

STATE ACTIONS
Resource Development Coordinating Committee
Public Lands Policy Coordination Office
5110 State Office Building
SLC, UT 84114
Phone No. 537-9230

1. State Agency Oil, Gas and Mining 1594 West North Temple, Suite 1210 Salt Lake City, UT 84114-5801	2. Approximate date project will start: Upon Approval or September 23, 2008
3. Title of proposed action: Application for Permit to Drill	
4. Description of Project: Oso Oil & Gas Properties, LLC proposes to drill the P5 well (wildcat) on Fee lease UT-OSO-001, Carbon County, Utah. This action is being presented to the RDCC for consideration of resource issues affecting state interests. The Division of Oil, Gas and Mining is the primary administrative agency in this action and must issue approval before operations commence.	
5. Location and detailed map of land affected (site location map required, electronic GIS map preferred) (include UTM coordinates where possible) (indicate county) 281' FSL 1530' FWL, NE/4 SW/4, Section 31, Township 12 South, Range 11 East, Carbon County, Utah	
6. Possible significant impacts likely to occur: Surface impacts include up to five acres of surface disturbance during the drilling and completion phase (estimated for five weeks duration). If oil and gas in commercial quantities is discovered, the location will be reclaimed back to a net disturbance of between one and two acres – not including road, pipeline, or utility infrastructure. If no oil or gas is discovered, the location will be completely reclaimed.	
7. Identify local government affected a. Has the government been contacted? No. b. When? c. What was the response? d. If no response, how is the local government(s) likely to be impacted?	
8. For acquisitions of land or interests in land by DWR or State Parks please identify state representative and state senator for the project area. Name and phone number of state representative, state senator near project site, if applicable: a. Has the representative and senator been contacted? N/A	
9. Areawide clearinghouse(s) receiving state action: (to be sent out by agency in block 1) Southeastern Utah Association of Government	
10. For further information, contact: Diana Mason Phone: (801) 538-5312	11. Signature and title of authorized officer  Gil Hunt, Associate Director Date: September 9, 2008

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

FORM 3

AMENDED REPORT
(highlight changes)

APPLICATION FOR PERMIT TO DRILL				5. MINERAL LEASE NO: UT-OSO-001	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: Oso Oil & Gas Properties, LLC				9. WELL NAME and NUMBER: P5	
3. ADDRESS OF OPERATOR: 3900 S Wadsworth Blvd CITY Lakewood STATE CO ZIP 80235			PHONE NUMBER: (303) 979-6023	10. FIELD AND POOL, OR WILDCAT: Wildcat	
4. LOCATION OF WELL (FOOTAGES) AT SURFACE: 281' FSL & 1530' FWL 522781X 4397139Y 39.725711 -110.734180 AT PROPOSED PRODUCING ZONE: 780' FSL & 1581' FWL 522849X 4396514Y 39.720095 -110.733418				11. QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NESW 31 12S 11E S	
14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE: 4.6 Miles NE of Kenilworth, UT				12. COUNTY: Carbon	13. STATE: UTAH
15. DISTANCE TO NEAREST PROPERTY OR LEASE LINE (FEET) 780'		16. NUMBER OF ACRES IN LEASE: 962		17. NUMBER OF ACRES ASSIGNED TO THIS WELL: 40	
18. DISTANCE TO NEAREST WELL (DRILLING, COMPLETED, OR APPLIED FOR) ON THIS LEASE (FEET) 1321'		19. PROPOSED DEPTH: 2,600		20. BOND DESCRIPTION: Single Well CD Collateral Bond	
21. ELEVATIONS (SHOW WHETHER DF, RT, GR, ETC.): 8565' GR		22. APPROXIMATE DATE WORK WILL START: 10/1/2008		23. ESTIMATED DURATION: 14 Days	

24. **PROPOSED CASING AND CEMENTING PROGRAM**

SIZE OF HOLE	CASING SIZE, GRADE, AND WEIGHT PER FOOT			SETTING DEPTH	CEMENT TYPE, QUANTITY, YIELD, AND SLURRY WEIGHT			
22	16	H-40	65	20	Class G	25 sx	1.18 cuft/sk	15.8
12.25	9.625	J-55	36	2,094	Class G	350 sx	1.18 cuft/sk	15.8

25. **ATTACHMENTS**

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

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

NAME (PLEASE PRINT) Mike Griffis TITLE Operations Engineer

SIGNATURE DATE 8/20/2008

(This space for State use only)

API NUMBER ASSIGNED: 4300731450

APPROVAL:

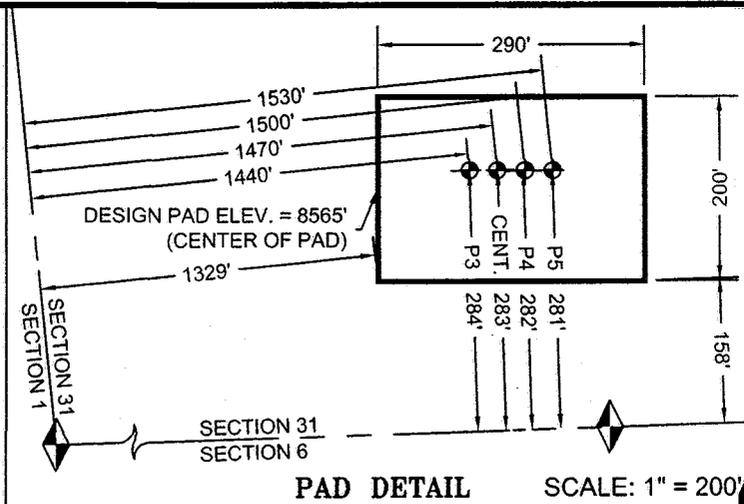
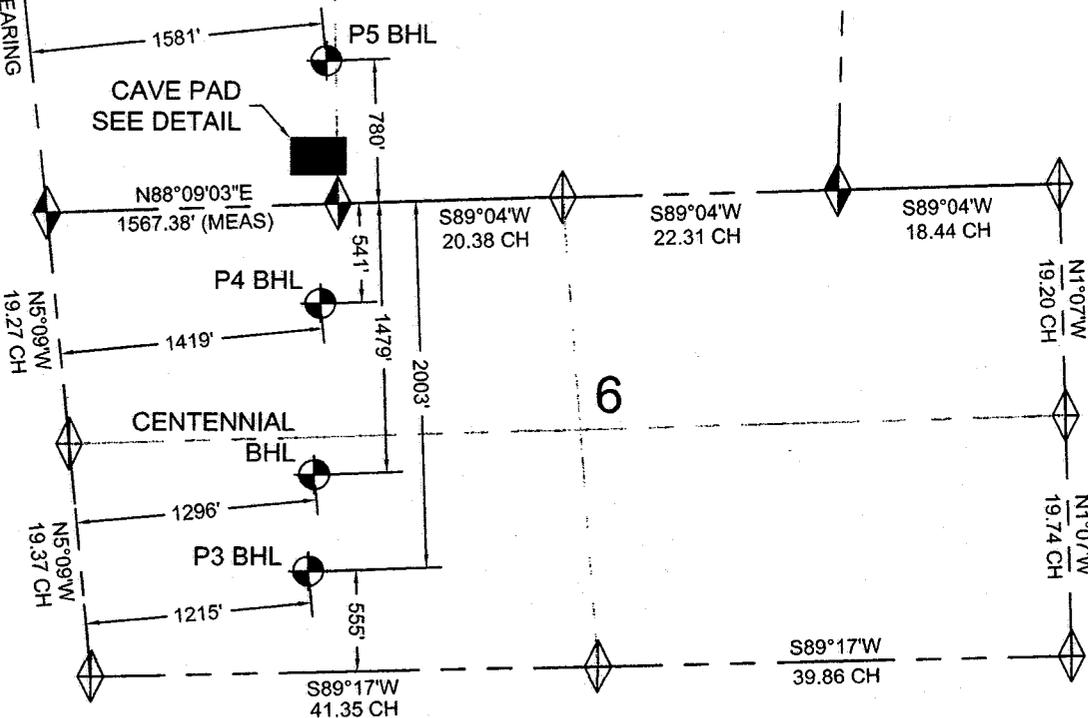
RECEIVED
AUG 28 2008
DIV. OF OIL, GAS & MINING

31

T12S
T13S

BASIS OF BEARING
S5°47'42"E 2555.73'

N01°26'22"E
2817.81'



PAD DETAIL SCALE: 1" = 200'

NARRATIVE

THE PURPOSE OF THIS SURVEY IS TO LOCATE AND DESCRIBE A WELL SITE FOR OSO OIL & GAS THAT IS SITUATED IN THE SOUTHWEST QUARTER OF SECTION 31, T. 12 S., R. 11 E., S.L.B.&M., CARBON COUNTY, UTAH.

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CERTIFICATE OF SURVEY

I, M. CODY WARE, DO HEREBY CERTIFY THAT I AM A REGISTERED LAND SURVEYOR, LICENSE NO. 4940688 AS PRESCRIBED BY THE LAWS OF THE STATE OF UTAH. I FURTHER CERTIFY THAT I HAVE MADE A SURVEY OF THE LOCATION SHOWN AND THAT IT IS TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE.



NOTES

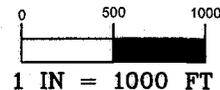
- SECTION 6 DIMENSIONS ARE BASED ON THE 1967 BLM PLAT.
- DIMENSIONS TO SECTION LINES ARE MEASURED AT RIGHT ANGLES.

WELLHEAD POSITIONS

WELL	SURFACE POSITION		TARGET / BHL POSITION	
	LAT. (WGS84)	LONG. (WGS84)	LAT. (WGS84)	LONG. (WGS84)
P3	39°43'32.664" N	110°44'07.160" W	39°43'10.062" N	110°44'07.399" W
CENT.	39°43'32.661" N	110°44'06.776" W	39°43'15.252" N	110°44'06.961" W
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LEGEND

- FOUND MONUMENT
- CALCULATED POSITION
- TARGET - BHL
- "BHL" BOTTOM HOLE LOCATION

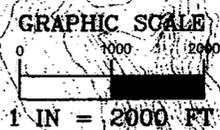
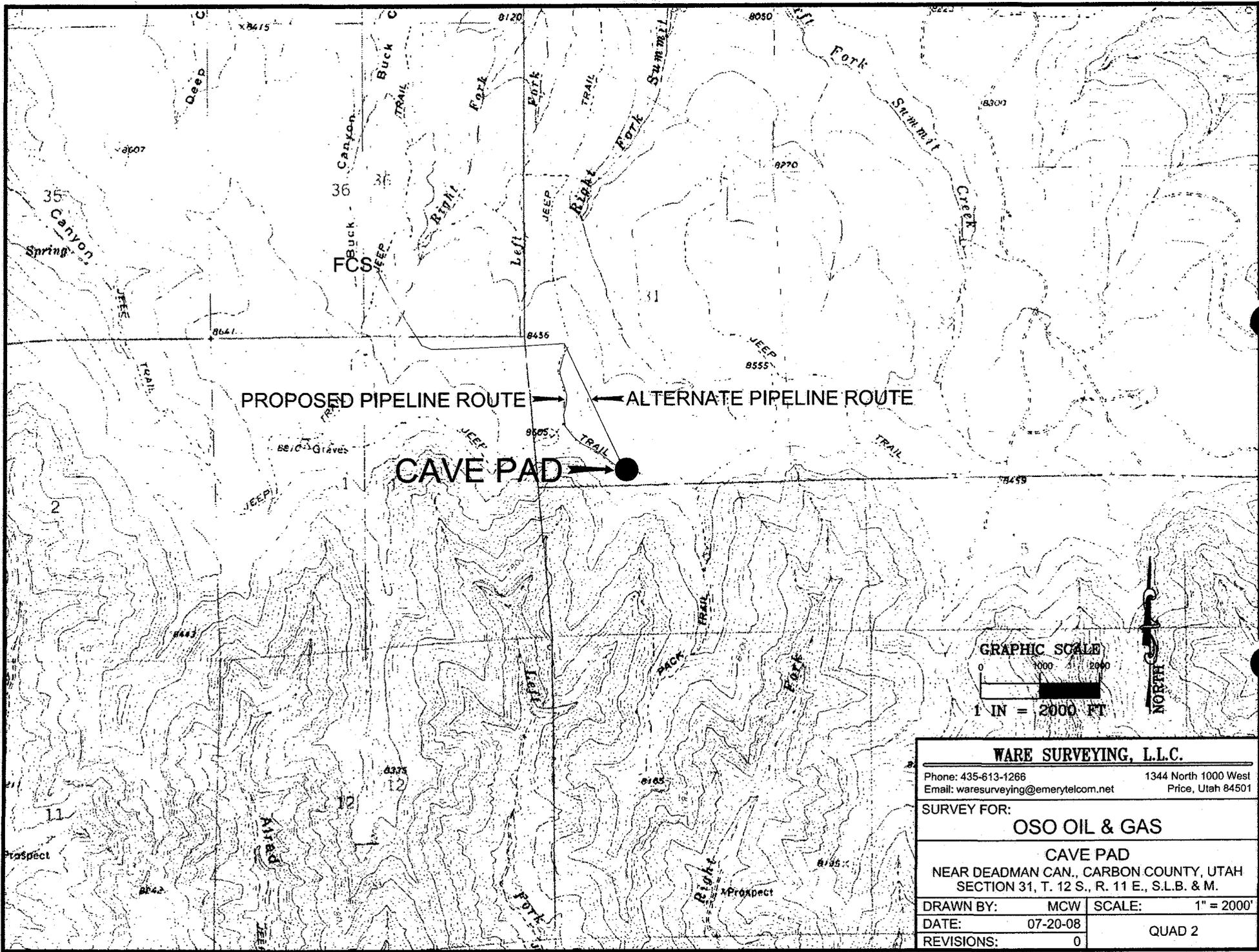


WARE SURVEYING, L.L.C.

Phone: 435-613-1266 1344 North 1000 West
Email: waresurveying@emerytelcom.net Price, Utah 84501

SURVEY FOR:
OSO OIL & GAS
CAVE PAD
NEAR DEADMAN CAN., CARBON COUNTY, UTAH
SECTION 31, T. 12 S., R. 11 E., S.L.B. & M.
SECTION 6, T. 13 S., R. 11 E., S.L.B. & M.

DRAWN BY: MCW SCALE: 1" = 1000'
DATE: 08-13-08
REVISIONS: 1 P-1



WARE SURVEYING, L.L.C.	
Phone: 435-613-1266	1344 North 1000 West
Email: waresurveying@emerytelcom.net	Price, Utah 84501
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OSO OIL & GAS	
CAVE PAD	
NEAR DEADMAN CAN., CARBON COUNTY, UTAH SECTION 31, T. 12 S., R. 11 E., S.L.B. & M.	
DRAWN BY: MCW	SCALE: 1" = 2000'
DATE: 07-20-08	QUAD 2
REVISIONS: 0	

SOUTHEASTERN UTAH ASSOCIATION OF LOCAL GOVERNMENTS

DOUG ALLEN
CHAIRMAN

William D. Howell
EXECUTIVE DIRECTOR



375 SOUTH CARBON AVE.
P.O. DRAWER 1106
PRICE, UTAH 84501
(435) 637-5444
FAX (435) 637-5448

AREA WIDE CLEARINGHOUSE REVIEW

Federal Action _____ State Action _____ Approved (x) Yes () No
Other (indicate) _____

Applicant or State Agency Name/Address:

Oil, Gas & Mining

1594 West North Temple #1210

SLC, UT 84114

Name Diana Mason

Phone 801-538-5312

Title/Project Description: Application for Permit to Drill

Oso Oil and Gas proposes to drill four wildcat wells (Centennial well Fee lease UT OSO-001, P3 well Fee lease UT-OSO-001, P4 well Fee lease UT OSO-001, P5 well Fee lease UT-OSO-001) in the Emma Park area of Carbon Co.

- No Comment
 See comment below

Comments: Favorable comment recommended.

Lorraine Bengtson

SEUALG

09/18/08

DATE

RECEIVED

SEP 25 2008

DIV. OF OIL, GAS & MINING

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

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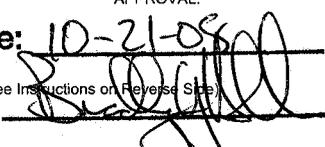
NAME (PLEASE PRINT) Mike Griffis TITLE Operations Engineer

SIGNATURE  DATE 8/20/2008

(This space for State use only)

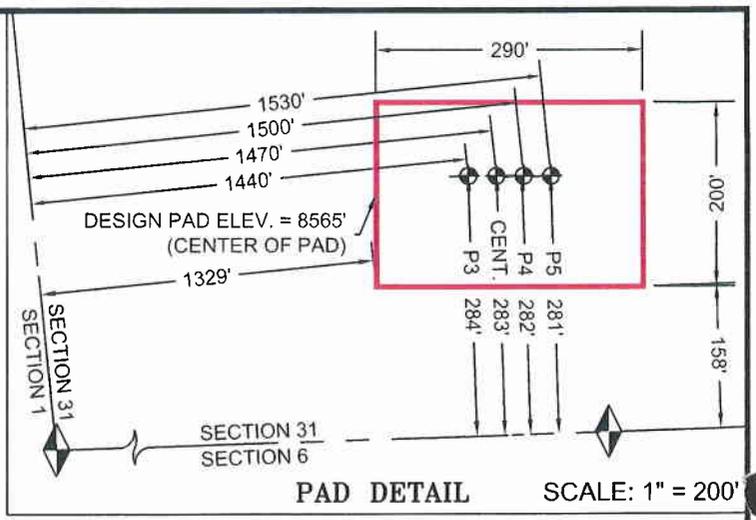
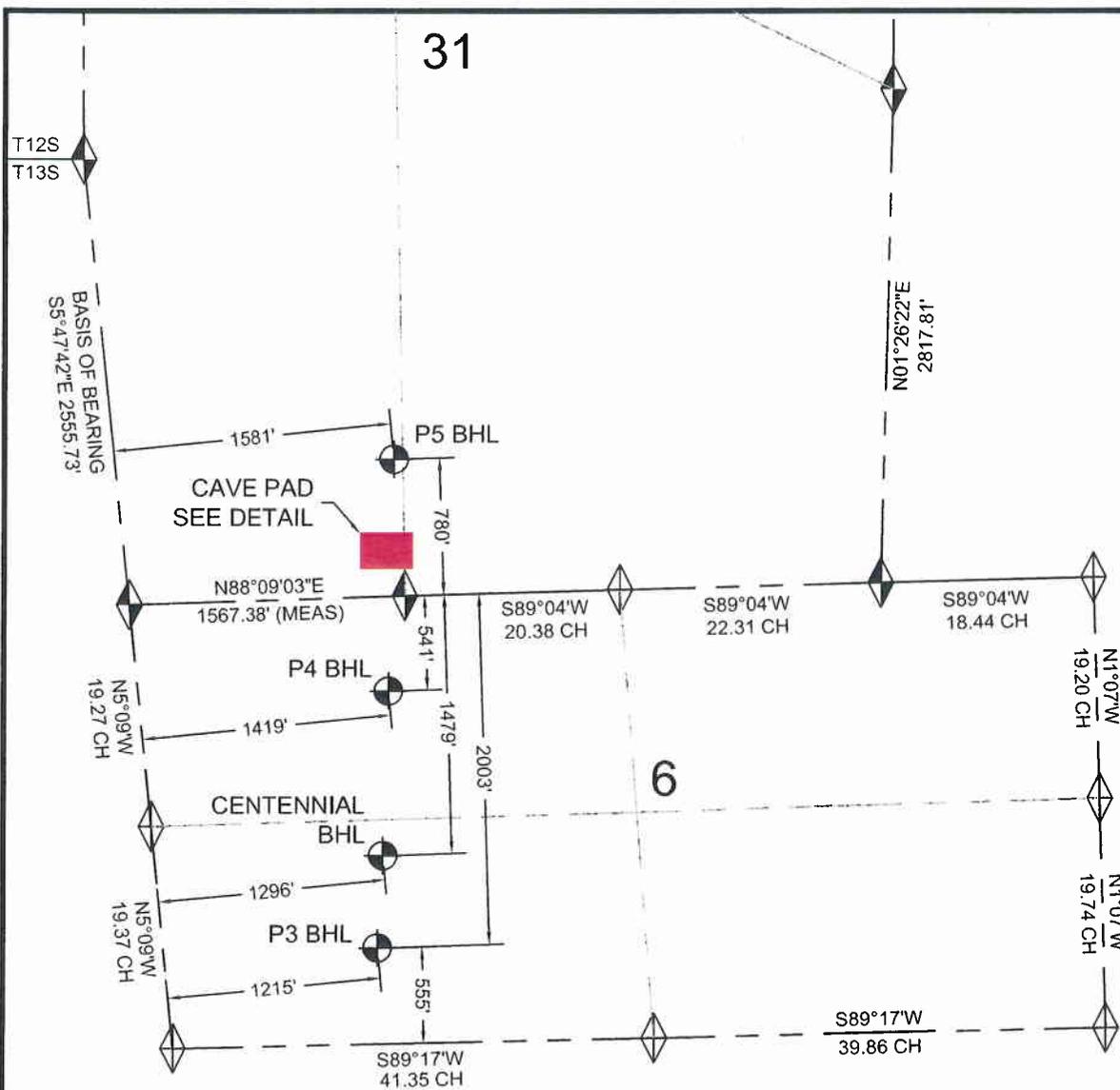
**Approved by the
Utah Division of
Oil, Gas and Mining**

API NUMBER ASSIGNED: 4300731450 APPROVAL: _____

Date: 10-21-08
By: 

RECEIVED
AUG 28 2008
DIV. OF OIL, GAS & MINING

(11/2001)



NARRATIVE

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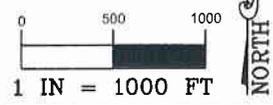
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LEGEND

- FOUND MONUMENT
- CALCULATED POSITION
- TARGET - BHL
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WARE SURVEYING, L.L.C.

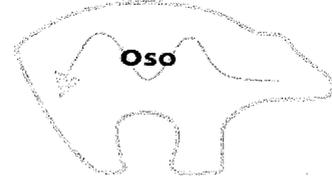
Phone: 435-613-1266 1344 North 1000 West
 Email: waresurveying@emerytelcom.net Price, Utah 84501

SURVEY FOR: **OSO OIL & GAS**

CAVE PAD
 NEAR DEADMAN CAN., CARBON COUNTY, UTAH
 SECTION 31, T. 12 S., R. 11 E., S.L.B. & M.
 SECTION 6, T. 13 S., R. 11 E., S.L.B. & M.

DRAWN BY: MCW SCALE: 1" = 1000'
 DATE: 08-13-08
 REVISIONS: 1 P-1

September 3, 2008



Ms. Diana Mason
State of Utah
Department of Natural Resources
Division of Oil, Gas and Mining
1594 West North Temple, Suite 1210
Salt Lake City, UT 84116

Re: Directional Drilling Well: **P5**
SHL: 281' FSL and 1,530' FWL Section 31 T12S R11E, SLB&M
BHL: 780' FSL and 1,581' FWL Section 31 T12S R11E, SLB&M
PBHL/TD: 2600' MD; 2501' TVD
Carbon County, UT

Dear Ms. Mason,

Pursuant to the August 28, 2008 filing of Oso Oil & Gas' Form 3 Application for Permit to Drill for the referenced well, we are hereby submitting this letter in accordance with Utah's Oil & Gas Conservation Rule R649-3-11 pertaining to the reason for directionally drilling such wells.

- Three other wells must be drilled from this pad where the desired hole locations would prove environmentally destructive and financially prohibitive to construct drilling locations. In order to minimize surface disturbance and centralize production facilities, directionally drilling P5 is desirable.
- Oso Oil and Gas owns all the leases [UT-OSO-001] in the area that this will intersect and ultimately terminate.
- The BHL location of this well does not lie within 460' of any lease or property line that Oso Oil & Gas does not have legal control over. Said lease encompasses all of Section 31 T12S R11E and Section 6 T13S R11E.

Based on the facts listed above, Oso requests the drilling permits be granted pursuant to R649-3-11.

Regards,

A handwritten signature in black ink, appearing to read "Mike Griffis", with a long horizontal flourish extending to the right.

Mike Griffis
Operations Engineer & Agent
Oso Oil & Gas Properties, LLC
3900 S Wadsworth Blvd, Suite 340
Lakewood, CO 80235

15810 Park Ten Place, Suite 160
Houston, TX 77084

To: Brad Hill
Permit Manager
Utah Division of Oil, Gas, and Mining
1594 West North Temple, Suite 1210
Salt Lake City, UT 84114-5801

From: Mike Griffis
Oso Oil and Gas Properties, LLC
3900 S Wadsworth Blvd, Suite 340
Lakewood, CO 80235

RE: APD Compliance // Surface Owner Contact Information

Brad,

In compliance with UDOGM's requested APD information, here is the contact information for the surface owner on the lease which we intend to drill:

Lease: UT-OSO-001

Owner: Dave and Mildred Cave
1220 South 530 West
Price, UT 84501

Phone: 435-637-0387

If you have any further questions, don't hesitate to contact us.

Regards,

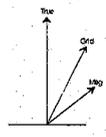
Mike Griffis
Operations Engineer
Oso Oil & Gas Properties, LLC
720-407-8488 (o)
303-819-7354 (c)
mgriffis@btoperating.com

WELL P5	FIELD UT, Carbon County (NAD83)	STRUCTURE Oso 31-12S-11E (Cave Pad)
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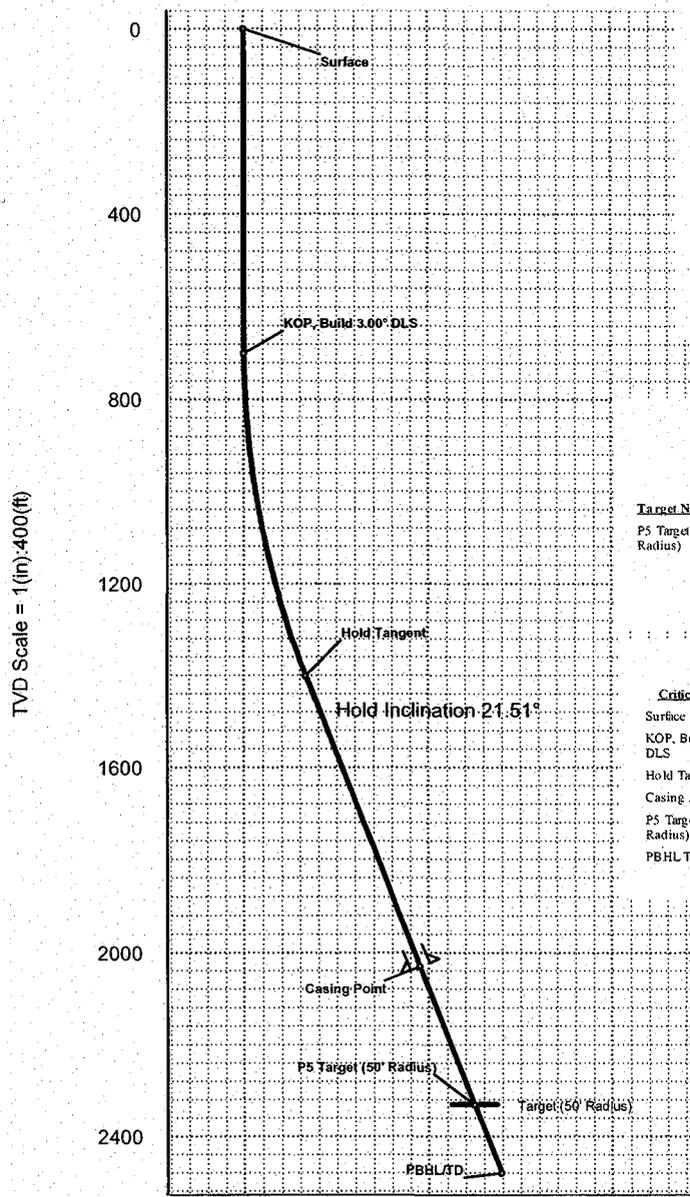
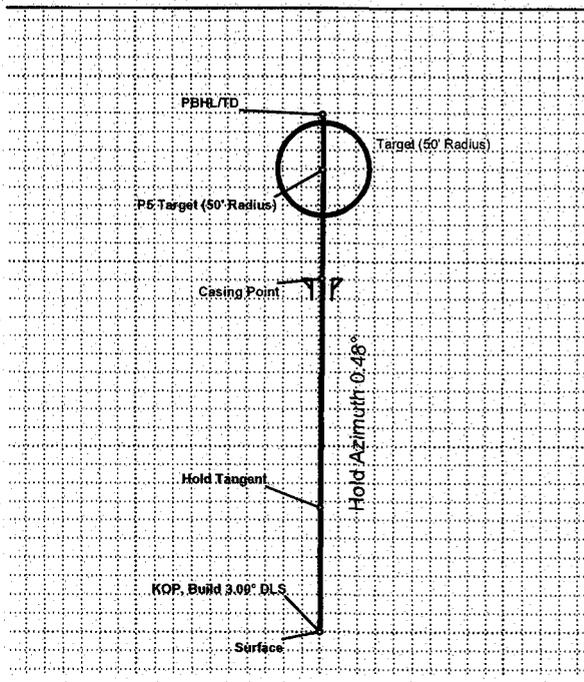
Magnetic Parameters Model: BGGM 2007 Dip: 65.451° Mag Dec: +11.904°	Date: August 14, 2008 FS: 52240.0 nT	Surface Location Lot: N39 43 32.657 Lon: W110 44 6.009	NAD83 Utah State Plane, Central Zone, US Feet Grid Conv: +0.49004102" Scale Fact: 0.99990093	Miscellaneous Slot: P5 Plan: P5 R1 Jul 14 Aug 08 TVD Ref: (559.00 ft above MSL) Srvy Date: August 14, 2008
--	---	--	--	--



True North
Tot Corr (M->T) +11.9040"
Mag Dec (+11.904")
Grid Conv (+0.49004102")



<<< W Scale = 1(in):200(ft) E >>>
-200 0 200



Surface Location
Northing: 7069746.31 ft Easting: 1855571.65 ft

Target Name	Shape	Major Axis	N(+)/S(-)	E(+)/W(-)	TVD	YSEC	N(+)/S(-)	E(+)/W(-)
P5 Target (50' Radius)	Circle	100.00	7070245.73	1855571.52	2330.00	499.47	499.45	4.14

Critical Point	MD	INCL	AZIM	TVD	YSEC	N(+)/S(-)	E(+)/W(-)	DLS
Surface	0.00	0.00	0.48	0.00	0.00	0.00	0.00	
KOP, Build 3.00° DLS	700.00	0.00	0.48	700.00	0.00	0.00	0.00	0.00
Hold Tangent	1417.07	21.51	0.48	1400.34	133.04	133.04	1.10	3.00
Casing Point	2093.88	21.51	0.48	2030.00	381.22	381.21	3.16	0.00
P5 Target (50' Radius)	2416.34	21.51	0.48	2330.00	499.47	499.45	4.14	0.00
PBHL TD	2577.57	21.51	0.48	2480.00	558.60	558.58	4.63	0.00

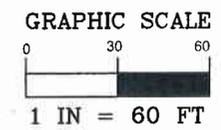
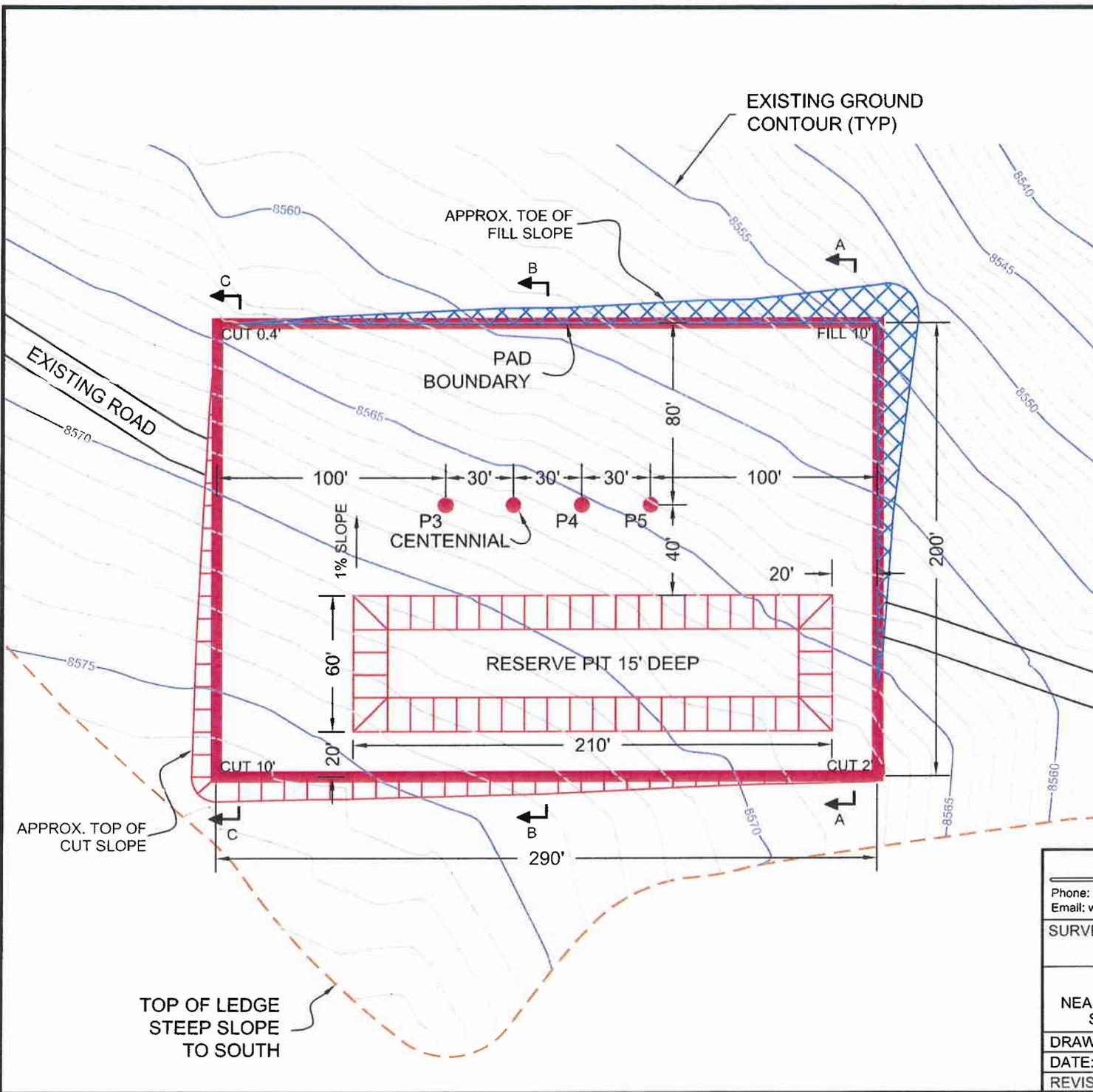
Quality Control
Date Drawn: Tue 01:56 PM
August 19, 2008
Drawn by: Jackie Luther
Checked by:
Chart OK:



OSO OIL & GAS CAVE PAD

NOTES

- APPROXIMATE EARTHWORK VOLUMES
 6" TOPSOIL STRIPPING = 1,100 CU. YDS.
 PIT CUT = 4,900 CU. YDS.
TOTAL CUT = 5,400 CU. YDS.
TOTAL FILL = 2,900 CU. YDS.
- FILL SLOPES ARE 1½ : 1
- CUT SLOPES ARE 1 : 1
- PIT CUT SLOPES ARE 1 : 1
- PIT CAPACITY WITH 2' OF FREEBOARD IS 19,346 Bbls.
- DESIGNED PAD ELEVATION = 8565' AT CENTER OF PAD



WARE SURVEYING, L.L.C.

Phone: 435-613-1266 1344 North 1000 West
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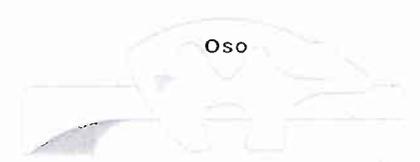
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OSO OIL & GAS

CAVE PAD

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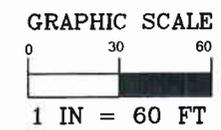
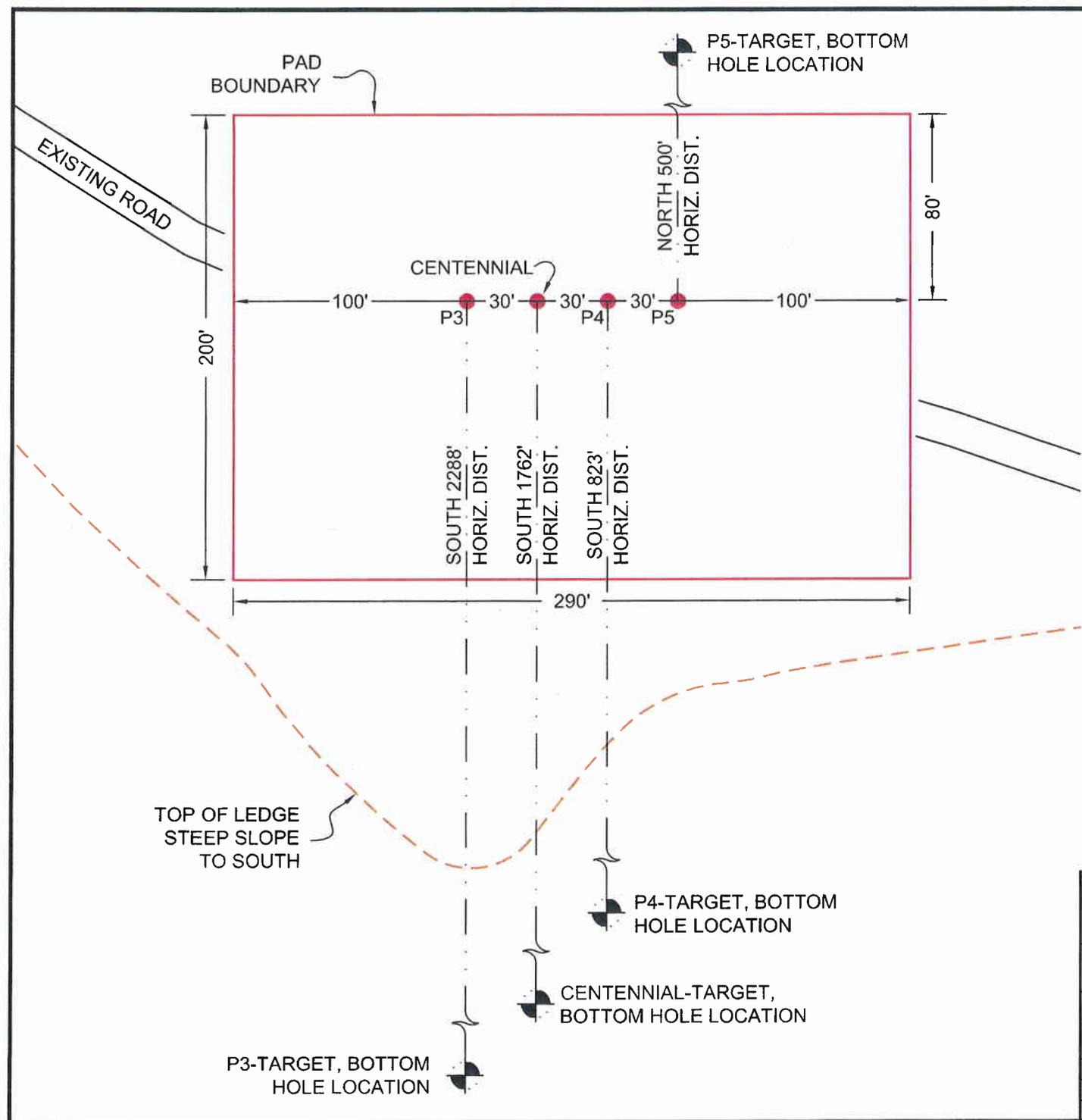
DRAWN BY:	MCW	SCALE:	1" = 60'
DATE:	08-14-08	SITE LAYOUT	
REVISIONS:	1		



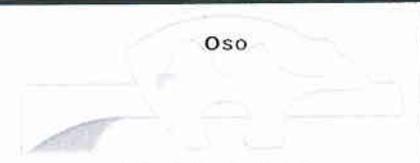
OSO OIL & GAS CAVE PAD

WELLHEAD SURFACE POSITIONS

WELL	LAT. (WGS84)	LONG. (WGS84)
P3	39°43'32.664" N	110°44'07.160" W
CENT.	39°43'32.661" N	110°44'06.776" W
P4	39°43'32.659" N	110°44'06.392" W
P5	39°43'32.657" N	110°44'06.009" W

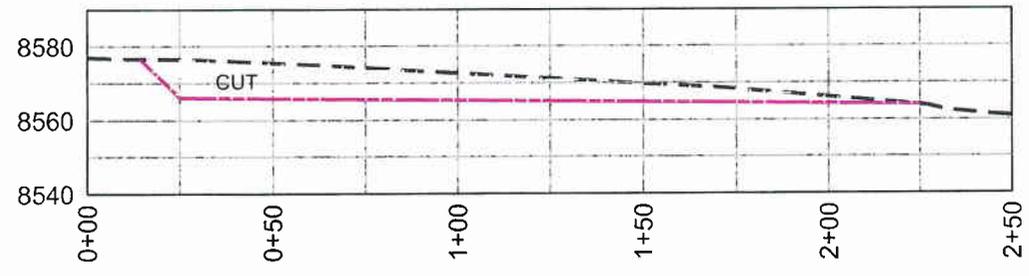


WARE SURVEYING, L.L.C.	
Phone: 435-613-1266	1344 North 1000 West
Email: waresurveying@emerytelcom.net	Price, Utah 84501
SURVEY FOR:	
OSO OIL & GAS	
CAVE PAD	
NEAR DEADMAN CAN., CARBON COUNTY, UTAH	
SECTION 31, T. 12 S., R. 11 E., S.L.B. & M.	
DRAWN BY: MCW	SCALE: 1" = 60'
DATE: 07-20-08	TARGET AZIMUTHS
REVISIONS: 0	

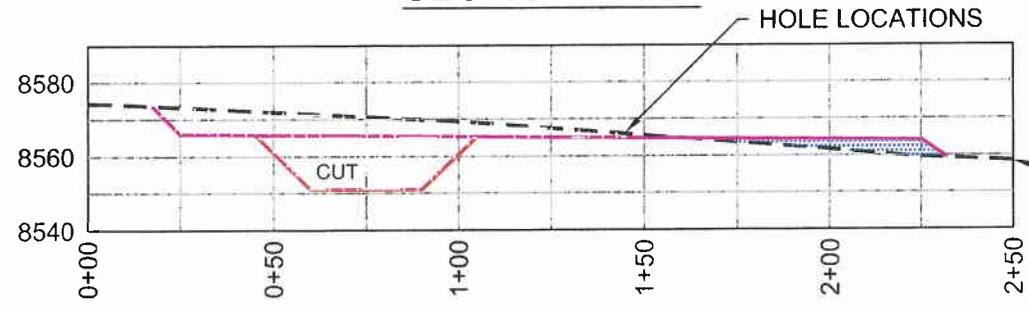


OSO OIL & GAS CAVE PAD

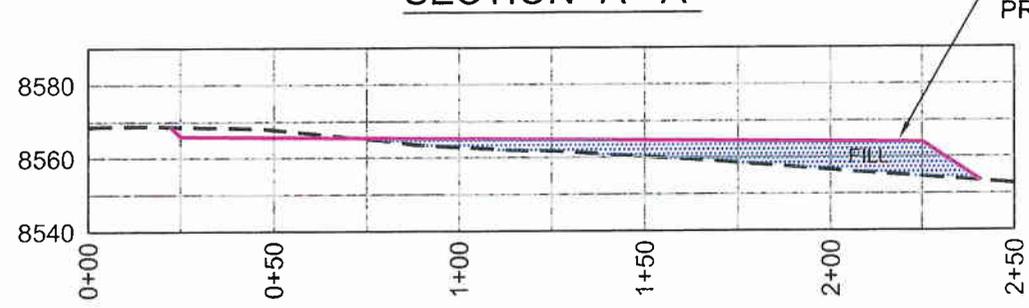
SECTION "C - C"



SECTION "B - B"



SECTION "A - A"

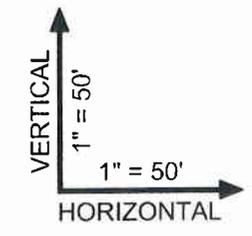


NOTES

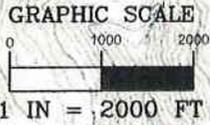
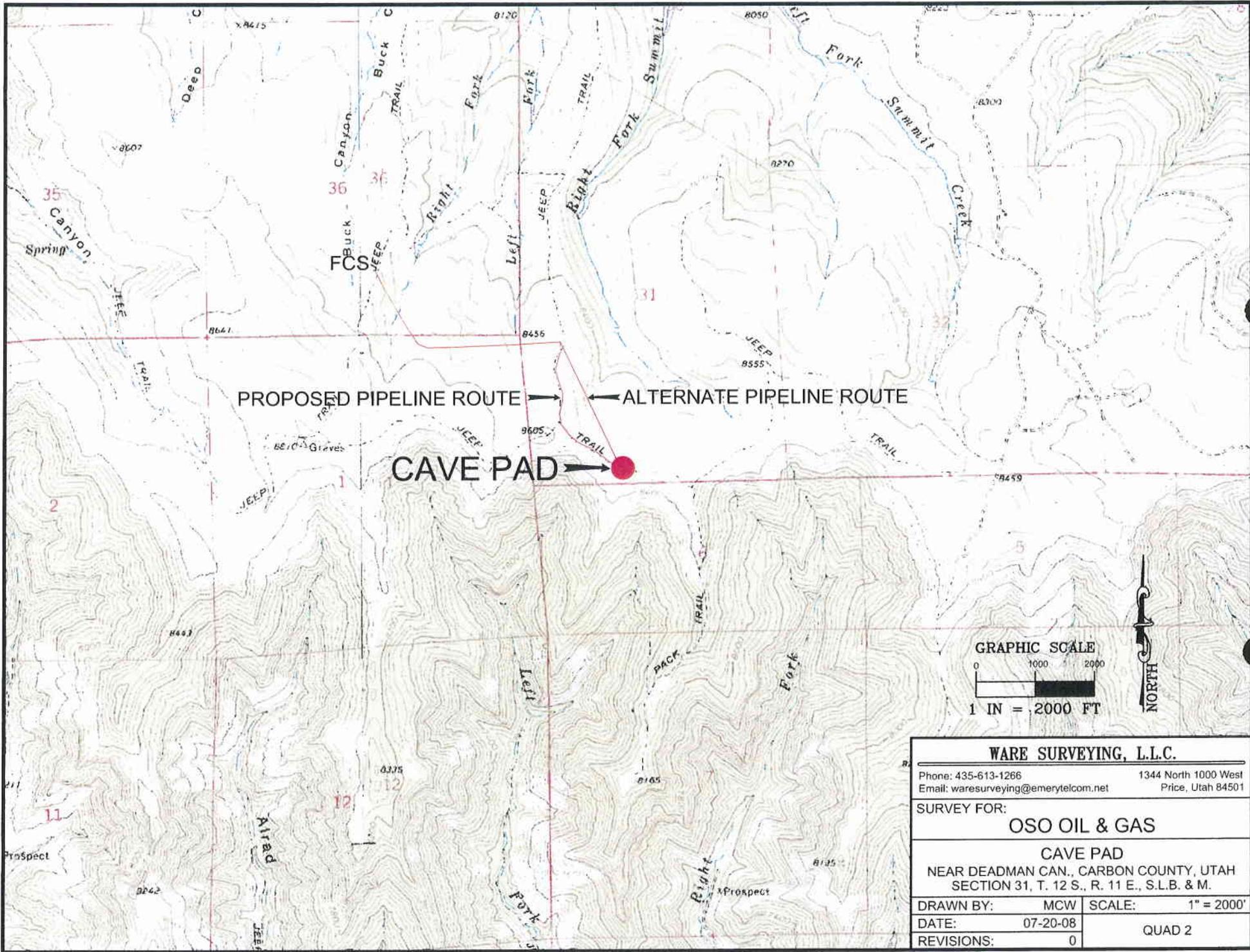
- APPROXIMATE EARTHWORK VOLUMES
 6" TOPSOIL STRIPPING = 1,100 CU. YDS.
 PIT CUT = 4,900 CU. YDS.
TOTAL CUT = 5,400 CU. YDS.
TOTAL FILL = 2,900 CU. YDS.
- FILL SLOPES ARE 1½ : 1
- CUT SLOPES ARE 1 : 1
- PIT CUT SLOPES ARE 1 : 1
- PIT CAPACITY WITH 2' OF FREEBOARD IS 19,346 Bbls.
- DESIGNED PAD ELEVATION = 8565' AT CENTER OF PAD

EXISTING GROUND PROFILE (TYP)

PROPOSED GROUND PROFILE (TYP)



WARE SURVEYING, L.L.C.		
Phone: 435-613-1266	1344 North 1000 West	
Email: waresurveying@emerytelcom.net	Price, Utah 84501	
SURVEY FOR:		
OSO OIL & GAS		
CAVE PAD		
NEAR DEADMAN CAN., CARBON COUNTY, UTAH		
SECTION 31, T. 12 S., R. 11 E., S.L.B. & M.		
DRAWN BY:	MCW	SCALE: 1" = 50'
DATE:	08-14-08	CROSS SECTIONS
REVISIONS:	1	



WARE SURVEYING, L.L.C.		
Phone: 435-613-1266		1344 North 1000 West
Email: waresurveying@emerytelcom.net		Price, Utah 84501
SURVEY FOR:		
OSO OIL & GAS		
CAVE PAD		
NEAR DEADMAN CAN., CARBON COUNTY, UTAH		
SECTION 31, T. 12 S., R. 11 E., S.L.B. & M.		
DRAWN BY:	MCW	SCALE: 1" = 2000'
DATE:	07-20-08	QUAD 2
REVISIONS:	0	

CAVE PAD

NEAR DEADMAN CAN., CARBON COUNTY, UTAH
SECTION 31, T. 12 S., R. 11 E., S.L.B. & M.



LOOKING NORTH FROM PAD



LOOKING SOUTH FROM PAD

WARE SURVEYING, L.L.C.

Phone: 435-613-1266
Email: waresurveying@emerytelcom.net

1344 North 1000 West
Price, Utah 84501

Oso

OSO OIL & GAS

DATE: 07-18-08
PHOTO 1

CAVE PAD

NEAR DEADMAN CAN., CARBON COUNTY, UTAH
SECTION 31, T. 12 S., R. 11 E., S.L.B. & M.



LOOKING EAST FROM PAD



LOOKING WEST FROM PAD

WARE SURVEYING, L.L.C.

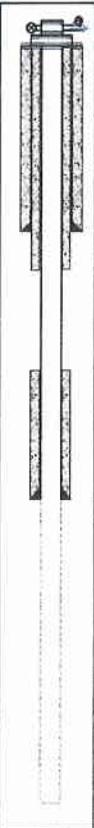
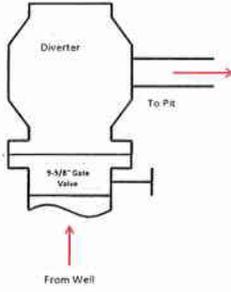
Phone: 435-613-1266
Email: waresurveying@emerytelcom.net

1344 North 1000 West
Price, Utah 84501

Oso

OSO OIL & GAS

DATE: 07-18-08
PHOTO 2

Well Name: P5		SHL Footage: 281' FSL & 1530' FWL		P5 Drilling Cover Page	Drilling Contractor: Boart Longyear		GLE: 8565'										
State: Utah		SHL S/T/R: Sec 31 T12S R 11E SLB&M			Rig Number: LK 140		RKB: 8569'										
County: Carbon		BHL Footage: 780' FSL & 1581' FWL			Well Description: Stant Gob		TD MD (ft): 2600'										
API #: TBD		BHL S/T/R: Sec 31 T12S R 11E SLB&M		Expected BHP: 0.2 psig		TD TVD (ft): 2480'											
Permit Application Data				Geologic Tops (TVD)	Top		Hole	Depth	Hole Size	Casing	Drilling Fluids	Cement	Directional	Pressure Control/Testing Freq	Well Testing	Logging	
				Formation Names	(ft)		Section	(MD ft)	(in)								
Item Description				TOC @ Surface			Surface	0'-20'	22"	16" Conductor	Air/Mud blown m/c pill	25 Sx Neal G 1.16 cut/sk	None	None / NA	None	None	
Primary Contact: Mike Griffiths, Engineer, 720-407-8488, 303-819-7354							Intermediate	20 - 2094	12-11.4"	9-5/8" 38# J-55 LTC	Air/Foam blown m/c pill	150 s x 15.8 ppg Class G Neal + 2% KCL + 0.75 ppg barite + 200# 200 x 15.8 ppg class G Neal topped out from surface	See Attached Plan	Diverter / NA	None	None	
Mineral Lease Number: UT-DSQ-001, Dave and Mildred Cave, et al				Shoe at 20'													
Surface Ownership: Fee				Shoe @ 2030 TVD/2094 MD													
Drilling Water Use: Price Water Improvement Dist, Provided by Nelco, 435-636-7000				2030													
				Kenworth SS													
				Top of Gob (est)													
				Top of Gas													
				Aberdeen Seam													
				2476													
Well Control Equipment																	
																	
Diverter																	
To Pit																	
5-3/8" Gate Valve																	
From Well																	
Diverter & gate valve to shut the well in after reaching TD																	

**WORKSHEET
APPLICATION FOR PERMIT TO DRILL**

APD RECEIVED: 08/28/2008

API NO. ASSIGNED: 43-007-31450

WELL NAME: P5
 OPERATOR: OSO OIL & GAS (N3515)
 CONTACT: MIKE GRIFFIS

PHONE NUMBER: 303-979-6023

PROPOSED LOCATION:

NESW 31 120S 110E
 SURFACE: 0281 FSL 1530 FWL
 BOTTOM: 0780 FSL 1581 FWL
 COUNTY: CARBON
 LATITUDE: 39.72571 LONGITUDE: -110.7342
 UTM SURF EASTINGS: 522781 NORTHINGS: 4397139
 FIELD NAME: WILDCAT (1)

INSPECT LOCATN BY: / /		
Tech Review	Initials	Date
Engineering	DKD	10/20/08
Geology		
Surface		

LEASE TYPE: 4 - Fee
 LEASE NUMBER: UT-OSO-001
 SURFACE OWNER: 4 - Fee

PROPOSED FORMATION: BLKHK
 COALBED METHANE WELL? NO

RECEIVED AND/OR REVIEWED:

- Plat
- Bond: Fed[] Ind[] Sta[] Fee[]
(No. 7426008038)
- Potash (Y/N)
- Oil Shale 190-5 (B) or 190-3 or 190-13
- Water Permit
(No. MUNICIPAL)
- RDCC Review (Y/N)
(Date: 09/24/2008)
- 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: Needs Pres 20 (09-30-08)

STIPULATIONS: 1- Spacing Slip
2- STATEMENT OF BASIS
3- Cement slip # 7 (9 5/8")

API Number: 4300731450

Well Name: P5

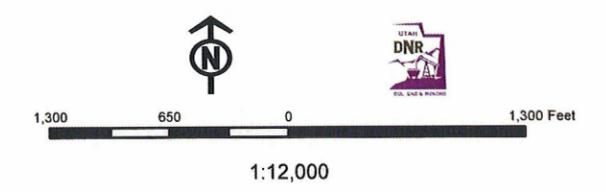
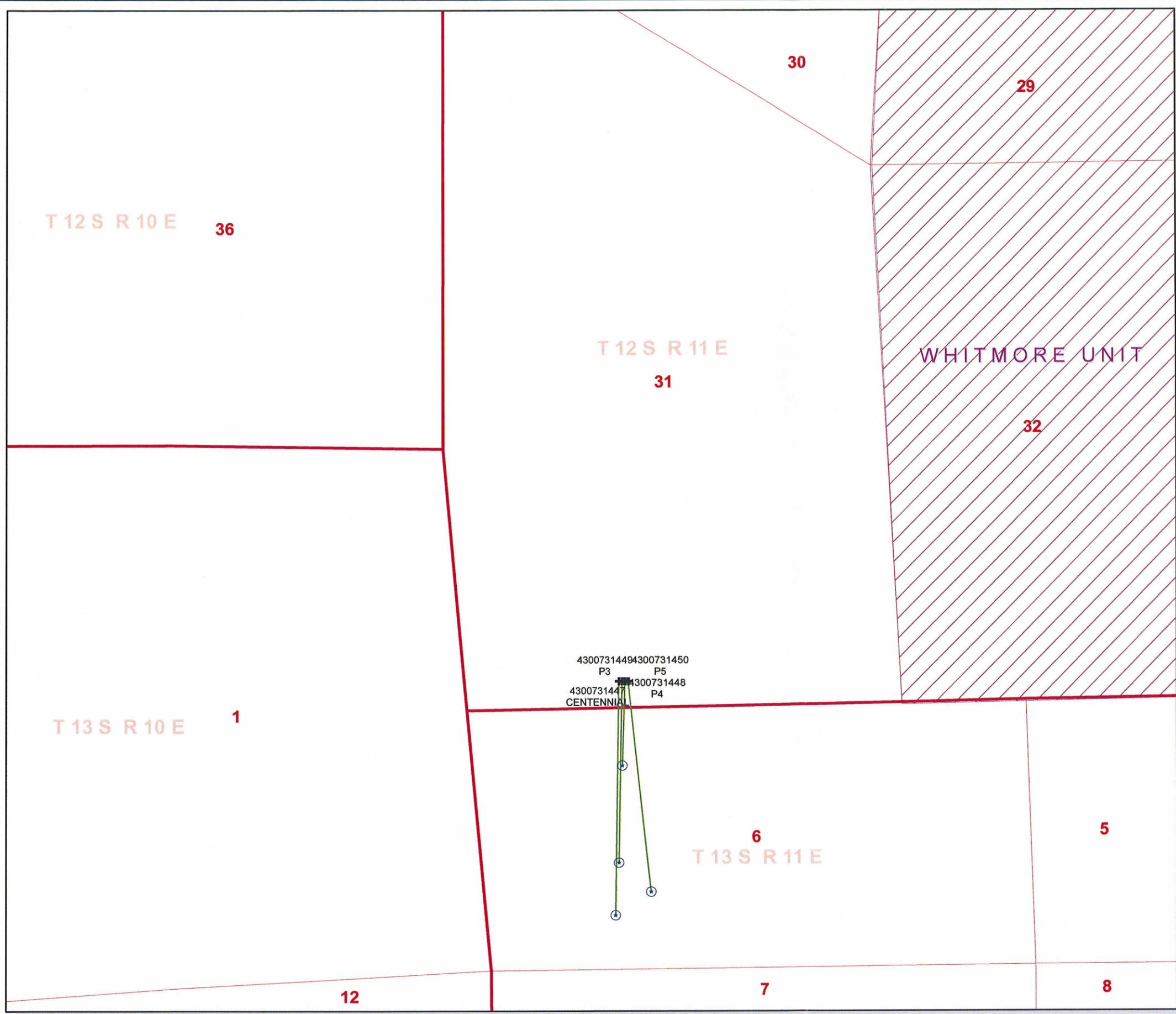
Township 12.0 S Range 11.0 E Section 31

Meridian: SLBM

Operator: OSO OIL & GAS PROPERTIES LLC

Map Prepared:
Map Produced by Diana Mason

Units		Wells Query Events	
STATUS		✕	<all other values>
ACTIVE			
EXPLORATORY			
GAS STORAGE		■	<Null>
NF PP OIL		◆	APD
NF SECONDARY		⊙	DRL
PI OIL		⚡	GI
PP GAS		⊙	GS
PP GEOTHERML			
PP OIL		✕	LA
SECONDARY		+	NEW
TERMINATED		△	OPS
		○	PA
Fields		⊙	PGW
STATUS		●	POW
ACTIVE		⊙	RET
COMBINED		⊙	SGW
Sections		●	SOW
Township		⚡	TA
		○	TW
		⚡	WD
		⚡	WI
		●	WS
		⊕	Bottom Hole Location



Application for Permit to Drill

Statement of Basis

Utah Division of Oil, Gas and Mining

10/21/2008

Page 1

APD No	API WellNo	Status	Well Type	Surf Ownr	CBM
1014	43-007-31450-00-00		GW	P	No
Operator	OSO OIL & GAS PROPERTIES LLC	Surface Owner-APD			
Well Name	P5	Unit			
Field	WILDCAT	Type of Work			
Location	NESW 31 12S 11E S 281 FSL 1530 FWL GPS Coord (UTM) 522781E 4397139N				

Geologic Statement of Basis

A well drilled at this location will likely spud into a permeable soil developed on the Tertiary/Cretaceous-age Undivided Flagstaff Limestone/North Horn Formation. It is likely that considerable volumes of fresh water may be encountered in permeable Tertiary Flagstaff Limestone and Cretaceous-age North Horn and Mesa Verde Group strata. The nearest mapping of the base of moderately saline ground water in the area (~14 miles northeast) implies that it may be as much as 5,500' below the surface. No underground water rights have been filed within a mile of the location. Drainage is to the north into the Right Fork of Summit Creek, which drainage feeds to the Price River. The proposed casing and cementing program (if cemented to surface) and the air/mist/foam fresh water-based drilling fluid system will adequately protect the ground water resource. The surface casing likely primarily protect the Flagstaff Limestone and North Horn Formation. A prodigious column of permeable sands in the Cretaceous is exposed during drilling below the surface casing but the drilling fluid system is benign.

Chris Kierst
APD Evaluator

10/20/2008
Date / Time

Surface Statement of Basis

Staked location lies approximately 10 air miles northeast of Price, Carbon County, Utah. Located on the ridge line overlooking the Castle Valley and Price to the south with Emma Park sloping off to the north. Topography drops both to the south and north, however is more dramatic to the south looking into the Left Fork of Deadman Creek. Most of the location will drain to the north into the Right Fork of Summit Creek, Willow Creek, and eventually the Price River.

Access will be along existing roads. The reserve pit will be lined and fenced. Traffic will be re-routed around wellpad during drilling. Access will be provided through the well pad after drilling has been completed.

Onsite evaluation conducted September 30, 2008. In attendance: Mark Jones (UDOGM), Scott Berggren, Phil Basham, Rick Hudspeth (Oso), Bud Critchlow, Dave and Mildred Cave (surface owners). A signed surface use agreement is in place.

Mark Jones
Onsite Evaluator

9/30/2008
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 reserve pit shall be fenced to protect livestock and wildlife.

ON-SITE PREDRILL EVALUATION

Utah Division of Oil, Gas and Mining

Operator OSO OIL & GAS PROPERTIES LLC
Well Name P5
API Number 43-007-31450-0 **APD No** 1014 **Field/Unit** WILDCAT
Location: 1/4,1/4 NESW **Sec** 31 **Tw** 12S **Rng** 11E 281 FSL 1530 FWL
GPS Coord (UTM) 522774 4397148 **Surface Owner**

Participants

M. Jones (UDOGM), Scott Berggren, Phil Basham, Rick Hudspeth (Oso), Bud Critchlow, Dave and Mildred Cave (surface owners).

Regional/Local Setting & Topography

Staked location lies approximately 10 air miles northeast of Price, Carbon County, Utah. Located on the ridge line overlooking the Castle Valley and Price to the south with Emma Park sloping off to the north. Topography drops both to the south and north, however is more dramatic to the south looking into the Left Fork of Deadman Creek. Most of the location will drain to the north into the Right Fork of Summit Creek, Willow Creek, and eventually the Price River.

Surface Use Plan

Current Surface Use

Grazing

New Road

Miles	Well Pad		Src Const Material	Surface Formation
0	Width 200	Length 290	Onsite	

Ancillary Facilities

Waste Management Plan Adequate?

Environmental Parameters

Affected Floodplains and/or Wetland N

Flora / Fauna

grasses, sagebrush, and other shrubs.

Soil Type and Characteristics

rocky clay loam

Erosion Issues N

Sedimentation Issues N

Site Stability Issues N

Drainage Diversion Required N

Berm Required? N

Erosion Sedimentation Control Required? N

Reserve Pit

Site-Specific Factors		Site Ranking
Distance to Groundwater (feet)	>200	0
Distance to Surface Water (feet)	>1000	0
Dist. Nearest Municipal Well (ft)	>5280	0
Distance to Other Wells (feet)	<300	20
Native Soil Type	High permeability	20
Fluid Type	Air/mist	0
Drill Cuttings	Normal Rock	0
Annual Precipitation (inches)	>20	10
Affected Populations	<10	0
Presence Nearby Utility Conduits	Not Present	0
Final Score		50
		1 Sensitivity Level

Characteristics / Requirements

Closed Loop Mud Required? N Liner Required? N Liner Thickness 12 Pit Underlayment Required? N

Other Observations / Comments

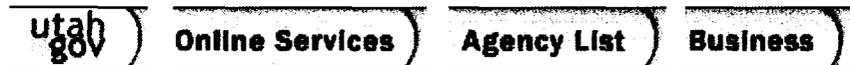
On pad with 3 other wells. All of these wells are going into old panels of the Tower Coal Mine.

Mark Jones

9/30/2008

Evaluator

Date / Time



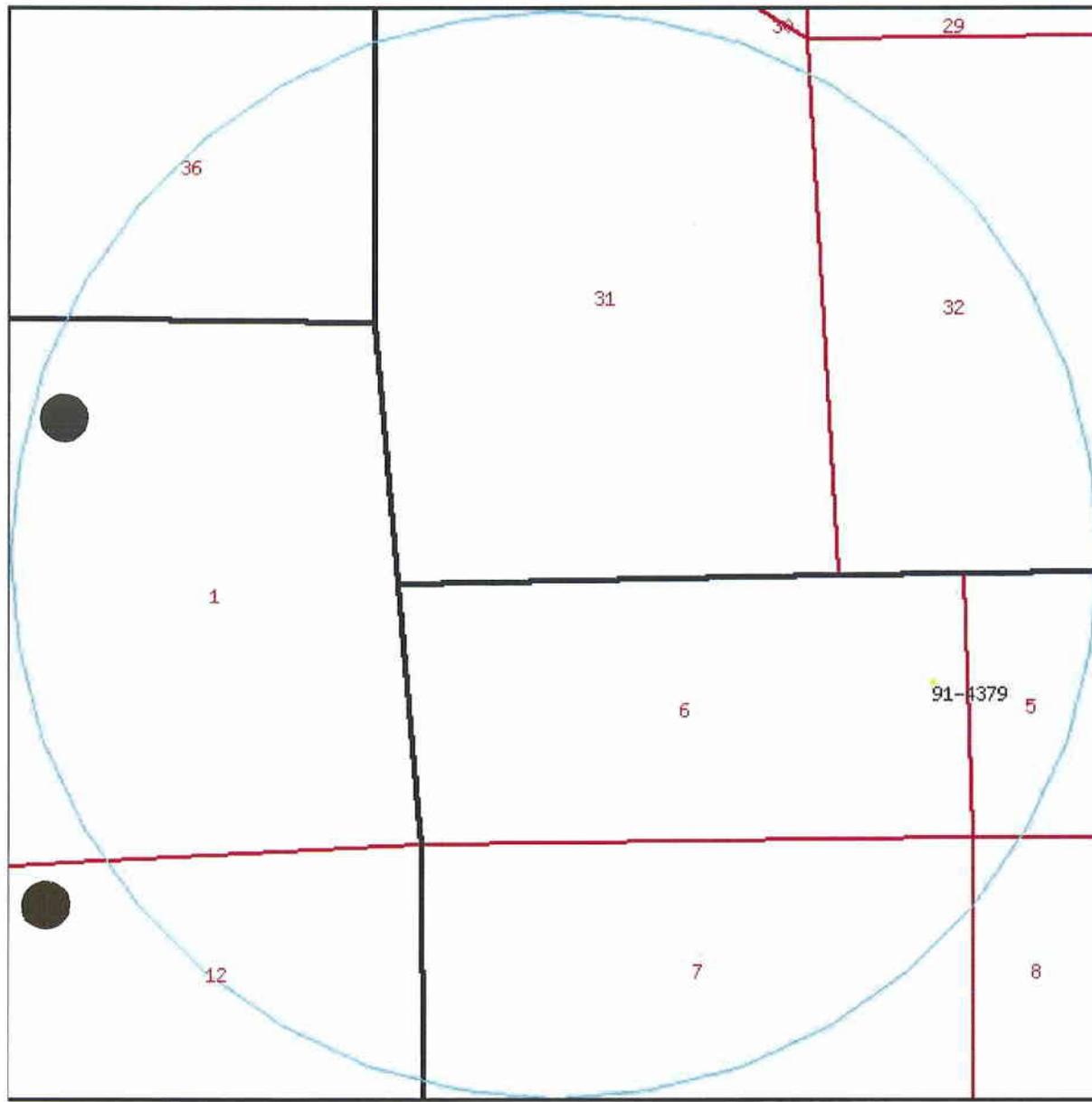


Utah Division of Water Rights

WRPLAT Program Output Listing

Version: 2007.04.13.01 Rundate: 10/20/2008 03:46 PM

Radius search of 5280 feet from a point N281 E1530 from the SW corner, section 31, Township 12S, Range 11E, SL b&m Criteria:wrtypes=W,C,E podtypes=S,U,Sp status=U,A,P usetypes=all



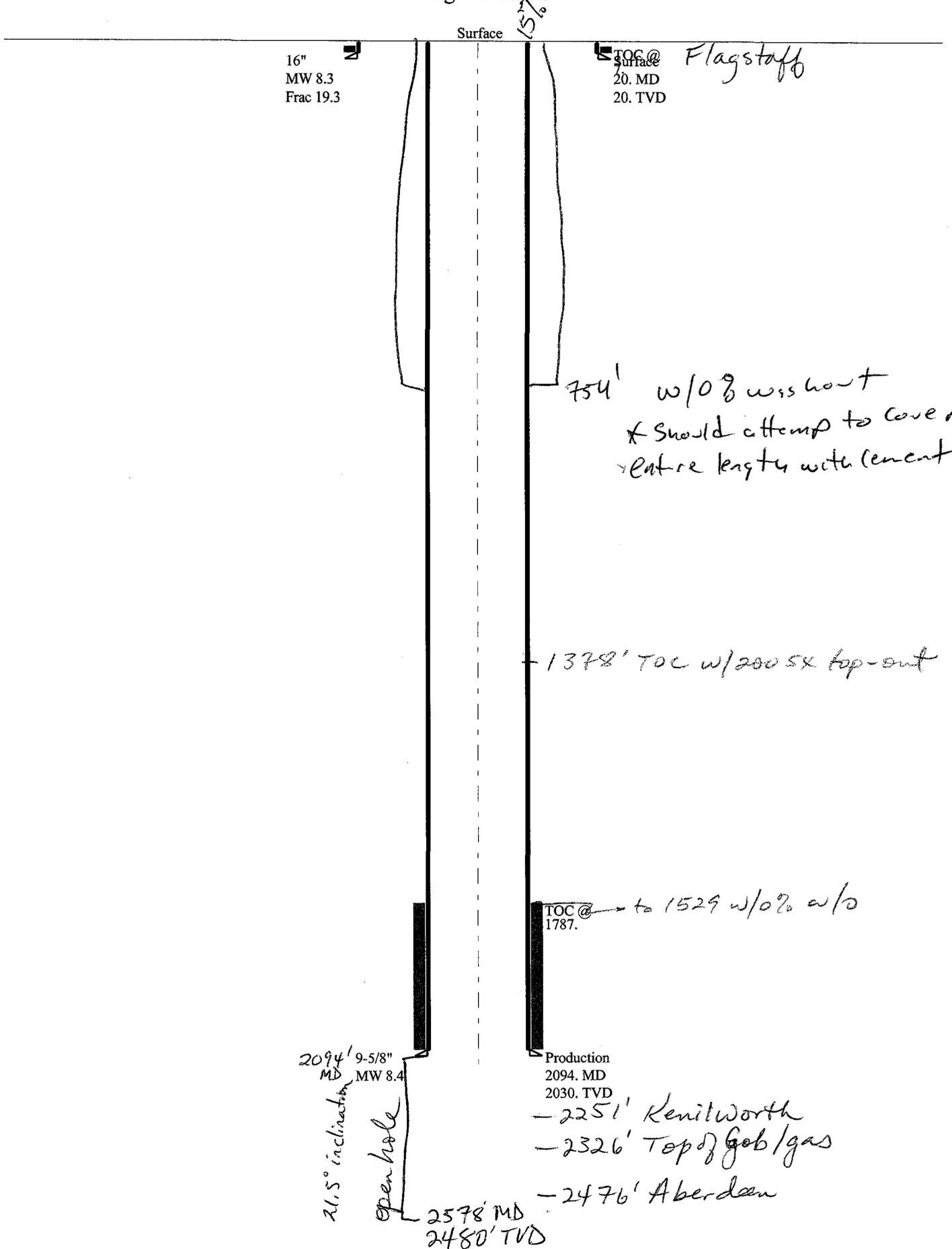
Water Rights

WR Number	Diversion Type/Location	Well Log	Status	Priority	Uses	CFS	ACFT	Owner Name
<u>91-4379</u>	Surface S1060 W300 NE 06 13S 11E SL		P	18690000	S	0.015	0.000	MILDRED CAVE SUNNYSIDE STAR ROUTE

Utah Division of Water Rights | 1594 West North Temple Suite 220, P.O. Box 146300, Salt Lake City, Utah 84114-6300 | 801-538-7240
[Natural Resources](#) | [Contact](#) | [Disclaimer](#) | [Privacy Policy](#) | [Accessibility Policy](#)

4300731450000 P5

Casing Schematic



16"
MW 8.3
Frac 19.3

TOC @
Surface
20. MD
20. TVD
Flagstaff

*754' w/0% wss hwt
* Should attempt to cover
entire length with cement*

1378' TOC w/200 SX top-out

TOC @
1787. *to 1529 w/0% w/o*

2094' 9-5/8"
MD MW 8.4

Production
2094. MD
2030. TVD
*- 2251' Kenilworth
- 2326' Top of Gob/gas
- 2476' Aberdeen*

*21.5° inclination
open hole*

2578' MD
2480' TVD

Well name:

4300731450000 P5

Operator: **Oso Oil & Gas Properties, LLC**

String type: **Surface**

Project ID:

43-007-31450-0000

Location: **Carbon County**

Design parameters:

Collapse

Mud weight: 8.330 ppg
Design is based on evacuated pipe.

Burst

Max anticipated surface pressure: 18 psi
Internal gradient: 0.120 psi/ft
Calculated BHP 20 psi

No backup mud specified.

Minimum design factors:

Collapse:

Design factor 1.125

Burst:

Design factor 1.00

Tension:

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

Tension is based on air weight.

Neutral point: 18 ft

Environment:

H2S considered? No
Surface temperature: 65 °F
Bottom hole temperature: 65 °F
Temperature gradient: 1.40 °F/100ft
Minimum section length: 20 ft

Cement top: 7 ft

Completion type is subs
Non-directional string.

Re subsequent strings:

Next setting depth: 2,030 ft
Next mud weight: 8.400 ppg
Next setting BHP: 886 psi
Fracture mud wt: 19.250 ppg
Fracture depth: 20 ft
Injection pressure: 20 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	20	16	65.00	H-40	ST&C	20	20	15.125	25.4
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	9	630	72.794	20	1640	82.00	1	439	99.99 J

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

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

Date: October 16, 2008
Salt Lake City, Utah

ENGINEERING STIPULATIONS:

Collapse strength is based on the Westcott, Dunlop & Kemler method of biaxial correction for tension.

Burst strength is not adjusted for tension.

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

Well name:

4300731450000 P5

Operator: **Oso Oil & Gas Properties, LLC**

String type: Production

Project ID:

43-007-31450-0000

Location: Carbon County

Design parameters:

Collapse

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

Minimum design factors:

Collapse:

Design factor 1.125

Burst:

Design factor 1.00

Environment:

H2S considered? No
Surface temperature: 65 °F
Bottom hole temperature: 93 °F
Temperature gradient: 1.40 °F/100ft
Minimum section length: 368 ft

Cement top: 1,787 ft

Burst

Max anticipated surface pressure: 642 psi
Internal gradient: 0.120 psi/ft
Calculated BHP 886 psi

No backup mud specified.

Tension:

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

Tension is based on air weight.
Neutral point: 1,823 ft

Completion type is subs

Directional well information:

Kick-off point 100 ft
Departure at shoe: 381 ft
Maximum dogleg: 3 °/100ft
Inclination at shoe: 21.51 °

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	2094	9.625	36.00	J-55	LT&C	2030	2094	8.796	908.9
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	886	2020	2.280	886	3520	3.97	73	453	6.20 J

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

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

Date: October 16, 2008
Salt Lake City, Utah

ENGINEERING STIPULATIONS:

Collapse strength is based on the Westcott, Dunlop & Kemler method of biaxial correction for tension.

Burst strength is not adjusted for tension.

Collapse strength is (biaxially) derated for doglegs in directional wells by multiplying the tensile stress by the cross section area to calculate a

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

BOPE REVIEW

Oso Oil & Gas P5 43-007-31450-0000

INPUT

Well Name

Oso Oil & Gas P5 43-007-31450-0000			
String 1	String 2		
16	9 5/8		
20	2480		
0	20		
8.4	8.4		
0	500		
1640	3520		
496	3.8 ppg		

Casing Size (")

Setting Depth (TVD)

Previous Shoe Setting Depth (TVD)

Max Mud Weight (ppg)

BOPE Proposed (psi)

Casing Internal Yield (psi)

Operators Max Anticipated Pressure (psi)

Calculations

	String 1	16 "	
Max BHP [psi]	.052*Setting Depth*MW =	9	
			BOPE Adequate For Drilling And Setting Casing at Depth?
MASP (Gas) [psi]	Max BHP-(0.12*Setting Depth) =	6	NO
MASP (Gas/Mud) [psi]	Max BHP-(0.22*Setting Depth) =	4	NO
			*Can Full Expected Pressure Be Held At Previous Shoe?
Pressure At Previous Shoe	Max BHP-.22*(Setting Depth - Previous Shoe Depth) =	4	NO
Required Casing/BOPE Test Pressure		20 psi	
*Max Pressure Allowed @ Previous Casing Shoe =		0 psi	*Assumes 1psi/ft frac gradient

Calculations

	String 2	9 5/8 "	
Max BHP [psi]	.052*Setting Depth*MW =	1083	
			BOPE Adequate For Drilling And Setting Casing at Depth?
MASP (Gas) [psi]	Max BHP-(0.12*Setting Depth) =	786	NO
MASP (Gas/Mud) [psi]	Max BHP-(0.22*Setting Depth) =	538	NO - O.K. - common in area - NO expected pressure - expect vacuum
			*Can Full Expected Pressure Be Held At Previous Shoe?
Pressure At Previous Shoe	Max BHP-.22*(Setting Depth - Previous Shoe Depth) =	542	NO
Required Casing/BOPE Test Pressure		500 psi	
*Max Pressure Allowed @ Previous Casing Shoe =		20 psi	*Assumes 1psi/ft frac gradient

From: Robert Clark
To: Mason, Diana
Date: 9/15/2008 8:40 AM
Subject: RDCC short turn-around comments.

CC: Anderson, Tad; Mcneill, Dave; Wright, Carolyn
The following comments are in response to short turn-around items **RDCC #9739 and RDCC #9743 - 9747.**

RDCC #9739, Comments begin: The DJ Simmons, INC proposal to drill the State 1-2 wildcat well, in San Juan County, may require a permit, known as an Approval Order, from the Executive Secretary of the Air Quality Board. If any compressor or pump stations are constructed at the site, a permit application, known as a Notice of Intent (NOI), should be submitted to the Executive Secretary at the Utah Division of Air Quality at 150 N. 1950 West, Salt Lake City, Utah, 84116 for review according to R307-401: Permit: Notice of Intent and Approval Order, of the Utah Air Quality Rules. A copy of the rules is found at www.rules.utah.gov/publicat/code/r307/r307.htm.

The proposed project, in San Juan County, is subject to R307-205-5: Fugitive Dust, of the Utah Air Quality Rules, due to the fugitive dust that is generated during the excavating phases of the project. These rules apply to construction activities that disturb an area greater than 1/4 acre in size. A permit, known as an Approval Order, is not required from the Executive Secretary of the Air Quality Board, but steps need to be taken to minimize fugitive dust, such as watering and/or chemical stabilization, providing vegetative or synthetic cover or windbreaks. A copy of the rules may be found at www.rules.utah.gov/publicat/code/r307/r307.htm.

Comments end.

RDCC #9743, Comments begin: The Questar E & P proposal to drill the FR-6P-16-14-19 wildcat well, in Uintah County, may require a permit, known as an Approval Order, from the Executive Secretary of the Air Quality Board. If any compressor or pump stations are constructed at the site, a permit application, known as a Notice of Intent (NOI), should be submitted to the Executive Secretary at the Utah Division of Air Quality at 150 N. 1950 West, Salt Lake City, Utah, 84116 for review according to R307-401: Permit: Notice of Intent and Approval Order, of the Utah Air Quality Rules. A copy of the rules is found at www.rules.utah.gov/publicat/code/r307/r307.htm.

The proposed project, in Uintah County, is subject to R307-205-5: Fugitive Dust, of the Utah Air Quality Rules, due to the fugitive dust that is generated during the excavating phases of the project. These rules apply to construction activities that disturb an area greater than 1/4 acre in size. A permit, known as an Approval Order, is not required from the Executive Secretary of the Air Quality Board, but steps need to be taken to minimize fugitive dust, such as watering and/or chemical stabilization, providing vegetative or synthetic cover or windbreaks. A copy of the rules may be found at www.rules.utah.gov/publicat/code/r307/r307.htm.

Comments end.

RDCC #9744, Comments begin: The Oso Oil & Gas Properties, LLC proposal to drill the Centennial wildcat well, in Carbon County, may require a permit, known as an Approval Order, from the Executive Secretary of the Air Quality Board. If any compressor or pump stations are constructed at the site, a permit application, known as a Notice of Intent (NOI), should be submitted to the Executive Secretary at the Utah Division of Air Quality at 150 N. 1950 West, Salt Lake City, Utah, 84116 for review according to R307-401: Permit: Notice of Intent and Approval Order, of the Utah Air Quality Rules. A copy of the rules is found at www.rules.utah.gov/publicat/code/r307/r307.htm.

The proposed project, in Carbon County, is subject to R307-205-5: Fugitive Dust, of the Utah Air Quality Rules, due to the fugitive dust that is generated during the excavating phases of the project. These rules apply to construction activities that disturb an area greater than 1/4 acre in size. A permit, known as an Approval Order, is not required from the Executive Secretary of the Air Quality Board, but steps need to be taken to minimize fugitive dust, such as watering and/or chemical stabilization, providing vegetative or synthetic cover or windbreaks. A copy of the rules may be found at www.rules.utah.gov/publicat/code/r307/r307.htm.

Comments end.

RDCC #9745, Comments begin: The Oso Oil & Gas Properties, LLC proposal to drill the P3 wildcat well, in Carbon County, may require a permit, known as an Approval Order, from the Executive Secretary of the Air Quality Board. If any compressor or pump stations are constructed at the site, a permit application, known as a Notice of Intent (NOI), should be submitted to the Executive Secretary at the Utah Division of Air Quality at 150 N. 1950 West, Salt Lake City, Utah, 84116 for review according to R307-401: Permit: Notice of Intent and Approval Order, of the Utah Air Quality Rules. A copy of the rules is found at www.rules.utah.gov/publicat/code/r307/r307.htm.

The proposed project, in Carbon County, is subject to R307-205-5: Fugitive Dust, of the Utah Air Quality Rules, due to the fugitive dust that is generated during the excavating phases of the project. These rules apply to construction activities that disturb an area

greater than 1/4 acre in size. A permit, known as an Approval Order, is not required from the Executive Secretary of the Air Quality Board, but steps need to be taken to minimize fugitive dust, such as watering and/or chemical stabilization, providing vegetative or synthetic cover or windbreaks. A copy of the rules may be found at www.rules.utah.gov/publicat/code/r307/r307.htm.

Comments end.

RDCC #9746, Comments begin: The Oso Oil & Gas Properties, LLC proposal to drill the P4 wildcat well, in Carbon County, may require a permit, known as an Approval Order, from the Executive Secretary of the Air Quality Board. If any compressor or pump stations are constructed at the site, a permit application, known as a Notice of Intent (NOI), should be submitted to the Executive Secretary at the Utah Division of Air Quality at 150 N. 1950 West, Salt Lake City, Utah, 84116 for review according to R307-401: Permit: Notice of Intent and Approval Order, of the Utah Air Quality Rules. A copy of the rules is found at www.rules.utah.gov/publicat/code/r307/r307.htm.

The proposed project, in Carbon County, is subject to R307-205-5: Fugitive Dust, of the Utah Air Quality Rules, due to the fugitive dust that is generated during the excavating phases of the project. These rules apply to construction activities that disturb an area greater than 1/4 acre in size. A permit, known as an Approval Order, is not required from the Executive Secretary of the Air Quality Board, but steps need to be taken to minimize fugitive dust, such as watering and/or chemical stabilization, providing vegetative or synthetic cover or windbreaks. A copy of the rules may be found at www.rules.utah.gov/publicat/code/r307/r307.htm.

Comments end.

RDCC #9747, Comments begin: The Oso Oil & Gas Properties, LLC proposal to drill the P5 wildcat well, in Carbon County, may require a permit, known as an Approval Order, from the Executive Secretary of the Air Quality Board. If any compressor or pump stations are constructed at the site, a permit application, known as a Notice of Intent (NOI), should be submitted to the Executive Secretary at the Utah Division of Air Quality at 150 N. 1950 West, Salt Lake City, Utah, 84116 for review according to R307-401: Permit: Notice of Intent and Approval Order, of the Utah Air Quality Rules. A copy of the rules is found at www.rules.utah.gov/publicat/code/r307/r307.htm.

The proposed project, in Carbon County, is subject to R307-205-5: Fugitive Dust, of the Utah Air Quality Rules, due to the fugitive dust that is generated during the excavating phases of the project. These rules apply to construction activities that disturb an area greater than 1/4 acre in size. A permit, known as an Approval Order, is not required from the Executive Secretary of the Air Quality Board, but steps need to be taken to minimize fugitive dust, such as watering and/or chemical stabilization, providing vegetative or synthetic cover or windbreaks. A copy of the rules may be found at www.rules.utah.gov/publicat/code/r307/r307.htm.

Comments end.

Robert Clark
Division of Air Quality
801-536-4435



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

October 21, 2008

OSO Oil & Gas Properties, LLC
3900 S Wadsworth Blvd.
Lakewood, CO 80235

Re: P5 Well, 281' FSL, 1530' FWL, NE SW, Sec. 31, T. 12 South, R. 11 East,
Bottom Location 780' FSL, 1581' FWL, SW SW, Sec. 31, T. 12 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 43-007-31450.

Sincerely,

Gil Hunt
Associate Director

pab
Enclosures

cc: Carbon County Assessor

Operator: OSO Oil & Gas Properties, LLC
Well Name & Number P5
API Number: 43-007-31450
Lease: UT-OSO-001

Location: NE SW Sec. 31 T. 12 South R. 11 East
Bottom Location: SW SW Sec. 31 T. 12 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.

Page 2

43-007-31450

October 21, 2008

4. Compliance with the Conditions of Approval/Application for Permit to Drill outlined in the Statement of Basis. (Copy Attached)
5. In accordance with Utah Admin. R.649-3-11, Directional Drilling, the operator shall submit a complete angular deviation and directional survey report to the Division within 30 days following completion of the well.
6. 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.
7. The cement volumes for 9 5/8 casing shall be determined from actual hole conditions and the setting depth of the casing in order to place cement from the pipe setting depth back to the surface.
8. The Application for Permit to Drill has been forwarded to the Resource Development Coordinating Committee for review of this action. You will be required to comply with any applicable recommendations resulting from this review.

DIVISION OF OIL, GAS AND MINING

SPUDDING INFORMATION

Name of Company: OSO OIL & GAS PROPERTIES LLC

Well Name: P5

Api No: 43-007-31450 Lease Type: STATE

Section 31 Township 12S Range 11E County CARBON

Drilling Contractor BORT LONYEAR RIG # LK35A

SPUDDED:

Date 11/04/08

Time 6:00 PM

How DRY

Drilling will Commence: _____

Reported by MIKE GRIFFITHS

Telephone # (435) 820-5013

Date 11/06/08 Signed CHD

ENTITY ACTION FORM

Operator: Oso Oil & Gas Properties, LLC Operator Account Number: N 3515
 Address: 3900 S Wadsworth Blvd, Suite 340
city Lakewood
state CO zip 80235 Phone Number: (720) 407-8488

Well 1

NESW

API Number	Well Name	QQ	Sec	Twp	Rng	County
4300731450	P5	SWSW	31	12S	11E	Carbon
Action Code	Current Entity Number	New Entity Number	Spud Date		Entity Assignment Effective Date	
A	<i>99999</i>	<i>17233</i>	11/4/2008		<i>12/4/08</i>	
Comments: <i>BLKHK = MURD BHL = NESW</i>						

Well 2

API Number	Well Name	QQ	Sec	Twp	Rng	County
4300731448	P4	SWSW	31	12S	11E	Carbon
Action Code	Current Entity Number	New Entity Number	Spud Date		Entity Assignment Effective Date	
A	<i>99999</i>	<i>17234</i>	11/17/2008		<i>12/4/08</i>	
Comments: <i>BLKHK = MURD BHL = Sec 6 T13S N4NW</i>						

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)

Mike Griffis (ee)
Name (Please Print)

Signature

Title

Date

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DEC 04 2008

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

AMENDED REPORT FORM 8
(highlight changes)

WELL COMPLETION OR RECOMPLETION REPORT AND LOG

1a. TYPE OF WELL: OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> DRY <input type="checkbox"/> OTHER _____		5. LEASE DESIGNATION AND SERIAL NUMBER: UT-OSO-001
b. TYPE OF WORK: NEW WELL <input checked="" type="checkbox"/> HORIZ. LATS. <input type="checkbox"/> DEEP-EN <input type="checkbox"/> RE-ENTRY <input type="checkbox"/> DIFF. RESVR. <input type="checkbox"/> OTHER _____		6. IF INDIAN, ALLOTTEE OR TRIBE NAME N/A
2. NAME OF OPERATOR: Oso Oil & Gas Properties, LLC		7. UNIT or CA AGREEMENT NAME N/A
3. ADDRESS OF OPERATOR: 3900 S Wadsworth Blvd, CITY Lakewood STATE CO ZIP 80235		8. WELL NAME and NUMBER: P5
PHONE NUMBER: (720) 407-8488		9. API NUMBER: 4300731450
4. LOCATION OF WELL (FOOTAGES) AT SURFACE: 281' FSL & 1530' FWL Sec 31 T12S R11E AT TOP PRODUCING INTERVAL REPORTED BELOW: 740' FSL & 1566' FWL Sec 31 T12S R11E AT TOTAL DEPTH: 817' FSL & 1585' FWL Sec 31 T12S R11E SE SW <i>817' 1523'</i>		10. FIELD AND POOL, OR WILDCAT Wildcat
		11. QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: SWSW 31 12S 11E S
		12. COUNTY Carbon
		13. STATE UTAH

14. DATE SPURRED: 11/4/2008	15. DATE T.D. REACHED: 11/17/2008	16. DATE COMPLETED: 11/17/2008	ABANDONED <input type="checkbox"/> READY TO PRODUCE <input checked="" type="checkbox"/>	17. ELEVATIONS (DF, RKB, RT, GL): 8569'
18. TOTAL DEPTH: MD 2,654 TVD 2,532 2,529	19. PLUG BACK T.D.: MD 2,654 TVD 2,532	20. IF MULTIPLE COMPLETIONS, HOW MANY? * N/A		21. DEPTH BRIDGE MD PLUG SET: TVD
22. TYPE ELECTRIC AND OTHER MECHANICAL LOGS RUN (Submit copy of each) ✓ Dual Induction, Resistivity, GR, SP, Cal			23. WAS WELL CORED? NO <input checked="" type="checkbox"/> YES <input type="checkbox"/> (Submit analysis) WAS DST RUN? NO <input checked="" type="checkbox"/> YES <input type="checkbox"/> (Submit report) DIRECTIONAL SURVEY? NO <input type="checkbox"/> YES <input checked="" type="checkbox"/> (Submit copy)	

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

HOLE SIZE	SIZE/GRADE	WEIGHT (#/ft.)	TOP (MD)	BOTTOM (MD)	STAGE CEMENTER DEPTH	CEMENT TYPE & NO. OF SACKS	SLURRY VOLUME (BBL)	CEMENT TOP **	AMOUNT PULLED
16	14 H-40	28	0	21		Type II 10	3	0	
12.25"	9.625 M-50	36	0	2,061		Type II 468	150	0	

25. TUBING RECORD

SIZE	DEPTH SET (MD)	PACKER SET (MD)	SIZE	DEPTH SET (MD)	PACKER SET (MD)	SIZE	DEPTH SET (MD)	PACKER SET (MD)

26. PRODUCING INTERVALS MURD					27. PERFORATION RECORD				
FORMATION NAME	TOP (MD)	BOTTOM (MD)	TOP (TVD)	BOTTOM (TVD)	INTERVAL (Top/Bot - MD)	SIZE	NO. HOLES	PERFORATION STATUS	
(A) Aberdeen Coal	2,594	2,601	2,476	2,481				Open <input type="checkbox"/>	Squeezed <input type="checkbox"/>
(B)								Open <input type="checkbox"/>	Squeezed <input type="checkbox"/>
(C)								Open <input type="checkbox"/>	Squeezed <input type="checkbox"/>
(D)								Open <input type="checkbox"/>	Squeezed <input type="checkbox"/>

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

DEPTH INTERVAL	AMOUNT AND TYPE OF MATERIAL

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29. ENCLOSED ATTACHMENTS: <input checked="" type="checkbox"/> ELECTRICAL/MECHANICAL LOGS <input type="checkbox"/> SUNDRY NOTICE FOR PLUGGING AND CEMENT VERIFICATION	<input type="checkbox"/> GEOLOGIC REPORT <input type="checkbox"/> CORE ANALYSIS	<input type="checkbox"/> DST REPORT <input type="checkbox"/> OTHER: _____	<input checked="" type="checkbox"/> DIRECTIONAL SURVEY	30. WELL STATUS: Shut-In
--	--	--	--	------------------------------------

31. INITIAL PRODUCTION

INTERVAL A (As shown in item #26)

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

INTERVAL B (As shown in item #26)

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

INTERVAL C (As shown in item #26)

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

INTERVAL D (As shown in item #26)

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

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

33. SUMMARY OF POROUS ZONES (Include Aquifers):

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

34. FORMATION (Log) MARKERS:

Formation	Top (MD)	Bottom (MD)	Descriptions, Contents, etc.	Name	Top (Measured Depth)

35. ADDITIONAL REMARKS (Include plugging procedure)

This well is completed as an open hole, natural completion.

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

NAME (PLEASE PRINT) Mike Griffis TITLE Project Manager
 SIGNATURE  Michael Griffis DATE _____
 2009.01.06 10:27:49 -07'00'

This report must be submitted within 30 days of

- completing or plugging a new well
- drilling horizontal laterals from an existing well bore
- recompleting to a different producing formation
- reentering a previously plugged and abandoned well
- significantly deepening an existing well bore below the previous bottom-hole depth
- drilling hydrocarbon exploratory holes, such as core samples and stratigraphic tests

* ITEM 20: Show the number of completions if production is measured separately from two or more formations.

** ITEM 24: Cement Top - Show how reported top(s) of cement were determined (circulated (CIR), calculated (CAL), cement bond log (CBL), temperature survey (TS)).

Send to: Utah Division of Oil, Gas and Mining Phone: 801-538-5340
 1594 West North Temple, Suite 1210
 Box 145801 Fax: 801-359-3940
 Salt Lake City, Utah 84114-5801

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

FORM 9

SUNDRY NOTICES AND REPORTS ON WELLS		5. LEASE DESIGNATION AND SERIAL NUMBER: UT-OSO-001
Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.		6. IF INDIAN, ALLOTTEE OR TRIBE NAME: N/A
		7. UNIT or CA AGREEMENT NAME: N/A
1. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER _____	8. WELL NAME and NUMBER: P5	
2. NAME OF OPERATOR: Oso Oil & Gas Properties, LLC		9. API NUMBER: 4300731450
3. ADDRESS OF OPERATOR: 3900 S Wadsworth Blvd, Suil CITY Lakewood STATE CO ZIP 80235	PHONE NUMBER: (720) 407-8488	10. FIELD AND POOL, OR WILDCAT: Wildcat
4. LOCATION OF WELL FOOTAGES AT SURFACE: 281' FSL & 1530' FWL		COUNTY: Carbon
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: SWSW 31 12S 11E S		STATE: UTAH

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA			
TYPE OF SUBMISSION	TYPE OF ACTION		
<input type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: _____	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> REPERFORATE CURRENT FORMATION
	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> SIDETRACK TO REPAIR WELL
	<input type="checkbox"/> CASING REPAIR	<input checked="" type="checkbox"/> NEW CONSTRUCTION	<input type="checkbox"/> TEMPORARILY ABANDON
	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> TUBING REPAIR
	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> VENT OR FLARE
<input checked="" type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion: 11/17/2008	<input type="checkbox"/> CHANGE WELL NAME	<input type="checkbox"/> PLUG BACK	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> PRODUCTION (START/RESUME)	<input type="checkbox"/> WATER SHUT-OFF
	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input type="checkbox"/> OTHER: _____
	<input type="checkbox"/> CONVERT WELL TYPE	<input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION	

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

Well P5 spud on 11/5/2008. 20' of 14" conductor set and cemented with 13 cuft of cement to surface. 12-1/4" hole drilled to 2110' MD / 2030' TVD. Set 9-5/8" 36# M-50 LTC at 2060' MD / 1989' TVD. Cement to surface with 380 sx and top out with 44 sx @ 1.2 cuft/sk. Drill 8-3/4" hole from 9-5/8" shoe to 2654' MD / 2532' TVD. Natural completion in 8-3/4" hole section. Rig released on November 17, 2008.

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NAME (PLEASE PRINT) <u>Mike Griffis</u>	TITLE <u>Project Manager</u>
SIGNATURE <u></u> Michael Griffis 2008.12.23 15:40:58 -07'00'	DATE <u>12/23/2008</u>

(This space for State use only)

Operator: Oso Oil and Gas Properties, LLC
P5 Gyro Surveys
API: 43-007-31450
SHL: 281' FSL & 1530' FWL S31 T12S R11E SLB&M
BHL: 817' FSL & 1585' FWL S31 T12S R11E SLB&M
Date Run: 11/20/2008
Gyro Company: Applied Survey Systems, Casper Wyoming

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Survey Type	MD (ft)	Inc	Azm	TVD	VS	N/S	E/W
Gyro	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Gyro	50.00	0.41	194.72	50.00	-0.17	-0.17	-0.05
Gyro	100.00	0.62	178.08	100.00	-0.62	-0.62	-0.08
Gyro	150.00	0.91	178.69	149.99	-1.29	-1.29	-0.06
Gyro	200.00	1.33	183.26	199.98	-2.26	-2.26	-0.09
Gyro	250.00	1.97	188.33	249.96	-3.69	-3.69	-0.25
Gyro	300.00	2.42	188.90	299.93	-5.59	-5.59	-0.53
Gyro	350.00	2.84	192.00	349.87	-7.84	-7.84	-0.95
Gyro	400.00	3.00	196.58	399.81	-10.31	-10.31	-1.59
Gyro	450.00	3.27	193.64	449.73	-12.95	-12.95	-2.29
Gyro	500.00	3.16	193.84	499.65	-15.67	-15.67	-2.96
Gyro	550.00	2.63	194.82	549.59	-18.11	-18.11	-3.58
Gyro	600.00	2.27	194.37	599.54	-20.18	-20.18	-4.12
Gyro	650.00	2.06	194.42	649.51	-22.01	-22.01	-4.59
Gyro	700.00	1.78	191.13	699.48	-23.65	-23.65	-4.97
Gyro	750.00	1.54	196.59	749.46	-25.06	-25.06	-5.31
Gyro	800.00	1.34	192.84	799.44	-26.27	-26.27	-5.63
Gyro	850.00	1.14	183.04	849.43	-27.33	-27.33	-5.79
Gyro	900.00	0.83	203.71	899.43	-28.16	-28.16	-5.96
Gyro	950.00	0.47	277.70	949.42	-28.47	-28.47	-6.30
Gyro	1000.00	1.44	321.13	999.42	-27.95	-27.95	-6.90
Gyro	1050.00	3.04	339.36	1049.38	-26.22	-26.22	-7.76
Gyro	1100.00	4.88	348.41	1099.26	-22.89	-22.89	-8.66
Gyro	1150.00	6.64	351.87	1149.00	-17.95	-17.95	-9.49
Gyro	1200.00	8.41	353.96	1198.57	-11.45	-11.45	-10.29
Gyro	1250.00	10.58	356.33	1247.88	-3.23	-3.23	-10.96
Gyro	1300.00	12.33	357.46	1296.88	-6.69	6.69	-11.50
Gyro	1350.00	14.15	359.24	1345.55	-18.13	18.13	-11.81
Gyro	1400.00	16.07	0.32	1393.82	-31.17	31.17	-11.86
Gyro	1450.00	17.87	358.67	1441.64	-45.76	45.76	-12.00
Gyro	1500.00	18.53	352.74	1489.14	-61.31	61.31	-13.18
Gyro	1550.00	19.33	348.94	1536.44	-77.31	77.31	-15.77
Gyro	1600.00	21.06	345.61	1583.37	-94.14	94.14	-19.59
Gyro	1650.00	23.21	345.81	1629.68	-112.39	112.39	-24.24
Gyro	1700.00	25.24	346.84	1675.27	-132.33	132.33	-29.08
Gyro	1750.00	26.38	349.29	1720.29	-153.62	153.62	-33.58
Gyro	1800.00	27.92	352.34	1764.78	-176.14	176.14	-37.20
Gyro	1850.00	30.21	355.04	1808.48	-200.28	200.28	-39.85
Gyro	1900.00	31.98	357.92	1851.29	-226.05	226.05	-41.42
Gyro	1950.00	33.35	0.67	1893.39	-253.03	253.03	-41.74
Gyro	2000.00	33.22	1.97	1935.19	-280.46	280.46	-41.11
Gyro (Tie-in for OH Projections)	2026.00	33.38	2.33	1956.92	-294.73	294.73	-40.58
Interpolation (Casing Point)	2060.76	33.59	2.81	1985.908	-313.54	313.88	-39.72
Single Shot	2071	33	7	1994.468	-319.14	319.48	-39.24
Single Shot	2091	33	8	2011.241	-329.95	330.28	-37.82
Single Shot	2110	33	9	2027.176	-340.20	340.52	-36.29

			TVD		N/S	E/W	
Single Shot	2169	30.9	8	2077.236	-371.11	371.39	-31.66
Single Shot	2249	27.2	8	2147.159	-409.62	409.85	-26.26
Single Shot	2329	23	8	2219.589	-443.25	443.45	-21.54
Single Shot	2386	20.7	8	2272.49	-464.28	464.46	-18.58
Single Shot	2409	19.8	8	2294.069	-472.18	472.34	-17.48
Single Shot	2489	17.2	8	2369.928	-497.34	497.47	-13.94
Single Shot	2549	15.4	8	2427.514	-514.03	514.15	-11.60
Single Shot	2574	15.4	9	2451.616	-520.61	520.72	-10.62
Single Shot	2624	15	9	2499.867	-533.57	533.66	-8.57
Single Shot	2654	14.7	9	2528.865	-541.18	541.26	-7.37

DLS

0.82
0.51
0.58
0.85
1.32
0.89
0.90
0.56
0.63
0.23
1.05
0.72
0.42
0.60
0.58
0.45
0.57
0.94
1.66
2.29
3.48
3.87
3.58
3.59
4.41
3.52
3.73
3.87
3.73
3.93
2.93
4.15
4.31
4.13
3.14
4.15
5.28
4.62
4.03
1.45
0.98

0.98

23.18

2.72

2.87

3.67
4.62
5.25
4.04
3.91
3.25
3.00
1.06
0.80
1.00

Carol Daniels - RE: First production & 24-hr tests

From: Carol Daniels
To: Mike Griffis
Date: 1/7/2009 10:46 AM
Subject: RE: First production & 24-hr tests

Yes. But just show that information on the amended form.

Carol Daniels

>>> "Mike Griffis" <mgriffis@btoperating.com> 1/7/2009 10:43 AM >>>

None yet. We're waiting to get some more equipment hooked up.

Will I need to amend that form when I do get first production?

Mike Griffis
Project Manager
Oso Oil and Gas

Blue Tip Operating Company
Houston Denver Pittsburgh

3900 South Wadsworth Boulevard
Suite 340
Lakewood, CO 80235
Office: (720) 407-8488
Cell: (303) 819-7354
Fax: (303) 932-8409

From: Carol Daniels [mailto:caroldaniels@utah.gov]
Sent: Wednesday, January 07, 2009 10:41 AM
To: Mike Griffis
Subject: First production & 24-hr tests

Hi again Mike,

Did you have any 1st production or any 24-hr tests done on the P4 & P5. Under item #31. INITIAL PRODUCTION on the WCR, no dates or numbers are noted. Just double-checking.

Thanks,
Carol

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

AMENDED REPORT FORM 8
(highlight changes)

WELL COMPLETION OR RECOMPLETION REPORT AND LOG

1a. TYPE OF WELL: OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> DRY <input type="checkbox"/> OTHER _____		5. LEASE DESIGNATION AND SERIAL NUMBER: UT-OSO-001
b. TYPE OF WORK: NEW WELL <input checked="" type="checkbox"/> HORIZ. LATS. <input type="checkbox"/> DEEP-EN <input type="checkbox"/> RE-ENTRY <input type="checkbox"/> DIFF. RESVR. <input type="checkbox"/> OTHER _____		6. IF INDIAN, ALLOTTEE OR TRIBE NAME N/A
2. NAME OF OPERATOR: Oso Oil & Gas Properties, LLC		7. UNIT or CA AGREEMENT NAME N/A
3. ADDRESS OF OPERATOR: 3900 S Wadsworth Blvd, CITY Lakewood STATE CO ZIP 80235		8. WELL NAME and NUMBER: P5
PHONE NUMBER: (303) 979-6023		9. API NUMBER: 4300731450
4. LOCATION OF WELL (FOOTAGES) AT SURFACE: 281' FSL & 1530' FWL Sec 31 T12S R11E AT TOP PRODUCING INTERVAL REPORTED BELOW: 740' FSL & 1566' FWL Sec 31 T12S R11E AT TOTAL DEPTH: 817' FSL & 1585' FWL Sec 31 T12S R11E		10. FIELD AND POOL, OR WILDCAT Wildcat
		11. QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: SWSW 31 12S 11E S
		12. COUNTY Carbon
		13. STATE UTAH
14. DATE SPUDDED:	15. DATE T.D. REACHED:	16. DATE COMPLETED: ABANDONED <input type="checkbox"/> READY TO PRODUCE <input type="checkbox"/>
17. ELEVATIONS (DF, RKB, RT, GL):		
18. TOTAL DEPTH: MD TVD	19. PLUG BACK T.D.: MD TVD	20. IF MULTIPLE COMPLETIONS, HOW MANY? *
21. DEPTH BRIDGE PLUG SET: MD TVD		
22. TYPE ELECTRIC AND OTHER MECHANICAL LOGS RUN (Submit copy of each)		23. WAS WELL CORED? NO <input type="checkbox"/> YES <input type="checkbox"/> (Submit analysis) WAS DST RUN? NO <input type="checkbox"/> YES <input type="checkbox"/> (Submit report) DIRECTIONAL SURVEY? NO <input type="checkbox"/> YES <input type="checkbox"/> (Submit copy)

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

HOLE SIZE	SIZE/GRADE	WEIGHT (#/ft.)	TOP (MD)	BOTTOM (MD)	STAGE CEMENTER DEPTH	CEMENT TYPE & NO. OF SACKS	SLURRY VOLUME (BBL)	CEMENT TOP **	AMOUNT PULLED

25. TUBING RECORD

SIZE	DEPTH SET (MD)	PACKER SET (MD)	SIZE	DEPTH SET (MD)	PACKER SET (MD)	SIZE	DEPTH SET (MD)	PACKER SET (MD)

26. PRODUCING INTERVALS

FORMATION NAME	TOP (MD)	BOTTOM (MD)	TOP (TVD)	BOTTOM (TVD)
(A)				
(B)				
(C)				
(D)				

27. PERFORATION RECORD

INTERVAL (Top/Bot - MD)	SIZE	NO. HOLES	PERFORATION STATUS
			Open <input type="checkbox"/> Squeezed <input type="checkbox"/>
			Open <input type="checkbox"/> Squeezed <input type="checkbox"/>
			Open <input type="checkbox"/> Squeezed <input type="checkbox"/>
			Open <input type="checkbox"/> Squeezed <input type="checkbox"/>

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

DEPTH INTERVAL	AMOUNT AND TYPE OF MATERIAL

29. ENCLOSED ATTACHMENTS:

- | | | | |
|---|--|---------------------------------------|---|
| <input type="checkbox"/> ELECTRICAL/MECHANICAL LOGS | <input type="checkbox"/> GEOLOGIC REPORT | <input type="checkbox"/> DST REPORT | <input type="checkbox"/> DIRECTIONAL SURVEY |
| <input type="checkbox"/> SUNDRY NOTICE FOR PLUGGING AND CEMENT VERIFICATION | <input type="checkbox"/> CORE ANALYSIS | <input type="checkbox"/> OTHER: _____ | |

30. WELL STATUS:

Producing

RECEIVED

DEC 10 2009

DIV. OF OIL, GAS & MINING

31. INITIAL PRODUCTION

INTERVAL A (As shown in item #26)

DATE FIRST PRODUCED: 10/15/2009		TEST DATE:		HOURS TESTED:		TEST PRODUCTION RATES: →	OIL – BBL:	GAS – MCF:	WATER – BBL:	PROD. METHOD:
CHOKE SIZE:	TBG. PRESS.	CSG. PRESS. 1	API GRAVITY	BTU – GAS	GAS/OIL RATIO	24 HR PRODUCTION RATES: →	OIL – BBL:	GAS – MCF: 1,404	WATER – BBL:	INTERVAL STATUS:

INTERVAL B (As shown in item #26)

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

INTERVAL C (As shown in item #26)

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

INTERVAL D (As shown in item #26)

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

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

Sold

33. SUMMARY OF POROUS ZONES (Include Aquifers):

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

34. FORMATION (Log) MARKERS:

Formation	Top (MD)	Bottom (MD)	Descriptions, Contents, etc.	Name	Top (Measured Depth)
Aberdeen Coal	2,594	2,601			

35. ADDITIONAL REMARKS (Include plugging procedure)

This well began producing on October 15, 2009

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

NAME (PLEASE PRINT) Mike Griffis TITLE Project Engineer
 SIGNATURE  DATE 12/2/2009
Digitally signed by Michael Griffis
 DN: cn=Michael Griffis, o=Blue Tip Operating,
 ou=Oil & Gas, email=mgriffis@btooperating.com,
 c=US
 Date: 2009.12.02 15:32:06 -0700

This report must be submitted within 30 days of

- completing or plugging a new well
- drilling horizontal laterals from an existing well bore
- recompleting to a different producing formation
- reentering a previously plugged and abandoned well
- significantly deepening an existing well bore below the previous bottom-hole depth
- drilling hydrocarbon exploratory holes, such as core samples and stratigraphic tests

* ITEM 20: Show the number of completions if production is measured separately from two or more formations.

** ITEM 24: Cement Top – Show how reported top(s) of cement were determined (circulated (CIR), calculated (CAL), cement bond log (CBL), temperature survey (TS)).

Send to: Utah Division of Oil, Gas and Mining
 1594 West North Temple, Suite 1210
 Box 145801
 Salt Lake City, Utah 84114-5801
 Phone: 801-538-5340
 Fax: 801-359-3940

Effective Date: 7/1/2016

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

WELL INFORMATION:

Well Name	Sec	TWN	RNG	API	Entity	Mineral	Surface	Type	Status
P4	31	12S	11E	4300731448	17234	Fee	Fee	GW	S
P5	31	12S	11E	4300731450	17233	Fee	Fee	GW	S

OPERATOR CHANGES DOCUMENTATION:

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

REVIEW:

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

NEW OPERATOR BOND VERIFICATION:

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

DATA ENTRY:

1. Well(s) update in the **OGIS** on: 7/27/2016
2. Entity Number(s) updated in **OGIS** on: 7/27/2016
3. Unit(s) operator number update in **OGIS** on: N/A
4. Surface Facilities update in **OGIS** on: N/A
5. State/Fee well(s) attached to bond(s) in **RBDMS** on: 7/27/2016
6. Surface Facilities update in **RBDMS** on: N/A

COMMENTS:

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

FORM 9

SUNDRY NOTICES AND REPORTS ON WELLS		5. LEASE DESIGNATION AND SERIAL NUMBER: SEE ATTACHED LIST
Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.		6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
		7. UNIT or CA AGREEMENT NAME:
1. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER _____	8. WELL NAME and NUMBER: SEE ATTACHED LIST	
2. NAME OF OPERATOR: Liberty Pioneer Energy Source, Inc.		9. API NUMBER: SEE ATTACHED LIST
3. ADDRESS OF OPERATOR: 1411 E 840 N CITY Orem STATE UT ZIP 84097	PHONE NUMBER: (801)224-4771	10. FIELD AND POOL, OR WILDCAT:
4. LOCATION OF WELL FOOTAGES AT SURFACE: SEE ATTACHED LIST		COUNTY:
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN:		STATE: UTAH

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

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

CHANGE OF OPERATOR

PREVIOUS OPERATOR:
OSO Oil & Gas Properties, LLC **N3515**
15810 Park Ten Place, Suite 160
Houston, TX 77084
Phone (218) 944-3800

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

Operator Number N3680

Operator Number N2855

By: *Bruce L Taylor*
Bruce L Taylor
Its: *MANAGER*

RECEIVED
JUL 21 2016
DIV. OF OIL, GAS & MINING

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

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

(This space for State use only)

APPROVED

JUL 27 2016

DIV. OIL GAS & MINING
BY: *Rachel Medina*

ATTACHED LIST
to Sundry Notice of Operator Change

Well	Status	County	State	Lat	Long	Location	API
P-4	P	Carbon County	UT	39° 43' 33"	-110° 44' 6"	T12S-11E-31 SWSW	43-007-31448
P-5	P	Carbon County	UT	39° 43' 33"	-110° 44' 6"	T12S-11E-31 NESW	43-007-31450

[THIS PORTION INTENTIONALLY BLANK]