

# WHITMAR EXPLORATION COMPANY

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

December 18, 2007

Diana Mason  
Utah Division of Oil, Gas & Mining  
1594 West North Temple, Suite 1210  
Salt Lake City, Utah 84114

Re: Location Exception

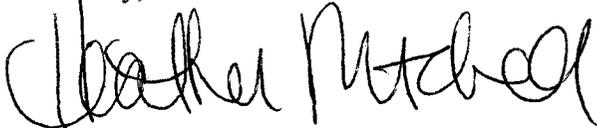
Dear Ms. Mason:

In reference to the State Oil and Gas Conservation Rule R649-3-3, the 22-3 well located in the NW/4 of the SW/4 of Section 22, Township 13S, Range 11E, is an exception to this rule due to topography concerns, there is a creek that requires us to move outside the spacing rule.

There are no additional Surface owners in section 22, besides Mr. Thayn and an agreement has already been negotiated and attached to the Drilling Permit.

Please let me know if you have any questions or concerns.

Sincerely,

A handwritten signature in black ink that reads "Heather Mitchell". The signature is written in a cursive, flowing style.

Heather Mitchell  
WhitMar Exploration Company

# WHITMAR EXPLORATION COMPANY

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

December 18, 2007

Diana Mason  
Utah Division of Oil, Gas & Mining  
1594 West North Temple, Suite 1210  
Salt Lake City, Utah 84114

Re: Permit to drill 22-3 and BLM Permit to Drill 34-4

Dear Ms. Mason:

Please find the enclosed original and 2 copies of the Permit to Drill the 22-3 and the copy of the application for permit to drill the Federal 34-4 for your review and approval. Please let me know if you need anything further to approve these permits.

Sincerely,



Heather Mitchell  
WhitMar Exploration Company

RECEIVED

DEC 19 2007

DIV. OF OIL, GAS & MINING

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

FORM 3

AMENDED REPORT   
(highlight changes)

<b>APPLICATION FOR PERMIT TO DRILL</b>		5. MINERAL LEASE NO: <b>FEE</b>	6. SURFACE: Fee
1A. TYPE OF WORK: DRILL <input checked="" type="checkbox"/> REENTER <input type="checkbox"/> DEEPEN <input type="checkbox"/>		7. IF INDIAN, ALLOTTEE OR TRIBE NAME: N/A	
B. TYPE OF WELL: OIL <input type="checkbox"/> GAS <input checked="" type="checkbox"/> OTHER _____ SINGLE ZONE <input checked="" type="checkbox"/> MULTIPLE ZONE <input type="checkbox"/>		8. UNIT or CA AGREEMENT NAME: N/A	
2. NAME OF OPERATOR: WhitMar Exploration Company		9. WELL NAME and NUMBER: 22-3	
3. ADDRESS OF OPERATOR: 555 17th St., Ste. 880 CITY Denver STATE CO ZIP 80202		PHONE NUMBER: (303) 991-9400	10. FIELD AND POOL, OR WILDCAT: Helper 8
4. LOCATION OF WELL (FOOTAGES) AT SURFACE: 1555 FSL 574 FWL 527434X 39.678789 AT PROPOSED PRODUCING ZONE: Same as above 4391946Y -110.680108		11. QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NWSW 22 13S 11E	
14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE: 10.20 miles from Wellington		12. COUNTY: Carbon	13. STATE: UTAH
15. DISTANCE TO NEAREST PROPERTY OR LEASE LINE (FEET) 746' East of UTU 80555	16. NUMBER OF ACRES IN LEASE: n/a	17. NUMBER OF ACRES ASSIGNED TO THIS WELL: 160	
18. DISTANCE TO NEAREST WELL (DRILLING, COMPLETED, OR APPLIED FOR) ON THIS LEASE (FEET) n/a	19. PROPOSED DEPTH: 4,200	20. BOND DESCRIPTION: LPM8792527	
21. ELEVATIONS (SHOW WHETHER DF, RT, GR, ETC.): 6243'	22. APPROXIMATE DATE WORK WILL START: 4/15/2008	23. ESTIMATED DURATION: 10 days	

24. **PROPOSED CASING AND CEMENTING PROGRAM**

SIZE OF HOLE	CASING SIZE, GRADE, AND WEIGHT PER FOOT	SETTING DEPTH	CEMENT TYPE, QUANTITY, YIELD, AND SLURRY WEIGHT
12 1/4	8 5/8 J55 24#/ft	350	200 sx Prem+ V+CaG
7 7/8	5 1/2 J55 15.5 #/ft	4,100	90 sx CMBLT
17	conductor PE Pipe	50	

25. **ATTACHMENTS**

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

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

NAME (PLEASE PRINT) Heather Mitchell TITLE Operations Coordinator  
 SIGNATURE *Heather Mitchell* DATE 12/18/2007

(This space for State use only)  
 API NUMBER ASSIGNED: 43-007-31334

**Approved by the  
Utah Division of  
Oil, Gas and Mining**

APPROVAL:  
 Date: 12-11-08  
 By: *[Signature]*

**RECEIVED**  
**DEC 19 2007**  
 DIV. OF OIL, GAS & MINING

# Section 22, T.13 S., R.11 E., S.L.B. & M.

**PROJECT**  
**Whitmar Exploration Company**

WELL LOCATION, LOCATED AS SHOWN IN THE N.W. 1/4 OF THE  
 S.W. 1/4 OF SECTION 22, T.13 S., R.11 E., S.L.B. & M.  
 CARBON COUNTY, UTAH

### LEGEND

-  = SECTION CORNERS LOCATED
-  = QUARTER SECTION CORNERS LOCATED
-  = PROPOSED WELL HEAD

NOTE: THE PURPOSE OF THIS SURVEY WAS TO PLAT  
 THE WHITMAR WELL #22-3 LOCATION.  
 LOCATED IN THE N.W. 1/4 OF THE S.W. 1/4  
 OF SECTION 22, T.13 S., R.11 E., S.L.B. & M.,  
 CARBON COUNTY, UTAH.

### BASIS OF ELEVATION

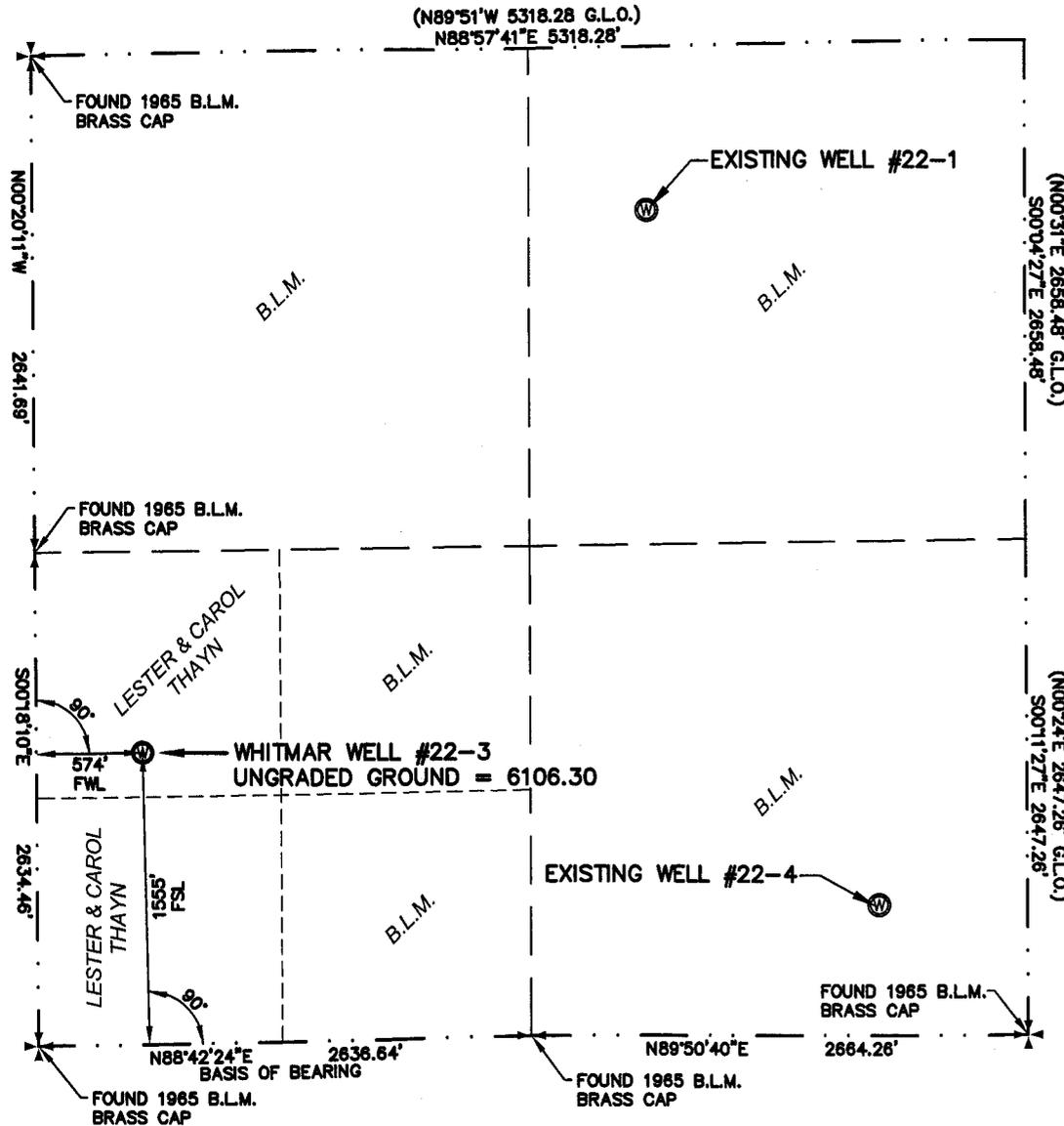
BASIS OF ELEVATION OF 6237' BEING AT THE SOUTHEAST CORNER  
 OF SECTION 22, T.13 S., R.11 E., S.L.B. & M. AS SHOWN ON  
 THE U.S.G.S. DEADMAN CANYON QUADRANGLE 7.5 MINUTE  
 SERIES MAP AS 6243'



### CERTIFICATE

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

*Trevor R. Gadd*  
 No. 343639  
 TREVOR R. GADD, L.S. #343639  
 STATE OF UTAH  
 9/20/07  
 DATE



### BASIS OF BEARINGS

BASIS OF BEARING USED WAS N88°42'24"E BETWEEN THE SOUTHWEST CORNER  
 AND THE SOUTH QUARTER CORNER OF SECTION 22, T.13 S., R.11 E., S.L.B. & M.  
 LATITUDE = 39°40'43.8576" (39.67884933) NAD 83  
 LONGITUDE = -110°40'51.2122" (-110.68089228) NAD 83



**Jones & DeMille Engineering**  
 1535 South 100 West - Richfield, Utah 84701  
 Phone (435) 896-8266  
 Fax (435) 896-8268  
 www.jonesanddemille.com

Well Location Plat for

Whitmar Exploration Company

DESIGNED -	SURVEYED J.L.	CHECKED T.R.G.	DRAWN C.D.S.	PROJECT NO. 0708-110	SHEET NO. 1
DATE 08/18/07		DWG. NAME WELLLOC223	SCALE 1"=1000'		

APD Checklist for 22-3  
WhitMar Exploration Company  
NW/4 SW/4, Section 22-T13S-11E  
574' FWL, 1555' FSL  
Carbon County, Utah

1. See attached Form 3
2. Lester C. and Carol Lynn Thayn Trust  
7310 East HWY 6, Wellington, Utah 84542  
435-637-451
3. See attached location plats.
4. Municipal Water Source, minimal water needed since well will be drilled with air.
5. Estimated Geologic Tops

Marker	Depth (MD)
Mancos Blue Gate Marker	2,200'
Ferron Sandstone	3,350'
Total Depth	4,200'
6. Ferron coals and sandstones                      2,500 to 3,500

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

7. 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.

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

- a) Blowout preventer pressure tests, including test pressures and results;
- b) Blowout preventers tests for proper functioning;
- c) Blowout prevention drills conducted;
- d) Casing run, including size, grade, weight and depth set;
- e) How the pipe was cemented, including amount of cement, type, whether cement circulated, location of the cementing tools, etc.;
- f) Waiting on cement time for each casing string;
- g) Casing pressure tests after cementing, including test pressures and result.

8. The Type and Characteristics of the Proposed Circulating Muds

0-50'	17'	Drill with air
0-420'	12-1/4" hole	Drill with air, will mud up if necessary.

420'- 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 + Quick Gel + Pac-R + Therma-Thin + Barolift at 8.5 – 8.8 #/gal maximum.

9. The Testing, Logging and Coring Programs are as follows

420'-TD      Neutron-Density, PEX-AITH

10. 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.

11. Casing Design

HOLE SIZE	SETTING DEPTH (INTERVAL)	SIZE (OD)	WEIGHT, GRADE & JOINT	CONDITION
17"	50'	12 ¼	Conductor	New
12-1/4"	420'	8-5/8	24# J-55 ST&C	New
7-7/8"	4100'	5-1/2	15.5# J-55 ST&C	New

12. Cementing Design

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

Surface Casing      250 sacks Howco Premium Plus V + CaCl + Flocele;

Weight: 15.6 #/gal

Yield: 1.20 cu. Ft/sk

Production Casing: 165 sacks Howco CBM Light

Weight: 10.5 #/gal

Yield: 4.14 cu. Ft/sk

125 sacks Prem Plus

Weight 14.2 #/gal

Yield: 1.16 cu.ft/sk

13. N/A

14. N/A

15. Bond # LPM8792527

16. See attached surface agreement

17. See attached location exception

ACKNOWLEDGEMENT

STATE OF Utah δ  
COUNTY OF Carbon δ

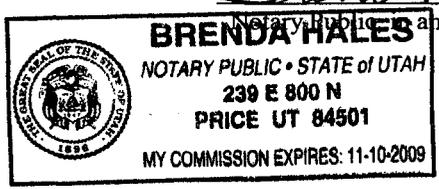
Before me, the undersigned, a Notary Public within and for said County and State, on this 13<sup>th</sup> day of December, 2007, personally appeared LESTER C. THAYN AND CAROL LYNN THAYN, to me personally known to be the identical person who executed the within and foregoing instrument and acknowledged to me that she executed the same as her free and voluntary act and deed for the uses and purposes therein set forth.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal the day and month last above written.

Brenda Hales  
Notary Public and for the State of Utah

My Commission Expires:

11-10-2009



STATE OF Colorado δ  
COUNTY OF Denver δ

Before me, the undersigned, a Notary Public within and for said County and State, on this 18<sup>th</sup> day of December, 2007, personally appeared WHITNEY H. MARVIN, President of WhitMar Exploration Company, an Oklahoma corporation, on behalf of said corporation.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal the day and month last above written.



[Signature]  
Notary Public in and for the State of Colorado

My Commission Expires:

6/22/10

**SURFACE DAMAGE RELEASE AND SURFACE RIGHT OF WAY GRANT**

IN CONSIDERATION of the sum of Fifteen (\$15.00) per rod for access roads, and \$1,000 per acre used, paid by **WHITMAR EXPLORATION COMPANY**, hereinafter referred to as "WhitMar", the receipt and sufficiency of which are hereby acknowledged, the undersigned, **LESTER C. THAYN and CAROL LYNN THAYNE TRUST**, hereinafter referred to as the "Surface Owner" being the present owner of all or part of the surface covering the **W/2 SW/4 of Section 22, Township 13 South, Range 11 East, Carbon County, Utah**, do hereby agree to release, acquit, and forever discharge WhitMar Exploration Company, its successors and assigns, of all liability for all damages created or caused by reasons of the clearing, use, and all operations including the drilling, completing and subsequent operations of a well or wells that may be drilled by WhitMar and/or an assignee of WhitMar on any of the above described lands.

This release is intended to cover all surface damages to crops, trees, grass and/or other vegetation and soil damage caused by the drilling, completion and operations of an oil and/or gas well or wells on said lands. Contemporaneously herewith, in consideration of the hereinabove said payment, Surface Owner does hereby grant to WhitMar, its successors and assigns, any surface rights of said Section 18 necessary for drilling, completion and operations of said well or wells, including but not limited to rights-of-way, right of ingress and egress, easement rights, right to build and use roadways, right to build drilling pad and mud pits, right to drill a water well and/or take water from lakes, ponds, rivers or creeks on the surface. Additionally, the right to place production equipment, including but not limited to: compressors, dehydrators, meters, electrical substations, and other production equipment as may be needed, and the right to lay a pipeline under the surface.

It is understood that WhitMar or its successors and assigns, will have use of the land and an access road to the well sites as long as said well or wells produce oil and/or gas. WhitMar will make every effort to keep said lands used clean and free of trash caused by WhitMar's operations, and WhitMar will make every effort to restore such lands to original condition as near as possible after operations cease. The undersigned represents that there is no tenant lessee or authorized persons in possession of the above described lands, other than is indicated below, and further agrees to defend, indemnify and hold WhitMar Exploration Company harmless against any claim or demand for payment of surface damages occasioned by damage to the above described lands, to any third party.

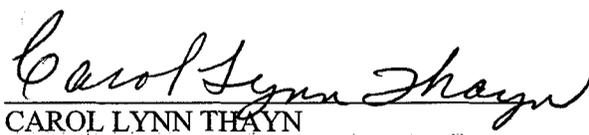
In WITNESS WHEREOF, this instrument has been executed by the undersigned this 13 day of ~~NOVEMBER~~, 2007.

*Dec*

WHITMAR EXPLORATION COMPANY

  
LESTER C. THAYN

  
WHITNEY H. MARVIN, PRESIDENT

  
CAROL LYNN THAYN

**PROPOSED LOCATION  
WHITMAR EXPLORATION  
#22-3**

**ACCESS ROAD**  
County Rds. from Hwy.: 10.05 mi.±  
Upgrade Existing Rd.: 0.15 mi ±

**EAST COAL CREEK RD**

**WELLINGTON**

**HWY 6 / HWY 191**



**SCALE**



**LEGEND**

- PROPOSED LOCATION
- EXISTING ROAD
- NEW ROADWAY
- EXISTING COUNTY ROAD NEEDING UPGRADE



**WHITMAR EXPLORATION COMPANY**



**Jones & DeMille Engineering**

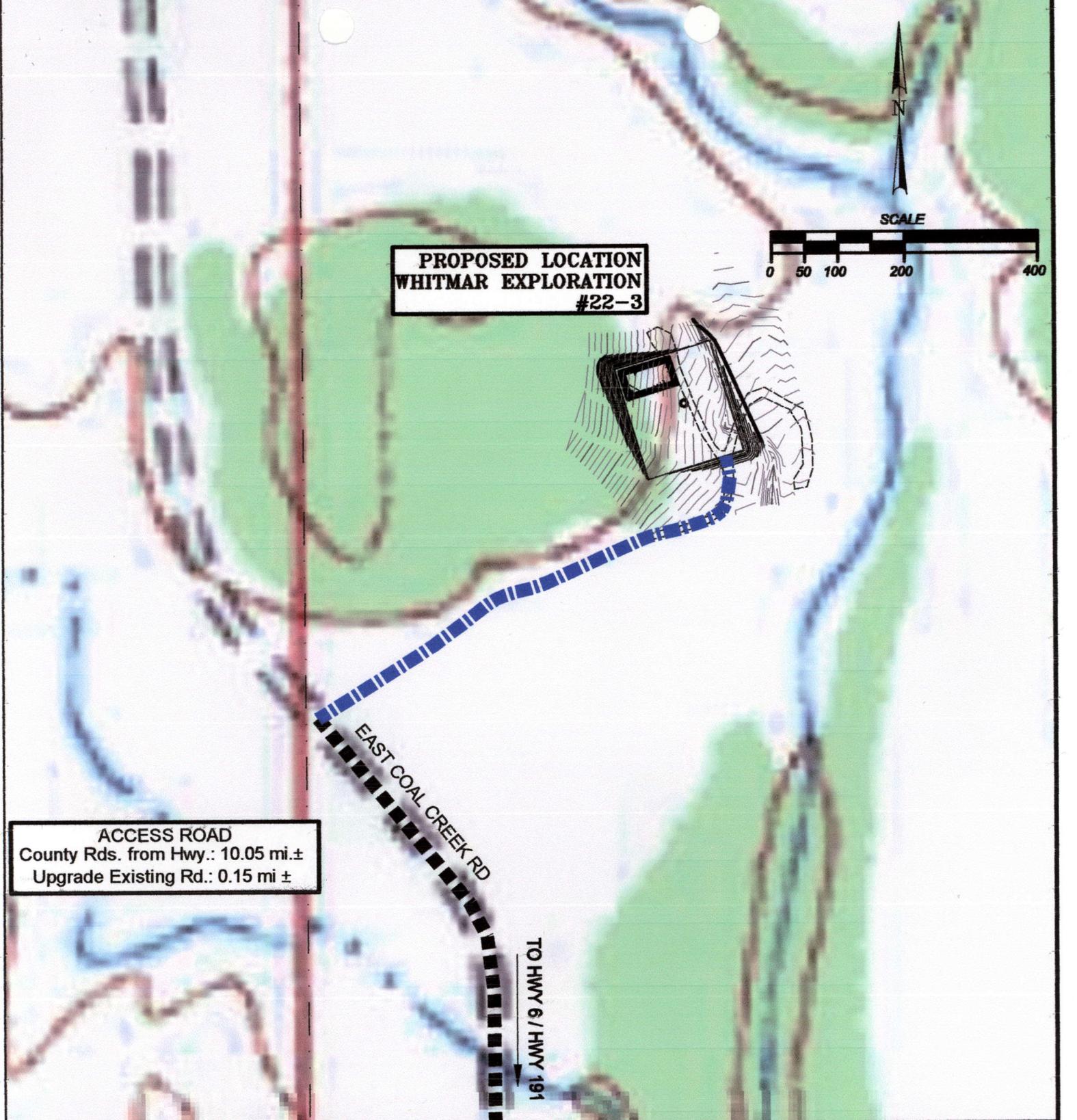
1535 South 100 West – Richfield, Utah 84701  
(435) 896-8266 Phone  
(435) 896-8268 Fax  
[www.jonesanddemille.com](http://www.jonesanddemille.com)

**WHITMAR EXPLORATION**

**#22-3 Well Location Map**

**Section 22, T.13 S., R.11 E., S.L.B. & M.  
1555' FSL 574' FWL**

SCALE: 1: 7000	ENC.: B.B.	PROJ.#: 0708-110
DATE: 09/18/07	DWC.BY: J.E.S.	DWG.NAME: Location Map



**PROPOSED LOCATION  
WHITMAR EXPLORATION  
#22-3**

**ACCESS ROAD**  
County Rds. from Hwy.: 10.05 mi. ±  
Upgrade Existing Rd.: 0.15 mi ±

**LEGEND**

- PROPOSED LOCATION
- EXISTING ROAD
- NEW ROADWAY
- EXISTING COUNTY ROAD NEEDING UPGRADE



**WHITMAR EXPLORATION COMPANY**

**WHITMAR EXPLORATION**

**#22-3 Well Vicinity Map**

**Section 22, T.13 S., R.11 E., S.L.B. & M.  
1555' FSL 574' FWL**

SCALE: 1:200	ENG.: B.B.	PROJ.#: 0708-110
DATE: 09/18/07	DWG.BY: J.E.S.	DWG.NAME: Location Map



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**PAD CONSTRUCTION DATA**

TOPSOIL STRIPPING = 660 C.Y. (6" DEPTH)

RAW VOLUMES (INCLUDES TOPSOIL):

CUT = 3378 C.Y.

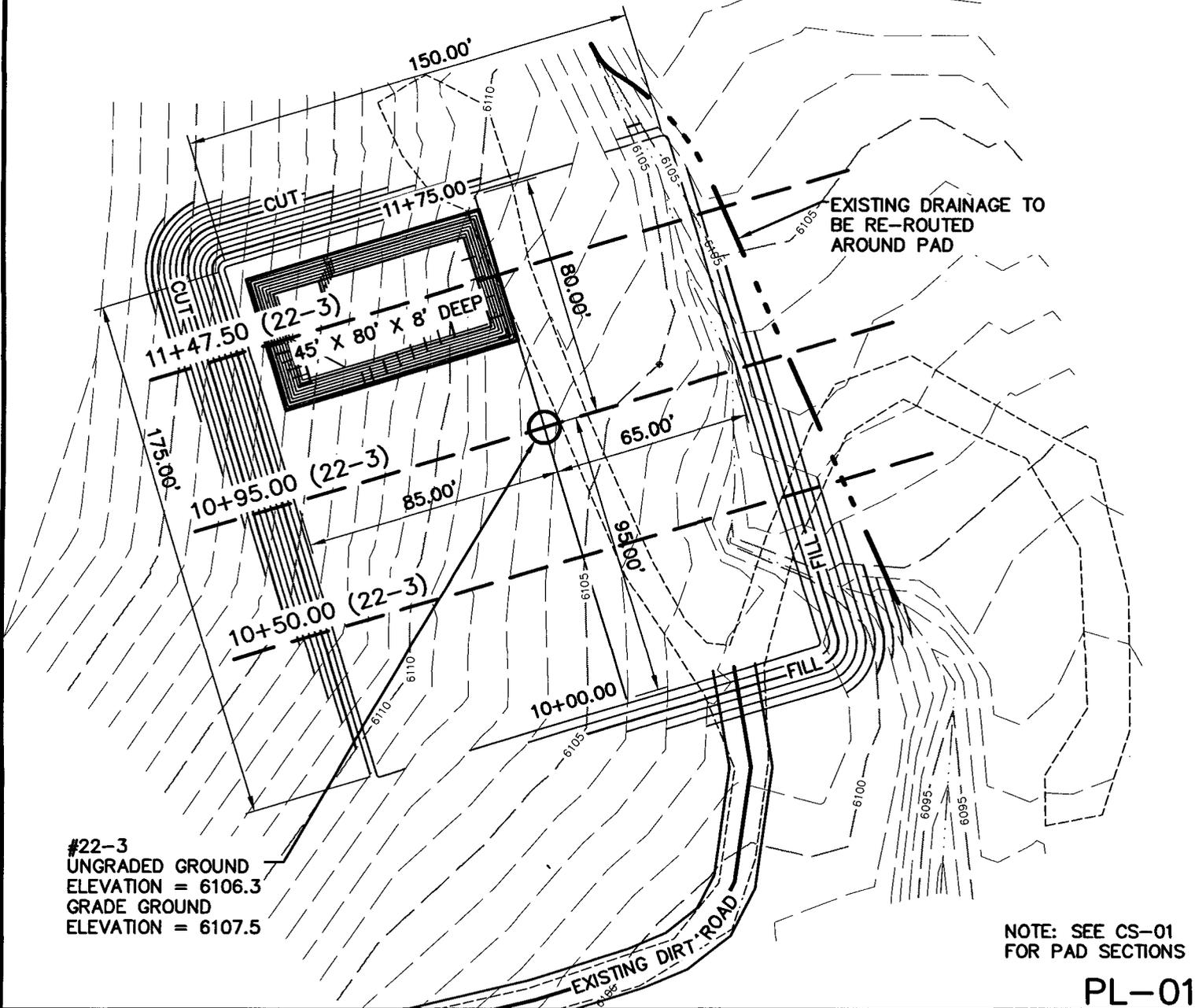
FILL = 1788 C.Y.

PAD DISTURBANCE AREA = 0.818 ACRES

CUT SLOPES = 2:1

FILL SLOPES = 3:1

PIT SLOPES = 1:1



#22-3  
UNGRADED GROUND  
ELEVATION = 6106.3  
GRADE GROUND  
ELEVATION = 6107.5

NOTE: SEE CS-01  
FOR PAD SECTIONS

PL-01



WHITMAR EXPLORATION COMPANY



Jones & DeMille Engineering

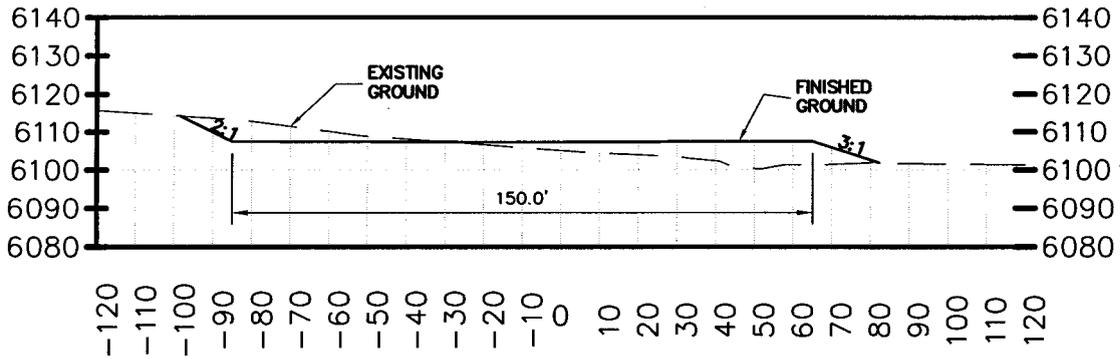
1535 South 100 West - Richfield, Utah 84701  
(435) 896-8266 Phone  
(435) 896-8268 Fax  
www.jonesanddemille.com

WHITMAR EXPLORATION  
PROPOSED WHITMAR WELL #22-3

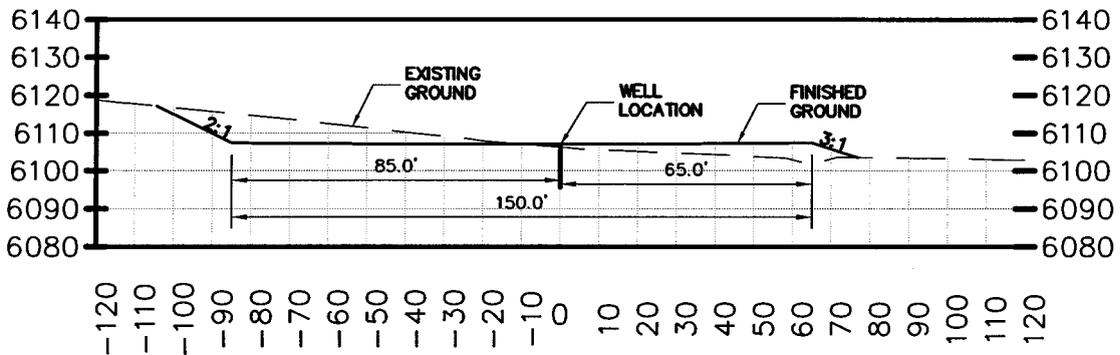
Section 22, T.13 S., R.11 E., S.L.B. & M.  
1655' FSL 574' FWL

SCALE: 1:50	ENG.: B.B.	PROJ.#: 0708-110
DATE: 09/06/07	DWG.BY: J.E.S.	DWG.NAME: 3D-SITE

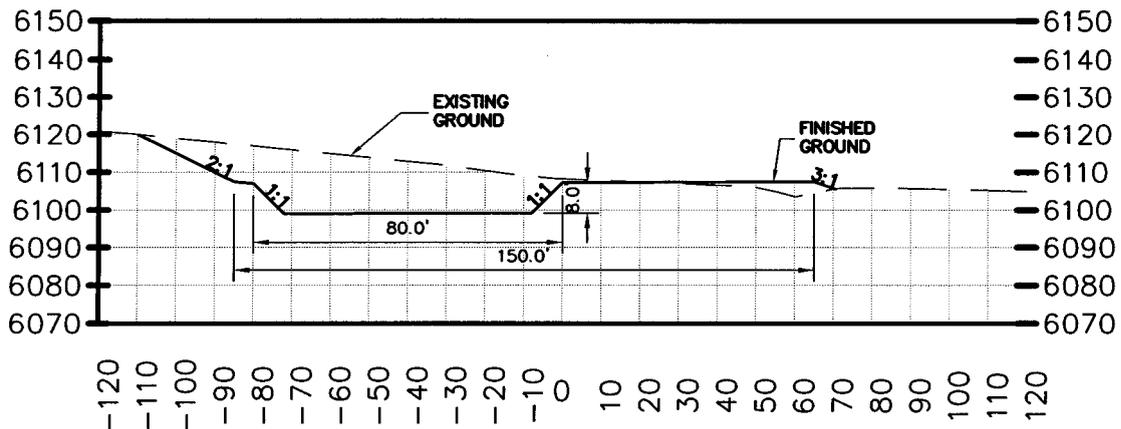
10+50.00



10+95.00



11+47.50



CS-01



WHITMAR EXPLORATION COMPANY



Jones & DeMille Engineering

1535 South 100 West - Richfield, Utah 84701  
 (435) 896-8266 Phone  
 (435) 896-8268 Fax  
 www.jonesanddemille.com

WHITMAR EXPLORATION

PROPOSED WHITMAR WELL #22-3

Section 22, T.13 S., R.11 E., S.L.B. & M.  
 1555' FSL 574' FWL

SCALE: 1:50

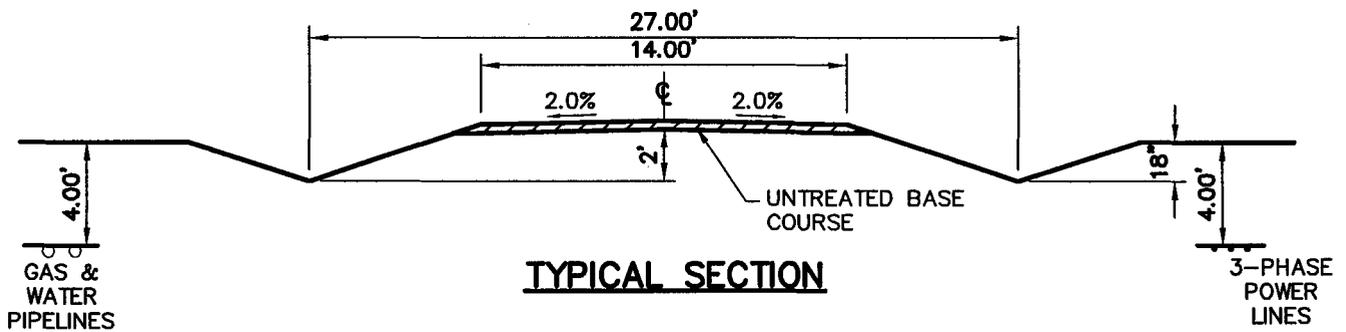
ENG.: B.B.

PROJ.#: 0708-110

DATE: 09/18/07

DWG.BY: J.E.S.

DWG.NAME: 3D-SITE



TS-01



WHITMAR EXPLORATION COMPANY



**Jones & DeMille Engineering**

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WHITMAR EXPLORATION

TYPICAL ROAD SECTION

DETAIL SHEET

SCALE: N/A

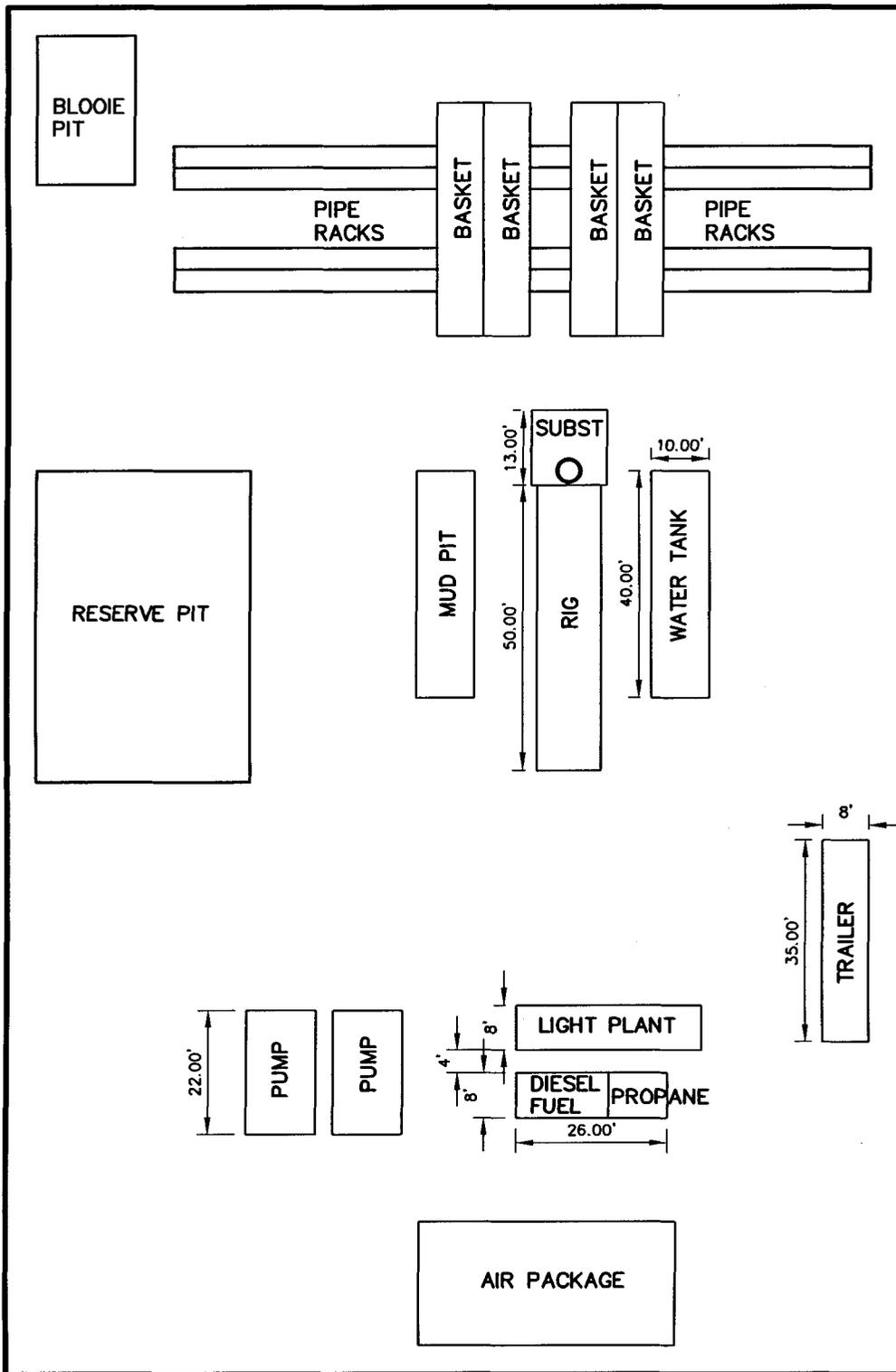
ENG.: B.B.

PROJ.# 0708-110

DATE: 09/06/07

DWG.BY: J.E.S.

DWG.NAME: TS-01



NOTE: DIMENSIONS AND LAYOUT ARE APPROXIMATE

DT-01



WHITMAR EXPLORATION COMPANY



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**WHITMAR EXPLORATION**  
**APPROX. LAYOUT OF RIG & EQUIPMENT**

**DETAIL SHEET**

SCALE: N/A	ENG.: B.B.	PROJ.#: 0708-110
DATE: 09/11/07	DWG.BY: J.E.S.	DWG.NAME: TS-01

**WORKSHEET  
APPLICATION FOR PERMIT TO DRILL**

APD RECEIVED: 12/19/2007

API NO. ASSIGNED: 43-007-31334

WELL NAME: 22-3  
 OPERATOR: WHITMAR EXPLORATION ( N2585 )  
 CONTACT: HEATHER MITCHELL

PHONE NUMBER: 303-991-9400

PROPOSED LOCATION:

INSPECT LOCATN BY: / /		
<b>Tech Review</b>	<b>Initials</b>	<b>Date</b>
Engineering	DMD	2/5/08
Geology		
Surface		

NWSW 22 130S 110E  
 SURFACE: 1555 FSL 0574 FWL  
 BOTTOM: 1555 FSL 0574 FWL  
 COUNTY: CARBON  
 LATITUDE: 39.67879 LONGITUDE: -110.6801  
 UTM SURF EASTINGS: 527434 NORTHINGS: 4391946  
 FIELD NAME: HELPER ( 18 )

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

PROPOSED FORMATION: FRSD  
 COALBED METHANE WELL? NO

RECEIVED AND/OR REVIEWED:

- Plat
- Bond: Fed[] Ind[] Sta[] Fee[]  
(No. LDM 8792527 )
- 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: 241-6  
Eff Date: 9-22-2004  
Siting: 460' fr Dater bdrf u & 920' fr other wells
- R649-3-11. Directional Drill

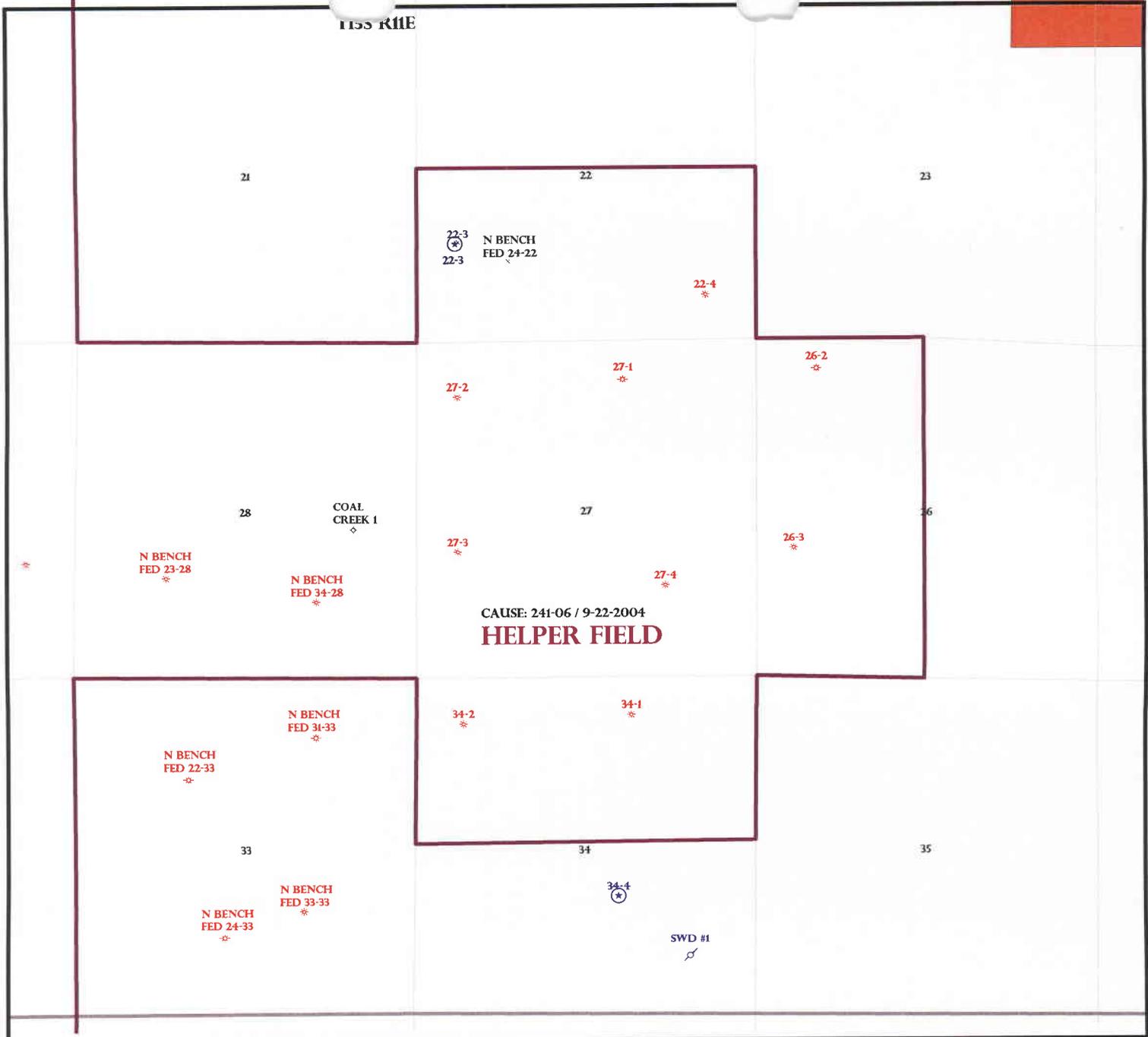
COMMENTS:

Needs Permit (01-21-08)

STIPULATIONS:

1- STATEMENT OF BASIS

T13S R11E



OPERATOR: WHITMAR EXPL CO (N2585)

SEC: 22 T.13S R. 11E

FIELD: HELPER (18)

COUNTY: CARBON

CAUSE: 241-06 / 9-22-2004

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

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

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



OIL, GAS & MINING



PREPARED BY: DIANA MASON  
DATE: 20-DECEMBER-2007

# Application for Permit to Drill

## Statement of Basis

1/29/2008

Utah Division of Oil, Gas and Mining

Page 1

APD No	API WellNo	Status	Well Type	Surf Ownr	CBM
646	43-007-31334-00-00		GW	P	No
<b>Operator</b>	WHITMAR EXPLORATION COMPANY	<b>Surface Owner-APD</b>			
<b>Well Name</b>	22-3	<b>Unit</b>			
<b>Field</b>	HELPER	<b>Type of Work</b>			
<b>Location</b>	NWSW 22 13S 11E S 1555 FSL 574 FWL GPS Coord (UTM) 527434E 4391946N				

### Geologic Statement of Basis

Significant volumes of high quality ground water are unlikely to be encountered at this location. A poorly permeable soil is likely to be developed on the Upper Part of the Blue Gate Member of the Mancos Shale. The proposed casing and cementing program should adequately isolate any zones of fresh water that may be penetrated. No subsurface water rights have been filed within a mile of the proposed well site.

Chris Kierst  
APD Evaluator

1/24/2007  
Date / Time

### Surface Statement of Basis

Reserve pit shall be lined and kept in proper functioning condition. If at anytime it is determined liner is in unsatisfactory condition, reserve pit shall be reclaimed immediately. DOGM requires that all activities associated with constructing, drilling, completion and production of well be restricted to permitted access route and well pad. Drainages adjacent will be diverted around and away from proposed well pad. The well pad will be bermed to contain any potential spills on location.

Mark Jones  
Onsite Evaluator

1/21/2008  
Date / Time

### Conditions of Approval / Application for Permit to Drill

Category	Condition
Pits	A synthetic liner with a minimum thickness of 12 mils shall be properly installed and maintained in the reserve pit.
Surface	The well site shall be bermed to prevent fluids from leaving the pad.
Surface	Drainages adjacent to the proposed pad shall be diverted around the location.

# ON-SITE PREDRILL EVALUATION

## Utah Division of Oil, Gas and Mining

**Operator** WHITMAR EXPLORATION COMPANY  
**Well Name** 22-3  
**API Number** 43-007-31334-0      **APD No** 646      **Field/Unit** HELPER  
**Location:** 1/4,1/4 NWSW      **Sec** 22      **Tw** 13S      **Rng** 11E      1555 FSL 574 FWL  
**GPS Coord (UTM)**      **Surface Owner**

### Participants

M. Jones (DOGM), Ed Rasbold (WhitMar), Lester Thayn (surface owner).

### Regional/Local Setting & Topography

Coal Creek area ~10.5 miles North of Wellington Utah. Mouth of Coal Creek drainage. Rolling terrain broken up by ephemeral washes. Coal Creek, a year-round drainage, runs NW to SE direction ~300 ft North of proposed location.

### Surface Use Plan

#### **Current Surface Use**

Grazing

#### **New Road**

<b>Miles</b>	<b>Well Pad</b>		<b>Src Const Material</b>	<b>Surface Formation</b>
0.15	<b>Width</b> 150	<b>Length</b> 175	Onsite	

**Ancillary Facilities** N

### Waste Management Plan Adequate?

### Environmental Parameters

**Affected Floodplains and/or Wetland** N

#### **Flora / Fauna**

PJ / sage community.

#### **Soil Type and Characteristics**

gravely clay

#### **Erosion Issues** Y

erosive upon disturbance

**Sedimentation Issues** N

**Site Stability Issues** N

#### **Drainage Diversion Required** Y

divert drainages away from and around well pad.

#### **Berm Required?** Y

To contain any spills on location from entering nearby Coal Creek.

Erosion Sedimentation Control Required? N

Paleo Survey Run? Y

Paleo Potential Observed? N

Cultural Survey Run? Y

Cultural Resources? N

**Reserve Pit**

**Site-Specific Factors**

**Site Ranking**

<b>Distance to Groundwater (feet)</b>	>200	0
<b>Distance to Surface Water (feet)</b>	200 to 300	10
<b>Dist. Nearest Municipal Well (ft)</b>	>5280	0
<b>Distance to Other Wells (feet)</b>	>1320	0
<b>Native Soil Type</b>	Mod permeability	10
<b>Fluid Type</b>	Air/mist	0
<b>Drill Cuttings</b>	Normal Rock	0
<b>Annual Precipitation (inches)</b>	10 to 20	5
<b>Affected Populations</b>	<10	0
<b>Presence Nearby Utility Conduits</b>	Not Present	0

**Final Score** 25 1 **Sensitivity Level**

**Characteristics / Requirements**

Dugout Earthen (80x45x8). Liner required.

**Closed Loop Mud Required?**

**Liner Required?** Y

**Liner Thickness** 12

**Pit Underlayment Required?**

**Other Observations / Comments**

Well is outside spacing, exception location, well could be moved some to North but may not be enough to put it within the drilling window. Landowner is ok with the location as staked.

Mark Jones

1/21/2008

**Evaluator**

**Date / Time**



Search input field and Search button

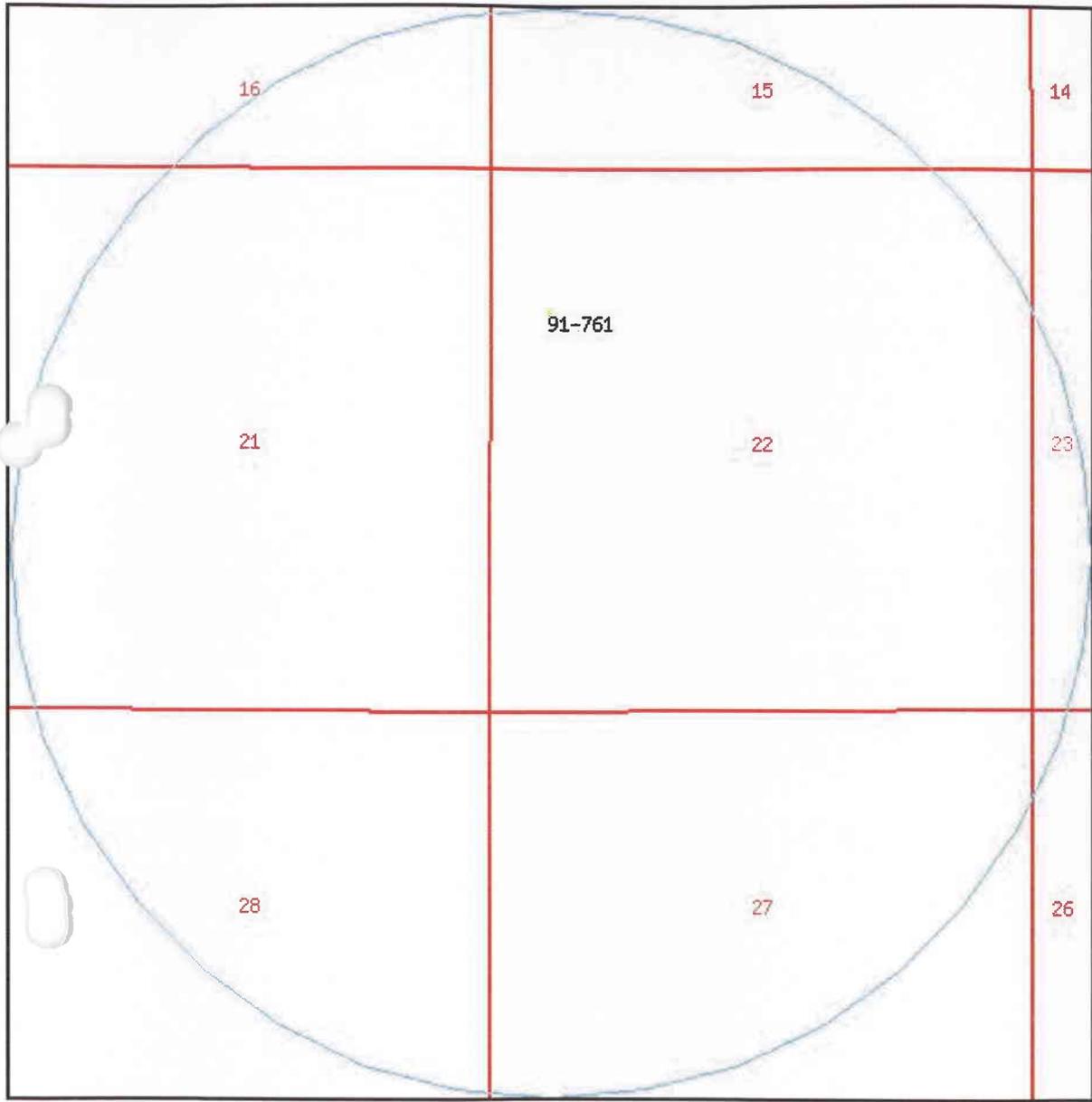
# Utah Division of Water Rights



## WRPLAT Program Output Listing

Version: 2007.04.13.01    Rundate: 01/24/2008 03:30 PM

Radius search of 5280 feet from a point N1555 E574 from the SW corner, section 22, Township 13S, Range 11E, SL b&m Criteria:wrtypes=W,C,E podtypes=S,U,Sp status=U,A,P usetypes=all



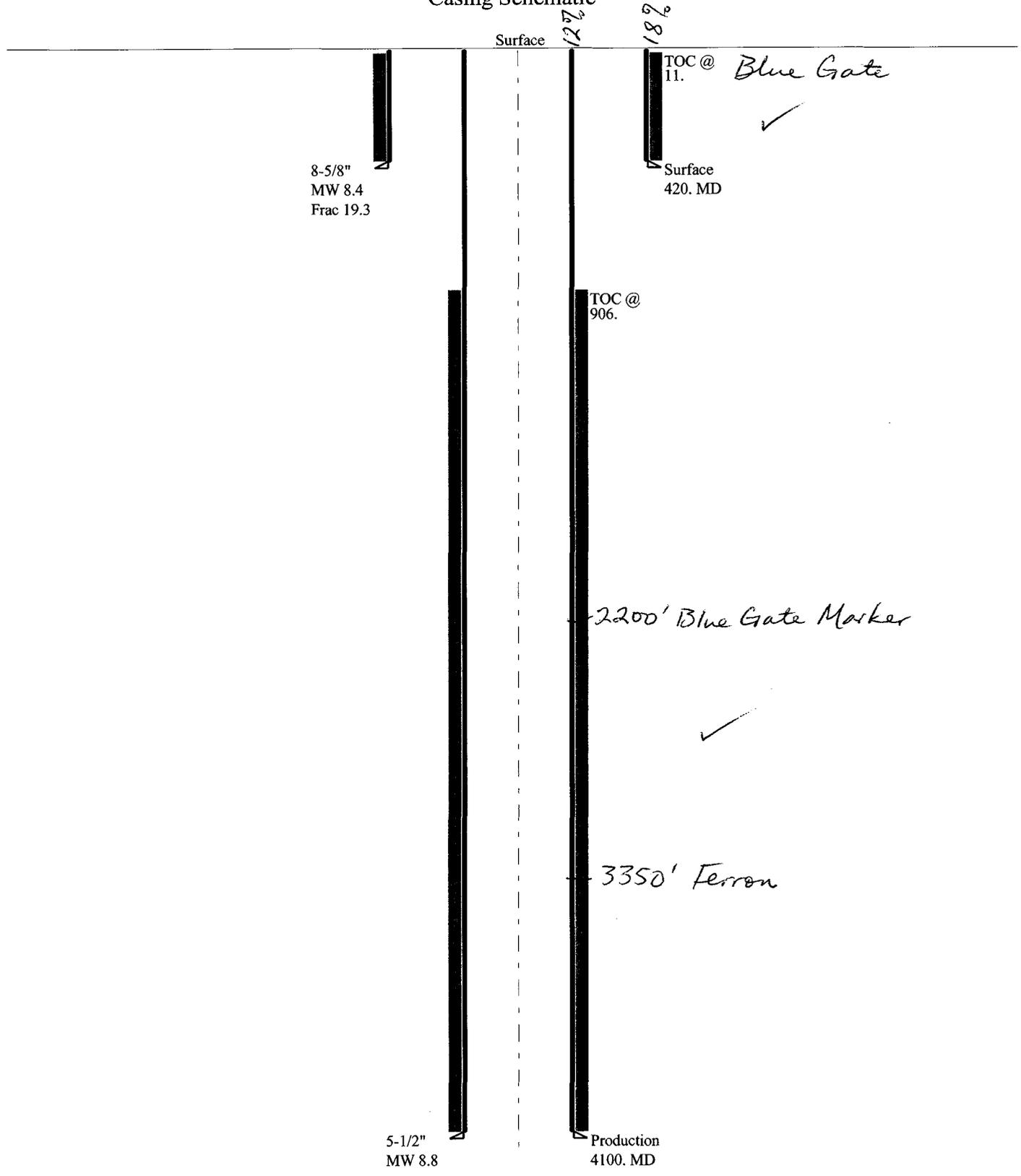
**Water Rights**

WR Number	Diversion Type/Location	Well Log	Status	Priority	Uses	CFS	ACFT	Owner Name
<u>91-761</u>	Surface  S1380 E550 NW 22 13S 11E SL		P	18720000	DIS	2.000	0.000	GEORGE M. & ARDITH THAYN  WELLINGTON UT 84542

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

2008-01 WhitMar Exp 225

Casing Schematic



8-5/8"  
MW 8.4  
Frac 19.3

TOC @ 11. *Blue Gate*

Surface  
420. MD

TOC @  
906.

2200' *Blue Gate Marker*

3350' *Ferron*

5-1/2"  
MW 8.8

Production  
4100. MD

# BOPE REVIEW

<b>Well Name</b>	Whitmar Exploration 22-3    API 43-007-31334
------------------	--

<b>INPUT</b>				
Well Name	Whitmar Exploration 22-3    API 43-007-31334			
	String 1	String 2	String 3	String 4
Casing Size (")	8 5/8	5 1/2		
Setting Depth (TVD)	420	4100		
Previous Shoe Setting Depth (TVD)	0	420	0	0
Max Mud Weight (ppg)	8.4	8.4		
BOPE Proposed (psi)	0	2000		
Casing Internal Yield (psi)	2950	4810		

<b>Calculations</b>	<b>String 1</b>	<b>8 5/8 "</b>
<b>Max BHP [psi]</b>	.052*Setting Depth*MW =	183
		<b>BOPE Adequate For Drilling And Setting Casing at Depth?</b>
<b>MASP (Gas) [psi]</b>	Max BHP-(0.12*Setting Depth) =	133    NO <i>* Reasonable Depth</i>
<b>MASP (Gas/Mud) [psi]</b>	Max BHP-(0.22*Setting Depth) =	91    NO
		<b>*Can Full Expected Pressure Be Held At Previous Shoe?</b>
<b>Pressure At Previous Shoe</b>	Max BHP-.22*(Setting Depth - Previous Shoe Depth) =	91    NO
<b>Required Casing/BOPE Test Pressure</b>	420	psi
<b>*Max Pressure Allowed @ Previous Casing Shoe =</b>	0	psi    *Assumes 1psi/ft frac gradient

<b>Calculations</b>	<b>String 2</b>	<b>5 1/2 "</b>
<b>Max BHP [psi]</b>	.052*Setting Depth*MW =	1791
		<b>BOPE Adequate For Drilling And Setting Casing at Depth?</b>
<b>MASP (Gas) [psi]</b>	Max BHP-(0.12*Setting Depth) =	1299    YES
<b>MASP (Gas/Mud) [psi]</b>	Max BHP-(0.22*Setting Depth) =	889    YES
		<b>*Can Full Expected Pressure Be Held At Previous Shoe?</b>
<b>Pressure At Previous Shoe</b>	Max BHP-.22*(Setting Depth - Previous Shoe Depth) =	981    NO <i>OK</i>
<b>Required Casing/BOPE Test Pressure</b>	2000	psi
<b>*Max Pressure Allowed @ Previous Casing Shoe =</b>	420	psi    *Assumes 1psi/ft frac gradient

Well name:	<b>2008-01 WhitMar Exp 22-3</b>	
Operator:	<b>WhitMar Exploration Co</b>	Project ID:
String type:	Surface	43-007-31334
Location:	Carbon County	

**Design parameters:**

**Collapse**

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

**Burst**

Max anticipated surface pressure: 370 psi  
Internal gradient: 0.120 psi/ft  
Calculated BHP: 420 psi

No backup mud specified.

**Minimum design factors:**

**Collapse:**

Design factor 1.125

**Burst:**

Design factor 1.00

**Tension:**

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

Tension is based on buoyed weight.  
Neutral point: 367 ft

**Environment:**

H2S considered? No  
Surface temperature: 75 °F  
Bottom hole temperature: 81 °F  
Temperature gradient: 1.40 °F/100ft  
Minimum section length: 290 ft

Cement top: 11 ft

**Non-directional string.**

**Re subsequent strings:**

Next setting depth: 4,100 ft  
Next mud weight: 8.800 ppg  
Next setting BHP: 1,874 psi  
Fracture mud wt: 19.250 ppg  
Fracture depth: 420 ft  
Injection pressure: 420 psi

Run Seq	Segment Length (ft)	Size (in)	Nominal Weight (lbs/ft)	Grade	End Finish	True Vert Depth (ft)	Measured Depth (ft)	Drift Diameter (in)	Internal Capacity (ft³)
1	420	8.625	24.00	J-55	ST&C	420	420	7.972	150.2
Run Seq	Collapse Load (psi)	Collapse Strength (psi)	Collapse Design Factor	Burst Load (psi)	Burst Strength (psi)	Burst Design Factor	Tension Load (Kips)	Tension Strength (Kips)	Tension Design Factor
1	183	1370	7.475	420	2950	7.02	9	244	27.70 J

Prepared by: Helen Sadik-Macdonald  
Div of Oil, Gas & Minerals

Phone: 801-538-5357  
FAX: 801-359-3940

Date: January 31, 2008  
Salt Lake City, Utah

**Remarks:**

Collapse is based on a vertical depth of 420 ft, a mud weight of 8.4 ppg. The casing is considered to be evacuated for collapse purposes. Collapse strength is based on the Westcott, Dunlop & Kemler method of biaxial correction for tension.

Burst strength is not adjusted for tension.

Well name:	<b>2008-01 WhitMar Exp 22-3</b>		
Operator:	<b>WhitMar Exploration Co</b>	Project ID:	43-007-31334
String type:	Production		
Location:	Carbon County		

**Design parameters:**

**Collapse**

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

**Minimum design factors:**

**Collapse:**

Design factor 1.125

**Burst:**

Design factor 1.00

**Environment:**

H2S considered? No  
Surface temperature: 75 °F  
Bottom hole temperature: 132 °F  
Temperature gradient: 1.40 °F/100ft  
Minimum section length: 1,500 ft

Cement top: 906 ft

**Burst**

Max anticipated surface pressure: 972 psi  
Internal gradient: 0.220 psi/ft  
Calculated BHP 1,874 psi

No backup mud specified.

**Tension:**

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

**Non-directional string.**

Tension is based on buoyed weight.  
Neutral point: 3,554 ft

Run Seq	Segment Length (ft)	Size (in)	Nominal Weight (lbs/ft)	Grade	End Finish	True Vert Depth (ft)	Measured Depth (ft)	Drift Diameter (in)	Internal Capacity (ft³)
1	4100	5.5	15.50	J-55	ST&C	4100	4100	4.825	547.9
Run Seq	Collapse Load (psi)	Collapse Strength (psi)	Collapse Design Factor	Burst Load (psi)	Burst Strength (psi)	Burst Design Factor	Tension Load (Kips)	Tension Strength (Kips)	Tension Design Factor
1	1874	4040	2.156	1874	4810	2.57	55	202	3.67 J

Prepared by: Helen Sadik-Macdonald  
Div of Oil, Gas & Minerals

Phone: 801-538-5357  
FAX: 801-359-3940

Date: January 31, 2008  
Salt Lake City, Utah

**Remarks:**

Collapse is based on a vertical depth of 4100 ft, a mud weight of 8.8 ppg. The casing is considered to be evacuated for collapse purposes. Collapse strength is based on the Westcott, Dunlop & Kemler method of biaxial correction for tension.

Burst strength is not adjusted for tension.



JON M. HUNTSMAN, JR.  
Governor

GARY R. HERBERT  
Lieutenant Governor

**State of Utah**  
DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER  
Executive Director

**Division of Oil Gas and Mining**

JOHN R. BAZA  
Division Director

February 11, 2008

WhitMar Exploration Company  
555 17th St., Ste. 880  
Denver, CO 80202

Re: 22-3 Well, 1555' FSL, 574' FWL, NW SW, Sec. 22, T. 13 South, R. 11 East,  
Carbon County, Utah

Gentlemen:

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

This approval shall expire one year from the above date unless substantial and continuous operation is underway, or a request for extension is made prior to the expiration date. The API identification number assigned to this well is 43-007-31334.

Sincerely,

Gil Hunt  
Associate Director

pab  
Enclosures

cc: Carbon County Assessor



Operator: WhitMar Exploration Company  
Well Name & Number 22-3  
API Number: 43-007-31334  
Lease: Fee

Location: NW SW Sec. 22 T. 13 South R. 11 East

### Conditions of Approval

#### 1. General

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

#### 2. Notification Requirements

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

- 24 hours prior to cementing or testing casing – contact Dan Jarvis
- 24 hours prior to testing blowout prevention equipment – contact Dan Jarvis
- 24 hours prior to spudding the well – contact Carol Daniels
- Within 24 hours of any emergency changes made to the approved drilling program – contact Dustin Doucet
- Prior to commencing operations to plug and abandon the well – contact Dan Jarvis

The operator is required to get approval from the Division of Oil, Gas and Mining before performing any of the following actions during the drilling of this well:

- Plugging and abandonment or significant plug back of this well – contact Dustin Doucet
- Any changes to the approved drilling plan – contact Dustin Doucet

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

- Dan Jarvis at: (801) 538-5338 office (801) 942-0871 home
- Carol Daniels at: (801) 538-5284 office
- Dustin Doucet at: (801) 538-5281 office (801) 733-0983 home

#### 3. Reporting Requirements

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

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

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

FORM 9

**SUNDRY NOTICES AND REPORTS ON WELLS**

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

<b>1. TYPE OF WELL</b> OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER _____		<b>5. LEASE DESIGNATION AND SERIAL NUMBER:</b> <del>U-23-356-100</del> <u>FEE</u>
<b>2. NAME OF OPERATOR:</b> WhitMar Exploration Company		<b>6. IF INDIAN, ALLOTTEE OR TRIBE NAME:</b> N/A
<b>3. ADDRESS OF OPERATOR:</b> 555 17th Street, Suite 880 CITY Denver STATE CO ZIP 80202		<b>7. UNIT or CA AGREEMENT NAME:</b> N/A
<b>4. LOCATION OF WELL</b> FOOTAGES AT SURFACE: 574' FWL, 1555' FSL  QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NWSW 22 13S 11E		<b>8. WELL NAME and NUMBER:</b> 22-3  <b>9. API NUMBER:</b> 4300731334
		<b>10. FIELD AND POOL, OR WILDCAT:</b> Helper  COUNTY: Carbon  STATE: UTAH
<b>PHONE NUMBER:</b> (303) 991-9400		

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

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

**12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS.** Clearly show all pertinent details including dates, depths, volumes, etc.  
WhitMar Exploration Company hereby requests a one (1) year extension of the state permit for the 22-3  
  
This is the first extension that has been requested.

Approved by the  
Utah Division of  
Oil, Gas and Mining

Date: 02-23-09  
By: [Signature]

**COPY SENT TO OPERATOR**  
Date: 3.4.2009  
Initials: KS

NAME (PLEASE PRINT) <u>Tammy L Garrett</u>	TITLE <u>Operations Coordinator</u>
SIGNATURE <u>[Signature]</u>	DATE <u>2-18-09</u>

(This space for State use only)

**RECEIVED**  
**FEB 23 2009**  
DIVISION OF OIL, GAS AND MINING

**Application for Permit to Drill  
Request for Permit Extension  
Validation**

(this form should accompany the Sundry Notice requesting permit extension)

**API:** 4300731334  
**Well Name:** 22-3  
**Location:** NW/SW Section 22-13S-11E  
**Company Permit Issued to:** WhitMar Exploration Company  
**Date Original Permit Issued:** 2/11/2008

The undersigned as owner with legal rights to drill on the property as permitted above, hereby verifies that the information as submitted in the previously approved application to drill, remains valid and does not require revision.

Following is a checklist of some items related to the application, which should be verified.

If located on private land, has the ownership changed, if so, has the surface agreement been updated? Yes  No

Have any wells been drilled in the vicinity of the proposed well which would affect the spacing or siting requirements for this location? Yes  No

Has there been any unit or other agreements put in place that could affect the permitting or operation of this proposed well? Yes  No

Have there been any changes to the access route including ownership, or right-of-way, which could affect the proposed location? Yes  No

Has the approved source of water for drilling changed? Yes  No

Have there been any physical changes to the surface location or access route which will require a change in plans from what was discussed at the onsite evaluation? Yes  No

Is bonding still in place, which covers this proposed well? Yes  No

  
Signature

2-18-09  
Date

Title: Operations Coordinator

Representing: WhitMar Exploration Company

RECEIVED  
FEB 23 2009  
ENVIRONMENTAL SERVICES



GARY R. HERBERT  
Governor

GREGORY S. BELL  
Lieutenant Governor

# State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER  
Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA  
Division Director

March 8, 2010

Tammy Garrett  
WhitMar Exploration Company  
555 17th Street, Suite 880  
Denver, CO 80202

Re: APD Rescinded – 22-3, Sec. 22, T. 13S, R. 11E  
Carbon County, Utah API No. 43-007-31334

Ms. Garrett:

The Application for Permit to Drill (APD) for the subject well was approved by the Division of Oil, Gas and Mining (Division) on February 11, 2008. On February 23, 2009, the Division granted a one-year APD extension. On March 17, 2010 you requested that the division rescind the state approved APD. No drilling activity at this location has been reported to the division. Therefore, approval to drill the well is hereby rescinded, effective March 17, 2010.

A new APD must be filed with this office for approval prior to the commencement of any future work on the subject location.

If any previously unreported operations have been performed on this well location, it is imperative that you notify the Division immediately.

Sincerely,

Diana Mason  
Environmental Scientist

cc: Well File  
Brad Hill, Technical Service Manager