

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

FORM 3

AMENDED REPORT

APPLICATION FOR PERMIT TO DRILL		1. WELL NAME and NUMBER Jensen 2C-9
2. TYPE OF WORK DRILL NEW WELL <input checked="" type="checkbox"/> REENTER P&A WELL <input type="checkbox"/> DEEPEN WELL <input type="checkbox"/>		3. FIELD OR WILDCAT CASTLEGATE
4. TYPE OF WELL Oil Well Coalbed Methane Well: YES		5. UNIT or COMMUNITIZATION AGREEMENT NAME
6. NAME OF OPERATOR BLUE TIP CASTLEGATE, INC.		7. OPERATOR PHONE 620 202-1749
8. ADDRESS OF OPERATOR 1205 Independence Ave., Price, UT, 84501		9. OPERATOR E-MAIL mcerelli@btoperating.com
10. MINERAL LEASE NUMBER (FEDERAL, INDIAN, OR STATE) FEE	11. MINERAL OWNERSHIP FEDERAL <input type="checkbox"/> INDIAN <input type="checkbox"/> STATE <input type="checkbox"/> FEE <input checked="" type="checkbox"/>	
13. NAME OF SURFACE OWNER (if box 12 = 'fee') James T. Jensen, Jerry Jensen, Dix Jensen		12. SURFACE OWNERSHIP FEDERAL <input type="checkbox"/> INDIAN <input type="checkbox"/> STATE <input type="checkbox"/> FEE <input checked="" type="checkbox"/>
15. ADDRESS OF SURFACE OWNER (if box 12 = 'fee') 2961 East Caitland Court, na, UT		14. SURFACE OWNER PHONE (if box 12 = 'fee') 801-944-6600
17. INDIAN ALLOTTEE OR TRIBE NAME (if box 12 = 'INDIAN')		16. SURFACE OWNER E-MAIL (if box 12 = 'fee')
18. INTEND TO COMMINGLE PRODUCTION FROM MULTIPLE FORMATIONS YES <input type="checkbox"/> (Submit Commingling Application) NO <input checked="" type="checkbox"/>		19. SLANT VERTICAL <input checked="" type="checkbox"/> DIRECTIONAL <input type="checkbox"/> HORIZONTAL <input type="checkbox"/>

20. LOCATION OF WELL	FOOTAGES	QTR-QTR	SECTION	TOWNSHIP	RANGE	MERIDIAN
LOCATION AT SURFACE	734 FNL 1893 FEL	NWNE	9	12.0 S	10.0 E	S
Top of Uppermost Producing Zone	734 FNL 1893 FEL	NWNE	9	12.0 S	10.0 E	S
At Total Depth	734 FNL 1893 FEL	NWNE	9	12.0 S	10.0 E	S

21. COUNTY CARBON	22. DISTANCE TO NEAREST LEASE LINE (Feet) 734	23. NUMBER OF ACRES IN DRILLING UNIT 160
27. ELEVATION - GROUND LEVEL 7215	25. DISTANCE TO NEAREST WELL IN SAME POOL (Applied For Drilling or Completed) 1200	26. PROPOSED DEPTH MD: 5100 TVD: 5100
28. BOND NUMBER B005639	29. SOURCE OF DRILLING WATER / WATER RIGHTS APPROVAL NUMBER IF APPLICABLE Municipal water supply in Price or Helper, UT	

Hole, Casing, and Cement Information

String	Hole Size	Casing Size	Length	Weight	Grade & Thread	Max Mud Wt.	Cement	Sacks	Yield	Weight
SURF	12.25	8.625	0 - 600	24.0	J-55 ST&C	0.0	Class G	440	1.16	15.8
PROD	7.875	5.5	0 - 5100	17.0	J-55 LT&C	0.0	Class G	334	2.84	11.5
							Class G	179	2.02	12.5

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"/> AFFIDAVIT OF STATUS OF SURFACE OWNER AGREEMENT (IF FEE SURFACE)	<input type="checkbox"/> FORM 5. IF OPERATOR IS OTHER THAN THE LEASE OWNER
<input type="checkbox"/> DIRECTIONAL SURVEY PLAN (IF DIRECTIONALLY OR HORIZONTALLY DRILLED)	<input checked="" type="checkbox"/> TOPOGRAPHICAL MAP

NAME Lisa Smith	TITLE Permitting Agent	PHONE 303 857-9999
SIGNATURE	DATE 05/24/2011	EMAIL lspermitco@aol.com

API NUMBER ASSIGNED 43007501790000	APPROVAL	 Permit Manager
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CONFIDENTIAL TIGHT-HOLE

**Jensen 2C-9
734' FNL and 1893' FEL
NW NE Section 9, T12S - R10E
Carbon County, Utah**

Prepared For:

Blue Tip Castlegate, Inc.

By:

**PERMITCO INC.
PO Box 99
Eastlake, CO 80614
303/857-9999**

Copies Sent To:

- 3 - Utah Division of Oil, Gas & Mining - SLC, UT**
- 1 - Utah Division of Oil, Gas & Mining - Price, UT**
- 1 - Blue Tip Castlegate, Inc. - Price, UT**
- 1 - Blue Tip Castlegate, Inc. - Lakewood, CO**



Application for Permit to Drill
 Blue Tip Castlegate, Inc.
Jensen #2C-9
 734' FNL and 1893' FEL
 NW NE Section 9, T12S - R10E
 Carbon County, Utah

CONFIDENTIAL TIGHT-HOLE

Lease No. UTU-78952

DRILLING PROGRAM

Page 1

The proposed wellsite is located on Private Surface/Private Minerals.

1. Estimated Tops/Geologic Markers

The estimated tops of important geologic markers are as follows:

<i>Formation</i>	<i>TVD</i>	<i>MD</i>	<i>Subsea</i>
Flagstaff and North Horn	0'	0'	+7215'
Price River	3,365'	3,365'	+3,855'
Castlegate	3,735'	3,735'	+3,485'
Blackhawk	4,060'	4,060'	+3,160'
Kennilworth	4,797'	4,797'	+2,423'
Aberdeen	4,976'	4,976'	+2,244'
Spring Cyn	5,100'	5,100'	+2,120'

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

<i>Substance</i>	<i>Formation</i>	<i>Depth</i>
Coal	Blackhawk	4,060'

3. Well Control Equipment & Testing Procedures

Blue Tip Castlegate Inc.'s minimum specifications for pressure control equipment are as follows:

Ram Type: 5000# BOPE with an annular preventer.
 Hydraulic Double with Rotating Head

Blue Tip Castlegate will comply with all requirements pertaining to well control as listed in the Rule R649-3-7 of the Utah Division of Oil, Gas & Mining

See attached BOP diagram for details



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CONFIDENTIAL TIGHT-HOLE

Lease No. UTU-78952

DRILLING PROGRAM

Page 2

4. Casing Program

The proposed casing program will be as follows:

<i>Purpose</i>	<i>Depth</i>	<i>Hole Size</i>	<i>O.D.</i>	<i>Weight</i>	<i>Grade</i>	<i>Type</i>	<i>New/Used</i>
Surface	0'-600'	12-1/4"	8-5/8"	24#	J-55	STC	New
Production	0'-5,100'	7-7/8"	5-1/2"	17#	J-55	LTC	New

Casing design subject to revision based on geologic conditions encountered.

5. Cement Program

<i>Surface</i>	<i>Type and Amount</i>
TOC @ Surface	Lead: 440 sx Class G Cement, 2% BWOC Calcium Chloride, .25 LB/SK Super Flake, 4.96 gal/sk fresh water, 15.8 ppg, 1.16 cuft/sk
<i>Production</i>	<i>Type and Amount (DV Tool @ 3,650')</i>



TOC @ 600'	Lead: 334 sx 35:65 POZ Class G, .3% Air Out, 10% Bentonite, 10 LB/SK Gilsonite, 8% Gypsum, .25 LB/SK Super Flake, 3% Super GR. 11.50ppg, 2.84 cuft/sk, 15.46 gal/sk Tail: 179 sx 50:50 POZ Class G, .3% Air Out, 8% Bentonite, 10 LB/SK Gilsonite, 8% Gypsum, .25 LB/SK Super Flake, 3% Super GR. 12.50ppg, 2.02 cuft/sk, 9.43 gal/sk
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6. Drilling Fluids

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

<i>Interval</i>	<i>Mud Type</i>	<i>Mud Wt.</i>	<i>Visc.</i>	<i>F/L</i>	<i>PH</i>
0' - 600'	Air	8.5	28-32	N/C	9
600' - 5,100'	Aerated Water	8.5	28-38	N/C	9

Planning on 8.5# water with some gel and LCM as needed

7. Testing, Logging and Coring

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

- a. No drill stem tests are anticipated.
- b. The logging program will consist of a Triple Combo with High Res. Density.
- c. No cores are anticipated.

8. Anticipated Pressures and H₂S

- a. No H₂S is expected. The maximum anticipated bottom hole pressure is 2208 psi. The maximum bottom hole temperature is 125° Fahrenheit.

9. Water Source

- a. Water for drilling will be obtained from the Municipal water supply in Price or Helper, UT.



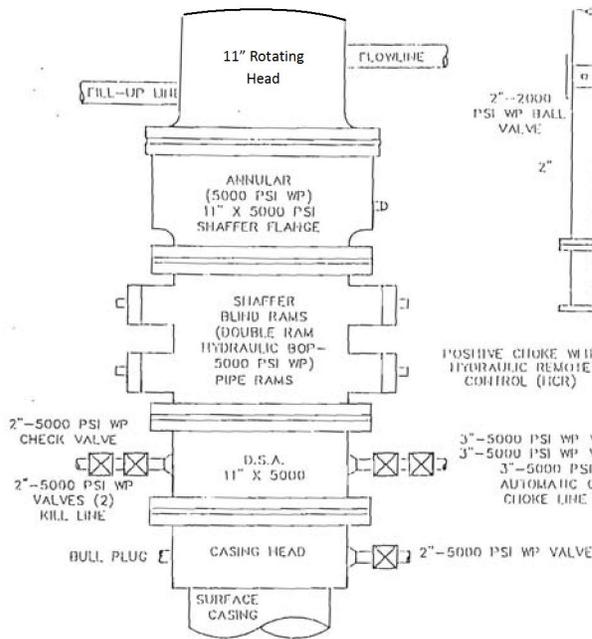
10. Other Information

- a. Drilling is planned to commence on July 15, 2011.
- b. It is anticipated that the drilling of this well will take approximately 30 days.
- c. Lining of the reserve pit will be done if deemed necessary by the Utah Division of Oil, Gas and Mining.
- d. At the end of drilling operations the location will be reclaimed and re-seeded as requested by the State of Utah.
- e. Surface Ownership

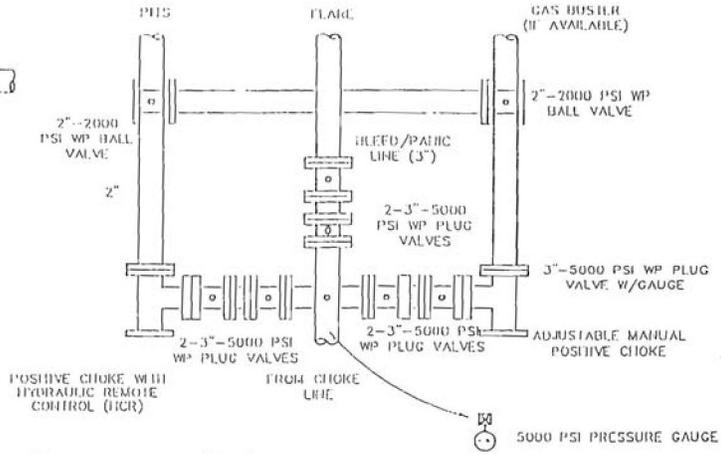
James T. Jensen, Jerry Jensen and Dix Jensen
2961 East Caitland Court
Salt Lake City, UT 84121
(801) 944-6600



BOP SCHEMATIC
5000 PSI WORKING PRESSURE



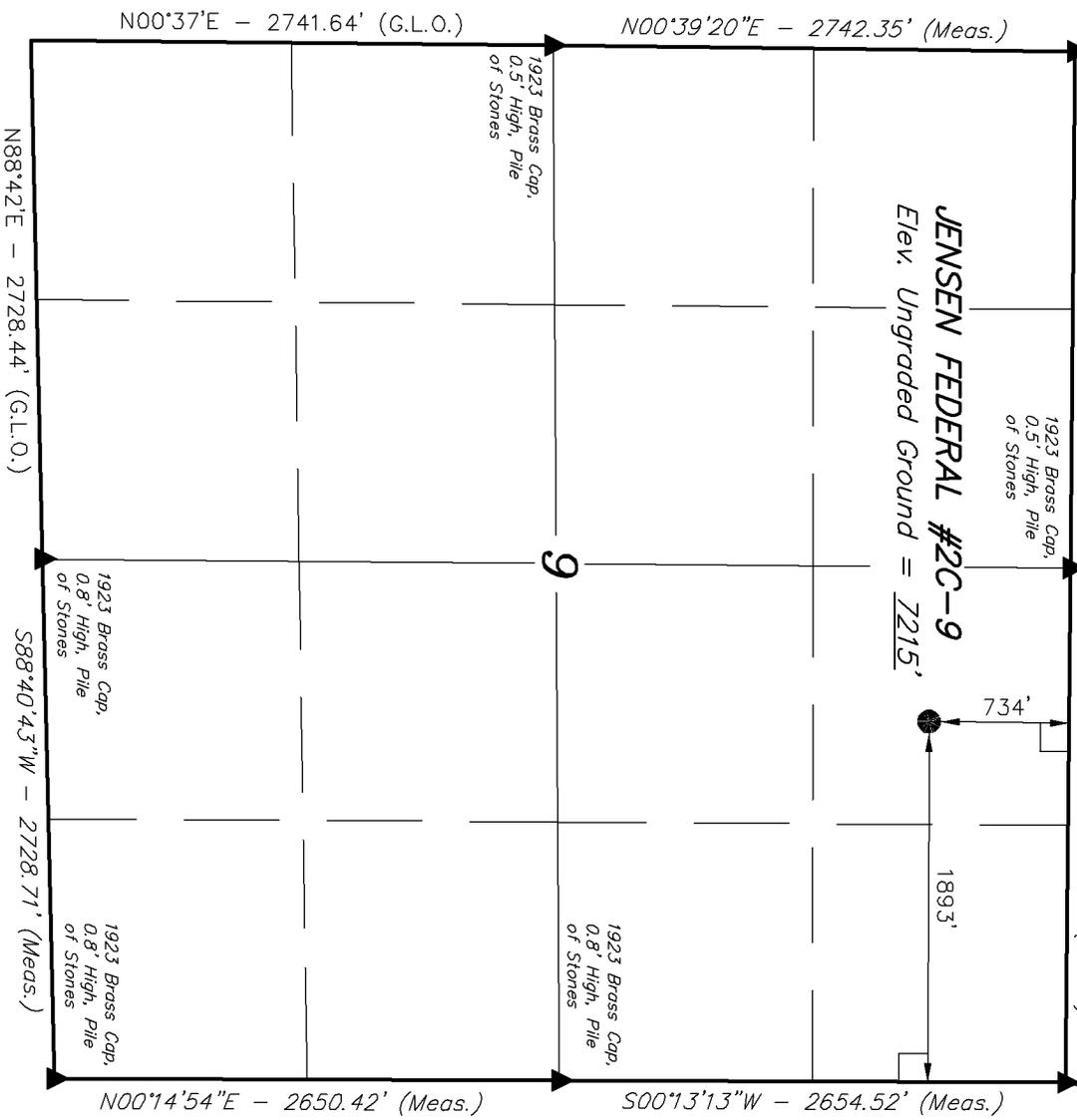
PLAN VIEW CHOKING MANIFOLD



THE HYDRAULIC CLOSING UNIT WILL BE LOCATED MORE THAN 30' FROM THE WELLHEAD. CHOKE AND BLEED/PANIC LINES WILL GO TO THE PIT AND FLARE. ALL CONNECTIONS IN CHOKE LINES AND MANIFOLD WILL BE FLANGED OR WELDED. ALL FLANGES SHOULD BE RING JOINT GASKET TYPE. ALL THIRDS IN LINES SHALL BE CONSTRUCTION USING TARGETING 90° ELBS OR ELLS. ALL LINES SHALL BE ANCHORED.

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

1923 Brass Cap, 1.3' High, Pile of Stones
 1923 Brass Cap, 0.5' High, Pile of Stones
 1923 Brass Cap, 0.8' High, Pile of Stones
 1923 Brass Cap, 1.0' High, Pile of Stones, N-S Fenceline



2208

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

(AUTONOMOUS NAD 83)
 LATITUDE = 39°48'13.41" (39.803725)
 LONGITUDE = 110°48'15.37" (110.804269)

(AUTONOMOUS NAD 27)
 LATITUDE = 39°48'13.55" (39.803764)
 LONGITUDE = 110°48'12.80" (110.803556)

BLUE TIP OPERATING, LLC

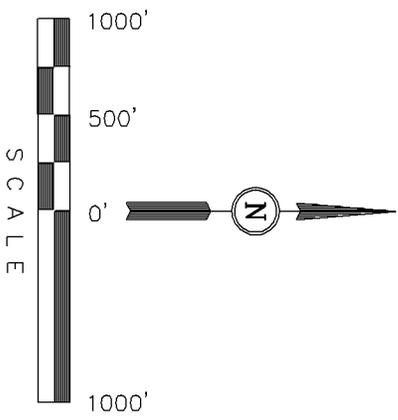
Well location, JENSEN FEDERAL #2C-9, located as shown in the NW 1/4 NE 1/4 of Section 9, T12S, R10E, S.L.B.&M. Carbon County, Utah.

BASIS OF ELEVATION

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

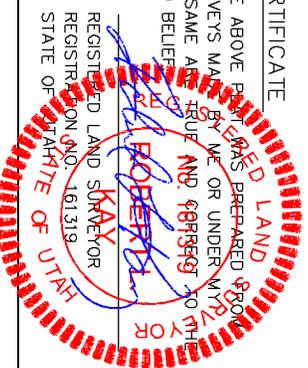
BASIS OF BEARINGS

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



CERTIFICATE

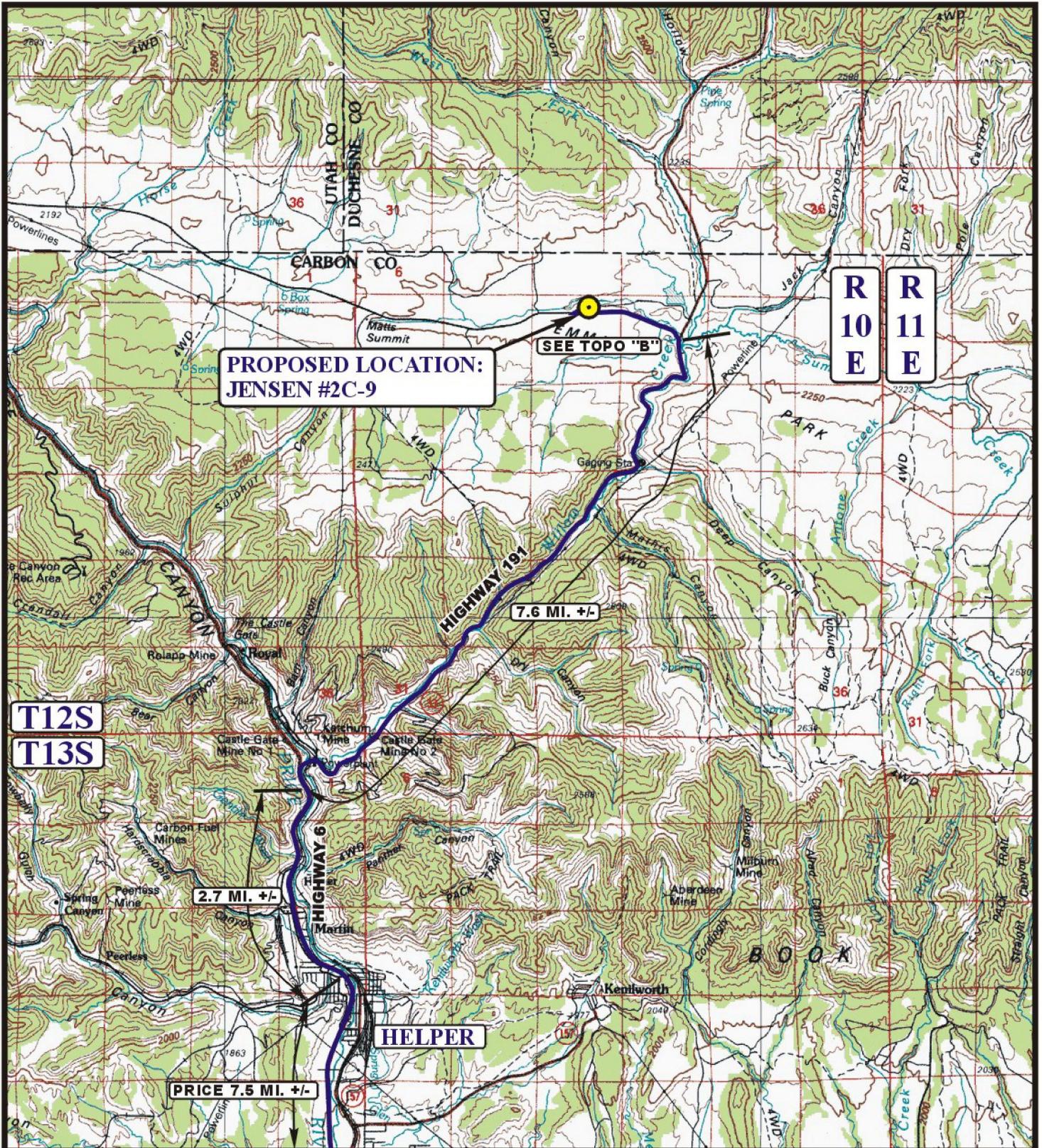
THIS IS TO CERTIFY THAT THE ABOVE PLAT WAS PREPARED FROM FIELD NOTES OF ACTUAL SURVEYS MADE BY ME OR UNDER MY SUPERVISION AND THAT THE SAME ARE TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF.



REVISED: 04-05-11 D.P.
 REVISED: 05-08-09 D.P.

UINTAH ENGINEERING & LAND SURVEYING
 85 SOUTH 200 EAST - VERNAL, UTAH 84078
 (435) 789-1017

SCALE	1" = 1000'	
PARTY	N.H. T.P. C.H.	REFERENCES
WEATHER	WARM	FILE
DATE SURVEYED:	01-20-09	DATE DRAWN:
		01-22-09
BLUE TIP OPERATING, LLC		



**PROPOSED LOCATION:
JENSEN #2C-9**

**R
10
E**

**R
11
E**

T12S

T13S

HELPER

LEGEND:

PROPOSED LOCATION



BLUE TIP OPERATING, LLC

JENSEN #2C-9
SECTION 9, T12S, R10E, S.L.B.&M.
734' FNL 1893' FEL



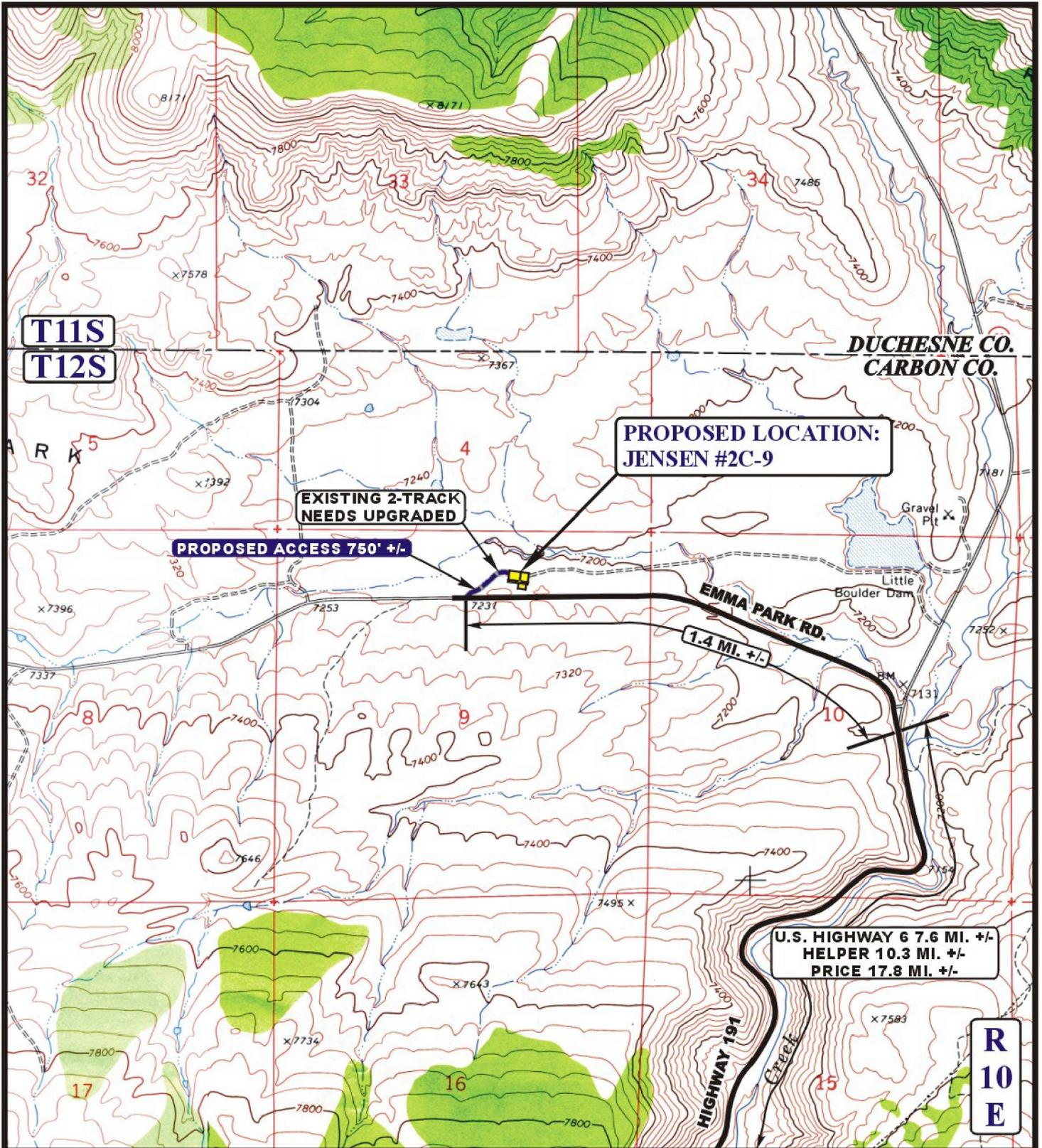
Utah Engineering & Land Surveying
 85 South 200 East Vernal, Utah 84078
 (435) 789-1017 * FAX (435) 789-1813

TOPOGRAPHIC
MAP

10 02 08
 MONTH DAY YEAR



SCALE: 1:100,000 DRAWN BY: J.H. REV: S.F. 04-12-11



LEGEND:

-  EXISTING ROAD
-  EXISTING 2-TRACK NEEDS UPGRADED
-  PROPOSED ACCESS ROAD

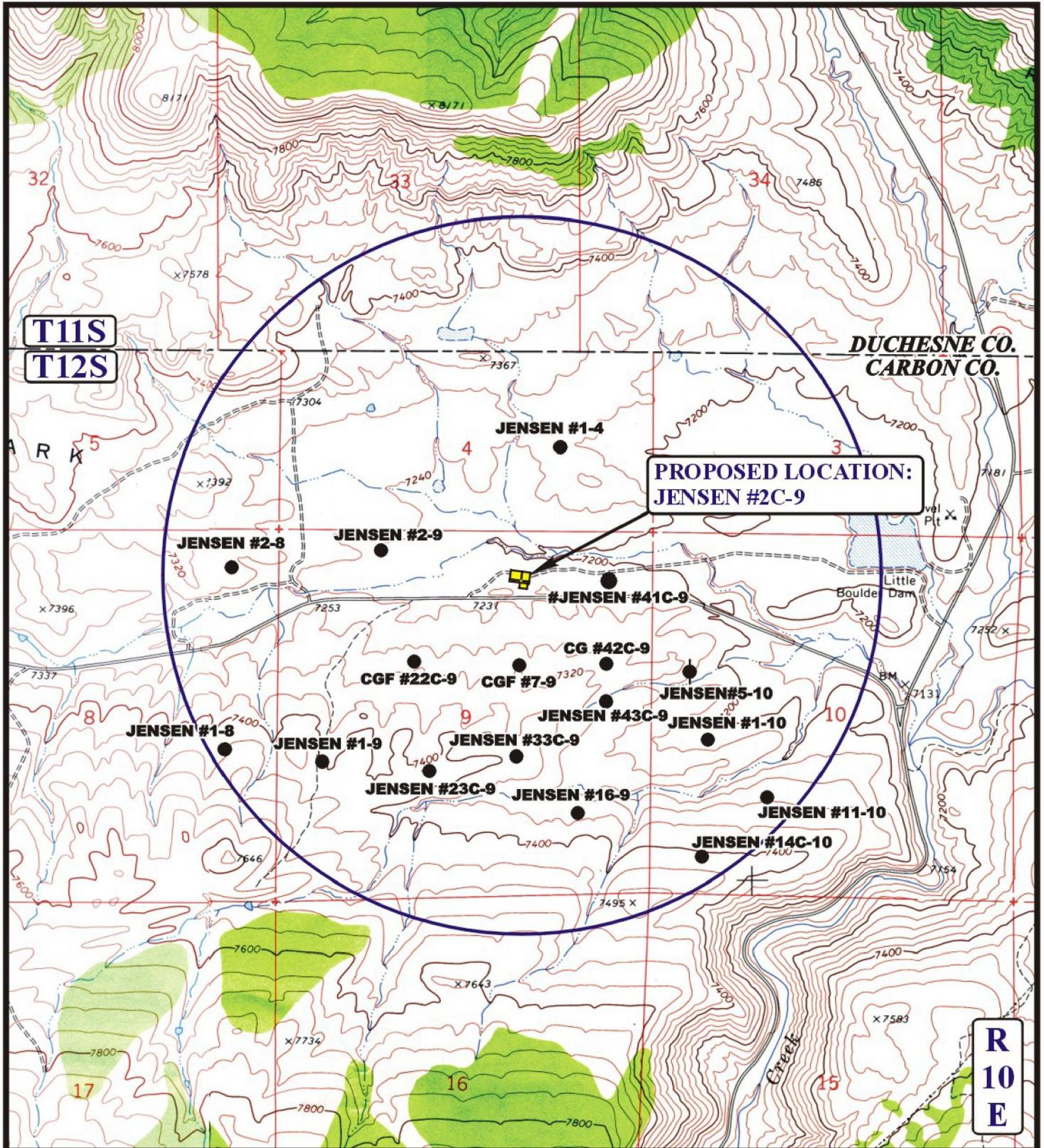
BLUE TIP OPERATING, LLC

JENSEN #2C-9
SECTION 9, T12S, R10E, S.L.B.&M.
734' FNL 1893' FEL

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

TOPOGRAPHIC MAP 01 23 09
 MONTH DAY YEAR
 SCALE: 1" = 2000' DRAWN BY: J.H. REV: S.F. 04-12-11 **B TOPO**





LEGEND:

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

BLUE TIP OPERATING, LLC

JENSEN #2C-9
SECTION 9, T12S, R10E, S.L.B.&M.
734' FNL 1893' FEL



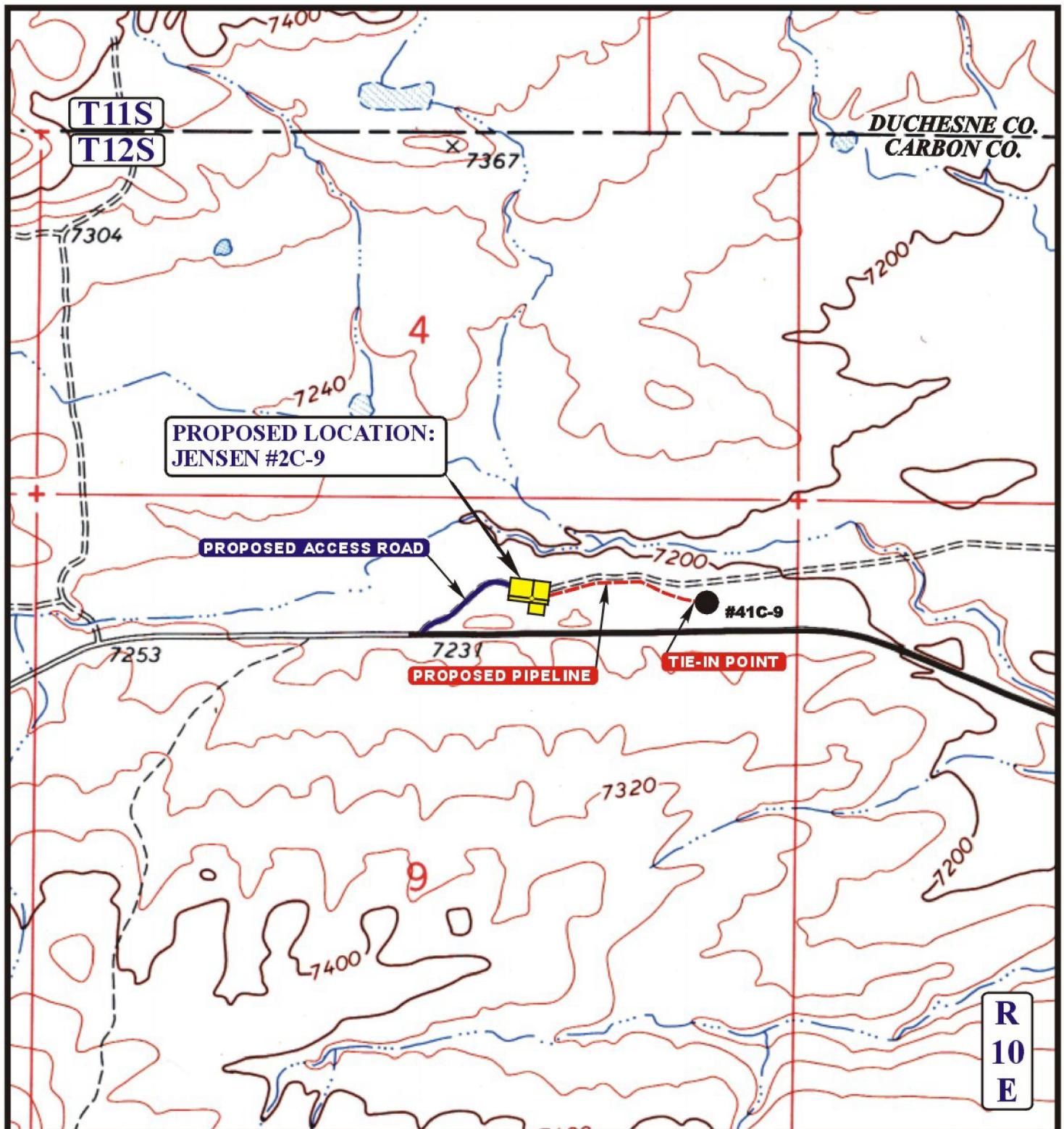
Utah Engineering & Land Surveying
 85 South 200 East Vernal, Utah 84078
 (435) 789-1017 * FAX (435) 789-1813



TOPOGRAPHIC 01 23 09
MAP MONTH DAY YEAR

SCALE: 1" = 2000' DRAWN BY: J.H. REV: S.F. 04-13-11





APPROXIMATE TOTAL PIPELINE DISTANCE = 1,051' +/-

LEGEND:

-  PROPOSED ROAD
-  EXISTING PIPELINE
-  PROPOSED PIPELINE

BLUE TIP OPERATING, LLC

JENSEN #2C-9
SECTION 9, T12S, R10E, S.L.B.&M.
734' FNL 1893' FEL

U E L S
 Uintah Engineering & Land Surveying
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TOPOGRAPHIC 01 23 09
MAP MONTH DAY YEAR
 SCALE: 1" = 1000' DRAWN BY: J.H. REV: S.F. 04-12-11

D
TOPO

**SELF-CERTIFICATION STATEMENT
FROM LESSEE/OPERATOR**

SURFACE OWNER IDENTIFICATION

Federal or Indian Lease No. _____

Well(s) Number and Location Jensen 2C-9-12-10

NW NE Section 9, T12S-R10E, Meridian: S

I hereby certify to the Authorized Officer of the Bureau of Land Management that I have reached one of the following agreements with the Surface Owner; or after failure of my good-faith effort to come to an agreement of any kind with the Surface Owner, I will provide a bond:

- 1) X I have a signed access agreement to enter the leased lands;
- 2) _____ I have a signed waiver from the surface owner;
- 3) _____ I have entered into an agreement regarding compensation to the surface owner for damages for loss of crops and tangible improvements.
- 4) _____ Because I have been unable to reach either 1), 2), or 3) with the surface owner, I will obtain a bond to cover loss of crops and damages to tangible improvements.

Surface owner information: (if available after diligent effort)

Surface Owner Name: James T. Jensen, Jerry Jensen, Dix Jensen

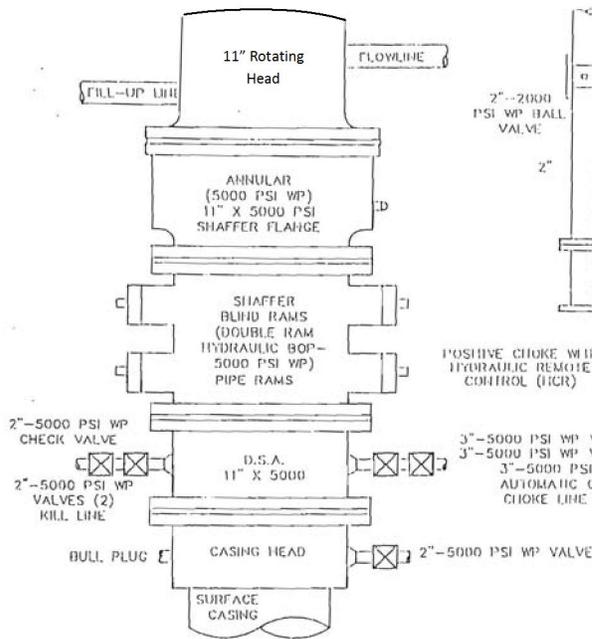
Surface Owner Address: 2961 East Caitland Court
Salt Lake City, Utah 84121

Surface Owner Phone Number: (801) 944-6600

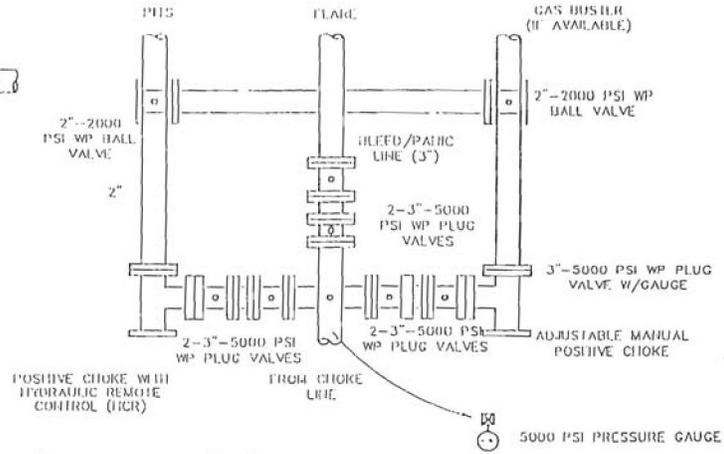
Signed this 29-day of March, 2011

Mike Cullen
(Signed Name of lessee/operator)

BOP SCHEMATIC
5000 PSI WORKING PRESSURE

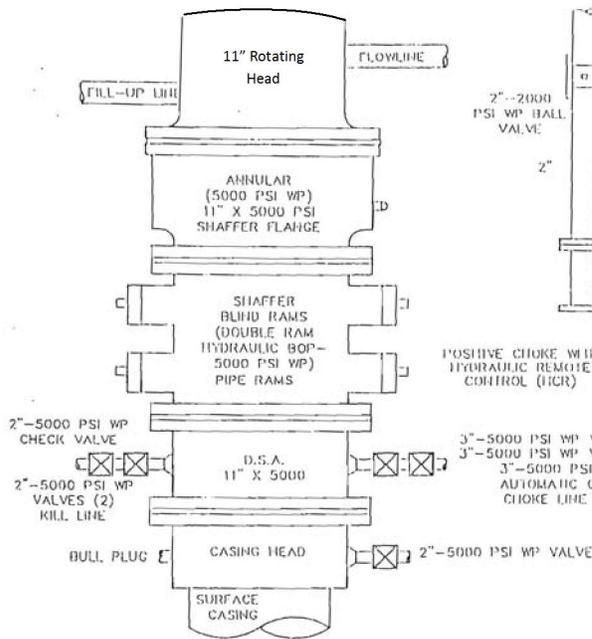


PLAN VIEW CHOKING MANIFOLD

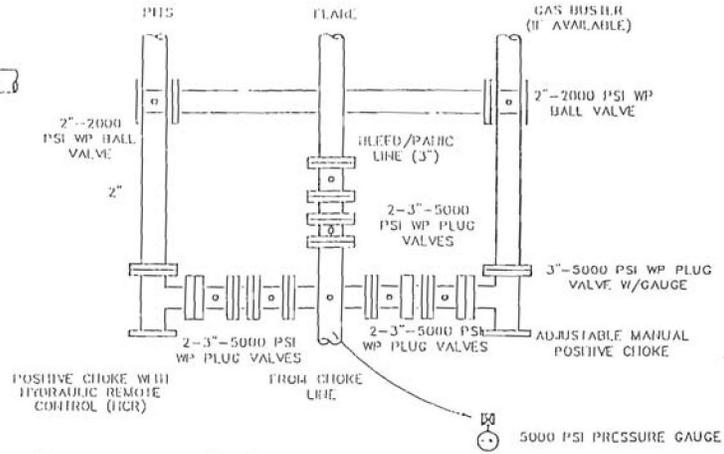


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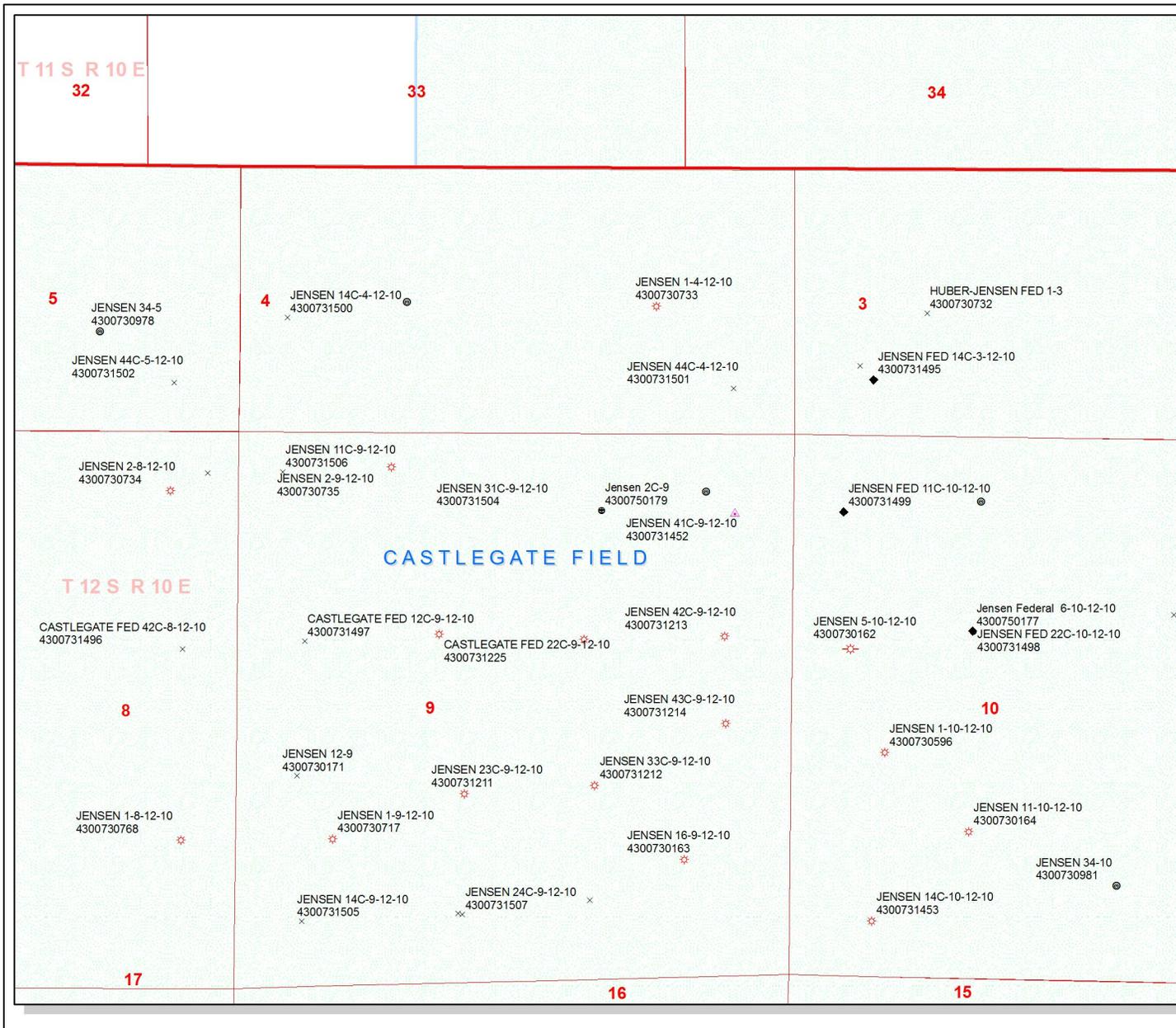
BOP SCHEMATIC
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PLAN VIEW CHOKING MANIFOLD



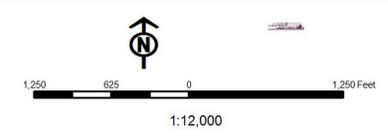
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API Number: 4300750179
Well Name: Jensen 2C-9
Township T1.2 . Range R1.0 . Section 09
Meridian: SLBM
 Operator: BLUE TIP CASTLEGATE, INC.

Map Prepared:
 Map Produced by Diana Mason

Units	Wells Query
STATUS	STATUS
ACTIVE	APD - Approved Permit
EXPLORATORY	DRL - Spudded (Drilling Commenced)
GAS STORAGE	GIW - Gas Injection
NF PP OIL	GS - Gas Storage
NF SECONDARY	LA - Location Abandoned
PI OIL	LDC - New Location
PP GAS	OPS - Operation Suspended
PP GEOTHERML	PA - Plugged/Abandoned
PP OIL	POW - Producing Gas Well
SECONDARY	POW - Producing Oil Well
TERMINATED	RET - Returned APD
Fields	SGW - Shut-in Gas Well
STATUS	SGW - Shut-in Oil Well
Unknown	TA - Temp. Abandoned
ABANDONED	TW - Test Well
ACTIVE	WDW - Water Disposal
COMBINED	WW - Water Injection Well
INACTIVE	WSW - Water Supply Well
STORAGE	
TERMINATED	
Sections	
Township	
Bottom Hide Location - AGRC	



BOPE REVIEW BLUE TIP CASTLEGATE, INC. Jensen 2C-9 43007501790000

Well Name	BLUE TIP CASTLEGATE, INC. Jensen 2C-9 43007501790000			
String	SURF	PROD		
Casing Size(")	8.625	5.500		
Setting Depth (TVD)	600	5100		
Previous Shoe Setting Depth (TVD)	0	600		
Max Mud Weight (ppg)	8.5	8.5		
BOPE Proposed (psi)	500	5000		
Casing Internal Yield (psi)	2950	5320		
Operators Max Anticipated Pressure (psi)	2208	8.3		

Calculations	SURF String	8.625	"
Max BHP (psi)	.052*Setting Depth*MW=	265	
			BOPE Adequate For Drilling And Setting Casing at Depth?
MASP (Gas) (psi)	Max BHP-(0.12*Setting Depth)=	193	YES <input type="checkbox"/> air drill <input type="text"/>
MASP (Gas/Mud) (psi)	Max BHP-(0.22*Setting Depth)=	133	YES <input type="checkbox"/> OK <input type="text"/>
			*Can Full Expected Pressure Be Held At Previous Shoe?
Pressure At Previous Shoe	Max BHP-.22*(Setting Depth - Previous Shoe Depth)=	133	NO <input type="checkbox"/> OK <input type="text"/>
Required Casing/BOPE Test Pressure=		600	psi
*Max Pressure Allowed @ Previous Casing Shoe=		0	psi *Assumes 1psi/ft frac gradient

Calculations	PROD String	5.500	"
Max BHP (psi)	.052*Setting Depth*MW=	2254	
			BOPE Adequate For Drilling And Setting Casing at Depth?
MASP (Gas) (psi)	Max BHP-(0.12*Setting Depth)=	1642	YES <input type="checkbox"/> air drill <input type="text"/>
MASP (Gas/Mud) (psi)	Max BHP-(0.22*Setting Depth)=	1132	YES <input type="checkbox"/> OK <input type="text"/>
			*Can Full Expected Pressure Be Held At Previous Shoe?
Pressure At Previous Shoe	Max BHP-.22*(Setting Depth - Previous Shoe Depth)=	1264	NO <input type="checkbox"/> Reasonable <input type="text"/>
Required Casing/BOPE Test Pressure=		3724	psi
*Max Pressure Allowed @ Previous Casing Shoe=		600	psi *Assumes 1psi/ft frac gradient

Calculations	String		"
Max BHP (psi)	.052*Setting Depth*MW=		
			BOPE Adequate For Drilling And Setting Casing at Depth?
MASP (Gas) (psi)	Max BHP-(0.12*Setting Depth)=		NO <input type="checkbox"/> <input type="text"/>
MASP (Gas/Mud) (psi)	Max BHP-(0.22*Setting Depth)=		NO <input type="checkbox"/> <input type="text"/>
			*Can Full Expected Pressure Be Held At Previous Shoe?
Pressure At Previous Shoe	Max BHP-.22*(Setting Depth - Previous Shoe Depth)=		NO <input type="checkbox"/> <input type="text"/>
Required Casing/BOPE Test Pressure=			psi
*Max Pressure Allowed @ Previous Casing Shoe=			psi *Assumes 1psi/ft frac gradient

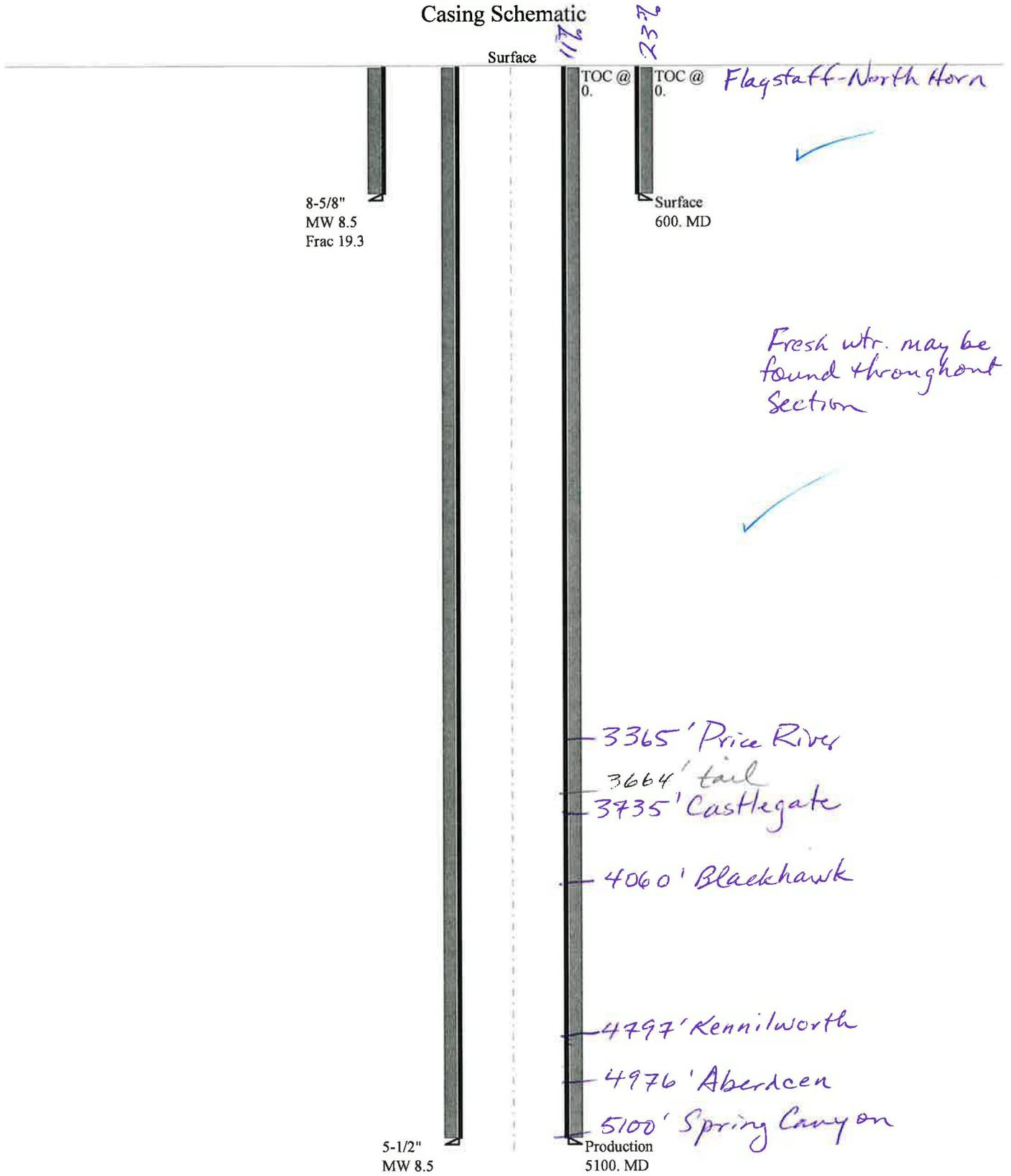
Calculations	String		"
Max BHP (psi)	.052*Setting Depth*MW=		
			BOPE Adequate For Drilling And Setting Casing at Depth?
MASP (Gas) (psi)	Max BHP-(0.12*Setting Depth)=		NO <input type="checkbox"/> <input type="text"/>
MASP (Gas/Mud) (psi)	Max BHP-(0.22*Setting Depth)=		NO <input type="checkbox"/> <input type="text"/>
			*Can Full Expected Pressure Be Held At Previous Shoe?
Pressure At Previous Shoe	Max BHP-.22*(Setting Depth - Previous Shoe Depth)=		NO <input type="checkbox"/> <input type="text"/>
Required Casing/BOPE Test Pressure=			psi

API Well Number: 43007501790000

*Max Pressure Allowed @ Previous Casing Shoe=	<input type="text"/>	psi *Assumes 1psi/ft frac gradient
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43007501790000 Jensen 2C-9

Casing Schematic



Well name:	43007501790000 Jensen 2C-9		
Operator:	BLUE TIP CASTLEGATE, INC.		
String type:	Surface	Project ID:	43-007-50179
Location:	CARBON COUNTY		

Design parameters:

Collapse

Mud weight: 8.500 ppg
 Design is based on evacuated pipe.

Burst

Max anticipated surface pressure: 528 psi
 Internal gradient: 0.120 psi/ft
 Calculated BHP 600 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: 1.70 (J)
 Buttress: 1.60 (J)
 Premium: 1.50 (J)
 Body yield: 1.50 (B)

Tension is based on air weight.
 Neutral point: 523 ft

Environment:

H2S considered? No
 Surface temperature: 74 °F
 Bottom hole temperature: 82 °F
 Temperature gradient: 1.40 °F/100ft
 Minimum section length: 100 ft

Cement top: Surface

Non-directional string.

Re subsequent strings:

Next setting depth: 5,100 ft
 Next mud weight: 8.500 ppg
 Next setting BHP: 2,252 psi
 Fracture mud wt: 19.250 ppg
 Fracture depth: 600 ft
 Injection pressure: 600 psi

Run Seq	Segment Length (ft)	Size (in)	Nominal Weight (lbs/ft)	Grade	End Finish	True Vert Depth (ft)	Measured Depth (ft)	Drift Diameter (in)	Est. Cost (\$)
1	600	8.625	24.00	J-55	ST&C	600	600	7.972	3088
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	265	1370	5.172	600	2950	4.92	14.4	244	16.95 J

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

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

Date: August 11, 2011
 Salt Lake City, Utah

Remarks:

Collapse is based on a vertical depth of 600 ft, a mud weight of 8.5 ppg. The casing is considered to be evacuated for collapse purposes. Collapse strength is based on the Westcott, Dunlop & Kemler method of biaxial correction for tension.

Burst strength is not adjusted for tension.

Well name:	43007501790000 Jensen 2C-9		
Operator:	BLUE TIP CASTLEGATE, INC.		
String type:	Production	Project ID:	43-007-50179
Location:	CARBON COUNTY		

Design parameters:

Collapse

Mud weight: 8.500 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: 74 °F
 Bottom hole temperature: 145 °F
 Temperature gradient: 1.40 °F/100ft
 Minimum section length: 100 ft

Cement top: Surface

Burst

Max anticipated surface pressure: 1,130 psi
 Internal gradient: 0.220 psi/ft
 Calculated BHP 2,252 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: 1.60 (B)

Tension is based on air weight.
 Neutral point: 4,442 ft

Non-directional string.

Run Seq	Segment Length (ft)	Size (in)	Nominal Weight (lbs/ft)	Grade	End Finish	True Vert Depth (ft)	Measured Depth (ft)	Drift Diameter (in)	Est. Cost (\$)
1	5100	5.5	17.00	J-55	LT&C	5100	5100	4.767	19758
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	2252	4910	2.180	2252	5320	2.36	86.7	247	2.85 J

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

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

Date: August 11, 2011
 Salt Lake City, Utah

Remarks:

Collapse is based on a vertical depth of 5100 ft, a mud weight of 8.5 ppg. The casing is considered to be evacuated for collapse purposes. Collapse strength is based on the Westcott, Dunlop & Kemler method of biaxial correction for tension.

Burst strength is not adjusted for tension.

ON-SITE PREDRILL EVALUATION

Utah Division of Oil, Gas and Mining

Operator BLUE TIP CASTLEGATE, INC.
Well Name Jensen 2C-9
API Number 43007501790000 **APD No** 3860 **Field/Unit** CASTLEGATE
Location: 1/4,1/4 NWNE **Sec** 9 **Tw** 12.0S **Rng** 10.0E 734 FNL 1893 FEL
GPS Coord (UTM) **Surface Owner** James T. Jensen, Jerry Jensen, Dix Jensen

Participants

Bart Kettle-Division of Oil, Gas and Mining (DOGGM), Ammon McDonald-Division of Oil, Gas and Mining (DOGGM), Mike Cerelli-Blue Tip Operating, Gary Green-Blue Tip Operating.

Regional/Local Setting & Topography

Proposed project is ~9.5 miles northwest of Helper, in Carbon County Utah. Proposed project site is located in Emma Park, a rather large valley consisting of sage-step rangelands in a 14-18" precipitation zone. Dimensions of Emma Park are roughly 3 miles wide and nearly 10 miles long. To the north topography rises steeply into Reservation Ridge, where prevalent Douglas fir and mountain browse communities are found. Topography to the south breaks off quickly into a series of steep canyons/ledges towards the Price River and Willow Creek. Vegetation consists of Pinion/Juniper woodlands and Ponderosa pine and Gamble oak communities. Drainages in the project area enter Willow Creek ~2 miles, a perennial stream. Soils in Emma Park are generally poorly developed clay and clay loams. From 2001-2005 a study was conducted in the project area attempting to measure the impacts of Coalbed Methane Development on Greater Sage Grouse population inhabiting Emma Park.

Surface Use Plan

Current Surface Use

Grazing
Wildlife Habitat

New Road Miles	Well Pad	Src Const Material	Surface Formation
	Width Length		
0.1		Onsite	COLT

Ancillary Facilities N

Waste Management Plan Adequate?

Environmental Parameters

Affected Floodplains and/or Wetlands Y

Wetland is located immediately north of the proposed well pad. Facultative obligate wetland sedge and rush species found adjacent to the well pad.

Flora / Fauna

Flora:

Forbs: Spiny Phlox, vetch spp., silver lupine, spring parsley, Indian paint brush, sulfur cinquefoil, western yarrow, Whipple penstemon.

Grass: Columbia needle and thread, thick spike wheat grass, Salina wild rye, Sandburg's blue grass, needle and thread grass.

Shrubs: Mountain big sage, common snowberry, Oregon Grape, gray horse brush, Utah service berry.

Fauna: Seasonal use by host of song birds and sagebrush obligate species such as sage thrasher and sage sparrow. Year long mule deer habitat, elk winter range. Year long greater sage grouse habitat. Many species

of small mammals possible.

Soil Type and Characteristics

Reddish brown clay loam. Soils show characteristics of those formed under wetland conditions.

Erosion Issues Y

Soils are not prone to erosion by water, however drainage diversion point could experience accelerated erosion.

Sedimentation Issues Y

Soils eroded from drainage diversion may enter perennial stream 300' north of proposed project.

Site Stability Issues N

Site appears adequate for proposed drilling program.

Drainage Diversion Required? Y

Drain diversion will be required for fluids crossing under county road via 24" culvert.

Berm Required? N

Erosion Sedimentation Control Required? Y

Diversion points shall be rip rapped with 4" or greater rock at diversion and outlet points.

Paleo Survey Run? N Paleo Potential Observed? Y Cultural Survey Run? N Cultural Resources?

Reserve Pit

Site-Specific Factors	Site Ranking	
Distance to Groundwater (feet)		20
Distance to Surface Water (feet)	200 to 300	10
Dist. Nearest Municipal Well (ft)	>5280	0
Distance to Other Wells (feet)	>1320	0
Native Soil Type	Low permeability	0
Fluid Type	Fresh Water	5
Drill Cuttings	Normal Rock	0
Annual Precipitation (inches)	10 to 20	5
Affected Populations		
Presence Nearby Utility Conduits	Not Present	0
	Final Score	40
		1 Sensitivity Level

Characteristics / Requirements

A 16 mil liner is required due to close proximity to surface water and anticipated ground water in the first 20 feet of drilling. Diversion of storm water to the western portions of the well pad will be required to prevent snowmelt from entering reserve pit.

Closed Loop Mud Required? N Liner Required? Y Liner Thickness 16 Pit Underlayment Required? N

Other Observations / Comments

Diversion of drainage is require to prevent storm water from entering reserve pit. As drawn in well pad layout storm water is proposed to be diverted around the western portions of the well pad. On-site review determined sediment is expected to fill diversion, and construction of a crossing for storm water at intersection with the access road will be difficult due to a 3' cut at that location. Storm water will be allowed to enter the southern portions of the well pad immediately west of reserve pit backfill and spoils pile. At this location storm water will be diverted along the edge of the well pad to access road crossing.

As proposed project is located on the southern portions of a traditional greater sage grouse lek. Under a fee surface and fee minerals jurisdiction regarding activity at this location remains with the surface mangers.

Proposed project site is located within the 2001-2005 study area for The Sage-Grouse of Emma Park-Survival, Production, and Habitat use in Relation to Coalbed Methane Development conducted by the Utah Division of Wildlife Resources. As such the following Management Recommendations are given for development within the study area:

- 1.) Noise levels at any leks should be less then 40db. Wells should not be located with 1500 meters of active leks. Where wells already exist inside this buffer, appropriate mufflers or fencing to reduce noise levels should be added.
- 2.) Avoid CBM development in vegetation treatment in the core use areas shown in Figure 10. Furthermore an 8 km buffer around each lek was necessary to include over 90% of the nest in the area. This buffer would include all of the core use areas mentioned.
- 3.) Restrict traffic near leks from 5 am to 10 am during March 15 through May 10 to reduce disturbance at leks.
- 4.) When wells are to be placed in the sage grouse habitat, select dry ridges or previously treated sagebrush over wet meadows, ephemeral stream channels, and shallow basins with good sagebrush cover.
- 5.) A 50 meter buffer along all heavy traffic roads should be used to calculate habitat lost due to development particularly in winter sage grouse habitats.
- 6.) Where possible, new roads and wells should be constructed in adjacent pinyon-juniper habitat that typically has less wildlife value.
- 7.) Directional drilling minimizes the number of wells and associated road network which in turn minimizes fragmentation of sage grouse habitat.
- 8.) Use the seasonal habitat maps found in Appendix C to asses potential impacts to sage grouse, where necessary these maps should be developed for surrounding areas.
- 9.) Nesting/Summer habitat was found to be the most critical time for sage grouse survival and production during this study. Protection of summer/nesting habitats should be prioritized.

Bart Kettle
Evaluator

6/16/2011
Date / Time

Application for Permit to Drill Statement of Basis

8/17/2011

Utah Division of Oil, Gas and Mining

Page 1

APD No	API WellNo	Status	Well Type	Surf Owner	CBM
3860	43007501790000	LOCKED	OW	P	Yes
Operator	BLUE TIP CASTLEGATE, INC.		Surface Owner-APD	James T. Jensen, Jerry Jensen, Dix Jensen	
Well Name	Jensen 2C-9		Unit		
Field	CASTLEGATE		Type of Work	DRILL	
Location	NWNE 9 12S 10E S 734 FNL 1893 FEL GPS Coord (UTM) 516826E 4405786N				

Geologic Statement of Basis

Blue Tip proposes to set 600 feet of surface casing in the proposed well. Total depth for the well is proposed to be at 5,100 feet in the Spring Canyon Member of the Blackhawk formation. The entire well will be drilled with air and aerated fresh water. Fresh water will probably be encountered in zones penetrated by the entire wellbore. Surface casing will be cemented to surface with production casing cement overlapping the bottom of the surface casing therefore isolating all potential fresh water zones. A search of the Division of Water Rights database indicates that there are over 30 underground water rights filings within a 10,000 foot radius of the center of Section 9. The water rights are all owned by the Price River Water Improvement District. No well information is listed. The benign nature of the drilling fluids and the proposed casing and cementing and cementing programs should adequately protect usable ground water in this area.

Brad Hill
APD Evaluator

6/27/2011
Date / Time

Surface Statement of Basis

Pre-site evaluation for the proposed APD was conducted on June 16, 2011. In attendance: Bart Kettle-Division of Oil, Gas and Mining (DOG M), Ammon McDonald-Division of Oil, Gas and Mining (DOG M), Mike Cerelli-Blue Tip Operating, Gary Green-Blue Tip Operating. Invited and choosing not to attend: James Jensen-surface owner, Jerry Jensen-surface owner, Frankie Hathaway-Carbon County.

Proposed Application for Permit to Drill (APD) falls within core greater sage grouse brooding area. An active lek is located less than 1500 meters north.

Proposed project site is located adjacent to a wet meadow eco-system. Precautions should be taken to prevent drilling mediums from reaching surface and ground water. Reserve pit should be lined with a 16 mil liner, all sharp rocks exposed while constructing the reserve pit should be properly bedded with a felt liner, sand or straw. All fluids and other drilling related chemicals and materials are to be contained at all times. Reserve pit shall have three sides fence while drilling, with the fourth side fenced immediately following removal of drilling equipment.

Storm water shall be prevented from flowing over well pad or entering reserve pit. Diversion points and discharge points shall be rip rapped with a minimum of 4" rock to dissipate energy of flows and filter sediment. A drainage dip armored with 1" or greater gravel shall be used for access road crossing of storm water diversion.

Carbon County requires oil and gas operators to obtain a conditional use permit from the county for wells being proposed on fee lands.

Bart Kettle
Onsite Evaluator

6/16/2011
Date / Time

RECEIVED: August 17, 2011

Application for Permit to Drill Statement of Basis

8/17/2011

Utah Division of Oil, Gas and Mining

Page 2

Conditions of Approval / Application for Permit to Drill

Category	Condition
Pits	A synthetic liner with a minimum thickness of 16 mils shall be properly installed and maintained in the reserve pit.
Surface	The reserve pit shall be fenced upon completion of drilling operations.
Surface	Storm water diversion points shall be rip rapped with 4" or greater rock at diversion and outlet points.
Surface	Drainages adjacent to the proposed pad shall be diverted around the location.
Surface	The well site shall be bermed to prevent fluids from leaving the pad.

WORKSHEET APPLICATION FOR PERMIT TO DRILL

APD RECEIVED: 5/24/2011**API NO. ASSIGNED:** 43007501790000**WELL NAME:** Jensen 2C-9**OPERATOR:** BLUE TIP CASTLEGATE, INC. (N3680)**PHONE NUMBER:** 303 857-9999**CONTACT:** Lisa Smith**PROPOSED LOCATION:** NWNE 09 120S 100E**Permit Tech Review:** **SURFACE:** 0734 FNL 1893 FEL**Engineering Review:** **BOTTOM:** 0734 FNL 1893 FEL**Geology Review:** **COUNTY:** CARBON**LATITUDE:** 39.80376**LONGITUDE:** -110.80345**UTM SURF EASTINGS:** 516826.00**NORTHINGS:** 4405786.00**FIELD NAME:** CASTLEGATE**LEASE TYPE:** 4 - Fee**LEASE NUMBER:** FEE**PROPOSED PRODUCING FORMATION(S):** BLACKHAWK**SURFACE OWNER:** 4 - Fee**COALBED METHANE:** YES**RECEIVED AND/OR REVIEWED:**

- PLAT**
- Bond:** STATE - B005639
- Potash**
- Oil Shale 190-5**
- Oil Shale 190-3**
- Oil Shale 190-13**
- Water Permit:** Municipal water supply in Price or Helper, UT
- RDCC Review:**
- Fee Surface Agreement**
- Intent to Commingle**

Commingle Approved**LOCATION AND SITING:**

- R649-2-3.**
- Unit:**
- R649-3-2. General**
- R649-3-3. Exception**
- Drilling Unit**
- Board Cause No:** Cause 220-08
- Effective Date:** 10/15/2008
- Siting:** 460' Fr Ext Drl U Bdry & 920' Fr Other Wells
- R649-3-11. Directional Drill**

Comments: Presite Completed

Stipulations: 5 - Statement of Basis - bhill
25 - Surface Casing - hmadonald

RECEIVED: August 17, 2011



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

Permit To Drill

Well Name: Jensen 2C-9
API Well Number: 43007501790000
Lease Number: FEE
Surface Owner: FEE (PRIVATE)
Approval Date: 8/17/2011

Issued to:

BLUE TIP CASTLEGATE, INC. , 1205 Independence Ave., Price , UT 84501

Authority:

Pursuant to Utah Code Ann. §40-6-1 et seq., and Utah Administrative Code R649-3-1 et seq., the Utah Division of Oil, Gas and Mining issues conditions of approval, and permit to drill the listed well. This permit is issued in accordance with the requirements of Cause 220-08. The expected producing formation or pool is the BLACKHAWK Formation(s), completion into any other zones will require filing a Sundry Notice (Form 9). Completion and commingling of more than one pool will require approval in accordance with R649-3-22.

Duration:

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

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.

Conditions of Approval:

Compliance with the Conditions of Approval/Application for Permit to Drill outlined in the Statement of Basis (copy attached).

Surface casing shall be cemented to the surface.

Additional Approvals:

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

- Any changes to the approved drilling plan – contact Dustin Doucet
- Significant plug back of the well – contact Dustin Doucet
- Plug and abandonment of the well – contact Dustin Doucet

Notification Requirements:

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

- Within 24 hours following the spudding of the well – contact Carol Daniels
- OR

submit an electronic sundry notice (pre-registration required) via the Utah Oil & Gas website at <http://oilgas.ogm.utah.gov>

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

Contact Information:

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

- Carol Daniels 801-538-5284 - office
- Dustin Doucet 801-538-5281 - office
801-733-0983 - after office hours
- Dan Jarvis 801-538-5338 - office
801-231-8956 - after office hours

Reporting Requirements:

All reports, forms and submittals as required by the Utah Oil and Gas Conservation General Rules will be promptly filed with the Division of Oil, Gas and Mining, including but not limited to:

- Entity Action Form (Form 6) – due within 5 days of spudding the well
- Monthly Status Report (Form 9) – due by 5th day of the following calendar month
- Requests to Change Plans (Form 9) – due prior to implementation
- Written Notice of Emergency Changes (Form 9) – due within 5 days
- Notice of Operations Suspension or Resumption (Form 9) – due prior to implementation
- Report of Water Encountered (Form 7) – due within 30 days after completion
- Well Completion Report (Form 8) – due within 30 days after completion or plugging

Approved By:



For John Rogers
Associate Director, Oil & Gas

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DIVISION OF OIL, GAS AND MINING

SPUDDING INFORMATION

Name of Company BLUE-TIP CASTLEGATE, INC

Well Name: JENSEN 2C-9

Api No: 43-007-50179 Lease Type FEE

Section 09 Township 12S Range 10E County CARBON

Drilling Contractor L & W DRILLING RIG # 1

SPUDDED:

Date 09/24/2011

Time 10:20 AM

How DRY

Drilling will Commence: _____

Reported by DON HACKNEY

Telephone # (970) 361-3295 OR (303) 550-0554

Date 09/27/2011 Signed CHD

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

FORM 6

ENTITY ACTION FORM

Operator: Bluetip Castlegate Inc. Operator Account Number: N 3680
 Address: 1205 Independence Ave
city Price
state UT zip 84501 Phone Number: (620) 202-1749

Well 1

API Number	Well Name		QQ	Sec	Twp	Rng	County
4300750179	Jensen 2C-9		NWNE	9	12S	10E	Carbon
Action Code	Current Entity Number	New Entity Number	Spud Date		Entity Assignment Effective Date		
A	99999	18242	9/24/2011		9/28/11		
Comments: Spudded surface hole on 9/24/2011 BLKHK = MVRD							CONFIDENTIAL

Well 2

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

Well 3

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

ACTION CODES:

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

Mike Cerelli

Name (Please Print)

Mike Cerelli

Signature

Utah Asset Manager

9/27/2011

Title

Date

RECEIVED

SEP 28 2011

DIV. OF OIL, GAS & MINING

CONFIDENTIAL

43-007-50179

2C-9

"Per the cement bond log the first cement stage covered the target formations. The second stage cement covered from 1794' all the way to surface with 35 bbls of cement circulated to the surface completely protecting any potential fresh water intervals. Our plans are to precede with perforating and fracing the coal intervals well below the top of cement on the first stage at 3490'."

Jensen 2C-9
125 10E 9

RECEIVED
OCT 20 2011
DIV. OF OIL, GAS & MINING

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

FORM 9

5. LEASE DESIGNATION AND SERIAL NUMBER:
FEE

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.

6. IF INDIAN, ALLOTTEE OR TRIBE NAME:

7. UNIT or CA AGREEMENT NAME:

1. TYPE OF WELL
Oil Well

8. WELL NAME and NUMBER:
JENSEN 2C-9

2. NAME OF OPERATOR:
BLUE TIP CASTLEGATE, INC.

9. API NUMBER:
43007501790000

3. ADDRESS OF OPERATOR:
1205 Independence Ave. , Price , UT, 84501

PHONE NUMBER:
620 202-1749 Ext

9. FIELD and POOL or WILDCAT:
CASTLEGATE

4. LOCATION OF WELL
FOOTAGES AT SURFACE:
0734 FNL 1893 FEL
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN:
Qtr/Qtr: NWNE Section: 09 Township: 12.0S Range: 10.0E Meridian: S

COUNTY:
CARBON

STATE:
UTAH

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

TYPE OF SUBMISSION	TYPE OF ACTION		
<input type="checkbox"/> NOTICE OF INTENT Approximate date work will start:	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> CASING REPAIR
<input checked="" type="checkbox"/> SUBSEQUENT REPORT Date of Work Completion: 11/30/2011	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> CHANGE WELL NAME
<input type="checkbox"/> SPUD REPORT Date of Spud:	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> CONVERT WELL TYPE
<input type="checkbox"/> DRILLING REPORT Report Date:	<input type="checkbox"/> DEEPEN	<input checked="" type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> NEW CONSTRUCTION
	<input type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> PLUG BACK
	<input checked="" type="checkbox"/> PRODUCTION START OR RESUME	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input type="checkbox"/> RECOMPLETE DIFFERENT FORMATION
	<input type="checkbox"/> REPERFORATE CURRENT FORMATION	<input type="checkbox"/> SIDETRACK TO REPAIR WELL	<input type="checkbox"/> TEMPORARY ABANDON
	<input type="checkbox"/> TUBING REPAIR	<input type="checkbox"/> VENT OR FLARE	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> WATER SHUTOFF	<input type="checkbox"/> SI TA STATUS EXTENSION	<input type="checkbox"/> APD EXTENSION
	<input type="checkbox"/> WILDCAT WELL DETERMINATION	<input type="checkbox"/> OTHER	OTHER: <input type="text"/>

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

11/06/11 Perf at 4969-4971, 4942-4945, 4934-4937, 4925-4928, 4918-4920, 4898-4900, 4888-4890 (34 shots). Stage 1 Fraced with 180,508# 20-40 sand and 2062 BW. Perf at 4788-4792, 4780-4782, 4771-4773 (24 shots). Stage 2 Fraced with 72,247# 20-40 sand and 907 BW. Perf at 4734-4738, 4724-4728, 4717-4719 (24 shots) Stage 3 Fraced with 77,646# 20-40 sand and 946 BW. Perf at 4660-4663, 4648-4650, 4631-4636, 4602-4603, 4590-4593 (12 shots). Stage 4 Fraced with 155,839 # 20-40 sand and 1846 BW." 11/12/11 Rig up and cleaned out to 4700' 11/13/11 Drilled out all 3 plugs and cleaned out to PBSD at 5130' 11/14/11 Finished cleaning out hole and started in hole with submersible pump. 11/15/11 RIH with Submersible pump with intake at 5034' . 11/30/11 Started pump up and started producing the well

**Accepted by the
Utah Division of
Oil, Gas and Mining
FOR RECORD ONLY**

NAME (PLEASE PRINT) Mike Cerelli	PHONE NUMBER 620 202-1749	TITLE Asset Manager
SIGNATURE N/A	DATE 12/4/2011	

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

FORM 9

5. LEASE DESIGNATION AND SERIAL NUMBER:
FEE

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.

6. IF INDIAN, ALLOTTEE OR TRIBE NAME:

7. UNIT or CA AGREEMENT NAME:

1. TYPE OF WELL
Oil Well

8. WELL NAME and NUMBER:
JENSEN 2C-9

2. NAME OF OPERATOR:
BLUE TIP CASTLEGATE, INC.

9. API NUMBER:
43007501790000

3. ADDRESS OF OPERATOR:
1205 Independence Ave. , Price , UT, 84501

PHONE NUMBER:
620 202-1749 Ext

9. FIELD and POOL or WILDCAT:
CASTLEGATE

4. LOCATION OF WELL
FOOTAGES AT SURFACE:
0734 FNL 1893 FEL
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN:
Qtr/Qtr: NWNE Section: 09 Township: 12.0S Range: 10.0E Meridian: S

COUNTY:
CARBON

STATE:
UTAH

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

TYPE OF SUBMISSION	TYPE OF ACTION		
<input checked="" type="checkbox"/> NOTICE OF INTENT Approximate date work will start: 11/6/2011 <input type="checkbox"/> SUBSEQUENT REPORT Date of Work Completion: <input type="checkbox"/> SPUD REPORT Date of Spud: <input type="checkbox"/> DRILLING REPORT Report Date:	<input type="checkbox"/> ACIDIZE <input type="checkbox"/> CHANGE TO PREVIOUS PLANS <input type="checkbox"/> CHANGE WELL STATUS <input type="checkbox"/> DEEPEN <input type="checkbox"/> OPERATOR CHANGE <input type="checkbox"/> PRODUCTION START OR RESUME <input type="checkbox"/> REPERFORATE CURRENT FORMATION <input type="checkbox"/> TUBING REPAIR <input type="checkbox"/> WATER SHUTOFF <input type="checkbox"/> WILDCAT WELL DETERMINATION	<input type="checkbox"/> ALTER CASING <input type="checkbox"/> CHANGE TUBING <input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS <input checked="" type="checkbox"/> FRACTURE TREAT <input type="checkbox"/> PLUG AND ABANDON <input type="checkbox"/> RECLAMATION OF WELL SITE <input type="checkbox"/> SIDETRACK TO REPAIR WELL <input type="checkbox"/> VENT OR FLARE <input type="checkbox"/> SI TA STATUS EXTENSION <input type="checkbox"/> OTHER	<input type="checkbox"/> CASING REPAIR <input type="checkbox"/> CHANGE WELL NAME <input type="checkbox"/> CONVERT WELL TYPE <input type="checkbox"/> NEW CONSTRUCTION <input type="checkbox"/> PLUG BACK <input type="checkbox"/> RECOMPLETE DIFFERENT FORMATION <input type="checkbox"/> TEMPORARY ABANDON <input type="checkbox"/> WATER DISPOSAL <input type="checkbox"/> APD EXTENSION OTHER: <input type="text"/>

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

Blue Tip Castlegate ran a cement bond log on the Jensen 2C-9-12-10 in October, 2011 and plan on fracturing the well in the month of November, 2011. Well will be put on production 2-3 weeks after simulation.

REQUEST DENIED
Utah Division of
Oil, Gas and Mining

Date: 12/19/2011
By: *Derek Quist*

NAME (PLEASE PRINT) Mike Cerelli	PHONE NUMBER 620 202-1749	TITLE Asset Manager
SIGNATURE N/A	DATE 11/2/2011	

Please Review Attached Reasons for Denial



The Utah Division of Oil, Gas, and Mining

- State of Utah
- Department of Natural Resources

Electronic Permitting System - Sundry Notices

Sundry Conditions of Approval Well Number 43007501790000

Need details on the proposed frac job. Additional requested information was not uploaded into sundry.

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

FORM 9

5. LEASE DESIGNATION AND SERIAL NUMBER:
FEE

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.

6. IF INDIAN, ALLOTTEE OR TRIBE NAME:

7. UNIT or CA AGREEMENT NAME:

1. TYPE OF WELL
Oil Well

8. WELL NAME and NUMBER:
JENSEN 2C-9

2. NAME OF OPERATOR:
BLUE TIP CASTLEGATE, INC.

9. API NUMBER:
43007501790000

3. ADDRESS OF OPERATOR:
1205 Independence Ave. , Price , UT, 84501

PHONE NUMBER:
620 202-1749 Ext

9. FIELD and POOL or WILDCAT:
CASTLEGATE

4. LOCATION OF WELL
FOOTAGES AT SURFACE:
0734 FNL 1893 FEL
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN:
Qtr/Qtr: NWNE Section: 09 Township: 12.0S Range: 10.0E Meridian: S

COUNTY:
CARBON

STATE:
UTAH

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

TYPE OF SUBMISSION	TYPE OF ACTION		
<input checked="" type="checkbox"/> NOTICE OF INTENT Approximate date work will start: 11/6/2011	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> CASING REPAIR
	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> CHANGE WELL NAME
	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> CONVERT WELL TYPE
<input type="checkbox"/> SUBSEQUENT REPORT Date of Work Completion:	<input type="checkbox"/> DEEPEN	<input checked="" type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> NEW CONSTRUCTION
	<input type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> PLUG BACK
<input type="checkbox"/> SPUD REPORT Date of Spud:	<input type="checkbox"/> PRODUCTION START OR RESUME	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input type="checkbox"/> RECOMPLETE DIFFERENT FORMATION
	<input type="checkbox"/> REPERFORATE CURRENT FORMATION	<input type="checkbox"/> SIDETRACK TO REPAIR WELL	<input type="checkbox"/> TEMPORARY ABANDON
<input type="checkbox"/> DRILLING REPORT Report Date:	<input type="checkbox"/> TUBING REPAIR	<input type="checkbox"/> VENT OR FLARE	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> WATER SHUTOFF	<input type="checkbox"/> SI TA STATUS EXTENSION	<input type="checkbox"/> APD EXTENSION
	<input type="checkbox"/> WILDCAT WELL DETERMINATION	<input type="checkbox"/> OTHER	OTHER: <input type="text"/>

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

Blue Tip Castlegate ran a cement bond log on the Jensen 2C-9-12-10 in October, 2011 and plan on fracturing the well in the month of November, 2011. Well will be put on production 2-3 weeks after simulation.

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

Date: 01/05/2012
By: Dark K. Quist

NAME (PLEASE PRINT)
Mike Cerelli

PHONE NUMBER
620 202-1749

TITLE
Asset Manager

SIGNATURE
N/A

DATE
12/21/2011



Blue Tip Operating LLC
3900 S Wadsworth Blvd Ste 340
Lakewood, Colorado 80235

Jensen 2C-9-12-10

Carbon County, Utah
United States of America
S:9 T:12S R:10E
API/UWI 43007501790000

Stimulation Recommendation and Cost Estimate

Prepared for:

October 24, 2011
Version: 1

Submitted by:
Alex Wagner
Halliburton
1125 17th Street
Suite 1900
Denver, Colorado 80202
303.899.4700



Halliburton appreciates the opportunity to present this proposal and looks forward to being of service to you.

Foreword

Enclosed is our recommended procedure for fracturing the formation in the referenced well. The information in this proposal includes well data, calculations, material requirements, and cost estimates. This proposal is based on information from our field personnel and previous stimulation services in the area. Halliburton appreciates the opportunity to present this proposal for your consideration and we look forward to being of service to you. Our Services for your well will be coordinated through the Service Center listed below. If you require any additional information or additional designs, please feel free to contact myself or our field representatives listed below.

Prime-Up Chemicals

Chemicals used on location for stimulation treatments will be charged based on the beginning and ending chemical straps. This volume will include materials used for priming pumps and for accuracy verification, e.g. bucket testing. Chemicals that are used when utilizing 'System Pricing' will be included in the System Pricing volume.

Prepared by: _____
Elizabeth Lipp
Procedure Analyst

Submitted by: _____
Alex Wagner
Technical Advisor

SERVICE CENTER: Vernal, UT
SERVICE COORDINATOR: Marty Curtis
OPER. ENGINEER: Russell Stimatze
PHONE NUMBER: 435-789-2550

Well Information

4 Stages

Well Name: Jensen

Well #: 2C-9-12-10

Tubulars

Name	Measured Depth (ft)	Outer Diameter (in)	Inner Diameter (in)	Linear Weight (lbm/ft)	Grade
5 1/2" Production Casing	0 - 5100	5.5	4.892	17	J-55

Perforations

Interval Name/ Depth (ft)	Shot Density (spf)	# of Perfs	Phase (DEG)	Hole Diam. (in)	Mid-perf Depth (ft)	Perf Discharge Coef.
Stage 1 / 4969 - 4971	2	4	120	0.32	4970	0.85
Stage 1 / 4942 - 4945	2	6	120	0.32	4943.5	0.85
Stage 1 / 4934 - 4937	2	6	120	0.32	4935.5	0.85
Stage 1 / 4925 - 4928	2	6	120	0.32	4926.5	0.85
Stage 1 / 4918 - 4920	2	4	120	0.32	4919	0.85
Stage 1 / 4898 - 4900	2	4	120	0.32	4899	0.85
Stage 1 / 4888 - 4890	2	4	120	0.32	4889	0.85
Stage 2 / 4788 - 4792	3	12	120	0.32	4790	0.85
Stage 2 / 4780 - 4782	3	6	120	0.32	4781	0.85
Stage 2 / 4771 - 4773	3	6	120	0.32	4772	0.85
Stage 3 / 4734 - 4738	3	12	120	0.32	4736	0.85
Stage 3 / 4724 - 4726	3	6	120	0.32	4725	0.85
Stage 3 / 4717 - 4719	3	6	120	0.32	4718	0.85
Stage 4 / 4660 - 4663	3	9	120	0.32	4661.5	0.85
Stage 4 / 4648 - 4650	3	6	120	0.32	4649	0.85
Stage 4 / 4631 - 4636	3	10	120	0.32	4633.5	0.85
Stage 4 / 4602 - 4603	3	3	120	0.32	4602.5	0.85
Stage 4 / 4590 - 4593	3	9	120	0.32	4591.5	0.85

Job Fluids Summary

4 Stages

Treated Water

Volume	Base Fluid	Clay Control
18800 (Gal)	Fresh Water*	CLA-Web
Totals	18800 (Gal)	9.4 (Gal)

Delta Frac 140 - R (17)

Volume	Base Fluid	Breaker	Breaker	Surfactant	Clay Control
194000 (Gal)	Fresh Water*	GBW-30	SP Breaker	Gasperm 1100	CLA-Web
Totals	194000 (Gal)	404 (lbm)	558 (lbm)	388 (Gal)	97 (Gal)

FR-66 Water

Volume	Base Fluid	Surfactant	Clay Control
36000 (Gal)	Fresh Water*	Gasperm 1100	CLA-Web
Totals	36000 (Gal)	72 (Gal)	18 (Gal)

JOB TOTALS

Volume (Gal)	Base Fluid (Gal)	Clay Control (Gal)	Breaker (lbm)	Breaker (lbm)	Surfactant (Gal)
	Fresh Water*	CLA-Web	GBW-30	SP Breaker	Gasperm 1100
248800		124.4	404	558	460

Proppant Additive System

Proppant	System	Mass (lbm) Coated	Volume (Gal)
Premium White-20/40	SandWedge Max NT	530000	1272

Proppant

	Designed Qty	Requested
Premium White-20/40	530000 (lbm)	530000 (lbm)

Customer Supplied Items *

	Designed Qty	Tank Bottom	Requested w/ Tank Bottom
Fresh Water	248800 Gal	0 Gal	248800 Gal

Treatment 1

4 Stages

Well Name	Jensen	FR-66 Water	12000 Gal
Job Name	4 Stages	Delta Frac 140 - R (17)	68000 Gal
No. of Perfs/Jets	34	Treated Water	4850 Gal
Mid Perf Depth	4980.5 ft	SandWedge Max NT	434.4 Gal
Estimated Pump Time	1.09 hrs	Premium White-20/40	181000 lbm
BHST	130 degF		
Frac Gradient	0.65 psi/ft		

Casing (Surface)

Trt-Stage	Stage Desc.	Flow Path	Fluid Desc.	Rate-Liq+Prop	Clean Vol.	Proppant	Proppant Conc.	Prop. Mass
1-1	Load Well	IN	FR-66 Water	15	1000		0	0
1-2	Pad	IN	FR-66 Water	35	3000		0	0
1-3	Proppant Laden Fluid	IN	FR-66 Water	35	8000	Premium White-20/40	0.5	4000
1-4	Proppant Laden Fluid	IN	Delta Frac 140 - R (17)	35	15000	Premium White-20/40	1	15000
1-5	Proppant Laden Fluid	IN	Delta Frac 140 - R (17)	35	15000	Premium White-20/40	2	30000
1-6	Proppant Laden Fluid	IN	Delta Frac 140 - R (17)	35	20000	Premium White-20/40	3	60000
1-7	Proppant Laden Fluid	IN	Delta Frac 140 - R (17)	35	18000	Premium White-20/40	4	72000
1-8	Flush	IN	Treated Water	25	4850		0	0
Totals					84850			181000

Fluid Details - Treatment 1

4 Stages

FR-66 Water

Volume (Gal)	Base Fluid	Surfactant (gal/Mgal)	Clay Control (gal/Mgal)
12000	Fresh Water * 0 - 12000	Gasperm 1100 2	CLA-Web 0.5

Delta Frac 140 - R (17)

Volume (Gal)	Base Fluid	Breaker (lbm/Mgal)	Breaker (lbm/Mgal)	Surfactant (gal/Mgal)	Clay Control (gal/Mgal)
	Fresh Water *	GBW-30	SP Breaker	Gasperm 1100	CLA-Web
	0 - 30000	1.5	2	2	0.5
	30000 - 50000	2	3	2	0.5
68000	50000 - 68000	3	4	2	0.5

Treated Water

Volume (Gal)	Base Fluid	Clay Control (gal/Mgal)
4850	Fresh Water * 0 - 4850	CLA-Web 0.5

Proppant Additive System

Proppant	System	Mass (lbm) Coated	Volume (Gal)
Premium White-20/40	SandWedge Max NT	181000	434.4

* Customer Supplied

Treatment 2

4 Stages

Well Name	Jensen	FR-66 Water	6000 Gal
Job Name	4 Stages	Delta Frac 140 - R (17)	29000 Gal
No. of Perfs/Jets	24	Treated Water	4700 Gal
Mid Perf Depth	4980.5 ft	SandWedge Max NT	201.6 Gal
Estimated Pump Time	0.87 hrs	Premium White-20/40	84000 lbm
BHST	130 degF		
Frac Gradient	0.65 psi/ft		

Casing (Surface)

Trt-Stage	Stage Desc.	Flow Path	Fluid Desc.	Rate-Liq+Prop	Clean Vol.	Proppant	Proppant Conc.	Prop. Mass
2-1	Load Well	IN	FR-66 Water	10	500		0	0
2-2	Pad	IN	FR-66 Water	20	1500		0	0
2-3	Proppant Laden Fluid	IN	FR-66 Water	20	4000	Premium White-20/40	0.5	2000
2-4	Proppant Laden Fluid	IN	Delta Frac 140 - R (17)	20	5000	Premium White-20/40	1	5000
2-5	Proppant Laden Fluid	IN	Delta Frac 140 - R (17)	20	5000	Premium White-20/40	2	10000
2-6	Proppant Laden Fluid	IN	Delta Frac 140 - R (17)	20	9000	Premium White-20/40	3	27000
2-7	Proppant Laden Fluid	IN	Delta Frac 140 - R (17)	20	10000	Premium White-20/40	4	40000
2-8	Flush	IN	Treated Water	20	4700		0	0
Totals					39700			84000

Fluid Details - Treatment 2

4 Stages

FR-66 Water

Volume (Gal)	Base Fluid	Surfactant (gal/Mgal)	Clay Control (gal/Mgal)
6000	Fresh Water * 0 - 6000	Gasperm 1100 2	CLA-Web 0.5

Delta Frac 140 - R (17)

Volume (Gal)	Base Fluid	Breaker (lbm/Mgal)	Breaker (lbm/Mgal)	Surfactant (gal/Mgal)	Clay Control (gal/Mgal)
	Fresh Water *	GBW-30	SP Breaker	Gasperm 1100	CLA-Web
	0 - 10000	1.5	2	2	0.5
	10000 - 19000	2	3	2	0.5
29000	19000 - 29000	3	4	2	0.5

Treated Water

Volume (Gal)	Base Fluid	Clay Control (gal/Mgal)
4700	Fresh Water * 0 - 4700	CLA-Web 0.5

Proppant Additive System

Proppant	System	Mass (lbm) Coated	Volume (Gal)
Premium White-20/40	SandWedge Max NT	84000	201.6

* Customer Supplied

Treatment 3

4 Stages

Well Name	Jensen	FR-66 Water	6000 Gal
Job Name	4 Stages	Delta Frac 140 - R (17)	29000 Gal
No. of Perfs/Jets	24	Treated Water	4700 Gal
Mid Perf Depth	4980.5 ft	SandWedge Max NT	201.6 Gal
Estimated Pump Time	0.87 hrs	Premium White-20/40	84000 lbm
BHST	130 degF		
Frac Gradient	0.65 psi/ft		

Casing (Surface)

Trt-Stage	Stage Desc.	Flow Path	Fluid Desc.	Rate-Liq+Prop	Clean Vol.	Proppant	Proppant Conc.	Prop. Mass
3-1	Load Well	IN	FR-66 Water	10	500		0	0
3-2	Pad	IN	FR-66 Water	20	1500		0	0
3-3	Proppant Laden Fluid	IN	FR-66 Water	20	4000	Premium White-20/40	0.5	2000
3-4	Proppant Laden Fluid	IN	Delta Frac 140 - R (17)	20	5000	Premium White-20/40	1	5000
3-5	Proppant Laden Fluid	IN	Delta Frac 140 - R (17)	20	5000	Premium White-20/40	2	10000
3-6	Proppant Laden Fluid	IN	Delta Frac 140 - R (17)	20	9000	Premium White-20/40	3	27000
3-7	Proppant Laden Fluid	IN	Delta Frac 140 - R (17)	20	10000	Premium White-20/40	4	40000
3-8	Flush	IN	Treated Water	20	4700		0	0
Totals					39700			84000

Fluid Details - Treatment 3

4 Stages

FR-66 Water

Volume (Gal)	Base Fluid	Surfactant (gal/Mgal)	Clay Control (gal/Mgal)
6000	Fresh Water * 0 - 6000	Gasperm 1100 2	CLA-Web 0.5

Delta Frac 140 - R (17)

Volume (Gal)	Base Fluid	Breaker (lbm/Mgal)	Breaker (lbm/Mgal)	Surfactant (gal/Mgal)	Clay Control (gal/Mgal)
	Fresh Water *	GBW-30	SP Breaker	Gasperm 1100	CLA-Web
	0 - 10000	1.5	2	2	0.5
	10000 - 19000	2	3	2	0.5
29000	19000 - 29000	3	4	2	0.5

Treated Water

Volume (Gal)	Base Fluid	Clay Control (gal/Mgal)
4700	Fresh Water * 0 - 4700	CLA-Web 0.5

Proppant Additive System

Proppant	System	Mass (lbm) Coated	Volume (Gal)
Premium White-20/40	SandWedge Max NT	84000	201.6

* Customer Supplied

Treatment 4

4 Stages

Well Name	Jensen	FR-66 Water	12000 Gal
Job Name	4 Stages	Delta Frac 140 - R (17)	68000 Gal
No. of Perfs/Jets	37	Treated Water	4550 Gal
Mid Perf Depth	4980.5 ft	SandWedge Max NT	434.4 Gal
Estimated Pump Time	1.07 hrs	Premium White-20/40	181000 lbm
BHST	130 degF		
Frac Gradient	0.65 psi/ft		

Casing (Surface)

Trt-Stage	Stage Desc.	Flow Path	Fluid Desc.	Rate-Liq+Prop	Clean Vol.	Proppant	Proppant Conc.	Prop. Mass
4-1	Load Well	IN	FR-66 Water	15	1000		0	0
4-2	Pad	IN	FR-66 Water	35	3000		0	0
4-3	Proppant Laden Fluid	IN	FR-66 Water	35	8000	Premium White-20/40	0.5	4000
4-4	Proppant Laden Fluid	IN	Delta Frac 140 - R (17)	35	15000	Premium White-20/40	1	15000
4-5	Proppant Laden Fluid	IN	Delta Frac 140 - R (17)	35	15000	Premium White-20/40	2	30000
4-6	Proppant Laden Fluid	IN	Delta Frac 140 - R (17)	35	20000	Premium White-20/40	3	60000
4-7	Proppant Laden Fluid	IN	Delta Frac 140 - R (17)	35	18000	Premium White-20/40	4	72000
4-8	Flush	IN	Treated Water	35	4550		0	0
Totals					84550			181000

Fluid Details - Treatment 4

4 Stages

FR-66 Water

Volume (Gal)	Base Fluid	Surfactant (gal/Mgal)	Clay Control (gal/Mgal)
12000	Fresh Water * 0 - 12000	Gasperm 1100 2	CLA-Web 0.5

Delta Frac 140 - R (17)

Volume (Gal)	Base Fluid	Breaker (lbm/Mgal)	Breaker (lbm/Mgal)	Surfactant (gal/Mgal)	Clay Control (gal/Mgal)
	Fresh Water *	GBW-30	SP Breaker	Gasperm 1100	CLA-Web
	0 - 30000	1.5	2	2	0.5
	30000 - 50000	2	3	2	0.5
68000	50000 - 68000	3	4	2	0.5

Treated Water

Volume (Gal)	Base Fluid	Clay Control (gal/Mgal)
4550	Fresh Water * 0 - 4550	CLA-Web 0.5

Proppant Additive System

Proppant	System	Mass (lbm) Coated	Volume (Gal)
Premium White-20/40	SandWedge Max NT	181000	434.4

* Customer Supplied

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

RECEIVED

JUN 26 2012

FORM 9

SUNDRY NOTICES AND REPORTS ON WELLS

DIV. OF OIL, GAS & MINING

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

1. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER _____		5. LEASE DESIGNATION AND SERIAL NUMBER: Castlegate
2. NAME OF OPERATOR: Blue Tip Castlegate Inc.		6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
3. ADDRESS OF OPERATOR: 1205 Independence Ave. CITY Price STATE UT ZIP 84501		7. UNIT or CA AGREEMENT NAME:
4. LOCATION OF WELL FOOTAGES AT SURFACE: 734' FNL, 1893' FEL		8. WELL NAME and NUMBER: Jensen 2C-9
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NENW 9 12S 10E		9. API NUMBER: 4300750179
STATE: UTAH		10. FIELD AND POOL, OR WILDCAT: Castlegate
COUNTY: Carbon		

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 checked="" type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion: 11/30/2011	<input type="checkbox"/> ALTER CASING	<input checked="" 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 checked="" 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.

11/06/11
Perf at 4969-4971, 4942-4945, 4934-4937, 4925-4928, 4918-4920, 4898-4900, 4888-4890 (34 shots). Stage 1 Fraced with 180,508# 20-40 sand and 2062 BW. Perf at 4788-4792, 4780-4782, 4771-4773 (24 shots). Stage 2 Fraced with 72,247# 20-40 sand and 907 BW. Perf at 4734-4738, 4724-4726, 4717-4719 (24 shots) Stage 3 Fraced with 77,646# 20-40 sand and 946 BW. Perf at 4660-4663, 4648-4650, 4631-4636, 4602-4603, 4590-4593 (42 shots). Stage 4 Fraced with 155,839 # 20-40 sand and 1846 BW."

11/12/11
Rig up and cleaned out to 4700'

11/13/11
Drilled out all 3 plugs and cleaned out to PBTD at 5130'

11/14/11
Finished cleaning out hole and started in hole with submersible pump.

11/15/11
RIH with Submersible pump with intake at 5034'.

11/30/11
Started pump up and started producing the well

NAME (PLEASE PRINT) <u>Mike Cerelli</u>	TITLE <u>Utah Asset Manager</u>
SIGNATURE <u><i>Mike Cerelli</i></u>	DATE <u>12/4/2011</u>

(This space for State use only)

CONFIDENTIAL

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 GAS WELL DRY OTHER _____

b. TYPE OF WORK:
NEW WELL HORIZ. LATS. DEEP-EN RE-ENTRY DIFF. RESVR. OTHER _____

5. LEASE DESIGNATION AND SERIAL NUMBER:
FEE

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

7. UNIT or CA AGREEMENT NAME

8. WELL NAME and NUMBER:
Jensen 2C-9

9. API NUMBER:
4300750179

10. FIELD AND POOL, OR WILDCAT
Castlegate

11. QTR/CTR, SECTION, TOWNSHIP, RANGE, MERIDIAN:
NENW 9 12S 10E SLB

12. COUNTY
Carbon

13. STATE
UTAH

2. NAME OF OPERATOR:
Blue Tip Castlegate Inc

3. ADDRESS OF OPERATOR:
15810 Park Ten Pl. Ste 160 CITY Houston STATE TX ZIP 77084 PHONE NUMBER: **(281) 944-3800**

4. LOCATION OF WELL (FOOTAGES)
AT SURFACE: **734' FNL, 1893' FEL 39.803725N, 110.803556W**
AT TOP PRODUCING INTERVAL REPORTED BELOW: **734' FNL, 1893' FEL 39.803725N, 110.803556W**
AT TOTAL DEPTH: **734' FNL, 1893' FEL 39.803725N, 110.803556W**

14. DATE SPUNDED: **9/24/2011** 15. DATE T.D. REACHED: **10/6/2011** 16. DATE COMPLETED: **11/6/2011** ABANDONED READY TO PRODUCE

17. ELEVATIONS (DF, RKB, RT, GL):
7215 GL

18. TOTAL DEPTH: MD **5,207** TVD **5,207**

19. PLUG BACK T.D.: MD **5,122** TVD **5,122**

20. IF MULTIPLE COMPLETIONS, HOW MANY? *

21. DEPTH BRIDGE MD PLUG SET: TVD

22. TYPE ELECTRIC AND OTHER MECHANICAL LOGS RUN (Submit copy of each)
Spectral Density, Neutron, Array Compensated, Resistivity, Gamma Ray, Bore Hole Vol

23. WAS WELL CORED? NO YES (Submit analysis)
WAS DST RUN? NO YES (Submit report)
DIRECTIONAL SURVEY? NO YES (Submit copy)

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

HOLE SIZE	SIZE/GRADE	WEIGHT (#/ft.)	TOP (MD)	BOTTOM (MD)	STAGE CEMENTER DEPTH	CEMENT TYPE & NO. OF SACKS	SLURRY VOLUME (BBL)	CEMENT TOP **	AMOUNT PULLED
12.25	8-5/8 J55	24	0	655		G 430	88	0'	
7.875	5-1/2 J55	17	0	5,162	3,216	G 653	276	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)
2-7/8"	4,950	None						

26. PRODUCING INTERVALS

FORMATION NAME	TOP (MD)	BOTTOM (MD)	TOP (TVD)	BOTTOM (TVD)
(A) See Exhibit 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
See Exhibit B	

29. ENCLOSED ATTACHMENTS:

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

30. WELL STATUS:
Producing

RECEIVED

31. INITIAL PRODUCTION

INTERVAL A (As shown in Item #26)

DATE FIRST PRODUCED: 11/30/2011		TEST DATE: 11/30/2011		HOURS TESTED: 24		TEST PRODUCTION RATES: →	OIL - BBL:	GAS - MCF: 191	WATER - BBL: 26	PROD. METHOD:
CHOKE SIZE: 2-1/16"	TBG. PRESS. 50	CSG. PRESS. 250	API GRAVITY	BTU - GAS 950	GAS/OIL RATIO	24 HR PRODUCTION RATES: →	OIL - BBL:	GAS - MCF: 191	WATER - BBL: 26	INTERVAL STATUS: Flowing

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, Ventad, 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)
				Price River	3,354
				Castlegate	3,742
				Blackhawk	4,083
				Kenilworth	4,784
				Aberdeen	5,002

35. ADDITIONAL REMARKS (Include plugging procedure)

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

NAME (PLEASE PRINT) _____ TITLE _____
 SIGNATURE *Mike C...* _____ DATE _____

This report must be submitted within 30 days of

- completing or plugging a new well
- reentering a previously plugged and abandoned well
- drilling horizontal laterals from an existing well bore
- significantly deepening an existing well bore below the previous bottom-hole depth
- recompleting to a different producing formation
- 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

Exhibit A

Producing Interval		
Formation	Top	Bottom
Black Hawk Coals	4550	5000

Perforation Record			
Perforated Interval	Size	No. Holes	Perf. Status
4590-4663	0.32	42	Open
4717-4738	0.32	24	Open
4771-4792	0.32	24	Open
4888-4971	0.32	34	Open

Exhibit B

Zone 1		
Top Perf:	4,888	ft
Bottom Perf:	4,971	ft
Base Fluid:	8.4	lb/gal
FR-66 Water:	12,038	gal
Delta 140 R(17):	68,484	gal
Flush (Treated Water):	5,603	gal
Total Fluid:	86,125	gal
20/40 Prem. White:	180,600	lbs

Zone 2		
Top Perf:	4,771	ft
Bottom Perf:	4,792	ft
Base Fluid:	8.4	lb/gal
FR-66 Water:	6,096	gal
Delta 140 R(17):	26,286	gal
Flush (Treated Water):	5,334	gal
Total Fluid:	37,716	gal
20/40 Prem. White:	72,000	lbs

Zone 3		
Top Perf:	4,717	ft
Bottom Perf:	4,738	ft
Base Fluid:	8.4	lb/gal
FR-66 Water:	6,012	gal
Delta 140 R(17):	27,570	gal
Flush (Treated Water):	5,294	gal
Total Fluid:	38,876	gal
20/40 Prem. White:	77,400	lbs

Zone 4		
Top Perf:	4,590	ft
Bottom Perf:	4,663	ft
Base Fluid:	8.4	lb/gal
FR-66 Water:	12,000	gal
Delta 140 R(17):	68,000	gal
Flush (Treated Water):	4,440	gal
Total Fluid:	84,440	gal
20/40 Prem. White:	181,000	lbs

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

Effective Date: 7/1/2016

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

WELL INFORMATION:

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

OPERATOR CHANGES DOCUMENTATION:

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

REVIEW:

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

NEW OPERATOR BOND VERIFICATION:

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

DATA ENTRY:

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

COMMENTS:

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

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

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

FORM 9

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

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

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

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

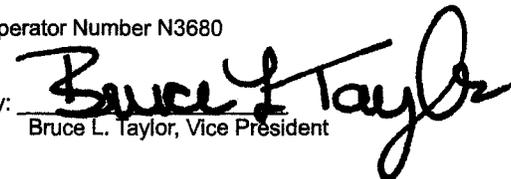
CHANGE OF OPERATOR

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

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

Operator Number N3680

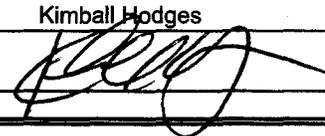
Operator Number N2855

By: 
Bruce L. Taylor, Vice President

RECEIVED
JUL 21 2016

DIV. OF OIL, GAS & MINING

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

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

(This space for State use only)

APPROVED

AUG 26 2016

DIV. OIL GAS & MINING
BY: Rachael Medema

ATTACHED LIST to Change of Operator Sundry Notice

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

ATTACHED LIST to Change of Operator Sundry Notice

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

29

ATTACHED LIST to Change of Operator Sundry Notice

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

33

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

UIC FORM 5

TRANSFER OF AUTHORITY TO INJECT

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

EFFECTIVE DATE OF TRANSFER: 7/1/2016

CURRENT OPERATOR

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

NEW OPERATOR

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

(This space for State use only)

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

Approval Date: 8/3/16

Comments:

RECEIVED
JUL 21 2016



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

RE: Bonding for Castlegate Field Wells

August 15, 2016

Dustin:

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

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

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

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

17071 JENSEN STATE 11C-34-11-9

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

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

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

Sincerely,



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



Rachel Medina <rachelmedina@utah.gov>

Fwd: LPES plans for the Castlegate field wells/Bonding

2 messages

Dayne Doucet <daynedoucet@utah.gov>

Wed, Aug 17, 2016 at 11:46 AM

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

FYI

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

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

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

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

To: Dustin Doucet <dustindoucet@utah.gov>

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

Dustin:

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

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

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

Best,

Danny

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

Danny,

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

Dustin

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

Dustin:

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

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

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

Thanks for your help!

Best,

Danny

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

Dustin

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

Sounds good. Thanks for your help.

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

Let me know and thanks again.

Best,

Danny

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

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

Production data through Jan 2016

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

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

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

Dustin:

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

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

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

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

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

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

13070 SHIMMIN TRUST 2-11-12-10

13275 JENSEN 2-8-12-10

13071 SHIMMIN TRUST 4-14-12-10

13068 JENSEN 1-4-12-10

18242 JENSEN 2C-9-12-10

12991 CASTLEGATE FED 7-9-12-10

11405 JENSEN 11-10-12-10

12610 CASTLEGATE ST 1-16-12-10

12611 JENSEN 1-10-12-10

12903 JENSEN 1-9-12-10

12904 JENSEN 16-9-12-10

12905 JENSEN 5-10-12-10

12906 JENSEN 9-10-12-10

13072 JENSEN 1-15-12-10

13247 JENSEN DEEP 7-15-12-10

13317 JENSEN 2-9-12-10

13359 JENSEN 1-8-12-10

15766 JENSEN 42C-9-12-10

15767 CASTLEGATE FED 22C-9-12-10

15768 JENSEN 43C-9-12-10

15769 JENSEN 33C-9-12-10

15770 JENSEN 23C-9-12-10

17235 JENSEN 14C-10-12-10

17246 JENSEN 41C-9-12-10

18209 JENSEN 6-10-12-10

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

Best,

Danny

—

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

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Dustin K. Doucet
Petroleum Engineer
Division of Oil, Gas and Mining
1594 West North Temple, Ste 1210
Salt Lake City, Utah 84116
801.538.5281 (ofc)
801.359.3940 (fax)

web: www.ogm.utah.gov

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

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Dustin K. Doucet
Petroleum Engineer
Division of Oil, Gas and Mining
1594 West North Temple, Ste 1210
Salt Lake City, Utah 84116
801.538.5281 (ofc)
801.359.3940 (fax)

web: www.ogm.utah.gov

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

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Dustin K. Doucet
Petroleum Engineer
Division of Oil, Gas and Mining
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Salt Lake City, Utah 84116
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801.359.3940 (fax)

web: www.ogm.utah.gov

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Daniel R. Gunnell
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--
Dayne Doucet
Petroleum Engineer
UDOGM
801-538-5303

 **Statewide Bond Proposal.pdf**
421K

Dustin Doucet <dustindoucet@utah.gov>

Wed, Aug 17, 2016 at 2:01 PM

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

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

Danny,

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