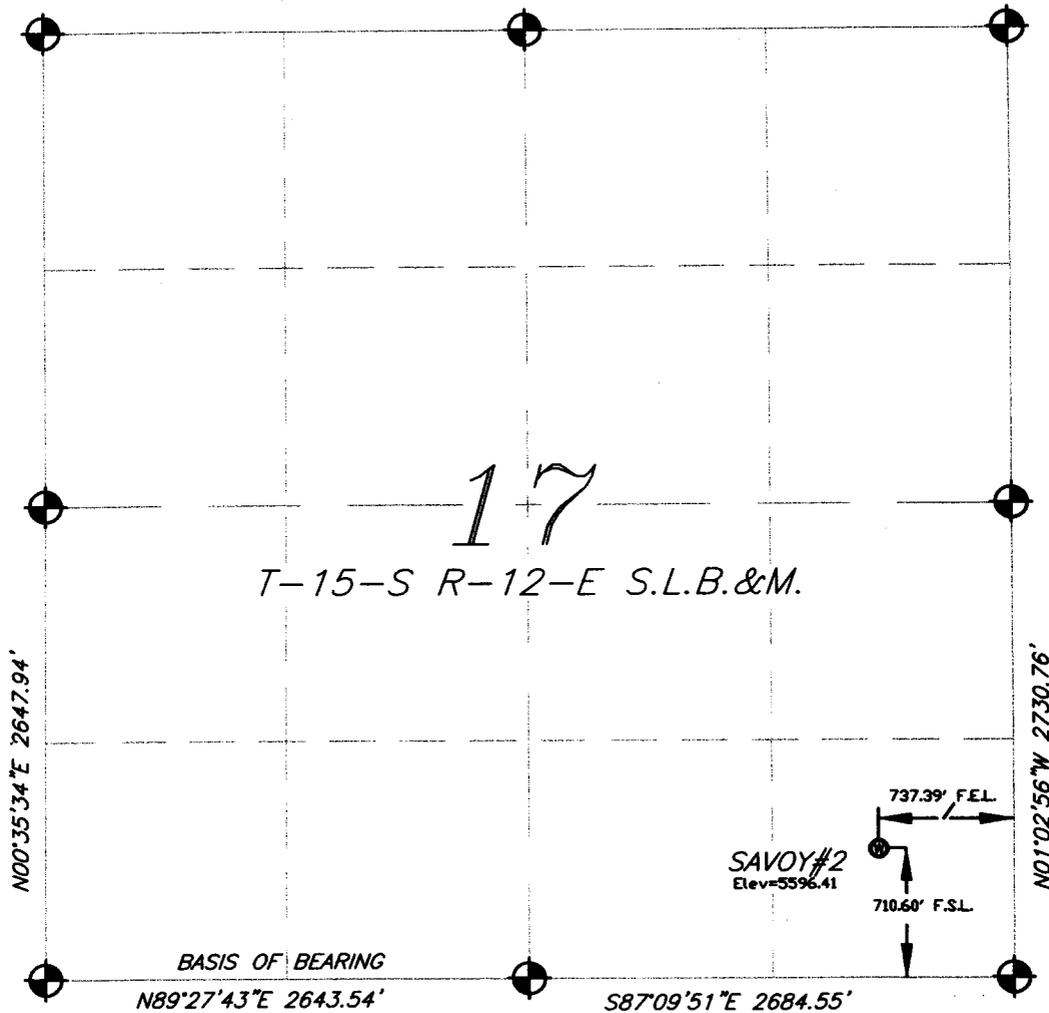
Location map for Well # Savoy 2

Section 17, T-15-S R-12-E S.L.B. & M.

DATUM: W.G.S. 84

Latitude: N39°30'54.0"

Longitude: W110°35'30.3"



Surveyor's Certificate

I, Art F. Barker do hereby depose and say that I am a Registered Land Surveyor as prescribed by the laws of the state of Utah and hold certificate number 162812 I further certify that I have made the survey shown herewith.

Art F. Barker

 Art F. Barker
 Utah Reg. No. 162812
 P. BARKER
 162812
 SURVEYOR

11/18/07
Date:

Savoy Energy LLC
Savoy #2
Clark Valley Unit
Lease UTU76255
SE/SE Section 17, T15S, R12E
Carbon County, Utah

A COMPLETE COPY OF THIS APPROVED PERMIT and Conditions of Approval shall be maintained on location during all construction and drilling operations, and shall be available to contractors to ensure compliance.

CONDITIONS OF APPROVAL

Approval of this application does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Be advised that Savoy Energy LLC is considered to be the operator of the above well and is responsible under the terms and conditions of the lease for the operations conducted on the leased lands.

Bond coverage for this well is provided by **UTB000210** (Principal – Savoy Energy LLC) via surety consent as provided for in 43 CFR 3104.2.

This office will hold the aforementioned operator and bond liable until the provisions of 43 CFR 3106.7-2 continuing responsibility are met.

This permit will be valid for a period of one year from the date of approval. After permit termination, a new application must be filed for approval.

All lease operations will be conducted in full compliance with applicable regulations (43 CFR 3100), Onshore Oil and Gas Orders, lease terms, notices to lessees, and the approved plan of operations. Deviation from the approved plan is not allowed. The operator is fully responsible for the actions of his subcontractors.

Failure to comply with the provisions of this permit, including applicable regulations, stipulations, and/or approval conditions, will be considered a violation subject to the enforcement provisions of 43 CFR Subpart 3163.

A. DRILLING PROGRAM

1. The proposed 2M BOPE is adequate for anticipated conditions. Installation, testing and operation of the system shall be in conformance with Onshore Oil and Gas Order No. 2.
2. Concurrent approval from the State of Utah, Division of Oil, Gas & Mining (DOGGM) is required before conducting any surface disturbing activities.
3. Drilling reports, which describe the activities of each day, shall be submitted to the BLM Moab Field Office on a weekly, or more frequent, basis. In addition to a daily summary of activities, drilling reports shall include the drilling fluid weight, details of casing and cement, water flows, lost circulation zones and any other information that would contribute to our understanding of drilling conditions.
4. When drilling with air, the requirements of Onshore Oil and Gas Order No. 2, part III, E, Special Drilling Operations, shall apply.
5. If cement does not circulate to surface on the production casing, a cement bond log (CBL), or other appropriate tool for determining top-of-cement, shall be run and shall be submitted to BLM.

**UNITED STATES DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
Price Field Office
Price, Utah**

**SURFACE USE
CONDITIONS OF APPROVAL**

Project Name: Savoy Energy's Clark's Valley CO2 Project

Operator: Savoy Energy

List of Wells:

<u>Name</u>	<u>Section SH/DH</u>	<u>TWP/RNG</u>	<u>Lease Number</u>
Savoy # 1	8	15S/12E	UTU-76254
Savoy # 2	17	15S/12E	UTU-76255

2.1.8 Applicant-Committed Environmental Protection Measures

The following applicant-committed protection measures would be implemented to avoid or minimize negative effects on biotic and abiotic resources in the Project Area during implementation of the Proposed Action.

2.1.8.1 Air Quality

Members of the construction crew would car pool to and from surrounding cities and towns to minimize vehicle-related emissions.

2.1.8.2 Noxious and Invasive Weeds

To minimize the potential for the introduction of noxious and invasive weed species via project-related vehicles and equipment into the area, the following measures would be implemented:

- Savoy and their contractors would power-wash all construction equipment and vehicles prior to the start of construction. Any vehicles traveling between the project location and outside areas would be power-washed on a weekly basis.
- Savoy would implement an intensive weed control program beginning the first growing season after project completion. Weed control would be conducted in accordance with a Pesticide Use Proposal submitted to and approved by the BLM.

2.1.8.3 Wildlife

Savoy would conform to the existing lease stipulation for antelope that allows exploration activity from May 15 to December 15 in any given year, unless an exception is granted by the Authorized Officer.

2.1.8.4 Soils and Watershed

During construction and reclamation, no vehicles would be operated during periods of saturated soil conditions when surface ruts greater than 4 inches could occur along travel routes.

2.1.8.5 Human Health and Safety

To protect and minimize the possibility of fires during the construction phase, all equipment, including pickup trucks, would be equipped with fire extinguishers.

As described above, an H₂S drilling operations plan has been developed. The safety actions outlined in this plan would be strictly followed.

2.1.8.6 Cultural and Paleontological Resources

Sites eligible for listing on the National Register of Historic Places (NRHP) would be protected. A buffer zone for such sites would be established and identified by flagging prior to construction. Areas inside these buffer zones would be avoided by heavy equipment.

A qualified archaeologist would monitor pipeline construction from the plant site to the dunal area on the west side of Grassy Trail Creek.

Should any significant cultural or fossil resources be unearched, the BLM would be immediately notified and the construction would be re-routed to avoid the site.

I Site Specific Conditions of Approval

1. A pre-construction field meeting may be conducted prior to beginning any dirt work approved under this APD. The operator shall contact the BLM Authorized Officer Don Stephens @ 435-636-3608 at least 7-days prior to beginning operations so that the meeting can be scheduled. The operator is responsible for having all contractors present (dirt contractors, drilling contractor, pipeline contractor, project oversight personnel, etc.) including the overall field operations superintendent, and for providing all contractors copies of the approved APD(s), project map and BLM Conditions of Approval pertinent to the work that each will be doing.
2. Savoy is given authorization to upgrade the existing two-track to a Resource Road (Class III Road) as defined in BLM Manual Section 9113. The road will be designed to an appropriate standard no higher than necessary to accommodate their intended function adequately in accordance with the *Surface Operating Standards for Oil & Gas Exploration and Development*, Third Edition and BLM Manual

Section 9113 concerning road construction standards on projects subject to federal jurisdiction by August 1, 2006.

3. The operator will be responsible for performing any remediation and/or necessary road upgrading (e.g. elevating, surfacing, culverts, low-water crossings, water-wings, surfacing, etc.) as directed by the BLM Authorized Officer, resulting from untimely access.
4. All equipment and personnel used during drilling and construction activities will be restricted to only approved routes.
5. All permanent above-ground structures (e.g., production equipment, tanks, etc.) not subject to safety requirements will be painted to blend with the natural color of the landscape. The paint used will be a color which simulates "Standard Environmental Colors." The color selected for the wells is Sudan Brown, (2.5 Y 4/2). All facilities will be painted the designated color at the time of installation.
6. All areas not needed for production of the well will be reclaimed by fall, 2007.
7. The reserve pit will be closed by November 1, 2007. If the pit is not dry, the fluids will be removed and solidifying material in the pit to bind the remaining wet material. Mud and cuttings left in pit must be buried at least 3-feet below re-contoured grade.
8. The operator will drill seed on the contour to a depth of 0.5 inch, followed by cultipaction to compact the seedbed, preventing soil and seed losses. To maintain quality and purity, the current years tested, certified seed with a minimum germination rate of 80% and a minimum purity of 90% will be used. On BLM surface or in lieu of a different specific mix desired by the surface owner, use the attached seed list Table A-2.
9. Please contact Don Stephens, Natural Resource Specialist, (435) 636-3608, Bureau of Land Management, Price Field Office, if there are any questions concerning these surface use COAs.

II Standard Conditions of Approval

1. If any cultural values [sites, artifacts, human remains] are observed during operation of this lease/permit/right-of-way, they will be left intact and the Price Field Manager notified. The authorized officer will conduct an evaluation of the cultural values to establish appropriate mitigation, salvage or treatment. The operator is responsible for informing all persons in the area who are associated with this project that they will be subject to prosecution for knowingly disturbing historic or archaeological sites, or for collecting artifacts. If historic or archaeological materials are uncovered during construction, the operator is to immediately stop work that might further disturb such materials, and contact the authorized BLM officer (AO). Within five working days the AO will inform the operator as to:
 - whether the materials appear eligible for the National Register of Historic Places;
 - the mitigation measures the operator will likely have to undertake before the site can be used (assuming in situ preservation is not necessary); and,
 - a time-frame for the AO to complete an expedited review under 36 CFR 800.11 to confirm, through the State Historic Preservation Officer, that the findings of the AO are correct and that mitigation is appropriate. The AO will provide technical and procedural guidelines for

the conduct of mitigation. Upon verification from the AO that the required mitigation has been completed, the operator will then be allowed to resume construction measures.

2. The operator shall restrict travel on unimproved roads during periods of inclement weather or spring thaw when the possibility exists for excessive surface resource damage (e.g., rutting in excess of 4-inches, travel outside roadway, etc.).
3. The Companies will provide georeferenced spatial data depicting as-built locations of all facilities, wells, roads, pipelines, power lines, and other related facilities to the BLM by November 1 of each year until completion of project construction activities has occurred.
4. If any dead or injured threatened, endangered, proposed, or candidate species is located during construction or operation, the BLM Price Field Office (435-636-3600) shall be notified within 24 hours.
5. The Company will conduct clearance surveys for threatened, endangered or other special-concern species at the optimum time. This will require coordination with the BLM before November 1 annually to review the potential for disturbance and to agree on inventory parameters.

A. Construction

1. The operator will limit vegetation removal and the degree of surface disturbance wherever possible. Where surface disturbance cannot be avoided, all practicable measures will be utilized to minimize erosion and stabilize disturbed soils.
2. Construction and drilling activity will not be conducted using frozen or saturated soil material during periods when watershed damage or excessive rutting is likely to occur.
3. Remove all available topsoil from constructed well locations including areas of cut and fill, and stockpile at the site. Topsoil will also be salvaged for use in reclamation on all other areas of surface disturbance (roads, pipelines, etc.). Clearly segregate topsoil from excess spoil material. Any topsoil stockpiled for one year or longer will be signed and stabilized with annual ryegrass or other suitable cover crop.
4. The operator will not push soil material and overburden over side slopes or into drainages. All soil material disturbed will be placed in an area where it can be retrieved without creating additional undue surface disturbance and where it does not impede watershed and drainage flows.
5. Construct the backslope no steeper than 1½:1, and construct the foreslope no steeper than 2:1, unless otherwise directed by the BLM Authorized Officer.
6. Maintain a minimum 20-foot undisturbed vegetative border between toe-of-fill of pad and/or pit areas and the edge of adjacent drainages, unless otherwise directed by the BLM Authorized Officer.
7. With the overall objective of minimizing surface disturbance and retaining land stability and productivity, the operator shall utilize equipment that is appropriate to the scope and scale of work being done for roads and well pads (utilize equipment no larger than needed for the job).
8. Reserve pits will be adequately fenced during and after drilling operations until pit is reclaimed so as to effectively keep out wildlife and livestock. Adequate fencing, in lieu of more stringent requirements by the surface owner, is defined as follows:

- Construction materials will consist of steel or wood posts. Three or four strand wire (smooth or barbed) fence or hog panel (16-foot length by 50-inch height) or plastic snow fence must be used with connectors such as fence staples, quick-connect clips, hog rings, hose clamps, twisted wire, etc. Electric fences will not be allowed.
 - Construction standards: Posts shall be firmly set in ground. If wire is used, it must be taut and evenly spaced, from ground level to top wire, to effectively keep out animals. Hog panels must be tied securely into posts and one another using fence staples, clamps, etc. Plastic snow fencing must be taut and sturdy. Fence must be at least 2-feet from edge of pit. 3 sides fenced before beginning drilling, the fourth side fenced immediately upon completion of drilling and prior to rig release. Fence must be left up and maintained in adequate condition until pit is closed.
9. The reserve pit will be oriented to prevent collection of surface runoff. After the drilling rig is removed, the operator may need to construct a trench on the uphill side of the reserve pit to divert surface drainage around it. If constructed, the trench will be left intact until the pit is closed.
 10. The reserve pit will be lined with an impermeable liner if permeable subsurface material is encountered. An impermeable liner is any liner having a permeability less than 10^{-7} cm/sec. The liner will be installed so that it will not leak and will be chemically compatible with all substances that may be put in the pit. Liners made of any man-made synthetic material will be of sufficient strength and thickness to withstand normal installation and pit use. In gravelly or rocky soils, a suitable bedding material such as sand will be used prior to installing the liner.
 11. The reserve pit will be constructed so that at least half of its total volume is in solid cut material (below natural ground level).
 12. The reserve pit shall have 2 foot of freeboard maintained at all times to prevent overflow of fluids.
 13. Culverts will be placed on channel bottoms on firm, uniform beds, which have been shaped to accept them, and aligned parallel to the channel to minimize erosion. Backfill will be thoroughly compacted.
 14. The minimum diameter for culverts will be 18 inches. However, all culverts will be appropriately sized in accordance with standards in BLM Manual 9113.
 15. Construction and other project-related traffic will be restricted to approved routes. Cross-country vehicle travel will not be allowed.
 16. Maximum design speed on all operator-constructed and maintained roads will not exceed 25 miles per hour.
 17. Pipeline construction shall not block nor change the natural course of any drainage. Pipelines shall cross perpendicular to drainages. Pipelines shall not be run parallel in drainage bottoms. Suspended pipelines shall provide adequate clearance for maximum runoff.
 18. Pipeline trenches shall be compacted during backfilling. Pipeline trenches shall be routinely inspected and maintained to ensure proper settling, stabilization and reclamation.
 19. During construction, emissions of particulate matter from well pad and road construction would be minimized by application of water or other non-saline dust suppressants with at least 50 percent control efficiency. Dust inhibitors (surfacing materials, non-saline dust suppressants, and water) will be used as necessary on unpaved roads that present a fugitive dust problem. The use of chemical dust suppressants on public surface will require prior approval from the BLM Authorized Officer.

20. The operator shall submit a Sundry Notice (Form 3160-5) to BLM for approval prior to construction of any new surface disturbing activities that are not specifically addressed in the approved APD.
21. Companies will contact the counties to pursue development of maintenance agreements to ensure county roads are adequately maintained for the projected increase in use.

B. Operations/Maintenance

1. If in the process of air drilling the wells there is a need to utilize mud, all circulating fluids will be contained either in an approved pit or in an aboveground containment tank. The pit or containment tank will be large enough to safely contain the capacity of all expected fluids without danger of overflow. Fluid and cuttings will not be squeezed out of the pit, and the pit will be reclaimed in an expedient manner.
2. Confine all equipment and vehicles to the access road(s), pad(s), and area(s) specified in the approved APD.
3. All waste, other than human waste and drilling fluids, will be contained in a portable trash cage. This waste will be transported to a State approved waste disposal site immediately upon completion of drilling operations. No trash or empty barrels will be placed in the reserve pit or buried on location. All state and local laws and regulations pertaining to disposal of human and solid waste will be complied with.
4. Rat and mouse holes shall be filled and compacted from the bottom to the top immediately upon release of the drilling rig from the location.
5. The operator will be responsible for prevention and control of noxious weeds and weeds of concern on all areas of surface disturbance associated with this project (well locations, roads, water management facilities, etc.) Use of pesticides shall comply with the applicable Federal and State laws. Pesticides shall be used only in accordance with their registered uses and within limitations imposed by the Secretary of Interior. Prior to the use of pesticides on public land, the holder shall obtain from the BLM authorized officer written approval of a plan showing the type and quantity of material to be used, pest(s) to be controlled, method of application, location of storage and disposal of containers, and any other information deemed necessary by the authorized officer to such use.
6. Sewage shall be placed in a self-contained, chemically treated porta-potty on location.
7. The operator and their contractors shall ensure that all use, production, storage, transport and disposal of hazardous and extremely hazardous materials associated with the drilling, completion and production of these wells will be in accordance with all applicable existing or hereafter promulgated federal, state and local government rules, regulations and guidelines. All project-related activities involving hazardous materials will be conducted in a manner to minimize potential environmental impacts. In accordance with OSHA requirements, a file will be maintained onsite containing current Material Safety Data Sheets (MSDS) for all chemicals, compounds and/or substances which are used in the course of construction, drilling, completion and production operations.
8. Produced fluids shall be put in test tanks on location during completion work. Produced water will be put in the reserve pit during completion work per Onshore Order #7.
9. The only fluids/waste materials which are authorized to go into the reserve pit are RCRA exempt exploration and production wastes. These include:

- drilling muds & cuttings
- rigwash
- excess cement and certain completion & stimulation fluids defined by EPA as exempt

It does not include drilling rig waste, such as:

- spent hydraulic fluids
- used engine oil
- used oil filter
- empty cement, drilling mud, or other product sacks
- empty paint, pipe dope, chemical or other product containers
- excess chemicals or chemical rinsate

Any evidence of non-exempt wastes being put into the reserve pit may result in the BLM Authorized Officer requiring specific testing and closure requirements.

10. Reserve pits will be closed as soon as possible, but no later than 90 days from time of drilling/well completion, unless the BLM Authorized Officer gives an extension. Squeezing of pit fluids and cuttings is prohibited. Pits must be dry of fluids or they must be removed via vac-truck or other environmentally acceptable method prior to backfilling, re-contouring and replacement of topsoil. Mud and cuttings left in pit must be buried at least 3-feet below re-contoured grade. The operator will be responsible for re-contouring any subsidence areas that develop from closing a pit before it is sufficiently dry.
11. If this well is drilled during the fire season (June-October), the operator shall institute all necessary precautions to ensure that fire hazard is minimized, including but not limited to mowing vegetation on the access route(s) and well location(s), keeping fire fighting equipment readily available when drilling, etc.

C. Dry Hole/Reclamation

1. All disturbed lands associated with this project, including the pipelines, access roads, water management facilities, etc will be expediently reclaimed and rescoped in accordance with the surface use plan and any pertinent site-specific COAs.
2. Disturbed lands will be re-contoured back to conform with existing undisturbed topography. No depressions will be left that trap water or form ponds.
3. Reserve pits will be closed as soon as possible, but no later than 90 days from time of drilling/well completion, unless the BLM Authorized Officer gives an extension. Squeezing of pit fluids and cuttings is prohibited. Pits must be dry of fluids or they must be removed via vac-truck or other environmentally acceptable method prior to backfilling, re-contouring and replacement of topsoil. Mud and cuttings left in pit must be buried at least 3-feet below re-contoured grade. The operator will be responsible for re-contouring any subsidence areas that develop from closing a pit before it is sufficiently dry.
4. Before the location has been reshaped and prior to redistributing the topsoil, the operator will rip or scarify the drilling platform and access road on the contour, to a depth of at least 12 inches. The rippers are to be no farther than 24 inches apart.

5. Distribute the topsoil evenly over the entire location and other disturbed areas. Prepare the seedbed by disking to a depth of 4-to-6 inches following the contour.
6. Phased reclamation plans will be submitted to BLM for approval prior to individual POD facility abandonment via a Notice of Intent (NOI) Sundry Notice. Individual facilities, such as well locations, pipelines, discharge points, impoundments, etc. need to be addressed in these plans as they are no longer needed. Individual items that will need to be addressed in reclamation plans include:
 - Pit closure (Close ASAP after suitably dry, but no later than 90 days from time of drilling unless an extension is given by BLM Authorized Officer.) BLM may require closure prior to 90 days in some cases due to land use or environmental concerns.
 - Configuration of reshaped topography, drainage systems, and other surface manipulations
 - Waste disposal
 - Revegetation methods, including specific seed mix (pounds pure live seed/acre) and soil treatments (seedbed preparation, fertilization, mulching, etc.). On private surface, the landowner should be consulted for the specific seed mix.
 - Other practices that will be used to reclaim and stabilize all disturbed areas, such as water bars, erosion fabric, hydro-mulching, etc.
 - An estimate of the timetables for beginning and completing various reclamation operations relative to weather and local land uses.
 - Methods and measures that will be used to control noxious weeds, addressing both ingress and egress to the individual well or POD.
 - Decommissioning/removal of all surface facilities
7. BLM will not release the performance bond until all disturbed areas associated with the APD/POD have been successfully revegetated (evaluation will be made after the second complete growing season) and has met all other reclamation goals of the surface owner and surface management agency.
8. A Notice of Intent to Abandon and a Subsequent Report of Abandonment must be submitted for abandonment approval.
9. For performance bond release approval, a Final Abandonment Notice (with a surface owner release letter on split-estate) must be submitted prior to a final abandonment evaluation by BLM.
10. Soil fertility testing and the addition of soil amendments may be required to stabilize some disturbed lands.
11. Any mulch utilized for reclamation needs to be certified weed free.
12. Waterbars are to be constructed at least one (1) foot deep, on the contour with approximately two (2) feet of drop per 100 feet of waterbar to ensure drainage, and extended into established vegetation. All waterbars are to be constructed with the berm on the downhill side to prevent the soft material from silting in the trench. The initial waterbar should be constructed at the top of the backslope. Subsequent waterbars should follow the following general spacing guidelines:

Slope (percent)	Spacing Interval (feet)
≤ 2	200
2 - 4	100
4 - 5	75
≥ 5	50

D. Producing Well

1. Landscape those areas not required for production to the surrounding topography as soon as possible. The fluids and mud must be dry in the reserve pit before re-contouring pit area. The operator will be responsible for re-contouring and reseeding of any subsidence areas that develop from closing a pit before it is completely dry.
2. Reduce the backslope to 2:1 and the foreslope to 3:1, unless otherwise directed by the BLM Authorized Officer. Reduce slopes by pulling fill material up from foreslope into the toe of cut slopes.
3. Production facilities (including dikes) must be placed on the cut portion of the location and a minimum of 15 feet from the toe of the back cut unless otherwise approved by the BLM Authorized Officer.
4. Any spilled or leaked oil, produced water or treatment chemicals must be reported in accordance with NTL-3A and immediately cleaned up in accordance with BLM requirements. This includes clean-up and proper disposition of soils contaminated as a result of such spills/leaks.
5. Distribute stockpiled topsoil evenly over those areas not required for production and reseed as recommended.
6. Upgrade and maintain access roads and drainage control (e.g., culverts, drainage dips, ditching, crowning, surfacing, etc.) as necessary and as directed by the BLM Authorized Officer to prevent soil erosion and accommodate safe, environmentally-sound access.
7. Prior to construction of production facilities not specifically addressed in the APD, the operator shall submit a Sundry Notice to the BLM Authorized Officer for approval.
8. If not already required prior to constructing and drilling the well location, the operator shall immediately upgrade the entire access road to BLM standards (including topsoiling, crowning, ditching, drainage culverts, surfacing, etc.) to ensure safe, environmentally-sound, year-round access. This requirement does not supersede or apply where specific road requirements are addressed in the APD/POD surface use plan (e.g., two track road, spot upgrade, etc.)
9. Waterbars shall be installed on all reclaimed pipeline corridors per the guidelines in D #12.

Appendix A — Reclamation Plan

Table A-2

Common Plant Name	Scientific Name	Pounds per acre (PLS) ¹
Salt Desert Areas		
<i>Grasses</i>		
Indian ricegrass	<i>Stipa hymenoides</i>	2
Squirreltail	<i>Elymus elymoides</i>	2
Galleta	<i>Hilaria jamesii</i>	2
<i>Forbs</i>		
Lewis flax	<i>Linum perenne lewisii</i>	1
Palmer penstemon	<i>Penstemon palmerii</i>	1
Gooseberryleaf globemallow	<i>Sphaeralcea grossulariifolia</i>	0.5
<i>Shrubs</i>		
Forage kochia	<i>Kochia prostrata</i>	2
Rubber rabbitbrush	<i>Chrysothamnus nauseosus</i>	1
Fourwing saltbush	<i>Atriplex canescens</i>	2
Winterfat	<i>Krascheninnikovia (Eurotia) lanata</i>	2
	TOTAL	15.5
Sagebrush/Grass Areas		
<i>Grasses</i>		
Indian ricegrass	<i>Stipa hymenoides</i>	2
Squirreltail	<i>Elymus elymoides</i>	2
Thickspike wheatgrass	<i>Elymus lanceolatus</i>	1
Crested wheatgrass	<i>Agropyron desertorum</i>	2
<i>Forbs</i>		
Lewis flax	<i>Linum perenne lewisii</i>	1
Palmer penstemon	<i>Penstemon palmerii</i>	1
Small burnet	<i>Sanguisorba minor</i>	1
<i>Shrubs</i>		
Forage kochia	<i>Kochia prostrata</i>	2
Whitestem rabbitbrush	<i>Chrysothamnus nauseosus albicaulis</i>	1
Fourwing saltbush	<i>Atriplex canescens</i>	2
	TOTAL	15

C. REQUIRED APPROVALS, REPORTS AND NOTIFICATIONS

Required verbal notifications are summarized in Table 1, attached.

Building Location- Notify the Price Field Office at least 48-hours prior to commencing construction of location.

Spud- Notify the Price Field Office 24-hours prior to spudding. Submit written notification of spud (Sundry Notice, Form 3160-5) to the Moab Field Office within 24-hours after spudding, regardless of whether spud was made with a dry hole digger or big rig.

Daily Drilling Reports- Daily drilling reports that describe the progress and status of the well shall be submitted to the Moab Field Office on a weekly basis. This report may be in any format customarily used by the operator.

Oil and Gas Operations Reports (OGORs)- Production from this well shall be reported to Minerals Management Service (MMS) on a monthly basis.

Sundry Notices- Any modification to the proposed drilling program shall be submitted to the Moab Field Office on a Sundry Notice (Form 3160-5). Regulations at 43 CFR 3162.3-2 describe which operations require prior approval, and which require notification.

Drilling Suspensions- Operations authorized by this permit shall not be suspended for more than 30 days without prior approval of the Moab Field Office. All conditions of this approval shall be applicable during any operations conducted with a replacement rig.

Undesirable Events- Spills, blowouts, fires, leaks, accidents, or any other unusual occurrences shall be immediately reported to the BLM in accordance with requirements of NTL-3A.

Cultural Resources- If cultural resources are discovered during construction, immediately notify the Price Field Office, and work that might disturb the cultural resources shall cease.

First Production- A first production conference will be scheduled as soon as the productivity of the well is apparent. This conference should be coordinated through the Price Field Office.

Notify the Moab Field Office when the well is placed into production. Initial notification may be verbal, but must be confirmed in writing within five business days. Please include the date production started, the producing formation and production volumes.

Well Completion Report- Whether the well is completed as a dry hole or as a producer, a *Well Completion or Recompletion Report and Log* (Form 3160-4) shall be submitted to the Moab Field Office within thirty-days after completion of the well. Two copies of all logs, core descriptions, core analyses, well test data, geologic summaries, sample description, and all other surveys or data obtained and compiled during the drilling, workover, and/or completion operations, will be filed with Form 3160-4. When requested, samples (cuttings and/or samples) will be submitted to the Moab Field Office.

Venting/Flaring of Gas- Gas produced from this well may not be vented/flared beyond an initial, authorized test period of 30 days or 50 MMcf, whichever first occurs, without the prior, written approval of the Moab Field Office. Should gas be vented or flared without approval beyond the authorized test period, the well may be ordered to be shut-in until the gas can be captured or until approval to continue the venting/flaring pursuant to NTL-4A is granted. Compensation shall be due for gas that is vented/flared without approval.

Produced Water- An application for approval of a permanent disposal method and location will be submitted to the Moab Field Office for approval pursuant to Onshore Oil and Gas Order No.7.

Off-Lease Measurement, Storage, Commingling- Prior approval must be obtained from the Moab Field Office for off-lease measurement, off-lease storage and/or commingling of production prior to the sales measurement point. The term "commingling" describes both the combining of production from different geologic zones and/or combining production from different leases or agreement areas.

Plugging and Abandonment- If the well is a dry hole, plugging instructions must be obtained from the Moab Field Office prior to initiating plugging operations.

A "Subsequent Report of Abandonment" (Sundry Notice, Form 3160-5) will be filed with the Moab Field Office within thirty-days following completion of the well for abandonment. This report will indicate where plugs were placed and the current status of surface restoration. Upon completion of approved plugging, a regulation marker will be erected in accordance with 43 CFR 3162.6. Final abandonment will not be approved until the surface reclamation work required by the approved APD or approved abandonment notice has been completed to the satisfaction of the Price Field Office or the appropriate surface managing agency.

TABLE 1

NOTIFICATIONS

Notify Nathan Sill (435-636-3668) or Walton Willis (435-636-3662) of the BLM Price Field Office for the following:

2 days prior to constructing location (Sill);

1 day prior to spudding (Willis);

50 feet prior to reaching the surface casing setting depth (Willis).

If the people at the above number cannot be reached, notify the BLM Moab Field Office at 435-259-2100.

Well abandonment operations require 24-hour advance notice and prior approval. In the case of newly drilled dry holes, verbal approval can be obtained from:

Eric Jones, Petroleum Engineer

Office: 435-259-2117

Home: 435-259-2214

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
OMB No. 1004-0135
Expires January 31, 2004

SUNDRY NOTICES AND REPORTS ON WELLS

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

5. LEASE DESIGNATION AND SERIAL NUMBER:
UTU 76255

6. IF INDIAN, ALLOTTEE OR TRIBE NAME:

7. UNIT or CA AGREEMENT NAME:

Clark Valley Unit UTU 85363X

1. TYPE OF WELL:

OIL GAS OTHER CO2

8. WELL NAME and NUMBER:

Savoy #2

2. NAME OF OPERATOR:

Savoy Energy LLC

9. API NUMBER

43-007-31262

3a. ADDRESS OF OPERATOR

97 North Main CITY Manti STATE Utah ZIP 84642

3b. 435.835.4248 Office

PHONE 435.340.0557 Mobil

10. FIELD AND POOL, OR WILDCAT

Farnham dome

4. LOCATION OF WELL

FOOTAGE AT SURFACE:

711' FSL & 737' FEL, SE/4 SE/4

SEC 17 - T15S- R12E SLB&M

11. County or Parish, State

CARBON, UTAH

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

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

TYPE OF SUBMISSION

Notice of Intent

Subsequent Report

Final Abandonment Notice

ACIDIZE

ALTER CASING

CASING REPAIR

CHANGE PLANS

Convert to Injection

DEEPEN

FRACTURE TREAT

NEW CONSTRUCTION

PLUG AND ABANDON

PLUG BACK

PRODUCTION (START/RESUME)

RECLAMATION

RECOMPLETE

Temporarily Abandon

WATER DISPOSAL

WATER SHUT-OFF

Well Integrity

OTHER INCREASE

PAD SIZE

13. Describe Proposed or Completed Operation (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof.

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

This well is expected to have H2S in the gas stream. The drilling contractor was not sure on the foot print of the rig. Following rigging up it is determined that for safety purposes it would be prudent to increase the pad size by 40 feet on the East side to accommodate all H2S safety equipment. It is expected to encounter H2S levels in excess of 1000 ppm below 3000 feet in depth. No levels of H2S are expected above 3000 feet

The attached survey of the location show the area of modification

Accepted by the
Utah Division of
Oil, Gas and Mining

RECEIVED
AUG 06 2007
DIV. OF OIL, GAS & MINING

FOR RECORD ONLY

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

NAME (Printed/Typed)

STEVEN J. LUND

Title

MANAGER

SIGNATURE

DATE

7/25/07

Approved by

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

Title

Date

Office

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

SAVOY ENERGY

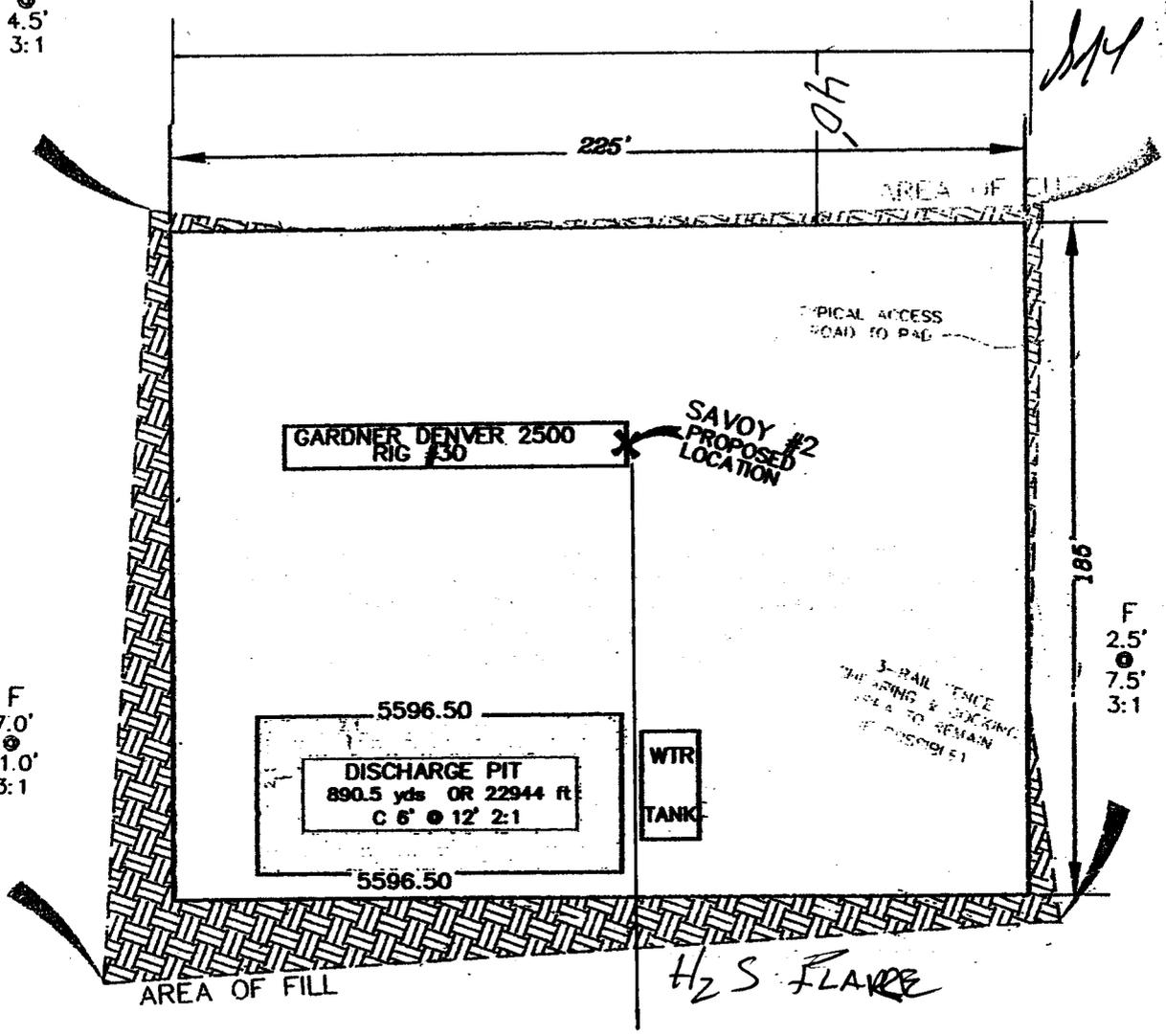
SAVOY #2 (REVISED)



F
1.5'
4.5'
3:1

F
7.0'
21.0'
3:1

F
2.5'
7.5'
3:1



SAVOY#2 PAD 2 SE 1/4 SECT. 17 T-15-S R-12-E SLB&M	DRAWN BY: G.L.B.	CHECKED BY: A.F.B.
	SCALE: 1" = 50'	
	DATE: MARCH 04 2007	
	REVISED LOCATION LAYOUT △	

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
OMB No. 1004-0135
Expires January 31, 2004

SUNDRY NOTICES AND REPORTS ON WELLS

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

5. LEASE DESIGNATION AND SERIAL NUMBER:
UTU 76255

6. IF INDIAN, ALLOTTEE OR TRIBE NAME:

7. UNIT or CA AGREEMENT NAME:
Clark Valley Unit UTU 85363X

1. TYPE OF WELL:
OIL GAS OTHER CO2

8. WELL NAME and NUMBER:
Savoy #2

2. NAME OF OPERATOR:
Savoy Energy LLC

9. API NUMBER
43-007-31262

3a. ADDRESS OF OPERATOR
97 North Main CITY **Manti** STATE **Utah** ZIP **84642**

3b. PHONE **435.835.4248 Office**
435.340.0557 Mobil

10. FIELD AND POOL, OR W/LDCAT
Farnham dome

4. LOCATION OF WELL
FOOTAGE AT SURFACE: **711' FSL & 737' FEL, SE/4 SE/4**
CITY/CTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: **SEC 17 - T15S- R12E SLB&M**

11. County or Parish, State
CARBON, UTAH

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

TYPE OF SUBMISSION				
<input type="checkbox"/> Notice of Intent	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> PRODUCTION (START/RESUME)	<input type="checkbox"/> WATER SHUT-OFF
<input checked="" type="checkbox"/> Subsequent Report	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> RECLAMATION	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> CASING REPAIR	<input type="checkbox"/> NEW CONSTRUCTION	<input type="checkbox"/> RECOMPLETE	<input checked="" type="checkbox"/> OTHER INCREASE PAD SIZE
	<input type="checkbox"/> CHANGE PLANS	<input type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> Temporarily Abandon	
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> PLUG BACK	<input type="checkbox"/> WATER DISPOSAL	

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

* Patterson UTI Rig 782 was continually breaking down. Due to its faulty equipment approximately 350 feet of tools have been left in the hole as fish. 782 is not capable of retrieving the fish it left. Patterson Uti will move rig 52 in to pull the tools. Rig 52 requires a larger location. Upon consultation with Price BLM the location will be enlarged to 150 feet from the well bore to the south and enlarged by 40 feet to the west. In addition to this the current equipment will be temporarily stored off location until the larger rig is set in place. As soon as possible the equipment will be moved on to the location and all oil stained soil off location will be cleaned up. As soon as drilling is completed the location will be remediated to an optimal size for operational purposes.

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

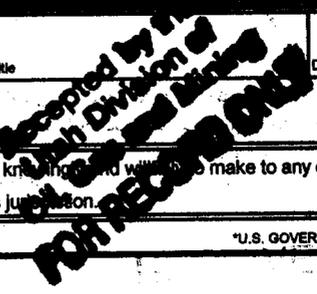
NAME (Printed/Typed) **STEVEN J. LUND** Title **MANAGING MEMBER**

SIGNATURE *[Signature]* DATE **8/14/07**

Approved by _____ Title _____ Date _____

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

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



AUG 30 2007

(September 2001)

UNITED STATES DEPARTMENT OF THE INTERIOR BUREAU OF LAND MANAGEMENT

CONFIDENTIAL

FORM APPROVED OMB No. 1004-0135 Expires January 31, 2004

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

5. LEASE DESIGNATION AND SERIAL NUMBER:

UTU 76255

6. IF INDIAN, ALLOTTEE OR TRIBE NAME:

7. UNIT or CA AGREEMENT NAME:

Clark Valley Unit UTU 85363X

SUBMIT IN TRIPLICATE - Other instructions on reverse side

1. TYPE OF WELL:

OIL [] GAS [] OTHER [X] CO2 [X]

8. WELL NAME and NUMBER:

Savoy #2

2. NAME OF OPERATOR:

Savoy Energy LLC

9. API NUMBER

43-007-31262

3a. ADDRESS OF OPERATOR

97 North Main CITY Manti STATE Utah ZIP 84642

3b. 435.835.4248 Office

PHONE 435.340.0557 Mobil

10. FIELD AND POOL, OR WILDCAT

Farnham dome

4. LOCATION OF WELL

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711' FSL & 737' FEL, SE/4 SE/4

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

SEC 17 - T15S- R12E SLB&M

11. County or Parish, State

CARBON, UTAH

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

TYPE OF SUBMISSION

[] Notice of Intent

[X] Subsequent Report

[] Final Abandonment Notice

[] ACIDIZE

[] ALTER CASING

[] CASING REPAIR

[] CHANGE PLANS

[] Convert to Injection

[] DEEPEN

[] FRACTURE TREAT

[] NEW CONSTRUCTION

[] PLUG AND ABANDON

[] PLUG BACK

[] PRODUCTION (START/RESUME)

[] RECLAMATION

[] RECOMPLETE

[] Temporarily Abandon

[] WATER DISPOSAL

[] WATER SHUT-OFF

[] Well Integrity

[X] OTHER FINAL

13. Describe Proposed or Completed Operation (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof.

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

SEE ATTACHED FOR THE FINAL DRILING REPORT. FORM 3160-4 WELL COMPLETION REPORT IS FORTH COMING

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

NAME (Printed/Typed)

Steven J. Lund

Title Managing Member/Engineer

SIGNATURE

[Handwritten Signature]

DATE 11/1/2007

(THIS SPACE FOR FEDERAL OR STATE OFFICE USE)

Approved by

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

Title

Date

Office

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(Instructions on reverse)

RECEIVED

NOV 07 2007

DIV. OF OIL, GAS & MINING

DRILLING REPORT FOR SAVOY #2 USING PATTERSON UTI RIG 782/778

Date	Description
7/19/2007	RIG UP WITH TRUCKS
7/20/2007	RIG UP WITH TRUCKS, REPAIR RIG
7/21/2007	(SPUDDED @ 1:30 AM THEN RIG BROKE DOWN
7/22/2007	WORK ON HYD. SKID
7/23/2007	REASSEMBLE TOP DRIVE, BEGIN DRILLING, DRILL TO 129 FEET
7/24/2007	DRILLING F/129 T/164, TAKE SURVEY, 0.75 DEGREES
7/25/2007	CIRCULATE WAIT ON CASING CREW CEMENT 20 BBLS OF FRESH/ 20 BBLS SUPER FLUSH, 51 BBLS LEAD/8 BBLS TAIL/ 18.5 BBLS DSPL GOOD RETURNS, WOC, NIPPLE UP BOP
7/26/2007	WOC, Rig up H2S equipment, CUT OFF 8 5/8" j-55 24 #/FT CASING WELD ON CASING HEAD AND TEST, TEST WAS SUCCESSFUL
7/27/2007	Repair Rig, w/o BOP parts Nipple up BOP,
7/28/2007	Nipple up BOP
7/29/2007	Safety Metting w/ Brad Huber Test B.O.P.
7/30/2007	Repair Rig
7/31/2007	Repair Rigwaiting on XO sub, drlg out cement from 203-360' DRLG F/360 T/436
8/1/2007	Wait on other crew. Hold JSA w/ crew & pick up 1 DC & 1 JT DP drill from 436-1706'
8/2/2007	Drill F1706-1840 feet, prep to mix 2% KCL in water, hands need to mix entire system Fisher pump in hopper house is down. This limits the ability to mix all the KCI Drilling F/1840-1961, Run survey @ 1.5 deg. Drilling from 1961 to 2342'
8/3/2007	Drill F2342-2700 feet run survey 1.75 degrees Drilling F/2700-2908' PENETRATED NAVAJO AT 2715' DRILLED 193 FEET INTO NAVAJO

STUCK PIPE

work stuck pipe @2908' transfer KCI from tank to 2% KCI

8/4/2007 Condition mud & circulate/wirk stuck pipe
Baroid is on location, KCI not at 2% at 0.7%, a series of test have been conducted on the mud.
The PH = 6 after filtering. Work tight hole with top drive top drive is again down, and not able to rotate

- 8/5/2007 Condition mud & circulate/work stuck pipe
 Repair rig, pumps, hydraulics, top drive will not rotate
 Work stuck pipe, bringing mud vis up to 40 to pump 50 barrel sweep
 Pipe still stuck and no progress is being made, mud conditioned, rig not able to drill, mud pumps still being worked on
- 8/6/2007 work stuck pipe spotted a 50 bbl pill at bit
 Weatherford on location to pump N2, Rotating head has so rubber in it, mud is blown from hole all over rig and loc.
 Well kicks and CO2 comes in on us, is sent to flare, good strong blow. Mud pumps not working, Hands cannot mix mud fast enough to kill well in timely manner after jetting mud pits. BLM is contacted and inspects
 Circulate mud kill well wait on wireline
- 8/7/2007 Circulate mud, wait on wireline and fishing hand
 Run free point test, appears we are stuck at 2693' Jesse Blanchard on location
 Try shooting pipe at 2661, not successful, do manual back off, first one not successful, second one bck off at 2627' TOH
 leave 184 feet of tools in hole.
- 8/8/2007 TIH drift pipe for blockage Circulate hole to clean it up
 Jesse Blanchard and David Ryan on location, they are confident that rig 52 can pull this fish. It is determined to move in rig 52 and pull fish.
- 8/9/2007 Wash and ream hole Rig Service Function Pipe Rams Wash and ream hole
 Wait on packer and Storm Valve, Set Halliburton Storm valve instead of RBP
- 8/13/2007 inspected patterson UTI rig 52 in Vernal, draw works are being worked on rig is being repaired.
 Inspect several other drilling rigs from other companies,
 Reviewed mud system with Baroid
- 8/20/07 Patterson UTI refuses to mob rig 52 until Savoy pays invoice for rig 782
 It is expected that if Patterson and Savoy can not agree on terms of the past events on Savoy #2, Savoy will contract with another drilling company and mob a different rig in the week of 8/27/07

MOVE IN PATTERSON RIG 778

- 10/1/2007 R/U gas buster, flarelines and choke Test BOP
- 10/2/2007 Condition mud & circulate
 Fishing open sub surface valve, casing annular on DP to release packer
 Fill hole and circulate hole/hole took 113 bbls to fill @ 338 ft
- 10/3/2007 Reaming & Washing
- 10/4/2007 Reaming & Washing 336-975
- 10/5/2007 Reaming & Washing 1952-2563
- 10/6/2007 Ream and Wash down to top of fish 2625', RIH with jars, fishing tools

Fishing Tag fish screw into fish Jar on fish

10/7/2007 Ream and Wash down to top of fish 2625'
Fishing Tag fish screw into fish Jar on fish

10/8/2007 Reaming
TIH w/wash pipe, wash over fish

10/9/2007 PU tools RIH to top of fish
RIH to top of fish, fishing and jarring
POOH for wash pipe

10/10/2007 Fishing RIH with washpipe new shoe
Wash over fish, New shoe is milling and washing metal cuttings
POOH inspect shoe determined that fish is larger than reported W/O cement
P/U 12 jts RIH to 2663'

10/11/2007 Condition mud & Circulate

10/12/2007 TIH Tag fish
Pump Cement plug on top of fish TOH 15 stands, WO CEMENT

10/13/2007 W/O Cement
RIH Tag Cement
RIH
Time Drill to side track

10/14/2007 Time Drill to 2549-2617

10/15/2007 Time drill 2617-2617, run survey 1.25 deg, lose mud motor
Drill actual from 2617-2626, HIT TOP OF FISH, before kicking off

10/16/2007 Circulate on top of fish

10/17/2007 Rig up Cementers to plug well
Set First Plug: 2618-2418'
Set second plug 1014-914
Pump Top Plug to Surface, Good returns, Rig down
Rig released

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

CONFIDENTIAL

FORM APPROVED
OMB No. 1004-0135
Expires January 31, 2004

SUNDRY NOTICES AND REPORTS ON WELLS

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

5. LEASE DESIGNATION AND SERIAL NUMBER:

UTU 76255

6. IF INDIAN, ALLOTTEE OR TRIBE NAME:

7. UNIT or CA AGREEMENT NAME:

Clark Valley Unit UTU 85363X

SUBMIT IN TRIPLICATE - Other instructions on reverse side

1. TYPE OF WELL:

OIL

GAS

OTHER

CO2

8. WELL NAME and NUMBER:

Savoy #2

2. NAME OF OPERATOR:

Savoy Energy LLC

9. API NUMBER

43-007-31262

3a. ADDRESS OF OPERATOR

97 North Main

CITY **Manti**

STATE

Utah

ZIP

84642

3b.

435.835.4248 Office

PHONE

435.340.0557 Mobil

10. FIELD AND POOL, OR WILDCAT

Farnham dome

4. LOCATION OF WELL

FOOTAGE AT SURFACE:

711' FSL & 737' FEL, SE/4 SE/4

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

SEC 17 - T15S- R12E SLB&M

11. County or Parish, State

CARBON, UTAH

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

TYPE OF SUBMISSION

Notice of Intent

Subsequent Report

Final Abandonment Notice

ACIDIZE

ALTER CASING

CASING REPAIR

CHANGE PLANS

Convert to Injection

DEEPEN

FRACTURE TREAT

NEW CONSTRUCTION

PLUG AND ABANDON

PLUG BACK

PRODUCTION (START/RESUME)

RECLAMATION

RECOMPLETE

Temporarily Abandon

WATER DISPOSAL

WATER SHUT-OFF

Well Integrity

OTHER **DRILLING**

REPORT USING

PATTERSON 782

13. Describe Proposed or Completed Operation (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof.

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

Attached is the Drilling Report for the Savoy #2 from the Spud date to the time Patterson Rig 782 was released

Savoy will retrieve fish using a different rig. After fish is retrieved Savoy will condition hole and attempt to drill to 3800' If hole integrity is insufficient to drill deeper 5 1/2" casing will be set at 2908' and well will be completed in the upper Navajo.

RECEIVED

AUG 30 2007

DIV OF OIL, GAS & MINERAL

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

NAME (Printed/Typed)

Steven J. Lund

Title **Engineer**

SIGNATURE

DATE

7/26/07

(THIS SPACE FOR FEDERAL OR STATE OFFICE USE)

Approved by

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

Title

Date

Office

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

(Instructions on reverse)

DRILLING REPORT FOR SAVOY #2 USING PATTERSON UTI RIG 782

Date	Time	Description
7/19/2007	6:00-12:00	RIG UP WITH TRUCKS
	12:00-18:00	RIG UP / REPAIR HYDRAULICS & ELECTRICAL
	18:00 - 6:00	RIG UP REPAIR HYDRAULICS
7/20/2007	6:00 - 18:00	RIG UP WITH TRUCKS
	18:00 - 6:00	R/U HOOKJAW, REPLUMB YELLOW DOG, PLUMB POP OFFS AND BLEED OFFS
	18:00 - 6:00	REPLACE VALVE IN HOPPER, VIBRATING HOSE FOR STAND PIPE P.T. S.M. R/U GROUND WORK POST SM MAINTENANCE ON RIG
		HYDRAULICS REPAIRS ON UNIT ARE COMPLETE AT THIS TIME, HYD, REPAIRMAN WILL RUN TOP DRIVE AND HAWK JAW EARLY THIS AM AND TEST FLOWS, MUD TANKS ARE FULL, RIG CLOSE TO SPUDDING
7/21/2007	6:00 - 18:00	R/U & T/D
	18:00 - 6:00	R/U / PRIME MUD PUMPS SERVICE & FUNCTION TEST CAT WALK, CUT KELLY PIPE OFF TO TEST TOP DRIVE
	0:00 - 01:30	P/U 6 1/4 DRILL COLLAR/ 6-8" CROSSOVER & 12 1/4" BIT (SPUDDED @ 1:30 AM 3.5 FEET
	1:30 - 6:00	S/D REPAIR RIG NEAR MISS ON PINCH POINTS
7/22/2007	6:00 - 13:00	WORK ON HYD. SKID
	13:00 - 14:00	(REPAIR RIG (NEW SUCTION HOSE'S ON PUMPS)
	14:00 - 18:00	(DRILL ACTUAL COLLARS AND KELLY DOWN TO SWAP OUT TOP DRIVES
	18:00 - 19:00	(L.D. BIT AND SUBS & D.C.
	19:00 - 6:00	WORK ON TOP DRIVE (REPLACE OLD ONE WITH NEW ONE)
7/23/2007	6:00 - 8:00	REASSEMBLE TOP DRIVE
	8:00 - 9:00	DRILL ACTUAL
	9:00 - 11:00	REPLACE O-RING ON TOP DRIVE
	11:00 - 18:00	(DRILL ACTUAL F/32 TO 68
	18:00 - 6:00	DRILL ACTUAL F/68 TO 129
7/24/2007	6:00 - 8:30	DRILLING F/129 T/164
	830-930	DEVIATION SURVEY @ 132' OFF BY .75 DEG.
	930 - 1500	DRILLING F/164 T/360

1500-1800 CIRCULATING W/O CASING ETC. TO SET SURFACE
 1800-600 CIRCULATING W/O CASING ETC. TO SET SURFACE
 7/25/2007
 600 - 1100 CIRCULATE WAIT ON CASING CREW
 1100-1300 TOH
 1300-1530 RUN 8 5/8 J55 24 #/FT TO 341 FEET
 1530-1600 CONDITION HOLE AND CIRCULATE WITH RIG PUMP TO ESTABLISH GOOD RETURNS
 1600-1730 CEMENT 20 BBLs OF FRESH/ 20 BBLs SUPER FLUSH, 51 BBLs LEAD/8 BBLs TAIL/ 18.5 BBLs DSPL
 GOOD RETURNS
 1730-1800 WOC
 1800-600 WOC PREP TO NIPPLE UP BOP
 7/26/2007
 600-1630 WOC, Rig up H2S equipment
 1630-1800 Cut Casing off, Nipple up BOP
 1800-2200 Weld on Casing head
 2200-000 Nipple up BOP, unsuccessful double gate too big for sub,
 000-600 repair rig w/o different BOP, pieces of BOP need to be hot shot from Bakersfield CA
 7/27/2007
 600-1800 Repair Rig, w/o BOP parts Nipple up BOP,
 1800-600 w/o BOP parts
 Safety Inspection done by Patterson Uti
 7/28/2007
 Ana Jarvis injures knee
 600-600 Nipple up BOP
 7/29/2007
 600-730 Safety Meeting w/ Brad Huber
 730-1500 Test B.O.P.
 1500-1800 Nipple UP B.O.P.
 1800-200 Nipple Up B.O.P.
 200-600 Pick Up B.H.A./Tag Cement @ (203')
 7/30/2007
 600-1800 Repair Rig
 1800-600 Repair Rig
 7/31/2007
 600-1800 Repair Rigwaiting on XO sub
 1800-1930 Safety training with Patt. Safety Hand Brad
 1930-2100 Pick up DC and Kelly make up
 2100-2200 Prime Pumps

2200-0100 Reaming DRLG out cement F/203 T/280
 0100-300 Trying to make conn, tongs wouldn't bite
 300-400 Reaming DRLG out cement F/280 T/360
 400-600 DRLG F/360 T/436
 8/1/2007
 600-1400 Wait on other crew. Hold JSA w/ crew & pick up 1 DC & 1 JT DP
 1400-1800 Drill F/436 T/626
 1800-0600 DRLG F/626 T/1706
 8/2/2007
 600-1230 Drill F1706-1840 feet
 Tracy Morris and Donny Hoppy of Baroid on location to design a drilling fluid.
 Mix 2% KCl (70 sacks/500 bbl) It was explained that this is the ratio not all the KCl that needs to be mixed
 The hands need to mix all the tanks and the reserve pit and hole to 2% KCl. EZ Mud will be added at each connection
 1230-1300 Rig Lubrication
 1300-1330 Fisher pump in hopper house is down. This limits the ability to mix all the KCl
 1330-1800 Drilling F/1840-1961
 1800-1830 Survey @ 1961' 1.5%
 1830-600 John Schultz reported that the frac tank has been mixed and that the reserve pit and mud tanks will be.
 Drilling from 1961 to 2342'
 8/3/2007
 600-1500 Drill F2342-2562 feet
 1500-1530 Lubricate Rig
 1530-1700 Drill F2562-2610 feet
 1700-1800 Condition mud & circulate/clean orifices on hawk jaw
 1800-2200 Drilling from 2610 to 2700'
 2200-2230 Survey @ 2700' 1.75 deg
 2230-0400 **Drilling F/2700-2908' PENETRATED NAVAJO AT 2715' DRILLED 193 FEET INTO NAVAJO**
 0400-0600 work stuck pipe @2908' transfer KCl from tank to 2% KCl
 8/4/2007
 600-1730 Condition mud & circulate/work stuck pipe
 Baroid is on location, KCl not at 2% at 0.7%, a series of test have been conducted on the mud. The ph=6 after filtering
 1800-2300 Work tight hole with top drive top drive is again down, and not able to rotate
 2300-000 After consulting with Patterson (Vernal) Kelly joint will be cut
 000-0600 Pipe still stuck and no progress is being made, mud not conditioned, rig not able to drill, mud pumps going down
 8/5/2007
 600-1100 Condition mud & circulate/work stuck pipe
 1100-1900 Repair rig, pumps, hydraulics, top drive will not rotate

1900-600 Work stuck pipe, bringing mud vis up to 40 to pump 50 barrel sweep

Pipe still stuck and no progress is being made, mud conditioned, rig not able to drill, mud pumps still being worked on

8/6/2007

600-830 work stuck pipe spotted a 50 bbl pill at bit

830 -1200 Mud pits have about 2 feet of cuttings in them, it is impossible to run a 50 bbl pill, dumped pits at jetted out fill mud pits back up and mix KCl decided to try N2 to foam hole, thinking we may be differentially stuck (David Ryan)

1200-1400 Weatherford on location to pump N2, Rotating head has so rubber in it, mud is blown from hole all over rig and loc.

1400-000 Well kicks and CO2 comes in on us, is sent to flare, good strong blow. Mud pumps not working, Hands cannot mix mud fast enough to kill well in timely manner after jetting mud pits. Well continues to blow all over location.

000-600 Circulate mud kill well wait on wireline

8/7/2007

600-1330 Circulate mud, wait on wireline and fishing hand

1330-2300 Run free point test, appears we are stuck at 2693' Jesse Blanchard on location

2300-600 Try shooting pipe at 2661, not successful, do manual back off, first one not successful, second one bck off at 2627' TOH

leave 184 feet of tools in hole.

8/8/2007

600-1000 TIH drift pipe for blockage

1000-1030 Circulate hole to clean it up

1030-1530 H2S sensors go off rig is evacuated, sensor at mud pit got wet/ failed in on position American Safety hand and Steve Lund clear location and send all clear to Patterson Hands and BLM rep.

Jesse Blanchard and David Ryan on location, they are confident that rig 52 can pull this fish. It is determined to move in rig 52 and pull fish.

1530-1700 TOOH 16 jts hitting bridges this rig is so slow due to inexperience of hands

1700-1800 wait on bit and bit sub

1800-000 wait on bit and bit sub TIH with 3 DC 12 DP

8/9/2007

0600-1400 Wash and ream hole

1400-1430 Rig Service Function Pipe Rams

1430-1500 Wash and ream hole

1500-1600 mix and circulate high vis pill

1600-600 Wait on packer and Storm Valve, Set Halliburton Storm valve instead of RBP

Release Rig at 11:00 PM August 9 2007

Savoy Energy will review Patterson UTI contract and determine whether to continue to use Patterson and bring in Rig 52 or use another drilling company

week of 8/13/2007

inspected patterson UTI rig 52 in Vernal, draw works are being worked on rig is being repaired.
Inspect several other drilling rigs from other companies,
Reviewed mud system with Baroid

Week of 8/20/07

Patterson UTI refuses to mob rig 52 until Savoy pays invoice for rig 782
It is expected that if Patterson and Savoy can not agree on terms of the past events on Savoy #2, Savoy will contract with another drilling company and mob a different rig in the week of 8/27/07

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

CONFIDENTIAL

FORM APPROVED
OMB No. 1004-0135
Expires January 31, 2004

SUNDRY NOTICES AND REPORTS ON WELLS

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

5. LEASE DESIGNATION AND SERIAL NUMBER:

UTU 76255

6. IF INDIAN, ALLOTTEE OR TRIBE NAME:

7. UNIT or CA AGREEMENT NAME:

Clark Valley Unit UTU 85363X

1. TYPE OF WELL:

OIL GAS OTHER CO2

8. WELL NAME and NUMBER:

Savoy #2

2. NAME OF OPERATOR:

Savoy Energy LLC

9. API NUMBER

43-007-31262

3a. ADDRESS OF OPERATOR

97 North Main CITY Manti STATE Utah ZIP 84642

3b. **435.835.4248 Office**
435.340.0557 Mobil

10. FIELD AND POOL, OR WILDCAT

Farnham dome

4. LOCATION OF WELL

FOOTAGE AT SURFACE:

711' FSL & 737' FEL, SE/4 SE/4

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

SEC 17 - T15S- R12E SLB&M

11. County or Parish, State

CARBON, UTAH

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

TYPE OF SUBMISSION

Notice of Intent

Subsequent Report

Final Abandonment Notice

ACIDIZE

ALTER CASING

CASING REPAIR

CHANGE PLANS

Convert to Injection

DEEPEN

FRACTURE TREAT

NEW CONSTRUCTION

PLUG AND ABANDON

PLUG BACK

PRODUCTION (START/RESUME)

RECLAMATION

RECOMPLETE

Temporarily Abandon

WATER DISPOSAL

WATER SHUT-OFF

Well Integrity

OTHER **Drilling**

Report #2

13. Describe Proposed or Completed Operation (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof.

If the proposal is to deepen directionally or recomplete horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones.

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* **Patterson rigged up 778 on OCTOBER 1, 2007 TO BEGIN CIRCULATING DOWN TO THE FISH**

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

NAME (Printed/Typed)

Stevan J. Lund

Title

Engineer

SIGNATURE

Stevan J. Lund

DATE

10/14/07

(THIS SPACE FOR FEDERAL OR STATE OFFICE USE)

Approved by

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

Title

Date

Office

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RECEIVED

(Instructions on reverse)

OCT 1 0 2007

ENTITY ACTION FORM

Operator: Savo Energy LLC
Address: 97 North Main Street
city Mantz
state Utah zip 84642

Operator Account Number: N-2690

Phone Number: 435.835.4248

Well 1

API Number	Well Name	QQ	Sec	Twp	Rng	County
43 007-31263	Savo #1	SWSW	8	15S	12E	Carbon
Action Code	Current Entity Number	New Entity Number	Spud Date		Entity Assignment Effective Date	
A	99999	16428	1:30 8/15/07		10/30/07	
Comments: <u>WINGT Clark Valley Unit</u> <u>This well was completed 10/4/07, a completion rpt is back pending</u>						

CONFIDENTIAL

Well 2

API Number	Well Name	QQ	Sec	Twp	Rng	County
43 007-31262	Savo #7	SESE	17	15S	12E	Carbon
Action Code	Current Entity Number	New Entity Number	Spud Date		Entity Assignment Effective Date	
A	99999	16480			11/20/07	
Comments: <u>MMKP Clark Valley Unit</u> <u>This well was P&A due to P&H lost in hole, it will be redrilled.</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:						

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)

STEVEN J. LUND
Name (Please Print)
[Signature]
Signature
Managing Member 10/30/07
Title Date

(6/2000)

RECEIVED
OCT 30 2007

CONFIDENTIAL

Form 3160-5
(September 2001)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
OMB No. 1004-0135
Expires January 31, 2004

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6. IF INDIAN, ALLOTTEE OR TRIBE NAME:

7. UNIT or CA AGREEMENT NAME:
Clark Valley Unit UTU 85363X

SUBMIT IN TRIPLICATE - Other instructions on reverse side

1. TYPE OF WELL:
OIL GAS OTHER CO2

8. WELL NAME and NUMBER:
Savoy #2

2. NAME OF OPERATOR:
Savoy Energy LLC

9. API NUMBER
43-007-31262

3a. ADDRESS OF OPERATOR
97 North Main CITY **Manti** STATE **Utah** ZIP **84642**

3b. PHONE
435.835.4248 Office
435.340.0557 Mobil

10. FIELD AND POOL, OR WILDCAT
Farnham dome

4. LOCATION OF WELL
FOOTAGE AT SURFACE: **711' FSL & 737' FEL, SE/4 SE/4**
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: **SEC 17 - T15S- R12E SLB&M**

11. County or Parish, State
CARBON, UTAH

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

TYPE OF SUBMISSION				
<input type="checkbox"/> Notice of Intent	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> PRODUCTION (START/RESUMED)	<input type="checkbox"/> WATER SHUT-OFF
<input checked="" type="checkbox"/> Subsequent Report	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> RECLAMATION	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> CASING REPAIR	<input type="checkbox"/> NEW CONSTRUCTION	<input type="checkbox"/> RECOMPLETE	<input checked="" type="checkbox"/> OTHER FINAL
	<input type="checkbox"/> CHANGE PLANE	<input type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> Temporarily Abandon	
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> PLUG BACK	<input type="checkbox"/> WATER DISPOSAL	

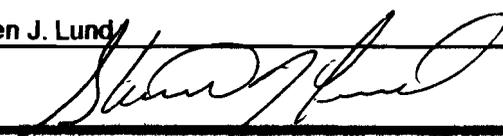
13. Describe Proposed or Completed Operation (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recomplate horizontally, give subsurface locations and measured and true vertical depths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

SEE ATTACHED FOR THE FINAL DRILING REPORT. FORM 3160-4 WELL COMPLETION REPORT IS FORTH COMING

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

NAME (Printed/Typed)
Steven J. Lund

Title **Managing Member/Engineer**

SIGNATURE 

DATE **11/1/2007**

(THIS SPACE FOR FEDERAL OR STATE OFFICE USE)

Approved by
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Title _____ Date _____
Office _____

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(Instructions on reverse)

GENERAL INSTRUCTIONS

This form is designed for submitting proposals to perform certain well operations, and reports of such operations when completed, as indicated on Federal and Indian lands pursuant to applicable Federal law and regulations. Any necessary special instructions concerning the use of this

form and the number of copies to be submitted, particularly with regard to local area, or regional procedures and practices, either are shown below or will be issued by, or may be obtained from the local Federal office.

SPECIFIC INSTRUCTIONS

Item 4 Locations on Federal or Indian land should be described in accordance with Federal requirements. Consult the local Federal office for specific instructions.

Item 13 Proposals to abandon a well and subsequent reports of abandonment should include such special information as is required by the local Federal office. In addition, such proposals and reports should include reasons for the abandonment; data on any former or present

productive zones, or other zones with present significant fluid contents not sealed off by cement or otherwise; depths (top and bottom) and method of placement of cement plugs; mud or other material placed below, between and above plugs; amount, size, method of parting of any casing, liner or tubing pulled and the depth to top of any left in the hole; method of closing top of well and date well site conditioned for final inspection looking to approval of the abandonment.

NOTICE

The Privacy Act of 1974 and the regulation in 43 CFR 2.48 (d) provided that you be furnished the following information in connection with information required by this application.

AUTHORITY: 30 U.S.C. 181 et seq., 351 et seq., 25 U.S.C. 396; 43 CFR 3160.

PRINCIPAL PURPOSE: The information is used to: (1) Evaluate, when appropriate, approved applications, and report completions of subsequent well operations, on a Federal or Indian lease; and (2) document for administrative use, information for the management, disposal and use of National Resource lands and resources, such as: (a) evaluating the equipment and procedures to be used during a proposed subsequent well operation and reviewing the completed well operations for compliance with the approved plan; (b) requesting and granting approval to perform those actions covered by 43 CFR 3162.3-2, 3162.3-3 and 3162.3-4; (c) reporting the beginning or resumption of production, as required by 43 CFR 3162.4-1 (c); and (d) analyzing future applications to drill or modify operations in light of data obtained and methods used.

ROUTINE USES: Information from the record and/or the record will be transferred to appropriate Federal, State, local or foreign agencies, when relevant to civil, criminal or regulatory investigations or prosecutions in connection with congressional inquiries or to consumer reporting agencies to facilitate collection of debts owed the Government.

EFFECT OF NOT PROVIDING THE INFORMATION: Filing of this notice and report and disclosure of the information is mandatory for those subsequent well operations specified in 43 CFR 3162.3-2, 3162.3-3, 3162.3-4.

The Paperwork Reduction Act of 1996 (44 U.S.C. 3501 et seq.) requires us to inform you that:

This information is being collected to evaluate proposed and/or completed subsequent well operations on Federal or Indian oil and gas leases.

Response to this request is mandatory.

BLM would like you to know that you do not have to respond to this or any other Federal agency-sponsored information collection unless it displays a currently valid OMB control number.

BURDEN HOURS STATEMENT

Public reporting burden for this form is estimated to average 25 minutes per response, including the time for reviewing instructions, gathering and maintaining data, and completing and reviewing the form. Direct comments regarding the burden estimate or any other aspect of this form to U.S. Department of the Interior, Bureau of Land Management (1004-0135), Bureau Clearance Officer, (WO-630), Mail Stop 401 LS, 1849 C St., N.W., Washington D.C. 20240

DAILY DRILLING REPORT FOR SAVOY #2 USING PATTERSON UTI RIG 782/778

Date	Description
PATTERSON RIG 782	
7/19/2007	RIG UP WITH TRUCKS
7/20/2007	RIG UP WITH TRUCKS, REPAIR RIG
7/21/2007	(SPUDED @ 1:30 AM THEN RIG BROKE DOWN
7/22/2007	WORK ON HYD. SKID
7/23/2007	REASSEMBLE TOP DRIVE, BEGIN DRILLING, DRILL TO 129 FEET
7/24/2007	DRILLING F/129 T/184, TAKE SURVEY, 0.75 DEGREES
7/25/2007	CIRCULATE WAIT ON CASING CREW CEMENT 20 BBLS OF FRESH/ 20 BBLS SUPER FLUSH, 51 BBLS LEAD/8 BBLS TAIL/ 18.5 BBLS DSPL GOOD RETURNS, WOC, NIPPLE UP BOP
7/26/2007	WOC, Rig up H2S equipment, CUT OFF 8 5/8" j-55 24 #/FT CASING WELD ON CASING HEAD AND TEST, TEST WAS SUCCESSFUL
7/27/2007	Repair Rig, w/o BOP parts Nipple up BOP,
7/28/2007	Nipple up BOP
7/29/2007	Safety Metting w/ Brad Huber Test B.O.P.
7/30/2007	Repair Rig
7/31/2007	Repair Rigwaiting on XO sub, drlg out cement from 203-360' DRLG F/360 T/436
8/1/2007	Wait on other crew. Hold JSA w/ crew & pick up 1 DC & 1 JT DP drill from 436-1706'
8/2/2007	Drill F1706-1840 feet, prep to mix 2% KCL in water, hands need to mix entire system Fisher pump in hopper house is down. This limits the ability to mix all the KCl Drilling F/1840-1961, Run survey @ 1.5 deg. Drilling from 1961 to 2342'
8/3/2007	Drill F2342-2700 feet run survey 1.75 degrees Drilling F/2700-2908' PENETRATED NAVAJO AT 2715' DRILLED 193 FEET INTO NAVAJO
STUCK PIPE	
work stuck pipe @2908' transfer KCl from tank to 2% KCl	

DAILY DRILLING REPORT FOR SAVOY #2 USING PATTERSON UTI RIG 782/778

Date	Description
8/4/2007	Condition mud & circulate/work stuck pipe Baroid is on location, KCI not at 2% at 0.7%, a series of test have been conducted on the mud. The PH = 6 after filtering. Work tight hole with top drive top drive is again down, and not able to rotate
8/5/2007	Condition mud & circulate/work stuck pipe Repair rig, pumps, hydraulics, top drive will not rotate Work stuck pipe, bringing mud vis up to 40 to pump 50 barrel sweep Pipe still stuck and no progress is being made, mud conditioned, rig not able to drill, mud pumps still being worked on
8/6/2007	work stuck pipe spotted a 50 bbl pill at bit Weatherford on location to pump N2, Rotating head has so rubber in it, mud is blown from hole all over rig and loc. Well kicks and CO2 comes in on us, is sent to flare, good strong blow. Mud pumps not working, Hands cannot mix mud fast enough to kill well in timely manner after jetting mud pits. BLM is contacted and inspects Circulate mud kill well wait on wireline
8/7/2007	Circulate mud, wait on wireline and fishing hand Run free point test, appears we are stuck at 2693' Jesse Blanchard on location Try shooting pipe at 2661, not successful, do manual back off, first one not successful, second one bck off at 2627' TOH leave 184 feet of tools in hole.
8/8/2007	TIH drift pipe for blockage Circulate hole to clean it up Jesse Blanchard and David Ryan on location, they are confident that rig 52 can pull this fish. It is determined to move in rig 52 and pull fish.
8/9/2007	Wash and ream hole Rig Service Function Pipe Rams Wash and ream hole Wait on packer and Storm Valve, Set Halliburton Storm valve instead of RBP
8/13/2007	inspected patterson UTI rig 52 in Vernal, draw works are being worked on rig is being repaired. Inspect several other drilling rigs from other companies, Reviewed mud system with Baroid
8/20/07	Patterson UTI refuses to mob rig 52 until Savoy pays invoice for rig 782 It is expected that if Patterson and Savoy can not agree on terms of the past events on Savoy #2, Savoy will contract with another drilling company and mob a different rig in the week of 8/27/07
MOVE IN PATTERSON RIG 778	
10/1/2007	RU gas buster, flarelines and choke Test BOP
10/2/2007	Condition mud & circulate Fishing open sub surface valve, casing annular on DP to release packer Fill hole and circulate hole/hole took 113 bbls to fill @ 338 ft
10/3/2007	Reaming & Washing
10/4/2007	Reaming & Washing 336-975
10/5/2007	Reaming & Washing 1952-2563

DAILY DRILLING REPORT FOR SAVOY #2 USING PATTERSON UTI RIG 782/778

Date	Description
10/6/2007	Ream and Wash down to top of fish 2625', RIH with jars, fishing tools Fishing Tag fish screw into fish Jar on fish
10/7/2007	Ream and Wash down to top of fish 2625' Fishing Tag fish screw into fish Jar on fish
10/8/2007	Reaming TIH w/wash pipe, wash over fish
10/9/2007	PU tools RIH to top of fish RIH to top of fish, fishing and jarring POOH for wash pipe
10/10/2007	Fishing RIH with washpipe new shoe Wash over fish, New shoe is milling and washing metal cuttings POOH inspect shoe determined that fish is larger that reported W/O cement PU 12 jts RIH to 2663'
10/11/2007	Condition mud & Circulate
10/12/2007	TIH Tag fish Pump Cement plug on top of fish TOH 15 stands, WO CEMENT
10/13/2007	W/O Cement RIH Tag Cement RIH Time Drill to side track
10/14/2007	Time Drill to 2549-2617
10/15/2007	Time drill 2617-2617, run survey 1.25 deg, lose mud motor Drill actual from 2617-2626, HIT TOP OF FISH, before kicking off
10/16/2007	Circulate on top of fish
10/17/2007	Rig up Cementers to plug well Set First Plug: 2618-2418' Set second plug 1014-914 Pump Top Plug to Surface, Good returns, Rig down Rig released

HOURLY DRILLING REPORT FOR SAVOY #2 USING PATTERSON UTI RIG 782/778

Date	Time	Description
7/19/2007	6:00-12:00	RIG UP WITH TRUCKS
	12:00-18:00	RIG UP / REPAIR HYDRAULICS & ELECTRICAL
	18:00 - 6:00	RIG UP REPAIR HYDRAULICS
7/20/2007	6:00 - 18:00	RIG UP WITH TRUCKS
	18:00 - 6:00	R/U HOOKJAW, REPLUMB YELLOW DOG, PLUMB POP OFFS AND BLEED OFFS
7/20/2007	18:00 - 6:00	REPLACE VALVE IN HOPPER, VIBRATING HOSE FOR STAND PIPE
		P.T. S.M. R/U GROUND WORK POST SM MAINTENANCE ON RIG
		HYDRAULICS REPAIRS ON UNIT ARE COMPLETE AT THIS TIME, HYD. REPAIRMAN WILL RUN TOP DRIVE AND HAWK JAW EARLY THIS AM AND TEST FLOWS, MUD TANKS ARE FULL, RIG CLOSE TO SPUDDING
7/21/2007	6:00 - 18:00	R/U & T/D
	18:00 - 6:00	R/U / PRIME MUD PUMPS SERVICE & FUNCTION TEST CAT WALK, CUT KELLY PIPE OFF TO TEST TOP DRIVE
	0:00 - 01:30	P/U 6 1/4 DRILL COLLAR/ 6-8" CROSSOVER & 12 1/4" BIT (SPUDED @ 1:30 AM 3.5 FEET
	1:30 - 6:00	S/D REPAIR RIG NEAR MISS ON PINCH POINTS
7/22/2007	6:00 - 13:00	WORK ON HYD. SKID
	13:00 - 14:00	REPAIR RIG (NEW SUCTION HOSE'S ON PUMPS)
	14:00 - 18:00	DRILL ACTUAL COLLARS AND KELLY DOWN TO SWAP OUT TOP DRIVES
	18:00 - 19:00	L.D. BIT AND SUBS & D.C.
	19:00 - 6:00	WORK ON TOP DRIVE (REPLACE OLD ONE WITH NEW ONE)
7/23/2007	6:00 - 8:00	REASSEMBLE TOP DRIVE
	8:00 - 9:00	DRILL ACTUAL
	9:00 - 11:00	REPLACE O-RING ON TOP DRIVE
	11:00 - 18:00	DRILL ACTUAL F/32 TO 68
	18:00 - 6:00	DRILL ACTUAL F/68 TO 129
7/24/2007	6:00 - 8:30	DRILLING F/129 T/164
	830-930	DEVIATION SURVEY @ 132' OFF BY .75 DEG.
	930 - 1500	DRILLING F/164 T/360
	1500-1800	CIRCULATING W/O CASING ETC. TO SET SURFACE
	1800-600	CIRCULATING W/O CASING ETC. TO SET SURFACE
7/25/2007	600 - 1100	CIRCULATE WAIT ON CASING CREW
	1100-1300	TOH
	1300-1530	RUN 8 5/8 J55 24 #FT TO 341 FEET
	1530-1600	CONDITION HOLE AND CIRCULATE WITH RIG PUMP TO ESTABLISH GOOD RETURNS
	1600-1730	CEMENT 20 BBLS OF FRESH/ 20 BBLS SUPER FLUSH, 51 BBLS LEAD/8 BBLS TAIL/ 18.5 BBLS DSPL GOOD RETURNS
	1730-1800	WOC
	1800-600	WOC PREP TO NIPPLE UP BOP
7/26/2007	600-1630	WOC, Rig up H2S equipment
	1630-1800	Cut Casing off, Nipple up BOP
	1800-2200	Weld on Casing head
	2200-000	Nipple up BOP, unsuccessful double gate too big for sub,
	000-600	repair rig w/o different BOP, pieces of BOP need to be hot shot from Bakersfield CA
7/27/2007	600-1800	Repair Rig, w/o BOP parts Nipple up BOP,
	1800-600	w/o BOP parts Safety Inspection done by Patterson Uti Ana Jarvis injures knee
7/28/2007	600-600	Nipple up BOP fail to install rotating head rubber
7/29/2007	600-730	Safety Meeting w/ Brad Huber
	730-1500	Test B.O.P.
	1500-1800	Nipple UP B.O.P.
	1800-200	Nipple Up B.O.P.
	200-600	Pick Up B.H.A./Tag Cement @ (203')
7/30/2007	600-1800	Repair Rig
	1800-600	Repair Rig
7/31/2007	600-1800	Repair Rig waiting on XO sub
	1800-1930	Safety training with Patt. Safety Hand Brad
	1930-2100	Pick up DC and Kelly make up
	2100-2200	Prime Pumps
	2200-0100	Reaming DRLG out cement F/203 T/280
	0100-300	Trying to make conn, tongs wouldn't bite
	300-400	Reaming DRLG out cement F/280 T/360
	400-600	DRLG F/360 T/436

HOURLY DRILLING REPORT FOR SAVOY #2 USING PATTERSON UTI RIG 782/778

Date	Time	Description
8/1/2007	600-1400	Wait on other crew. Hold JSA w/ crew & pick up 1 DC & 1 JT DP
	1400-1800	Drill F/436 T/626
	1800-0600	DRLG F/626 T/1706
8/2/2007	600-1230	Drill F/1706-1840 feet Tracy Morris and Donny Hoppy of Baroid on location to design a drilling fluid. Mix 2% KCl (70 sacks/500 bbl) it was explained that this is the ratio not all the KCl that needs to be mixed The hands need to mix all the tanks and the reserve pit and hole to 2% KCl. EZ Mud will be added at each connection
	1230-1300	Rig Lubrication
	1300-1330	Fisher pump in hopper house is down. This limits the ability to mix all the KCl
	1330-1800	Drilling F/1840-1961
	1800-1830	Survey @ 1961' 1.5%
	1830-600	John Schultz reported that the frac tank has been mixed and that the reserve pit and mud tanks will be. Drilling from 1961 to 2342'
	8/3/2007	600-1500
1500-1530	Lubricate Rig	
1530-1700	Drill F/2562-2610 feet	
1700-1800	Condition mud & circulate/clean orifices on hawk jaw	
1800-2200	Drilling from 2610 to 2700'	
2200-2230	Survey @ 2700' 1.75 deg	
2230-0400	Drilling F/2700-2908' PENETRATED NAVAJO AT 2715' DRILLED 193 FEET INTO NAVAJO	
STUCK PIPE		
0400-0600	work stuck pipe @2908' transfer KCl from tank to 2% KCl	
8/4/2007	600-1730	Condition mud & circulate/wirk stuck pipe Baroid is on location, KCl not at 2% at 0.7%, a series of test have been conducted on the mud. The ph=6 after filtering
	1800-2300	Work tight hole with top drive top drive is again down, and not able to rotate
	2300-000	After consulting with Patterson (Vernal) Kelly joint will be cut
	000-0600	Pipe still stuck and no progress is being made, mud not conditioned, rig not able to drill, mud pumps going down
	8/5/2007	600-1100
1100-1900	Repair rig, pumps, hydraulics, top drive will not rotate	
1900-600	Work stuck pipe, bringing mud vis up to 40 to pump 50 barrel sweep	
Pipe still stuck and no progress is being made, mud conditioned, rig not able to drill, mud pumps still being worked on		
8/6/2007	600-830	work stuck pipe spotted a 50 bbl pill at bit
	830 -1200	Mud pits have about 2 feet of cuttings in them, it is impossible to run a 50 bbl pill, dumped pits at jetted out fill mud pits back up and mix KCl decided to try N2 to foam hole, thinking we may be differentially stuck (David Ryan)
	1200-1400	Weatherford on location to pump N2, Rotating head has so rubber in it, mud is blown from hole all over rig and loc.
	1400-000	Well kicks and CO2 comes in on us, is sent to flare, good strong blow. Mud pumps not working, Hands cannot mix mud fast enough to kill well in timely manner after jetting mud pits. Well continues to blow all over location.
	000-600	Circulate mud kill well wait on wireline
8/7/2007	600-1330	Circulate mud, wait on wireline and fishing hand
	1330-2300	Run free point test, appears we are stuck at 2693' Jesse Blanchard on location
	2300-600	Try shooting pipe at 2661, not successful, do manual back off, first one not successful, second one bck off at 2627' TOH leave 184 feet of tools in hole.
8/8/2007	600-1000	TIH drift pipe for blockage
	1000-1030	Circulate hole to clean it up
	1030-1530	H2S sensors go off rig is evacuated, sensor at mud pit got wet/ failed in on position American Safety hand and Steve Lund clear location and send all clear to Patterson Hands and BLM rep. Jesse Blanchard and David Ryan on location, they are confident that rig 52 can pull this fish. It is determined to move in rig 52 and pull fish.
	1530-1700	TOOH 16 jts hitting bridges this rig is so slow due to inexperience of hands
	1700-1800	wait on bit and bit sub
1800-000	wait on bit and bit sub TIH with 3 DC 12 DP	
8/9/2007	0600-1400	Wash and ream hole
	1400-1430	Rig Service Function Pipe Rams
	1430-1500	Wash and ream hole
	1500-1600	mix and circulate high vis pill
	1600-600	Wait on packer and Storm Valve, Set Halliburton Storm valve instead of RBP
	Release Rig at 11:00 PM August 9 2007 Savoy Energy will review Patterson UTI contract and determine whether to continue to use Patterson and bring in Rig 52 or use another drilling company	
week of 8/13/2007	inspected patterson UTI rig 52 in Vernal, draw works are being worked on rig is being repaired. Inspect several other drilling rigs from other companies, Reviewed mud system with Baroid	
Week of 8/20/07	Patterson UTI refuses to mob rig 52 until Savoy pays invoice for rig 782 It is expected that if Patterson and Savoy can not agree on terms of the past events on Savoy #2, Savoy will contract with another drilling company and mob a different rig in the week of 8/27/07	

HOURLY DRILLING REPORT FOR SAVOY #2 USING PATTERSON UTI RIG 782/778

Date	Time	Description
MOVE IN PATTERSON RIG 778		
10/1/2007	0600-1100	R/U gas buster, flarelines and choke
	1100-1800	Test BOP
	1800-1900	Test BOP
	1900-0300	Fill pits with reserve pit fluid/ wait on water
	0300-0600	Condition mud & circulate across the top of the hole
10/2/2007	0600-1400	Condition mud & circulate
	1400-1800	Fishing open sub surface valve, casing annular on DP to release packer
		Pulled through annular with 500 psi on rubber approx. 2' lay down halliburton tools
	1800-2000	Lay down 9 4 3/4 drill collars
	2000-0230	Prepare BHA and drill pipe (SLM)/ pick up BHA
	0230-0330	Install rotating head rubber and drive bushing
	0330-0600	Fill hole and circulate hole/hole took 113 bbls to fill @ 338 ft
10/3/2007	0600-1800	Reaming & Washing 336-596
	1800-130	Reaming & Washing 596-944
	130-200	Repair pump
	200-600	Reaming & Washing 944-975
10/4/2007	0600-1800	Reaming & Washing 336-596
	1800-130	Reaming & Washing 596-944
	130-200	Repair pump
	200-600	Reaming & Washing 944-975
10/5/2007	600-1230	Reaming & Washing
	1230-1300	Rig Service
	1300-1800	Reaming & Washing
		Pedro Lasa
	1800-2130	Reaming & Washing 1952-2394
	2130-2230	Repair Radiator hose on drawwork unit
	2230-000	Reaming & Washing 2394-2524
	000-600	Work tight hole up and down
		Chub Hackford
	600-630	Work tight hole up and down 2524-2563
		630 Condition mud & LCM
10/6/2007	0600-0700	Ream and Wash down to top of fish 2625'
	0700-1330	Condition mud and circulate
	1330-1530	Pump pill POOH
	1530-1600	Rig Service
	1600-1700	Fishing p/u tools
	1700-1800	Fishing RIH w/tools
	1800-2000	Fishing RIH w/tools
	2000-2200	Repair Rig (replace hydraulic hose and valve)
	2200-2300	Fishing RIH w/tools
	2300-200	Condition mud and circulate 4 joints to fish
	200-430	Fishing Tag fish screw into fish Jar on fish
	430-500	Inspect derrick
	500-600	Fishing Jar on fish
10/7/2007	0600-0700	Ream and Wash down to top of fish 2625'
	0700-1330	Condition mud and circulate
	1330-1530	Pump pill POOH
	1530-1600	Rig Service
	1600-1700	Fishing p/u tools
	1700-1800	Fishing RIH w/tools
	1800-2000	Fishing RIH w/tools
	2000-2200	Repair Rig (replace hydraulic hose and valve)
	2200-2300	Fishing RIH w/tools
	2300-200	Condition mud and circulate 4 joints to fish
	200-430	Fishing Tag fish screw into fish Jar on fish
	430-500	Inspect derrick
	500-600	Fishing Jar on fish
10/8/2007	0600-0630	Reaming
	0630-0800	RIH
	0800-1000	Reaming to bottom (top of fish 2629')
	1000-1200	Condition mud and Circulate
	1200-1230	Rig service
	1230-1330	Condition mud and Circulate
	1330-1500	POOH
	1500-1800	TIH w/wash pipe
	1800-1930	RIH to fish
	1930-30	POOH inspect tools
	30-400	POOH to inspect tools
	400-430	WOO
	430-600	L/D Washpipe

HOURLY DRILLING REPORT FOR SAVOY #2 USING PATTERSON UTI RIG 782/778

Date	Time	Description
10/9/2007	600-700	PU tools
	700-1030	RIH to top of fish
	1030-1100	Condition mud and Circulate
	1100-1730	Fishing & Jarring
	1730-1800	Lub rig
	1800-2000	Fishing & Jarring
	2000-2230	POOH for wash pipe
	2230-30	Fishing L/D Tools P/U Washpipe Stand in Derrick
	30-130	RIH w/9 stands, L/D 6 joints
	130-500	Wait on tools
	500-600	Fishing P/U Tools
	10/10/2007	600-1000
1000-1030		Fishing Circulate Washpipe to top of fish
1030-1800		Fishing & Washing over fish
1800-2000		Wash over fish, New shoe is milling and washing metal cuttings
2000-2200		POOH inspect shoe determined that fish is larger than reported W/O cement
2200-2300		L/D tools W/O cement will begin side tracking fish
2300-2330		Lub rig
2330-300		P/U 12 jts RIH to 2663'
300-330		Condition mud & Circulate
330-400		L/D 5 jts to 2491'
400-600		Condition mud & Circulate
10/11/2007		0600-1630
	1630-1700	Lub rig
	1700-1800	Condition mud & Circulate
10/12/2007	1800-600	Condition mud & Circulate, W/O cement
	0600-1100	Condition mud & Circulate
10/13/2007	1100-1130	TIH Tag fish
	1130-1800	Condition mud & Circulate
	1800-2200	Condition mud & Circulate
	2200-2400	Pump Cement plug on top of fish TOH 15 stands
	2400-0600	W/O Cement
	0600-1730	W/O Cement
	1730-1800	Lub rig
10/14/2007	1800-1830	RIH Tag Cement
	1830-1930	Condition Mud & circulate
	1930-2100	POOH
	2100-100	RIH
	100-600	Time Drill to side track
	600-1400	Time Drill to 2549-2561
	1400-1430	Lub rig
	1430-1800	Time drill to 2561-2573
	1800-1900	Time drill 2573-2576
	1900-2000	Dev Survey 1 1/4 Deg
	2000-200	Time drill 2576-2608
	200-300	Dev Survey 1 1/4 Deg
10/15/2007	300-600	Time drill 2608-2617
	600-800	PU wt 80K
	800-1100	SO wt 74K
	1100-1130	OBP 780 psi @ 120 SPM
	1130-1430	SPR 200 psi @ 43 SPM
	1430-1700	Pump #1
	1700-1800	Time drill 2617-2626
	1800-2100	Dev Survey 1 1/4 Deg pump pill trip bit survey @ 2581 L/D Motor
	2100-2130	Lub rig
	2130-2200	W/O motor
	2200-2330	TIH w/ new motor
	10/16/2007	2330-100
100-230		Time drill
230-800		Dev Survey
800-1800		Condition mud pump pill
1800-2130		POOH
2130-2200		W/O orders from directional driller and company man
2200-600		TIH DC lay them down
10/17/2007	600-630	RIH (BOP drill)
	630-730	Circulate and wait on orders
	730-830	Circulate on top of fish
	830-1030	Rig Service
	1030-1130	Circulate on top of fish
	1130-1300	Rig up Cementers to plug well
	1300-1400	Plug back first plug 2618-2418'
	1400-1430	TOH 6 stands & circulate
10/18/2007	1430-1800	Tripp LDDP 20 jts
	1800-0800	Rig up laydown machine
	0800-1030	Tripp LDDP 6 jts
	1030-1130	Plug second plug 1014-914
	1130-1300	Trip 6 stands kelly up clear pipe of cement
	1300-1400	LDDP
1400-1430	Pump Top Plug to Surface, Good returns, Rig down	

600 Rig released

UNITED STATES

**DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT**

Form Approved
OMB NO.1004-0137
Expires July 31, 2010

WELL COMPLETION OR RECOMPLETION REPORT AND LOG

5. LEASE DESIGNATION AND SERIAL NO.
UTU - 76255

1.a. TYPE OF WELL: Oil Well Gas Well Dry Other
b. TYPE OF COMPLETION: New Well Work Over Deepen Plug Back Diff. Reserv
 Other: CO2 well

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

2. NAME OF OPERATOR:
Savoy Energy LLC

7. UNIT AGREEMENT NAME
Clark Valley Unit UTU 85363X

3. ADDRESS
97 North Main, Marsi, Utah 84642

3a. Phone No. (include area code)
435.835.4248; 435.340.0057

8. FARM OR LEASE NAME
Savoy #2

4. LOCATION OF WELL (Report location clearly and in accordance with any Federal requirements)*

 At surface 711' FSL & 737' FEL, SE/4 SE/4

 At top prod. interval reported below Same
 At total depth Same

9. API WELL NO.
43-007-31262

10. FIELD AND POOL, OR WILDCAT
Farnham Dome

11. SEC., T., R., M., OR BLOCK AND SURVEY
MERIDIAN 17-T15S-R12E, SLB&M

12. County or Parish 13. STATE
Carbon Utah

14. DATE SPUDDED
7/21/2007 1:30:00 AM

15. DATE T.D. REACHED
8/3/2007

16. DATE COMPLETED 10/17/07
 X P&A

17. ELEVATIONS (DF, RKB, RT, GR, ETC.)*
GR=5596'

18. TOTAL DEPTH MD 2908'
TVD 2908'

19. PLUG, BACK T.D. MD
TVD

20. DEPTH BRIDGE PLUG SET MD
TVD

21. TYPE ELECTRONIC & OTHER MECHANICAL LOGS RUN (SUBMIT COPY OF EACH)
No electronic logs were run

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

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

Hole Size	Size/Grade	Wt. (#/ft)	Top (MD)	Bottom (MD)	Stage Cementer Depth	No. of Str. & Type of Cement	Slurry Vol. (BBL)	Cement Top*	Amount Pulled
12 1/4" 8 5/8"	J-55	24#/ft	Surface	341'		Class G, CaCl, Cellulose	51	Surface	0

24. Tubing Record

Size	Depth Set (MD)	Packer Depth (MD)	Size	Depth Set (MD)	Packer Depth (MD)	SIZE	Depth Set (MD)	PACKER SET (MD)
NONE								

25. Producing Intervals

Formation	Top	Bottom	Perforated Interval	Size	No. Holes	Perf. Status
(A) Navajo	2715'	2908'	NONE			
(B)						
(C)						
(D)						

26. Perforation Record

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

Depth Interval	Amount and Type of Material
NONE	

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28. Production - Interval A

Date First Produced	Test Date	Hours Tested	Test Production	Oil BBL	Gas MCF	Water BBL	Oil Gravity Corr. API	Gas CO2 Gravity
			→					
Choke Size	Tbg. Press. Flwg. SI	Cog. Press.	24 Hr. Rate	Oil BBL>	Gas MCF	Water BBL	Gas/Oil Ratio	Well Status P&A
	SI		→					

28a. Production - Interval B

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

28a. Production - Interval C

Date First Produced	Test Date N/A	Hours Test N/A	Test Production →	Oil BBL N/A	Gas MCF N/A	Water BBL N/A	Oil Gravity Corr. API N/A	Gas Gravity 1.498	Production Method Free flowing
Choke Size	Tbg. Press. Flwg. SI N/A	Csg. Press. N/A	24 Hr. Rate →	Oil BBL> N/A	Gas MCF N/A	Water BBL N/A	Gas/Oil Ratio N/A	Well Status Producing	

28c. Production - Interval D

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

29. Disposition of Gas (Solid, Used for fuel, vented, etc.) _____

30. Summary of Porous Zones (Include Aquifers):

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

31. Formation (Log) Makers

Formation	Top	Bottom	Description, Contents, etc.	Name	Top Meas. Depth
Ferron Sandstone	Surface	982	No shows		
Morrison	982	1855	No shows		
Curtis	1855	2001	No shows		
Carmel	2001	2715'	No shows		
Navajo	2715'	2908'	Carbon Dioxide		

32. Additional remarks (include plugging procedure): This well was drilled to 2908 feet. The drill bit, mud motor and drill collars were stuck in the hole. Top of the fish is at 2629 feet. The fish was jarred on and washed over with no success of retrieving the fish. It was determined to side track the fish. A directional driller drilled on top of a 150 foot cement plug. The drill bit never got completely out of the wellbore before the fish was hit. It was then determined to P&A the well, and evaluate the potential of re-drilling the well from surface.

Based on drilling breaks and the completion report for the Farnham #2, the Navajo formation was encountered at 2715 feet and penetrated to a depth of 2908 feet, for a total penetration of 193 feet.

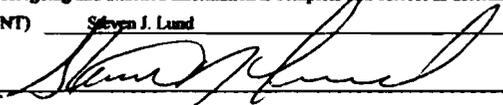
This well was P&A'd as follows:

- * Rig up Cementers to plug well
- * Plug back first plug 2618-2418'
- * TOH 6 stands & circulate
- * Tripp LDDP 20 jts
- * Rig up laydown machine
- * Tripp LDDP 6 jts
- * Plug second plug 1014-914
- * Trip 6 stands fully up clear pipe of cement
- * LDDP
- * Pump Top Plug to Surface, Good returns, Rig down
- * Patterson Rig 778 released
- * Topped off 7 days later with concrete

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

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

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

NAME (PLEASE PRINT) Seyven J. Lund TITLE Managing Member/Engineer
 SIGNATURE  DATE 11/5/2007

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

INSTRUCTIONS

GENERAL: This form is designed for submitting a complete and correct well completion/recompletion report and log on all types of wells on Federal and Indian leases to a Federal agency, pursuant to applicable Federal laws and regulations. Any necessary special instructions concerning the use of this form and the number of copies to be submitted, particularly with regard to local, area, or regional procedures and practices, either are shown below or will be issued by, or may be obtained from, the local Federal office.

In not filed prior to the time this summary record is submitted, copies of all currently available logs (drillers, geologists, samples and core analysis, and all types electric), formation and pressure tests, and directional surveys, should be attached hereto, to the extent required by applicable Federal laws and regulations. All attachments should be listed on this form, see item 33.

ITEM 4: Locations on Federal or Indian land should be described in accordance with Federal requirements. Consult local Federal office for specific instructions.

ITEM 17: Indicate which reported elevation is used as reference (where not otherwise shown) for depth measurements given in other spaces on this form and in any attachments.

ITEM 23: Show how reported top(s) of cement were determined, i.e., circulated (CIR), or calculated (CAL), or cement bond log (CBL), or temperature survey (TS)

NOTICES

The Privacy Act of 1974 and the regulation in 43 CFR 2.48 (d) provide that you be furnished the following information in connection with information required by this application.

AUTHORITY: 30 U.S.C. 181 et seq., 43 CFR 3180.

PRINCIPAL PURPOSE: The information is to be used to evaluate the actual operations performed in the drilling, completing and testing of a well on a Federal or Indian lease.

ROUTINE USES: (1) Evaluate the equipment and procedures used during the drilling and completing/recompleting of a well. (2) The review of geologic zones and formation encountered during drilling. (3) Analyze future applications to drill in light of data obtained and methods used. (4)(5) Information from the record and/or the record will be transferred to appropriate Federal, State, local or foreign agencies, when relevant to civil, criminal or regulatory investigations or prosecutions.

EFFECT OF NOT PROVIDING INFORMATION: Filing of this report and disclosure of the information is mandatory once a well drilled on a Federal or Indian lease is completed/recompleted.

The Paperwork Reduction Act of 1995 requires us to inform you that:

The BLM collects this information to allow evaluation of the technical, safety, and environmental factors involved with drilling and completing/recompleting wells on Federal and Indian oil and gas leases.

This information will be used to analyze operations and to compare equipment and procedures actually used with those proposed and approved.

Response to this request is mandatory only if the operator elects to initiate drilling and completing/recompleting operations on an oil and gas lease.

The BLM would like you to know that you do not have to respond to this or any other Federal agency-sponsored information collection unless it displays a current valid OMB control number.

BURDEN HOURS STATEMENT: Public reporting burden for this form is estimated to average 8 hours per response, including the time for reviewing instructions, gathering and maintaining data and completing and reviewing the form. Direct comments regarding the burden estimate or any other aspect of this form to U.S. Department of the Interior, Bureau of Land Management (1004-0137), Bureau Information Collection Clearance Officer (WO-830), 1649 C Street, N.W., Mail Stop 401 LS, Washington, D.C. 20240