

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

5. Lease Designation and Serial No.

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

6. If Indian, Allottee or Tribe Name

1a. Type of Work

DRILL

DEEPEN

PLUG BACK

7. Unit Agreement Name

b. Type of Well

Oil Well

Gas Well

Other

Single Zone

Multiple Zone

8. Farm or Lease Name

Benjamin Dye

2. Name of Operator

Quinex Energy Corporation

9. Well No.

Dye Hall #2-21

3. Address of Operator

4527 South 2300 East #106, Salt Lake City, Utah 84117

10. Field and Pool, or Wildcat

Bluebell

4. Location of Well (Report location clearly and in accordance with any State requirements.)\*

At surface ~~654 feet W/E line, 1987 feet S/N line~~  
1100' FE 1330' FN  
Sec. 21, T1S, R1W, USB & M

11. Sec., T., R., M., or Blk. and Survey or Area

Sec. 21, SE 1/4 NE 1/4 T. 1S., R. 1W.

At proposed prod. zone Same

14. Distance in miles and direction from nearest town or post office\*

5 miles southeast of Neola, Utah

12. County or Parrish 13. State

Duchesne Utah

15. Distance from proposed\* location to nearest property or lease line, ft.

654 feet

16. No. of acres in lease

80

17. No. of acres assigned to this well

320

18. Distance from proposed location\* to nearest well, drilling, completed, or applied for, on this lease, ft.

3,910 feet

19. Proposed depth

14,000 feet

20. Rotary or cable tools

Rotary

21. Elevations (Show whether DF, RT, GR, etc.)

5,651' GR

22. Approx. date work will start\*

March 28, 1986

23. PROPOSED CASING AND CEMENTING PROGRAM

| Size of Hole | Size of Casing | Weight per Foot | Setting Depth | Quantity of Cement |
|--------------|----------------|-----------------|---------------|--------------------|
|--------------|----------------|-----------------|---------------|--------------------|

Please see Drilling Detail Sheet

The Dye-Hall #2-21 test is a proposed 14,000 foot test to the Tertiary Wasatch Formation. Water rights have been purchased from Mr. Richard Dye, using the Harding Ditch lateral on the Nephi Bench.

Designation of Operator form attached.

Survey Plat and Drilling Procedure attached. Bond Coverage is under John D. Chasel DEA Quinex Energy Corporation.

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposal is to deepen or plug back, give data on present productive zone and proposed new productive zone. If proposal is to drill or deepen directionally, give pertinent data on subsurface locations and measured and true vertical depths. Give blowout preventer program, if any.

24. Signed: J. Chasel Title: President Date: March 24, 1986

(This space for Federal or State office use)

Permit No. 43-013-3111? Approval Date APPROVED BY THE STATE

Approved by: \_\_\_\_\_ Title: \_\_\_\_\_ OF UTAH DIVISION OF OIL, GAS, AND MINING

Conditions of approval, if any:

DATE: 6-12-86  
BY: John R. Boye

\*See Instructions On Reverse Side

WELL SPACING: 139-42

4/7/85

STATE OF UTAH  
DIVISION OF OIL, GAS & MINING  
DRILLING LOCATION ASSESSMENT

OPERATOR Quinex Energy Corp WELL NAME Benjamin Dye Hall 2-21  
LOCATION: COUNTY Duchesne SECTION 21 T 15 R 1W  
QTR/QTR \_\_\_\_\_ 1987 FNL & 654 FEL  
SURFACE OWNERSHIP Fee MINERAL LEASE # Fee

ASSESSMENT PARTICIPANTS: DATE 3 / 26 / 86

|                      |                           |
|----------------------|---------------------------|
| <u>Lou Wells</u>     | <u>Quinex</u>             |
| <u>Paul Wells</u>    | <u>Quinex, Production</u> |
| <u>H. J. Payne</u>   | <u>Quinex, Drilling</u>   |
| <u>Ed Deputy</u>     | <u>DOG M, Vernal</u>      |
| <u>William Moore</u> | <u>DOG M, S.L.C.</u>      |

I. REGIONAL SETTING/TOPOGRAPHY

Utah Basin, N-S Plateaus, extending south into the basin  
from the Uinta mtn's to the north

II. LAND USE

A. Current Surface Use:

Tilled agricultural land.

B. Proposed Surface Disturbance:

Pud size ~400' x 400', pit to the south, access from the SE.

C. Affected Floodplains and/or Wetlands:

Irrigated

III. ENVIRONMENTAL PARAMETERS

A. Geology:

1. Surface Formation -

Uintah Fm., Beckley silty sands (Unified Soils class Group SM.)  
highly permeable

2. Stability -

unstable on extremely steep slopes when water saturated as  
exhibited by road slump to west about 1000' (feet)

B. Soils:

1. Soil Characteristics -

soft loamy silts

2. Erosion/Sedimentation -

Flat land

C. Water Resources:

Irrigated land, canal to west

D. Flora/Fauna:

Crop land.

E. Cultural Resources/Archeology:

NA

F. Adequacy of Restoration Plans:

No plan submitted

IV. RESERVE PIT

A. Characteristics:

Reserve pit will be located to the south and constructed into the Uintah Fm.

B. Lining:

highly permeable Uintah Fm will require lining, Group SM unified soils classification. Relative value of 4 for embankments, 10 for erosion resistance (poor), and 7 for earth lining (poor).

V. OTHER OBSERVATIONS

VI. STIPULATIONS FOR APD APPROVAL:

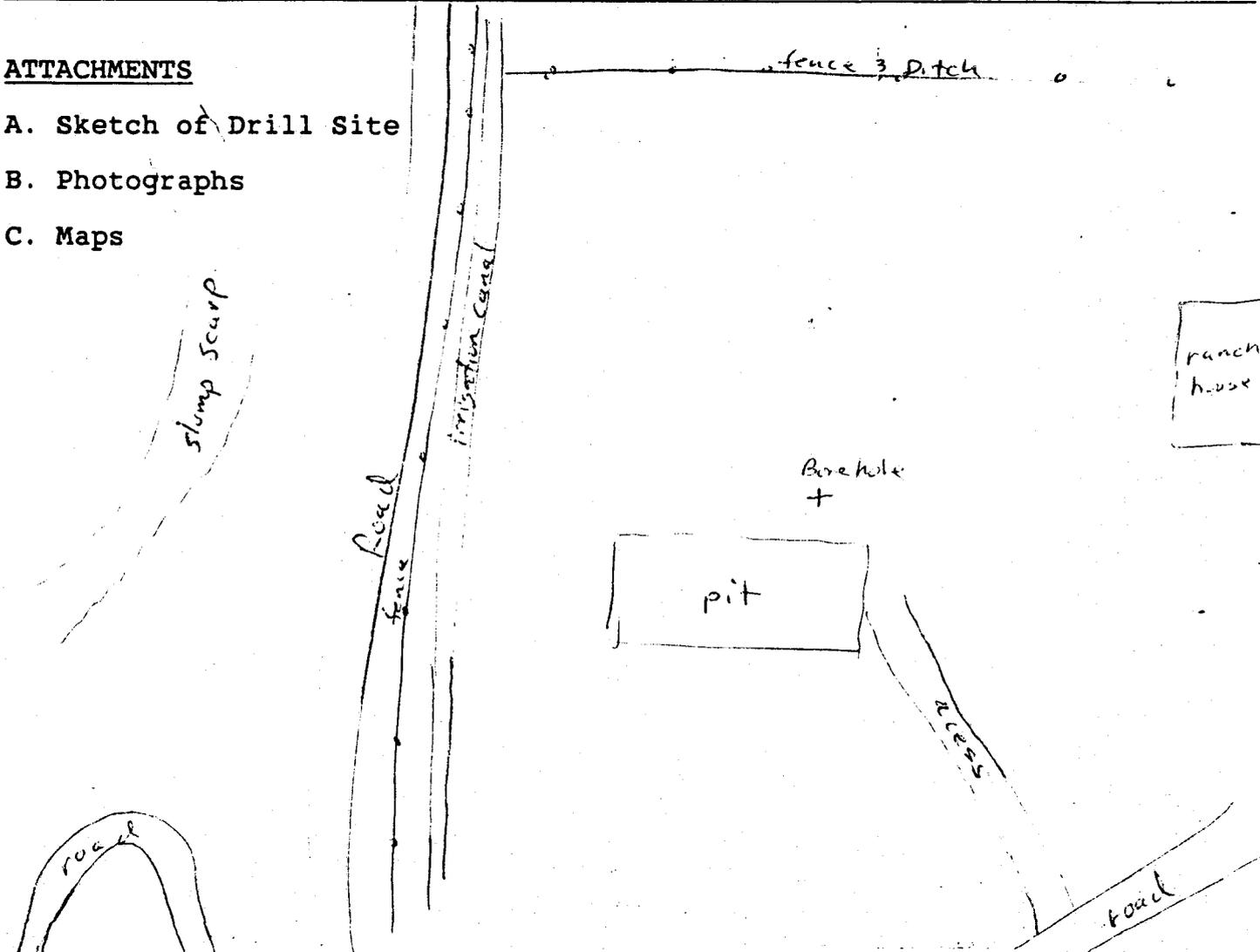
2 lb/sy ft commercial bentonite, which may be premixed or  
washed into the surface of the pit walls and bottom

Notification 48 hr's prior to construction of the drill site

County health Reg's

VII. ATTACHMENTS

- A. Sketch of Drill Site
- B. Photographs
- C. Maps



## DESIGNATION OF OPERATOR

The undersigned is, on the records of the Bureau of Land Management, holder of lease

~~XXXXXXXXXXXX~~

SERIAL NO.:

#14-20-H62-3866, #14-20-H62-3867

and hereby designates

NAME: Quinex Energy Corporation  
ADDRESS: 4527 South 2300 East #106  
Salt Lake City, Utah 84117

with, Quinex Energy Corporation  
4527 South 2300 East #106  
Salt Lake City, Utah 84117

as his operator and local agent, with full authority to act in his behalf in complying with the terms of the lease and regulations applicable thereto and on whom the supervisor or his representative may serve written or oral instructions in securing compliance with the Operating Regulations with respect to (describe acreage to which this designation is applicable):

T 1 South, R 1 West  
Section 21

Limited to the well bore of the Quinex-Dye-Hall 2-21 well in the  
SE/4NE/4 Section 21, Township 1 South, Range 1 West.

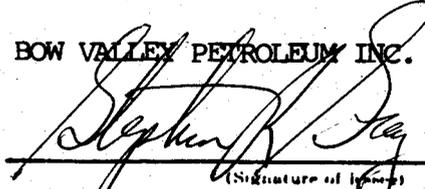
All in Duchesne County, Utah

It is understood that this designation of operator does not relieve the lessee of responsibility for compliance with the terms of the lease and the Operating Regulations. It is also understood that this designation of operator does not constitute an assignment of any interest in the lease.

In case of default on the part of the designated operator, the lessee will make full and prompt compliance with all regulations, lease terms, or orders of the Secretary of the Interior or his representative.

The lessee agrees promptly to notify the supervisor of any change in the designated operator.

BOW VALLEY PETROLEUM INC.



(Signature of lessee)

Stephen R. Gray, Vice President  
1700 Broadway, Suite 900  
Denver, Colorado 80290

March 14, 1986

(Date)

(Address)

STATE OF UTAH  
DIVISION OF OIL, GAS & MINING  
DRILLING LOCATION ASSESSMENT

OPERATOR Quinex Energy Corp WELL NAME Benjamin Dye Hall 2-21  
LOCATION: COUNTY Duchesne SECTION 21 T 15 R 1W  
QTR/QTR \_\_\_\_\_ 1987 FNL & 654 FEL  
SURFACE OWNERSHIP Fee MINERAL LEASE # Fee

ASSESSMENT PARTICIPANTS: DATE 3 1 26 1 86  
Lee Wells Quinex  
Paul Wells Quinex, Production  
H. J. Payne Quinex, Drilling  
Ed Deputy DOG M, Vernal  
William Moore DOG M, S.L.C.

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E. Cultural Resources/Archeology:

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F. Adequacy of Restoration Plans:

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Relative value of 4 for embankments, 10 for erosion resistance (pave), and  
7 for earth lining (pave).

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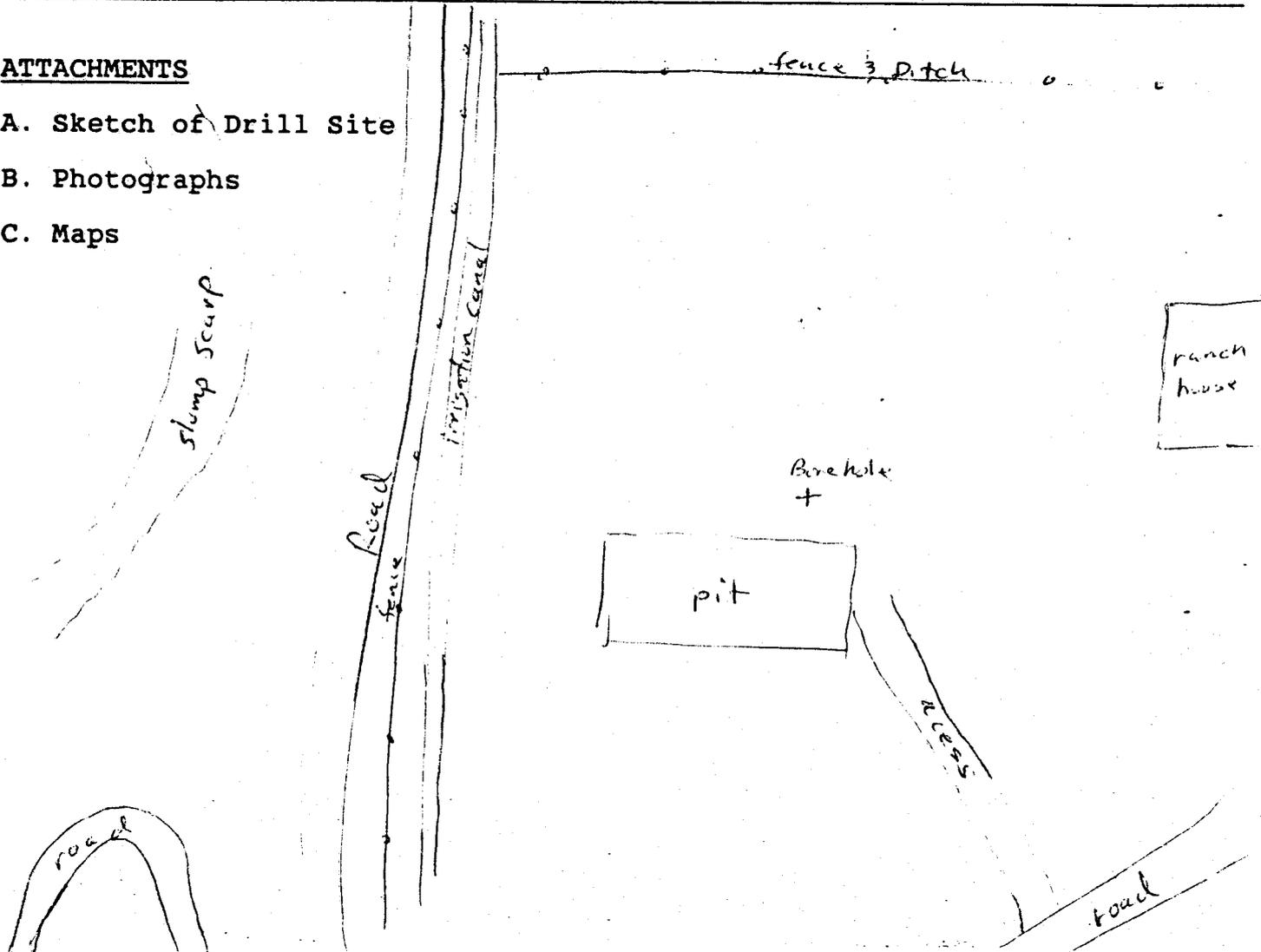
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County health Reg's

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DRILLING PROCEDURE

Field Bluebell Well Dye-Hall #2-21  
 Location SE 1/4 NE 1/4 Sec. 21, T 1 S, R 1 W. Duchesne County, Utah  
 Drill X Deepen \_\_\_\_\_ Elevation: GR 5575' KB \_\_\_\_\_ Total Depth 14,000

Non-Op Interests \_\_\_\_\_

1. Casing Program (O = Old N = New)

|             | <u>Surface</u>                             | <u>O/N</u> | <u>Intermediate</u>  | <u>O/N</u> | <u>Oil String/Liner</u> | <u>O/N</u> |
|-------------|--|------------|----------------------|------------|-------------------------|------------|
| Hole Size   | <u>14 3/4"</u>                             |            | <u>9 3/4"</u>        |            | <u>6 3/4"</u>           |            |
| Pipe Size   | <u>10 3/4"</u>                             | <u>N</u>   | <u>7 5/8"</u>        | <u>N</u>   | <u>5 1/2"</u>           |            |
| Grade       | <u>J.55 STC</u>                            |            | <u>S-95 LTC</u>      |            | <u>P 110 FJP</u>        |            |
| Weight      | <u>40.5#</u>                               |            | <u>26.4# + 29/7#</u> |            | <u>20#</u>              |            |
| Depth       | <u>2,000'</u>                              |            | <u>11,300'</u>       |            | <u>14,000'</u>          |            |
| Cement      | <u>1,200'</u>                              |            | <u>700</u>           |            | <u>700 SK</u>           |            |
| Time WOC    | <u>12 hrs.</u>                             |            | <u>24 hrs.</u>       |            | <u>24 hrs.</u>          |            |
| Casing Test | <u>3000#</u>                               |            | <u>5000#</u>         |            | <u>5000#</u>            |            |
| BOP 1)      | <u>1-10 Series 900 Shaffer double gate</u> |            |                      |            |                         |            |
| Remarks 2)  | <u>1-10 Series 900 Hydrill</u>             |            |                      |            |                         |            |

2. Mud Program

| <u>Depth Interval</u>    | <u>Type</u>                         | <u>Weight</u> | <u>Viscosity</u> | <u>Water Loss</u> |
|--------------------------|-------------------------------------|---------------|------------------|-------------------|
| <u>Surface to 9000'</u>  | <u>Water/ gel</u>                   | <u>8.5#</u>   | <u>30-35</u>     | <u>--</u>         |
| <u>9,000 to 11,300'</u>  | <u>Low solids</u>                   | <u>9.5#</u>   | <u>32-36</u>     | <u>10 - 13</u>    |
| <u>11,300 to 14,000'</u> | <u>Low solids</u>                   | <u>13.8#</u>  | <u>35-40</u>     | <u>10 - 12</u>    |
|                          | <u>w. Barite for weight control</u> |               |                  |                   |

3. Logging Program

Schlumberger Inc.

Surface Depth No Electric logs to 6,000'  
 Intermediate Depth 6,000' to 11,300' FDL; GR-CNL; Cal, DIL, & Cyberlook  
 Oil String Depth 11,300' to 14,000' Repeat all logs on Run #1 plus sonic log  
 Total Depth \_\_\_\_\_

4. Mud Logging Unit

Analex

Scales: 5"=100' 6,000' to 14,000' ; \_\_\_\_\_ to \_\_\_\_\_

5. Coring & Testing Program

|                      | <u>Formations</u>  | <u>Approximate Depth</u> | <u>Approximate Length of Core</u> |
|----------------------|--------------------|--------------------------|-----------------------------------|
| Core _____ DST _____ | <u>NO cores or</u> | <u>DST programmed</u>    |                                   |
| Core _____ DST _____ |                    |                          |                                   |

6. Objectives & Significant Tops: Objectives: Tertiary Wasatch, Wasatch Transition  
and Basal Green River formations

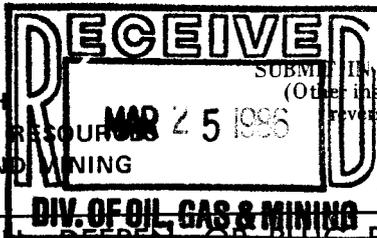
| <u>Formations</u>            | <u>Approximate Depth</u> | <u>Formations</u>      | <u>Approximate Depth</u> |
|------------------------------|--------------------------|------------------------|--------------------------|
| <u>Tertiary Uinta</u>        | <u>3310'</u>             | <u>Wasatch "B"</u>     | <u>12,920'</u>           |
| <u>Tertiary Green River</u>  | <u>6870'</u>             | <u>Neola 3 Fingers</u> | <u>13,270'</u>           |
| <u>Tertiary Black Shales</u> | <u>10,180'</u>           |                        |                          |
| <u>Wasatch Transition</u>    | <u>10,710'</u>           |                        |                          |
| <u>Wasatch</u>               | <u>10,990'</u>           |                        |                          |

7. Anticipated Bottom Hole Pressure: 5800#

8. Completion & Remarks: A completion prognosis will be prepared based on outcome of the Geologic sections drilled.

Compiled By: C.P. Webster Approved By: [Signature]

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



SUBMIT IN DUPLICATE\*  
(Other instructions on reverse side)

5. Lease Designation and Serial No.

6. If Indian, Allottee or Tribe Name

7. Unit Agreement Name

8. Farm or Lease Name

9. Well No.

10. Field and Pool, or Wildcat

11. Sec., T., R., M., or Blk. and Survey or Area

12. County or Parrish 13. State

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. Type of Work

DRILL

DEEPEN

PLUG BACK

b. Type of Well

Oil Well

Gas Well

Other

Single Zone

Multiple Zone

2. Name of Operator

Quinex Energy Corporation

3. Address of Operator

4527 South 2300 East #106, Salt Lake City, Utah 84117

4. Location of Well (Report location clearly and in accordance with any State requirements.\*)

At surface ~~654 feet~~ <sup>1128</sup> ~~1987 feet~~ <sup>1500</sup> ~~1987 feet~~ <sup>1500</sup> E line, S/N line

Sec. 21, T 1S, R 1W, USB & M

At proposed prod. zone Same

Benjamin Dye

Dye Hall #2-21

Bluebell

Sec. 21, SE 1/4 NE 1/4 T. 1S., R. 1W.

14. Distance in miles and direction from nearest town or post office\*

5 miles southeast of Neola, Utah

Duchesne Utah

15. Distance from proposed\* location to nearest property or lease line, ft.

654 feet

16. No. of acres in lease

80

17. No. of acres assigned to this well

320

(Also to nearest drlg. line, if any)

18. Distance from proposed location\* to nearest well, drilling, completed, or applied for, on this lease, ft.

3,910 feet

19. Proposed depth

14,000 feet

20. Rotary or cable tools

Rotary

21. Elevations (Show whether DF, RT, GR, etc.)

5,651' GR

22. Approx. date work will start\*

March 28, 1986

23. PROPOSED CASING AND CEMENTING PROGRAM

| Size of Hole                     | Size of Casing | Weight per Foot | Setting Depth | Quantity of Cement |
|----------------------------------|----------------|-----------------|---------------|--------------------|
| Please see Drilling Detail Sheet |                |                 |               |                    |

The Dye-Hall #2-21 test is a proposed 14,000 foot test to the Tertiary Wasatch Formation. Water rights have been purchased from Mr. Richard Dye, using the Harding Ditch lateral on the Nephi Bench.

Designation of Operator form attached.

Survey Plat and Drilling Procedure attached. Bond Coverage is under John D. Chasel DBA Quinex Energy Corporation.

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposal is to deepen or plug back, give data on present productive zone and proposed new productive zone. If proposal is to drill or deepen directionally, give pertinent data on subsurface locations and measured and true vertical depths. Give blowout preventer program, if any.

24. Signed: [Signature] Title: President Date: March 24, 1986

(This space for Federal or State office use)

Permit No. 43-013-31163 Approval Date: APPROVED BY THE STATE

Approved by: [Signature] Title: OF UTAH DIVISION OF OIL, GAS, AND MINING Date: 6-12-86

Conditions of approval, if any:

DATE: 6-12-86

BY: John R. Dye

\*See Instructions On Reverse Side

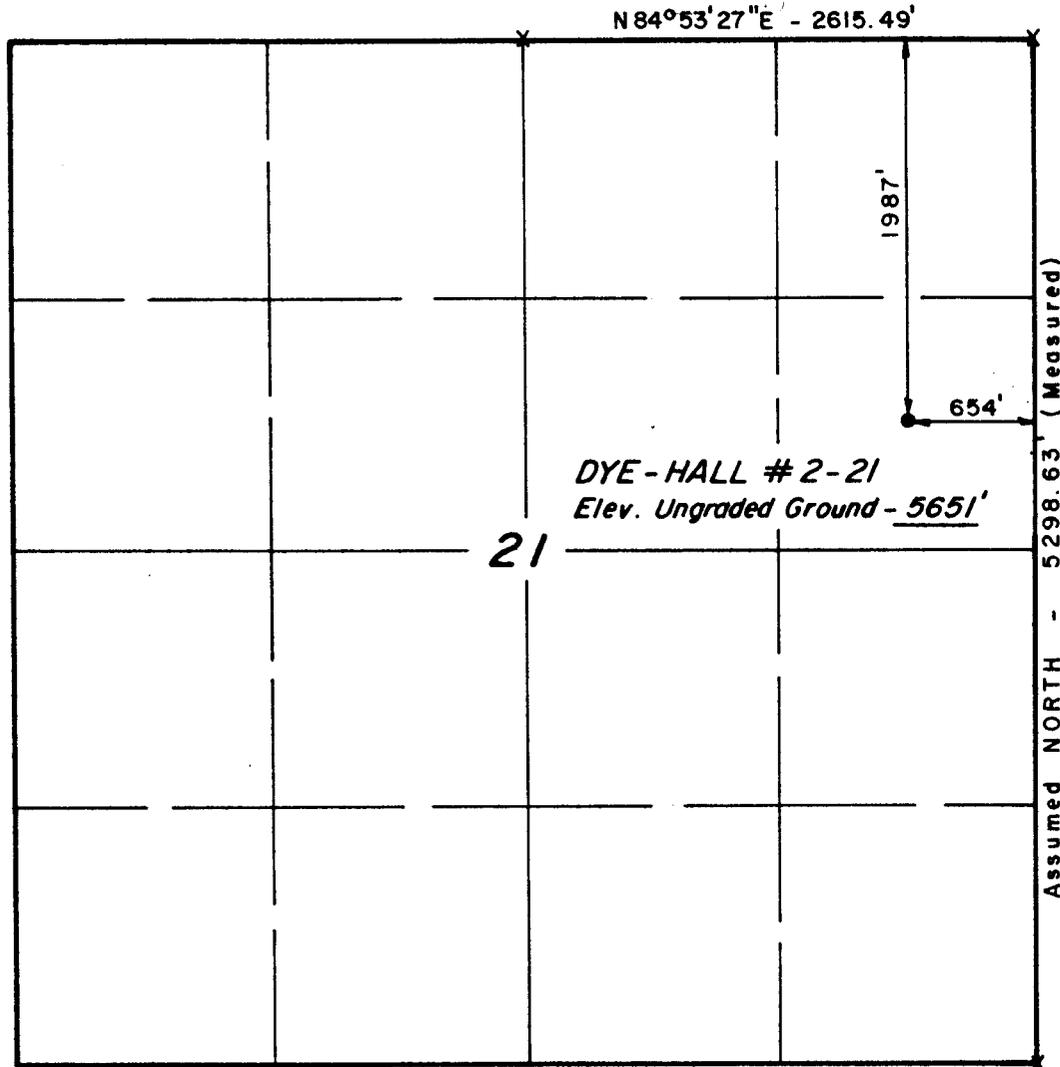
WELL SPACING: 139-42

4/17/85

TIS, RIW, U.S.B. & M.

PROJECT  
QUINEX ENERGY CORPORATION

Well location, DYE-HALL #2-21, located as shown in the SE1/4 NE1/4 Section 21, TIS, RIW, U.S.B. & M. Duchesne County, Utah.



X = Section Corners Located



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.

*Richard L. ...*  
REGISTERED LAND SURVEYOR  
REGISTRATION NO 2454  
STATE OF UTAH

UINTAH ENGINEERING & LAND SURVEYING  
P. O. BOX Q - 85 SOUTH - 200 EAST  
VERNAL, UTAH - 84078

|         |              |            |          |
|---------|--------------|------------|----------|
| SCALE   | 1" = 1000'   | DATE       | 3/20/86  |
| PARTY   | GDS GS DK RP | REFERENCES | GLO Plat |
| WEATHER | FAIR         | FILE       | QUINEX   |

(Submit in Triplicate)

SUPERVISOR, OIL AND GAS OPERATIONS:

DESIGNATION OF AGENT

The undersigned is, on the records of the Geological Survey, unit operator under the communitization ~~unit~~ agreement, No. VR491-84671C, approved \_\_\_\_\_

and hereby designates

NAME: Quinex Energy Corporation  
ADDRESS: 4527 South 2300 East #106  
Salt Lake City, Utah 84117

as its agent, with full authority to act in its behalf in complying with the terms of the unit agreement and regulations applicable thereto and on whom the supervisor or his representative may serve written or oral instructions in securing compliance with the Oil and Gas Operating Regulations with respect to:

Township 1 South, Range 1 West Duchesne County, Utah  
Section 21

Limited to the well bore of the Quinex-Dye-Hall 2-21 Well in the SE $\frac{1}{4}$ NE $\frac{1}{4}$  21-1S,1W

It is understood that this designation of agent does not relieve the unit operator of responsibility for compliance with the terms of the unit agreement and the Oil and Gas Operating Regulations. It is also understood that this designation of agent does not constitute an assignment of any interest under the unit agreement or any lease committee thereto.

In case of default on the part of the designated agent, the unit operator will make full and prompt compliance with all regulations, lease terms, or orders of the Secretary of the Interior or his representative.

The unit operator agrees promptly to notify the oil and gas supervisor of any change in the designated agent.

This designation of agent is deemed to be temporary and in no manner a permanent arrangement.

This designation of agent is limited to field operations and does not cover administrative action requiring unit operator's specific authorization.

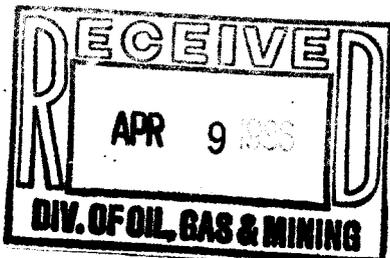
BOW VALLEY PETROLEUM, INC.

April 4 1986  
Date

Stephen R. Gray  
Unit Operator

GFS Form 50

Stephen R. Gray, Vice President  
1700 Broadway, Suite 900  
Denver, CO 80290



OPERATOR Quincy Energy Corp DATE 3-26-86  
WELL NAME Syn-Hall 2-21  
SEC SE NE 21 T 15 R 1W COUNTY Anderson

43-013-31163  
API NUMBER

Fee  
TYPE OF LEASE

CHECK OFF:

PLAT

BOND

NEAREST WELL

LEASE

FIELD

POTASH OR OIL SHALE

PROCESSING COMMENTS:

Need water permit - purchased from land owner.  
Leads from Bow Valley

APPROVAL LETTER:

SPACING:

203

UNIT

302

139-42 4/17/85  
CAUSE NO. & DATE

302.1

STIPULATIONS:

~~1. The~~ The reserve pit shall be lined with a minimum of 2 lbs. per square foot of commercial bentonite, which may be premixed with soil or worked in the surface of the pit walls and bottom.

2. The The Division shall be notified within 48 hours of construction of the drilling location to verify pit lining requirements.

02184

PHONE CONVERSATION DOCUMENTATION FORM

Route original/copy to:

Well File OYE-HALL 2-21A1

Suspense  
(Return Date) \_\_\_\_\_

Other  
\_\_\_\_\_

(Location) Sec 21 Twp 15 Rng 1W

(To - Initials) \_\_\_\_\_

(API No.) 43-013-31163

1. Date of Phone Call: \_\_\_\_\_ Time: \_\_\_\_\_

2. DOGM Employee (name) MICHAEL HEBERTSON (Initiated Call   
Talked to:

Name CRAIG PHILLIPS (Initiated Call  - Phone No. (801) 646-6279

of (Company/Organization) ULINTA OIL & GAS

3. Topic of Conversation: SAFETY VIOLATIONS & POLLUTION  
HAZARDS ON LEASE

4. Highlights of Conversation: OIL STACKED ON LOCATION  
AND GAS VENTING FROM WELL HEAD  
MUST BE CLEANED UP. OILY  
CLOTHING IN BOILER HOUSE TO BE  
REMOVED. CLEAN UP LOCATION  
WITHIN 3 WEEKS.

STATE OF UTAH  
DIVISION OF OIL, GAS & MINING  
DRILLING LOCATION ASSESSMENT

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LOCATION: COUNTY Duchesne SECTION 21 T 1S R 1W  
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ASSESSMENT PARTICIPANTS: DATE 3 / 26 / 86

|                      |                           |
|----------------------|---------------------------|
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| <u>Paul Wells</u>    | <u>Quinex, Production</u> |
| <u>H. J. Payne</u>   | <u>Quinex, Drilling</u>   |
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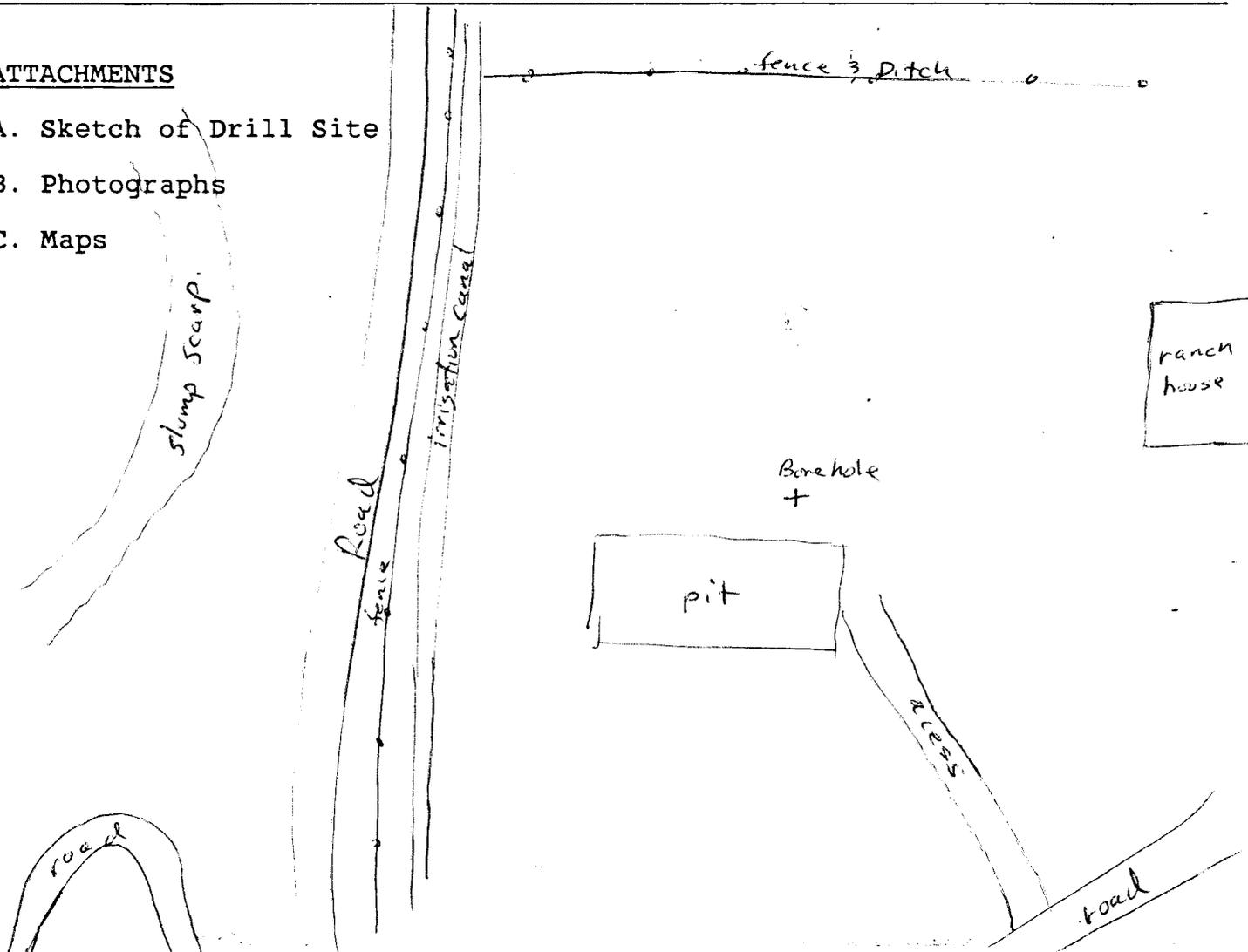
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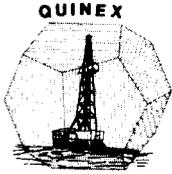
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County health Reg's

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- A. Sketch of Drill Site
- B. Photographs
- C. Maps





## QUINEX ENERGY CORPORATION

Charrington Square  
4527 South 2300 East, Suite 106  
Salt Lake City, Utah 84117  
(801) 278-8100

June 12, 1986

Mr. Ron Firth  
State of Utah  
Oil, Gas & Mining  
3 Triad Center #350  
355 West North Temple  
Salt Lake City, Utah 84180

RE: Quinex Dye Hall 2-21

Dear Sir:

This letter is confirmation of a telephone call to John <sup>Bassa</sup>~~Bossa~~ at 11:00 a.m. this morning, in which we indicated a need to change the location on the Quinex Dye Hall 2-21 well to a designated point located 1,500 feet from the north line, 1,100 feet from the east line, Section 21, Township 1 South, Range 1 West. A re-survey plat will be submitted in the near future.

Sincerely,

Lewis F. Wells  
President

LFW:mlr

cc: Hall Houston Oil Company



STATE OF UTAH  
NATURAL RESOURCES  
Oil, Gas & Mining

Arlene  
Norman H. Bangerter, Governor  
Dee C. Hansen, Executive Director  
Dianne R. Nielson, Ph.D., Division Director

355 W. North Temple - 3 Triad Center - Suite 350 - Salt Lake City, UT 84180-1203 - 801-538-5340

June 12, 1986

Quinex Energy Corporation  
4527 South 2300 East, Suite #106  
Salt Lake City, Utah 84117

Gentlemen:

Re: Dye-Hall #2-21 - SE NE Sec. 21, T. 1S, R. 1W, 1500' FNL, 1100' FEL  
Duchesne County, Utah

Approval to drill the referenced well is hereby granted in accordance with the Order of Cause No. 139-42 dated April 17, 1985 subject to the following stipulations:

1. The reserve pit shall be lined with a minimum of 2 lbs. per square foot of commercial bentonite, which may be premixed with soil or worked in the surface of the pit walls and bottom.
2. The Division shall be notified within 48 hours of construction of the drilling location to verify pit lining requirements.
3. This office shall receive written notice and accompanying survey plat indicating change of well location as discussed with Mr. Lewis Wells by phone conversation 6-12-86.

In addition, the following actions are necessary to fully comply with this approval:

1. Spudding notification to the Division within 24 hours after drilling operations commence.
2. Submittal to the Division of completed Form OGC-8-X, Report of Water Encountered During Drilling.
3. Prompt notification to the Division should you determine that it is necessary to plug and abandon this well. Notify John R. Baza, Petroleum Engineer, (Office) (801) 538-5340, (Home) 298-7695, or R. J. Firth, Associate Director, (Home) 571-6068.

Page 2  
Quinex Energy Corporation  
Dye-Hall #2-21  
June 12, 1986

4. Compliance with the requirements and regulations of Rule 311.3, Associated Gas Flaring, Oil and Gas Conservation General Rules.
5. Prior to commencement of the proposed drilling operations, plans for toilet facilities and the disposal of sanitary waste at each drill site shall be submitted to the local health department having jurisdiction. Any such drilling operations and any subsequent well operations must be conducted in accordance with applicable State and local health department regulations. A list of all local health departments and copies of applicable regulations are available from the Division of Environmental Health, Bureau of General Sanitation, telephone (801) 533-6163.
6. This approval shall expire one (1) year after date of issuance unless substantial and continuous operation is underway or an application for an extension is made prior to the approval expiration date.

The API number assigned to this well is 43-013-31163.

Sincerely,



R. L. Firth  
Associate Director, Oil & Gas

as  
Enclosures  
cc: Branch of Fluid Minerals  
D. R. Nielson

8159T

DIVISION OF OIL, GAS AND MINING

SPUDDING INFORMATION

API #43-013-31163

NAME OF COMPANY: QUINEX

WELL NAME: DYE-HALL 2-21

SECTION SE NE 21 TOWNSHIP 1S RANGE 1W COUNTY Duchesne

DRILLING CONTRACTOR Benco

RIG # 1

SPUDDED: DATE 6-14-86

TIME 11:00 AM

HOW Dry Hole Digger

DRILLING WILL COMMENCE \_\_\_\_\_

REPORTED BY Keith Hebertson

TELEPHONE # 272-9093

DATE 6-16-86 SIGNED AS

111310

DIVISION OF OIL, GAS AND MINING

SPUDDING INFORMATION

API #43-013-31163

NAME OF COMPANY: QUINEX

WELL NAME: DYE HALL 2-21

SECTION SE NE 21 TOWNSHIP 1S RANGE 1W COUNTY Duchesne

DRILLING CONTRACTOR Parker

RIG # 163

SPUDED: DATE 11-6-86

TIME 9:00 PM

HOW Rotary

*previously spudded 6/14/86  
set 20" conductor cpg 66'  
with 345 lbs cmt.*

DRILLING ~~WILL~~ COMMENCED 11/6/86

REPORTED BY Louis Wells

TELEPHONE # 272-9093

DATE 11-7-86 SIGNED AS

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

**SUNDRY NOTICES AND REPORTS ON WELLS**

(Do not use this form for proposals to drill or to deepen or plug back to a different reservoir. Use "APPLICATION FOR PERMIT—" for such proposals.)

|  |   |   |
|--|---|---|
| 1. <b>OIL WELL</b> <input checked="" type="checkbox"/> <b>GAS WELL</b> <input type="checkbox"/> <b>OTHER</b> <input type="checkbox"/><br>2. <b>NAME OF OPERATOR</b><br>Quirex Energy Corporation<br>3. <b>ADDRESS OF OPERATOR</b><br>4527 South 2300 East #106, Salt Lake City, Utah 84117<br>4. <b>LOCATION OF WELL</b> (Report location clearly and in accordance with any State requirements.* See also space 17 below.)<br>At surface 1100 feet from East line, 1500 feet from North line, Section 21, Township 1 South, Range 1 West, USB & M |   | 5. <b>LEASE DESIGNATION AND SERIAL NO.</b><br><br>6. <b>IF INDIAN, ALLOTTEE OR TRIBE NAME</b><br><br>7. <b>UNIT AGREEMENT NAME</b><br><br>8. <b>FARM OR LEASE NAME</b><br>Benjamin Dye<br>9. <b>WELL NO.</b><br>Dye Hall #2-21<br>10. <b>FIELD AND POOL, OR WILDCAT</b><br>Bluebell<br>11. <b>SEC., T., R., M., OR B.L. AND SUBVY OR AREA</b><br>Sec. 21, T. 1 S, R. 1 W., USB & M<br>12. <b>COUNTY OR PARISH</b> 13. <b>STATE</b><br>Duchesne Utah |
| 14. <b>PERMIT NO.</b><br>43-013-31163  | 15. <b>ELEVATIONS</b> (Show whether OP, RT, CR, etc.)<br>5,651 Gr |   |

16. **Check Appropriate Box To Indicate Nature of Notice, Report, or Other Data**

| NOTICE OF INTENTION TO:                      |   | SUBSEQUENT REPORT OF:                          |  |
|--|---|--|--|
| TEST WATER SHUT-OFF <input type="checkbox"/> | PULL OR ALTER CASING <input type="checkbox"/> | WATER SHUT-OFF <input type="checkbox"/>        | REPAIRING WELL <input type="checkbox"/>  |
| FRACTURE TREAT <input type="checkbox"/>      | MULTIPLE COMPLETE <input type="checkbox"/>    | FRACTURE TREATMENT <input type="checkbox"/>    | ALTERING CASING <input type="checkbox"/> |
| SHOOT OR ACIDIZE <input type="checkbox"/>    | ABANDON* <input type="checkbox"/>             | SHOOTING OR ACIDIZING <input type="checkbox"/> | ABANDONMENT* <input type="checkbox"/>    |
| REPAIR WELL <input type="checkbox"/>         | CHANGE PLANS <input type="checkbox"/>         | (Other) <u>Commence Operations</u>             |  |

(NOTE: Report results of multiple completion on Well Completion or Recompletion Report and Log form.)

17. **DESCRIBE PROPOSED OR COMPLETED OPERATIONS** (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)\*

June 14, 1986

Rigged up Rotary Tools. Spud 11:00 A.M. Drilling 30" hole for conductor pipe.

Contractor: Benco, Vernal, Utah Rig #1

RECEIVED

JUN 18 1986

DIVISION OF  
OIL, GAS & MINING

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

SIGNED Keith M. Hebertson TITLE Petroleum Engineer DATE June 17, 1986

(This space for Federal or State office use)

APPROVED BY \_\_\_\_\_ TITLE \_\_\_\_\_ DATE \_\_\_\_\_  
 CONDITIONS OF APPROVAL, IF ANY:

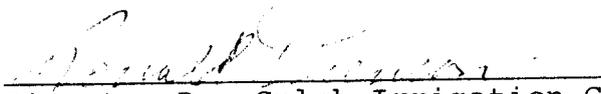
RECEIVED  
JUN 26 1986

DRY GULCH IRRIGATION CO.

DIVISION OF  
OIL, GAS & MINING

To Whom it may concern

This letter is written to give permission for Richard G. Dye to divert water into a pond in section 21 T1S R1W USM Duchesne County, Utah from water shares under the name of Dry Gulch Irrigation Company. Water is to be diverted into a pond in section 21 to be used for drilling the Quinex-Dye-Hall #1 oil and gas well in the SE $\frac{1}{4}$ NE $\frac{1}{4}$  of same section;

  
\_\_\_\_\_  
Director Dry Gulch Irrigation Co.

Date June 17 1986



STATE OF UTAH  
NATURAL RESOURCES  
Water Rights

Eastern Area • State/County Building • 152 E. 100 North • Vernal, UT 84078-2110 • 801-789-3714

*file*  
Norman H. Bangerter, Governor  
Dee C. Hansen, Executive Director  
Robert L. Morgan, State Engineer

070703

June 20, 1986

*Quincy*

RECEIVED  
JUN 26 1986

DIVISION OF  
OIL, GAS & MINING

Richard G. Dye  
Rt. 1, Box 1080  
Roosevelt, Utah 84066

RE: Temporary Change 86-43-35

Gentlemen:

The above numbered Temporary Change Application has been approved, subject to prior rights.

A copy is herewith returned to you for your records and future reference.

Sincerely yours,

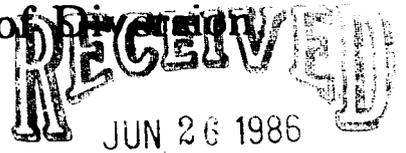
Robert W. Leake, P. E.  
for Robert L. Morgan, P. E.  
State Engineer

RLM:RWL/ln

Enclosure

APPLICATION NO. 86-4335  
DISTRIBUTION SYSTEM

Application For Temporary Change of Point of Diversion  
Place or Purpose of Use  
STATE OF UTAH



DIVISION OF OIL, GAS & MINING

(To Be Filed in Duplicate)

Vernal, Utah June 16 1986  
Place Date

For the purpose of obtaining permission to temporarily change the point of diversion, place or purpose of use of water, the right to the use of which was acquired by 43-3037 A-623 Cert 2171  
(Strike out written matter not needed)  
(Give No. of application, title and date of Decree and Award No.)  
to that hereinafter described, application is hereby made to the State Engineer, based upon the following showing of facts, submitted in accordance with the requirements of the Laws of Utah.

- 1. The owner of right or application is Dry Gulch Irrigation
- 2. The name of the person making this application is Richard G. Dye
- 3. The post office address of the applicant is Route 1, Box 1080, Roosevelt, Utah 84066

PAST USE OF WATER

- 4. The flow of water which has been used in second feet is 170.17
  - 5. The quantity of water which has been used in acre feet is
  - 6. The water has been used each year from April 1 to September 30, incl.  
(Month) (Day) (Month) (Day)
  - 7. The water has been stored each year from (Month) (Day) to (Month) (Day) incl.
  - 8. The direct source of supply is Uintah River in Duchesne County.
  - 9. The water has been diverted into Uintah #1 ditch canal at a point located South 187 ft., East 794 ft. from NW cor. Sec. 25, T1N, R1W, U.S.M.
  - 10. The water involved has been used for the following purpose: irrigation
- Total \_\_\_\_\_ acres.

NOTE: If for irrigation, give legal subdivisions of land and total acreage which has been irrigated. If for other purposes, give place and purpose of use.

THE FOLLOWING TEMPORARY CHANGES ARE PROPOSED

- 11. The flow of water to be changed in cubic feet per second is
  - 12. The quantity of water to be changed in acre-feet is 4.0
  - 13. The water will be diverted into the Harding Lateral ditch canal at a point located Section 4, T1S, R1W, U.S.M. to owner's pond in SE 1/4 of Section 21, T1S, R1W, on Nephi Bench.
  - 14. The change will be made from June 4 19 86 to November 30 19 86  
(Period must not exceed one year)
  - 15. The reasons for the change are water will be stored in pond in Sec. 21, T1S, R1W. Water is to be used for oil well drilling and completion.
  - 16. The water involved herein has heretofore been temporarily changed \_\_\_\_\_ years prior to this application.  
(List years change has been made)
  - 17. The water involved is to be used for the following purpose: oil well drilling and completion on the Dye-Hall oil well in Section 21: T1S, R1W, U.S.M.
- Total \_\_\_\_\_ acres.

NOTE: If for irrigation, give legal subdivisions of land to be irrigated. If for other purposes, give place and purpose of proposed use.

EXPLANATORY

.....  
.....  
.....

A filing fee in the sum of 7.50 is submitted herewith. I agree to pay an additional fee for either investigating or advertising this change, or both, upon the request of the State Engineer.

Richard G. Dye 6-14-86  
Signature of Applicant

**RULES AND REGULATIONS**

(Read Carefully)

This application blank is to be used only for temporary change of point of diversion, place or nature of use for a definitely fixed period not to exceed one year. If a permanent change is desired, request proper application blanks from the State Engineer.

Application for temporary change must be filed in duplicate, accompanied by a filing fee of \$7.50. Where the water affected is under supervision of a Water Commissioner, appointed by the State Engineer, time will be saved if the Application is filed with the Commissioner, who will promptly investigate the proposed change and forward both copies with filing fee and his report to the State Engineer. Applications filed directly with the State Engineer will be mailed to the Water Commissioner for investigation and report. If there be no Water Commissioner on the source, the Application must be filed with the State Engineer.

When the State Engineer finds that the change will not impair the rights of others he will authorize the change to be made. If he shall find, either by his own investigation or otherwise, that the change sought might impair existing rights he shall give notice to persons whose rights might be affected and shall give them opportunity to be heard before acting upon the Application. Such notice shall be given five days before the hearing either by regular mail or by one publication in a newspaper. Before making an investigation or giving notice the State Engineer will require the applicant to deposit a sum of money sufficient to pay the expenses thereof.

Address all communications to:  
State Engineer  
State Capitol Building  
Salt Lake City, Utah

**STATE ENGINEER'S ENDORSEMENTS**

(Not to be filled in by applicant)

Change Application No. \_\_\_\_\_ (River System)

1. \_\_\_\_\_ Application received by Water Commissioner \_\_\_\_\_ (Name of Commissioner)

Recommendation of Commissioner \_\_\_\_\_

2. 6-17-86 Application received ~~by mail~~ <sup>over counter</sup> in State Engineer's Office by L. N.

3. \_\_\_\_\_ Fee for filing application, \$7.50 received by \_\_\_\_\_; Rec. No. \_\_\_\_\_

4. \_\_\_\_\_ Application returned, with letter, to \_\_\_\_\_, for correction.

5. \_\_\_\_\_ Corrected application resubmitted ~~by mail~~ <sup>over counter</sup> to State Engineer's Office.

6. \_\_\_\_\_ Fee for investigation requested \$ \_\_\_\_\_

7. \_\_\_\_\_ Fee for investigation \$ \_\_\_\_\_, received by \_\_\_\_\_; Rec. No. \_\_\_\_\_

8. \_\_\_\_\_ Investigation made by \_\_\_\_\_; Recommendations: \_\_\_\_\_

9. \_\_\_\_\_ Fee for giving notice requested \$ \_\_\_\_\_

10. \_\_\_\_\_ Fee for giving notice \$ \_\_\_\_\_, received by \_\_\_\_\_; Rec. No. \_\_\_\_\_

11. \_\_\_\_\_ Application approved for advertising by ~~mail~~ <sup>publication</sup> by \_\_\_\_\_

12. \_\_\_\_\_ Notice published in \_\_\_\_\_

13. \_\_\_\_\_ Notice of pending change application mailed to interested parties by \_\_\_\_\_ as follows:

14. \_\_\_\_\_ Change application protested by \_\_\_\_\_ (Date Received and Name)

15. \_\_\_\_\_ Hearing set for \_\_\_\_\_, at \_\_\_\_\_

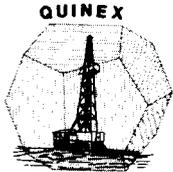
16. \_\_\_\_\_ Application recommended for ~~approval~~ <sup>rejection</sup> by \_\_\_\_\_

17. 6-17-86 Change Application ~~approved~~ <sup>rejected</sup> and returned to \_\_\_\_\_

**THIS APPLICATION IS APPROVED SUBJECT TO THE FOLLOWING CONDITIONS:**

- 1. \_\_\_\_\_
- 2. \_\_\_\_\_
- 3. \_\_\_\_\_

Robert W. Leake For  
Robert L. Morgan, P.E. State Engineer



**QUINEX ENERGY CORPORATION**

Charrington Square  
4527 South 2300 East, Suite 106  
Salt Lake City, Utah 84117  
(801) 278-8100

070902

**RECEIVED**  
JUL 02 1986

**DIVISION OF  
OIL, GAS & MINING**

July 2, 1986

State of Utah  
Oil, Gas & Mining  
355 West North Temple  
3 Triad Center #350  
Salt Lake city, Utah 84180

Attn: Mr. Ron Firth:

Dear Mr. Firth:

In compliance to one of the stipulations of the approved A.P.D. on the Quinex Energy Corporation Dye-Hall #2-21, we are submitting a plat for re-location of the well-site.

The revised survey plat, dated June 12, 1986, reflects the true well location and ground elevation for the Dye-Hall #2-21.

Thank you!

QUINEX ENERGY CORPORATION

Lewis F. Wells  
President

LFW/hw

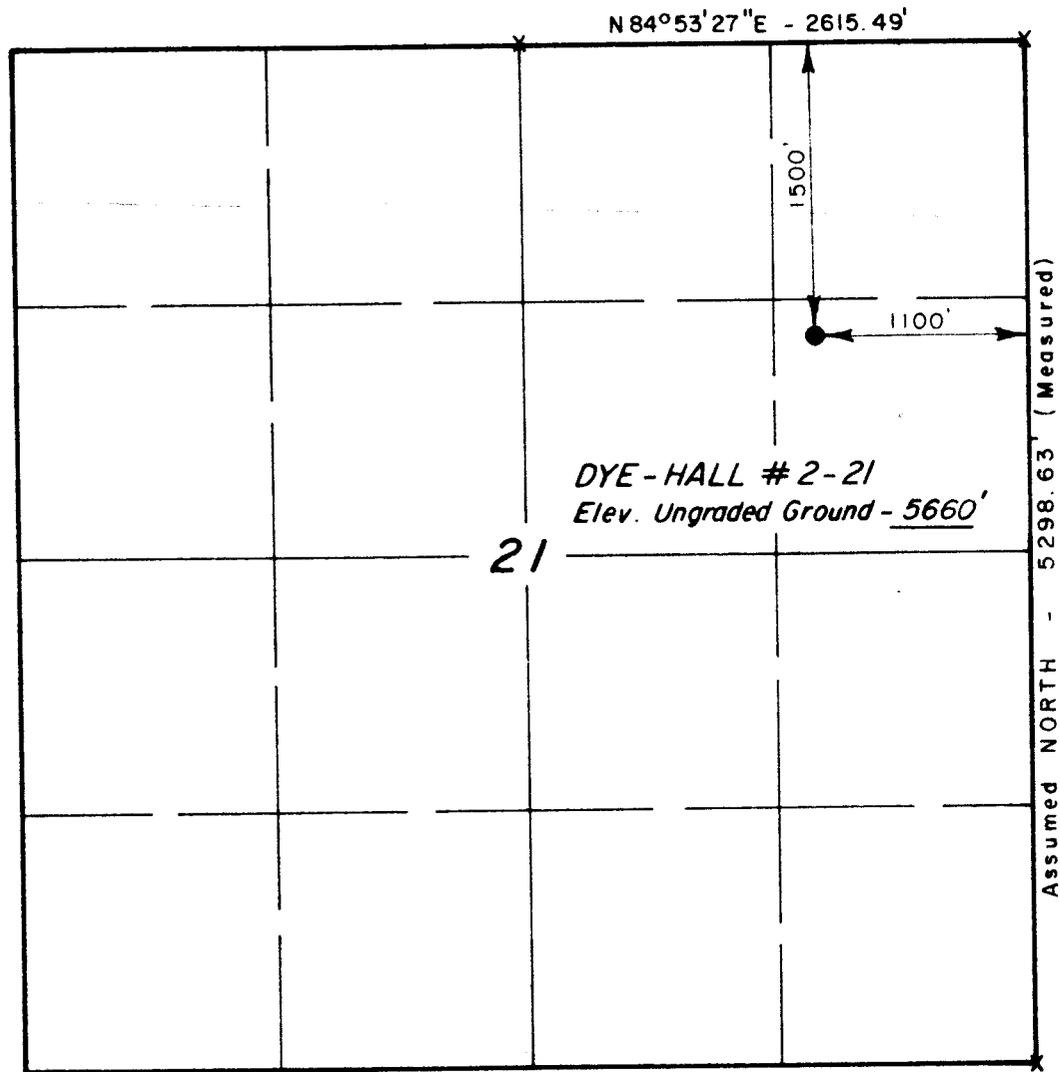
Encl:

Copies: Bow Valley, Denver  
Hall-Houston Oil, Houston

TIS, RIW, U.S.B. & M.

PROJECT  
QUINEX ENERGY CORPORATION

Well location, DYE-HALL #2-21, located as shown in the SE1/4 NE1/4 Section 21, TIS, RIW, U.S.B. & M. Duchesne County, Utah.



**RECEIVED**  
JUL 02 1986

DIVISION OF  
OIL, GAS & MINING



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.

*[Signature]*  
REGISTERED LAND SURVEYOR  
REGISTRATION NO 2454  
STATE OF UTAH

|  |              |            |          |
|--|--------------|------------|----------|
| <b>UINTAH ENGINEERING &amp; LAND SURVEYING</b>           |              |            |          |
| P.O. BOX Q - 85 SOUTH - 200 EAST<br>VERNAL, UTAH - 84078 |              |            |          |
| SCALE  | 1" = 1000'   | DATE       | 3/20/86  |
| PARTY  | GDS GS DK RP | REFERENCES | GLO Plat |
| WEATHER  | FAIR         | FILE       | QUINEX   |

X = Section Corners Located

*Corrected*

Revised 6/12/86

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

SUBMIT IN TRIPPLICATE\*  
(Other instructions on reverse side)

070921

1  
SCL

**SUNDRY NOTICES AND REPORTS ON WELLS**

(Do not use this form for proposals to drill or to deepen or plug back to a different reservoir.  
Use "APPLICATION FOR PERMIT—" for such proposals.)

1.  OIL WELL  GAS WELL  OTHER

2. NAME OF OPERATOR  
Quinex Energy Corporation

3. ADDRESS OF OPERATOR  
4527 South 2300 East #106, Salt Lake City, Utah 84117

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.\*  
See also space 17 below.)  
At surface 1500' f N line and 1100' f E line of Sec. 21,  
T 1 S, R 1 W

14. PERMIT NO.  
43-013-31163

15. ELEVATIONS (Show whether DF, RT, GR, etc.)  
5660 GR.

5. LEASE DESIGNATION AND SERIAL NO.  
FEE

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

7. UNIT AGREEMENT NAME

8. FARM OR LEASE NAME  
Dye

9. WELL NO.  
Dye-Hall #2-21

10. FIELD AND POOL, OR WILDCAT  
Bluebell

11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA  
SE 1/4 NE 1/4 Sec. 21, T 1 S, R 1

12. COUNTY OR PARISH  
Duchesne

13. STATE  
Utah

16. Check Appropriate Box To Indicate Nature of Notice, Report, or Other Data

|  |   |   |  |
|--|---|---|--|
| NOTICE OF INTENTION TO:                      |   | SUBSEQUENT REPORT OF:   |  |
| TEST WATER SHUT-OFF <input type="checkbox"/> | PULL OR ALTER CASING <input type="checkbox"/> | WATER SHUT-OFF <input type="checkbox"/>   | REPAIRING WELL <input type="checkbox"/>  |
| FRACTURE TREAT <input type="checkbox"/>      | MULTIPLE COMPLETE <input type="checkbox"/>    | FRACTURE TREATMENT <input type="checkbox"/>   | ALTERING CASING <input type="checkbox"/> |
| SHOOT OR ACIDIZE <input type="checkbox"/>    | ABANDON* <input type="checkbox"/>             | SHOOTING OR ACIDIZING <input type="checkbox"/>  | ABANDONMENT* <input type="checkbox"/>    |
| REPAIR WELL <input type="checkbox"/>         | CHANGE PLANS <input type="checkbox"/>         | (Other) <u>Setting conductor</u> <input checked="" type="checkbox"/>                                  |  |
| (Other) <input type="checkbox"/>             |   | (NOTE: Report results of multiple completion on Well Completion or Recompletion Report and Log form.) |  |

17. DESCRIBE PROPOSED OR COMPLETED OPERATIONS (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)\*

June 30, 1986

Report of setting conductor:

The Operator spudded on 6/14/86, a 30 inch hole to 67 feet, set 66 feet of J-55 20 inch conductor, cemented with 345 sacks of Class "G" cement with returns to the surface. Completed 6/19/86.

**RECEIVED**  
JUL 07 1986

DIVISION OF  
OIL, GAS & MINING

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

SIGNED [Signature] TITLE President DATE June 30, 1986

(This space for Federal or State office use)

APPROVED BY \_\_\_\_\_ TITLE \_\_\_\_\_ DATE \_\_\_\_\_  
CONDITIONS OF APPROVAL, IF ANY:

# DOUBLE "D" ENTERPRISES, INC.

P.O. Box 560  
Shoshoni, Wyoming 82649  
307-876-2308

DELIVERY TICKET

Nº 4192

12-11-86

Operator Quinex Contractor Parker Dr/g Rig No. 163

Ordered By Smokey Payne Lease Dye Hall Well No. 2-21

Duchesne Section \_\_\_\_\_ Township \_\_\_\_\_ Range \_\_\_\_\_

P05705

### Items Tested:

|                  | Low Test | Time Held | High Test | Time Held | Comments |
|------------------|----------|-----------|-----------|-----------|----------|
| Top Pipe Rams    |          |           | 3500      | 15 min    | OK       |
| Bottom Pipe Rams |          |           | 3500      | 15        | OK       |
| Blind Rams       |          |           | 3500      | 15        | OK       |
| Annular B.O.P.   |          |           | 1700      | 15        | OK       |
| Choke Manifold   |          |           | 3500      | 15        | OK       |
| Choke Line       |          |           | 3500      | 15        | OK       |
| Kill Line        |          |           | 3500      | 15        | OK       |
| Super Choke      |          |           | 3500      | 15        | OK       |
| Upper Kelly      |          |           | 3500      | 15        | OK       |
| Lower Kelly      |          |           | 3500      | 15        | OK       |
| Floor Valve      |          |           |           |           |          |
| Dart Valve       |          |           | 3500      | 15        | OK       |

Closing Unit Psi 2900 Closing Time of Rams 8 sec Closing Time of Hydril 14 sec

Closed Casing Head Valve yes Set Wear Sleeve none

Comments Casing Burst point 6020 psi 7 7/8 #26.40 n-80

### Rates:

Minimum Charge BOP Test

Additional Charge \_\_\_\_\_

Mileage 35 miles @ \$1.00

Test Plug 7 7/8 cup + Back off plate \$75.00

Top Sub 3 1/2 IF

Kelly Sub 3 1/2 IF

Crossover Subs \_\_\_\_\_

Methanol Charge 35 gal for Test + manifold @ \$2.00 gal

Other | \_\_\_\_\_

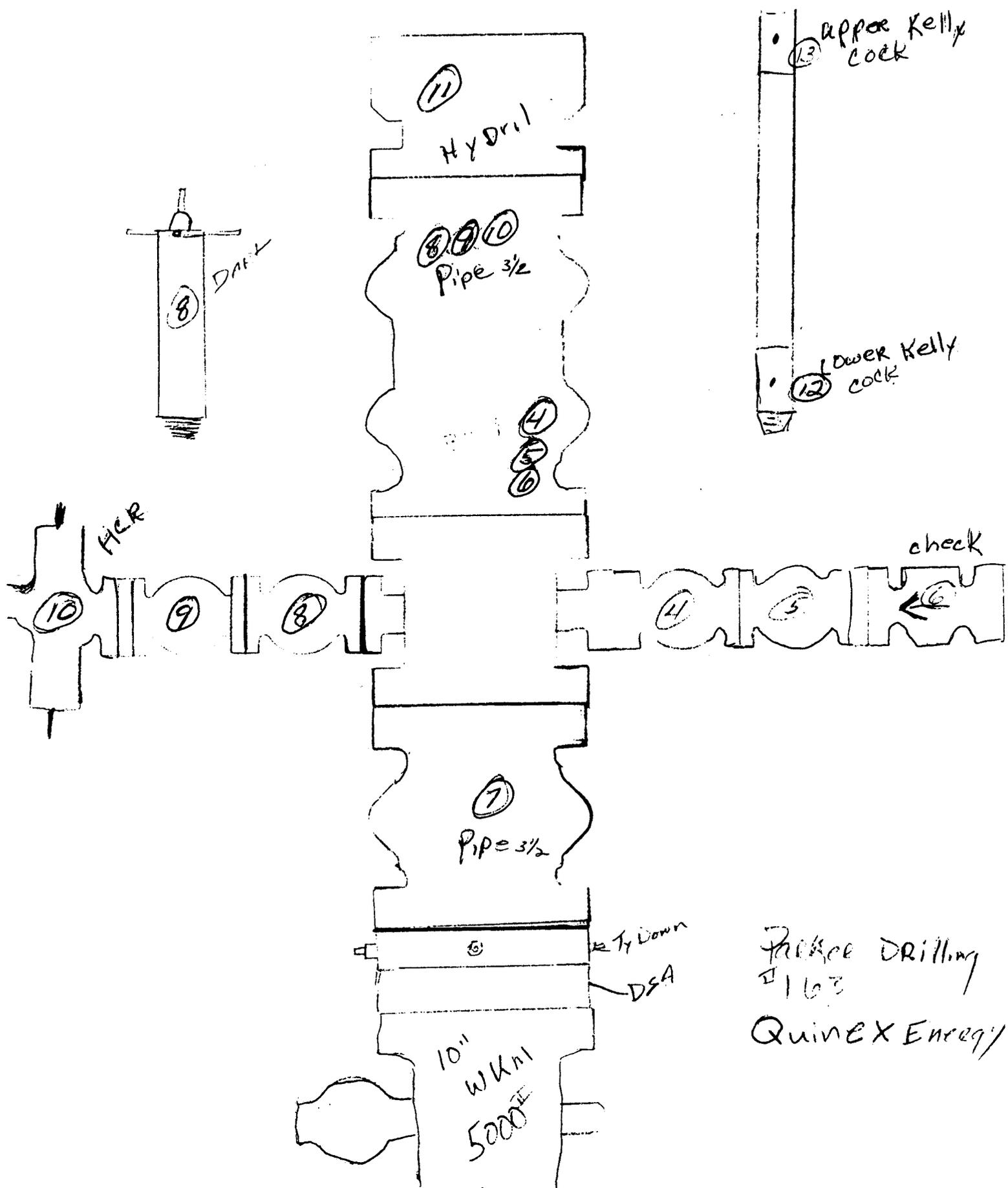
Tested By Don Morris Sub Totc \_\_\_\_\_

Signature of Company Rep. Heard Payne Ta \_\_\_\_\_ Totc \_\_\_\_\_

79%  
 26.40 - 11-80 first point 2000 psi

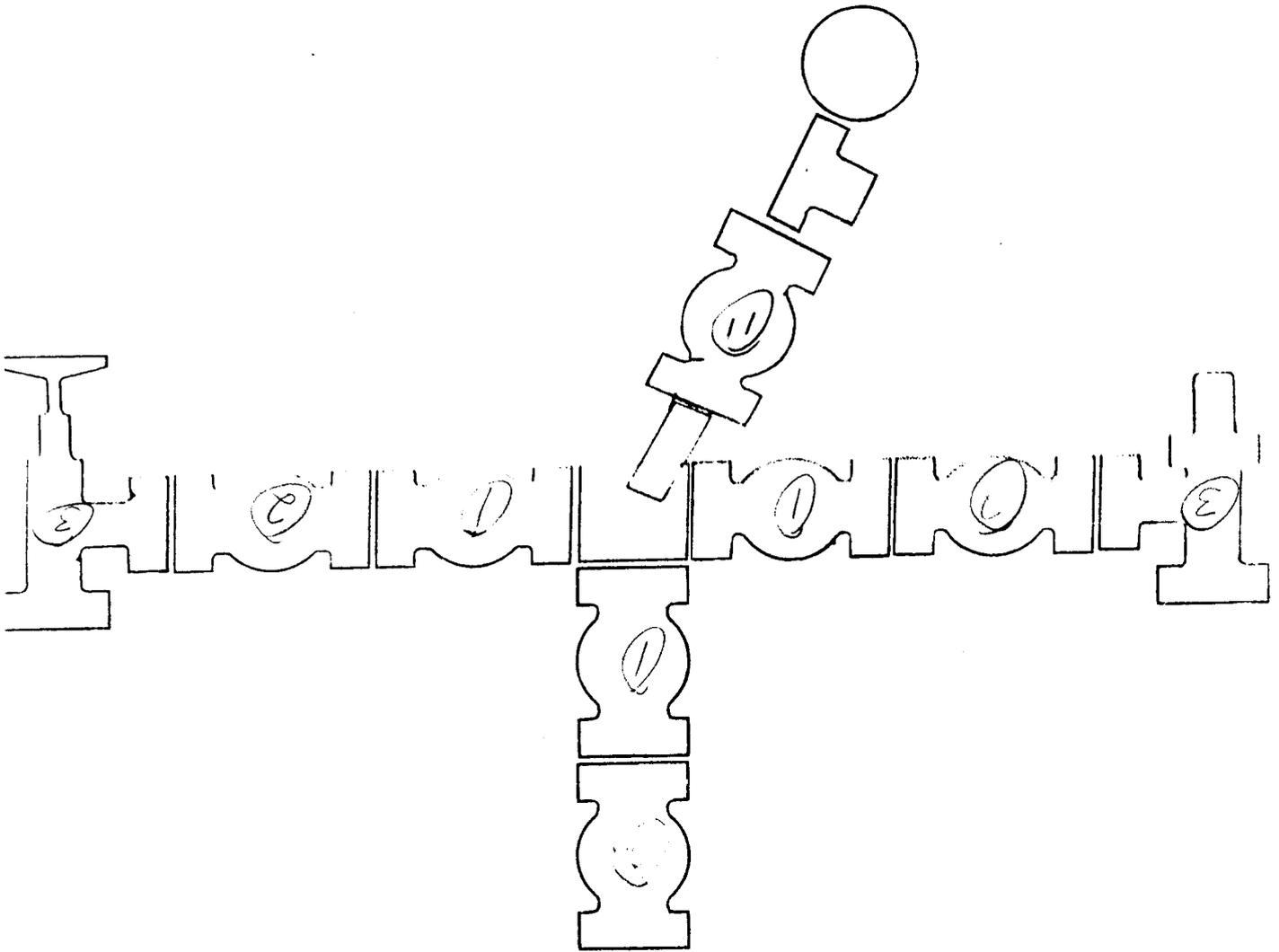
| COMPANY      | LEASE AND WELL NAME # | DATE OF TEST   | RIG # AND NAME  |
|--------------|-----------------------|--|-----------------|
| Prime Energy | Dye Hall 2-21         | 12-11-86   | Arker Digs #163 |
| EST#         | TIME                  | Description  |                 |
|              |                       | Arrive on location @ 2:30 am. Rig up air tools for nipple up - unit on cut-off + welder to Dress casing - pull DSA + x-c studs - Both sides - pull inner King Ty down flange + Clean Well Head + DSA - use new King's set DSA + new Ty Down Flange = clean + set stack |                 |
|              |                       | Take up Two Runs Below lower pipe run - 2-C runs 5' Run Block for 3 1/2 Run Block (Top + Bottom) - Pick up Kelly + Kelly Kecks - Test Choke manifold while crew works on Kelly   |                 |
| ①            |                       | 1st set choke manifold valves + HCR  |                 |
|              | 2:00 - 2:15 pm        | 3500 - ck  |                 |
| ②            |                       | 2nd set manifold valves + HCR  |                 |
|              | 2:16 - 2:31           | 3500 ck  |                 |
| ③            |                       | Super Choke + Manual Choke + HCR   |                 |
|              | 2:35 - 2:50           | 3500 - ck  |                 |
| ④            |                       | Pick up cap Packer Assy + Int 3 1/2 DP - set cap + fill stack Blind runs + 1st Kill Line Valve   |                 |
|              | 3:20 - 3:35           | 3500 - ck  |                 |
| ⑤            |                       | Blind runs + 2nd Kill Valve  |                 |
|              | 3:35 - 3:50           | 3500 - ck  |                 |
| ⑥            |                       | Blind run + check valve  |                 |
|              | 3:55 - 4:10           | 3500 - ck - wait on x-c Kelly - to test pipe runs  |                 |
| ⑦            |                       | Lower pipe runs 3 1/2  |                 |
|              | 5:55 - 6:10           | 3500 - ck  |                 |
| ⑧            |                       | Upper pipe runs 3 1/2 1st choke Line valve + Duct valves   |                 |
|              | 6:15 - 6:30           | 3500 - ck (Try to test 3 other valves - 2-Tim - 1-Duct + 1-C good - remove from floor)   |                 |
| ⑨            |                       | Upper pipe runs + 2nd choke Line valve   |                 |
|              | 6:30 - 6:45           | 3500 - ck  |                 |
| ⑩            |                       | Upper pipe + HCR   |                 |
|              | 6:46 - 7:01           | 3500 - ck  |                 |
| ⑪            |                       | HyDril - up Right Valve on choke manifold  |                 |
|              | 7:05 - 7:20           | 3500 - ck  |                 |
|              |                       | pull cup + Break Down - Run Kelly in Hole Turn up to connection - 1st Lower Kelly Hook no good - use another -   |                 |
| ⑫            |                       | Lower Kelly Valve  |                 |
|              | 7:50 - 8:05           | 3500 - ck  |                 |
| ⑬            |                       | Upper Kelly Valve  |                 |
|              | 8:10 - 8:25           | 3500 - ck  |                 |
|              |                       | Change manifold with 7th thread + Pick up Tools + make Tickets   |                 |

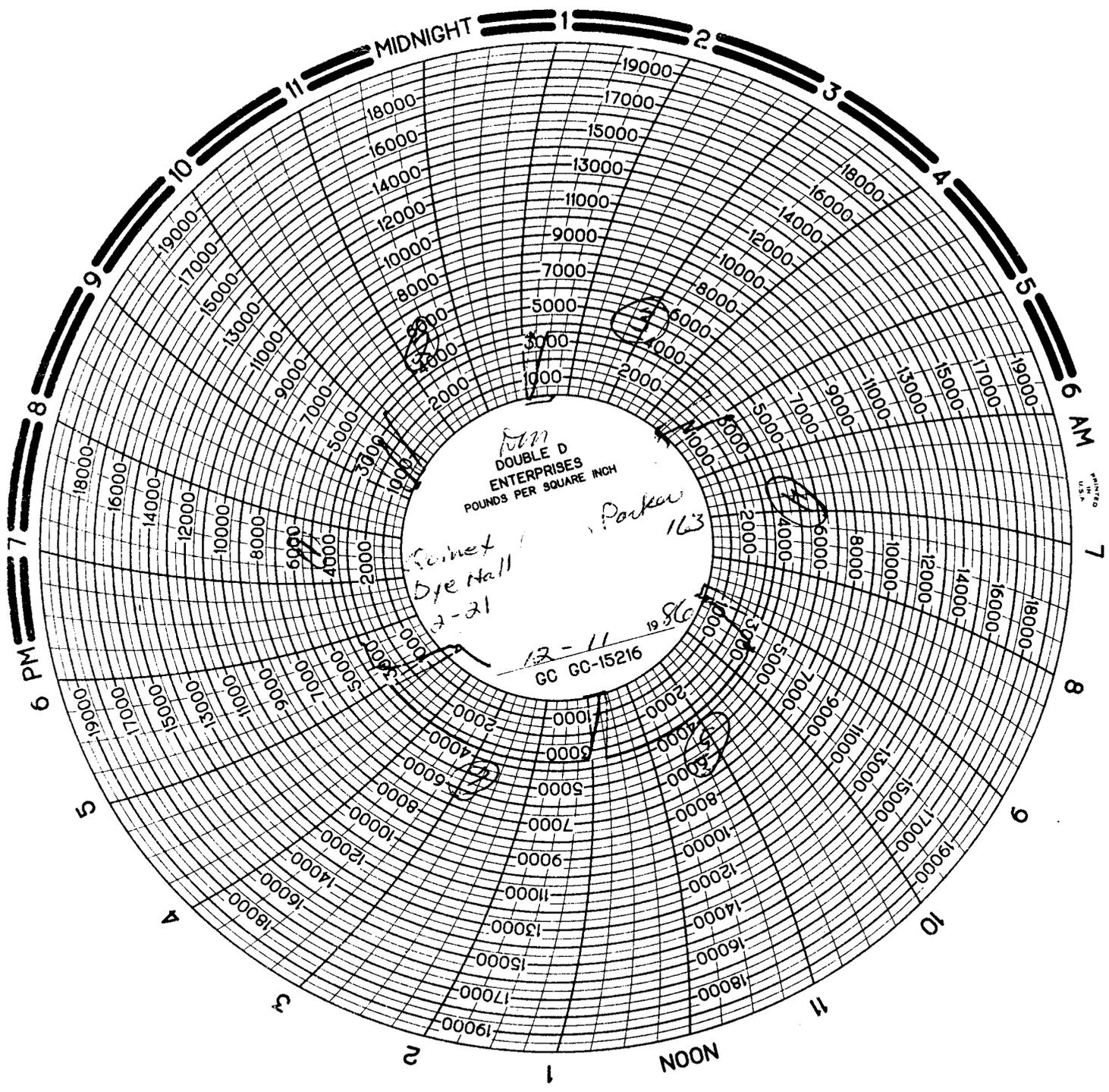
Thank You



Jackson Drilling  
 #163  
 QuinEX Energy

DARKER Drilling Rig 16.





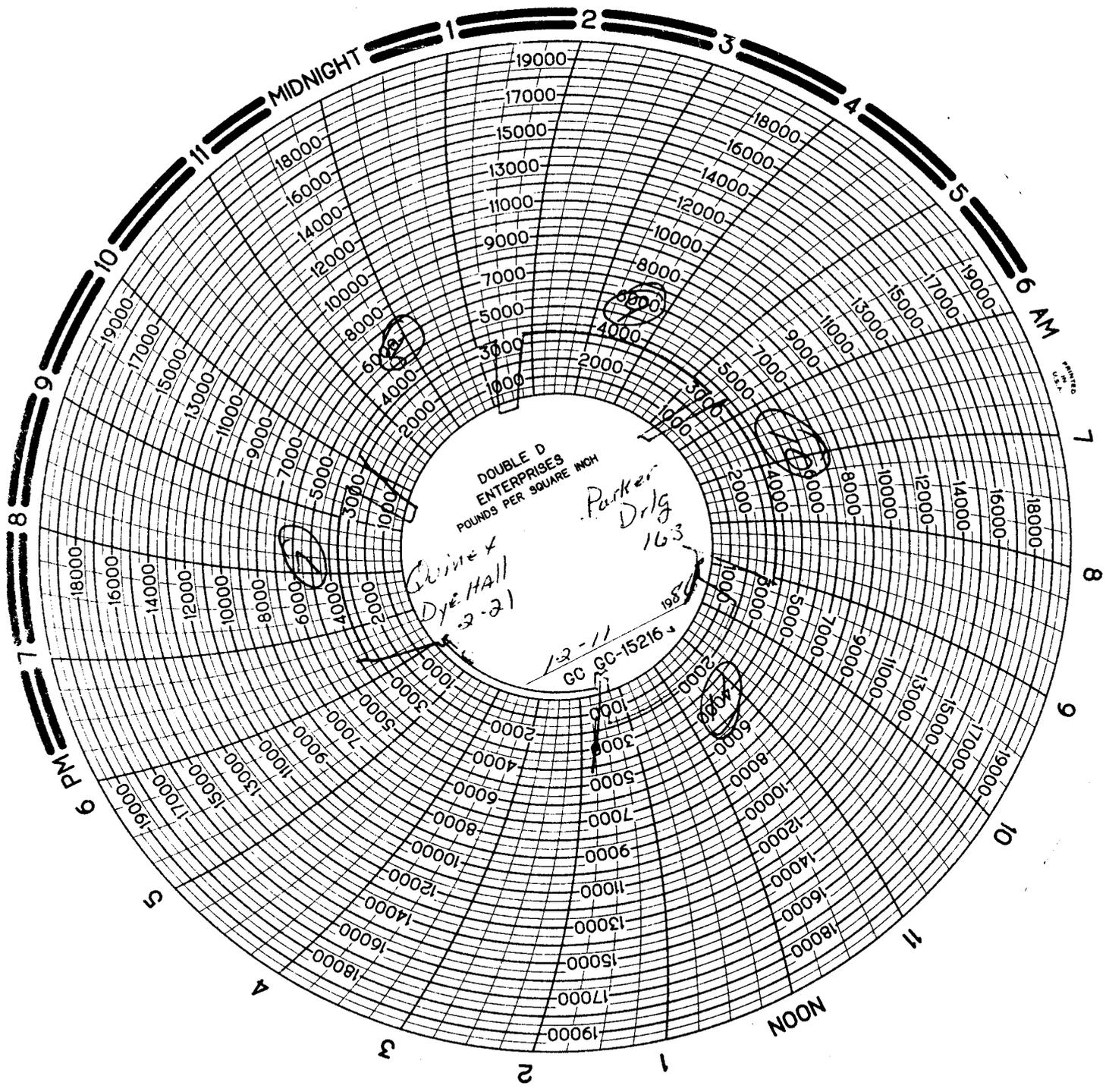
DOUBLE D  
ENTERPRISES  
POUNDS PER SQUARE INCH

Corbett  
Dye Hall  
2-21

Parker  
163

12-11 1986  
GC GC-15216

PRINTED  
U.S.A.



DOUBLE D  
ENTERPRISES  
POUNDS PER SQUARE INCH

Parker  
Drlg  
163

Guiney  
Dry Hall  
2-21

12-11  
GC GC-15216

MADE  
IN  
U.S.A.



020105

# DOUBLE "D" ENTERPRISES

B.O.P. Test Report

# RECEIVED

FEB 09 1987

DIVISION OF  
OIL, GAS & MINING

B.O.P. TEST PERFORMED ON (DATE) 12-11-86

OIL CO.: Quinn Energy

WELL NAME & NUMBER Dye Hall 2-21 43-013-31163

SECTION 01

TOWNSHIP 10S

RANGE 10W

COUNTY DeWelle

DRILLING CONTRACTOR Parker Bros. Drilling #163

INVOICES BILLED FROM: **DOUBLE "D" ENTERPRISES, INC.**  
213 Pine Street - Box 560  
Shoshoni, Wyoming 82649  
Phone: (307) 876-2308 or (307) 876-2234

TESTED BY: **DOUBLE "D" ENTERPRISES, INC.**  
608 N. Vernal Ave.  
Vernal, UT 84078  
Phone: (801) 781-0448 or (801) 781-0449

OIL CO. SITE REPRESENTATIVE Smiley Payne

RIG TOOL PUSHER Roy Evans

TESTED OUT OF Vernal

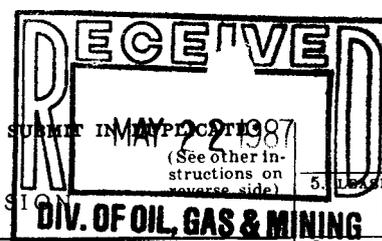
NOTIFIED PRIOR TO TEST: .....

COPIES OF THIS TEST REPORT SENT COPIES TO: Quinn - Smiley  
Parker - Roy

ORIGINAL CHART & TEST REPORT ON FILE AT: Vernal OFFICE

STATE OF UTAH

OIL & GAS CONSERVATION COMMISSION



060204 8

5. LEASE DESIGNATION AND SERIAL NO. FEE POW

WELL COMPLETION OR RECOMPLETION REPORT AND LOG \*

1a. TYPE OF WELL: OIL WELL [X] GAS WELL [ ] DRY [ ] Other [ ]

7. UNIT AGREEMENT NAME

b. TYPE OF COMPLETION: NEW WELL [X] WORK OVER [ ] DEEP-EN [ ] PLUG BACK [ ] DIFF. RESVR. [ ] Other [ ]

8. FARM OR LEASE NAME

2. NAME OF OPERATOR Quinex Energy Corporation

Benjamin Dye Fee

3. ADDRESS OF OPERATOR 4527 S. 2300 E., Salt Lake City, Utah 84117

9. WELL NO.

Dye-Hall 2-21A1

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements)\* At surface 1500 FNL & 1100 FEL, Sec. 21, T 1 S, R 1 W, USM

10. FIELD AND POOL, OR WILDCAT

Bluebell

At top prod. interval reported below Same

11. SEC., T., R., M., OR BLOCK AND SURVEY OR AREA

SE 1/4, NE 1/4, Sec. 21, T 1 S, R 1 W, USM

At total depth Same

12. COUNTY OR PARISH Duchesne 13. STATE Utah

14. PERMIT NO. 43-013-31163 DATE ISSUED 12 Jun 1986

15. DATE SPUNDED 6 Nov. 1986 16. DATE T.D. REACHED 18 Jan 1987 17. DATE COMPL. (Ready to prod.) 5 Mar 1987 18. ELEVATIONS (DF, RBB, RT, GR, ETC.)\* GR 5651', KB 5676' 19. ELEV. CASINGHEAD 5651'

20. TOTAL DEPTH, MD & TVD 14,000' 21. PLUG, BACK T.D., MD & TVD TD 22. IF MULTIPLE COMPL., HOW MANY\* 34 23. INTERVALS DRILLED BY 0-14,000' 24. PRODUCING INTERVAL(S), OF THIS COMPLETION—TOP, BOTTOM, NAME (MD AND TVD)\* 12,465' - 13,836' See Attached Sheet 25. WAS DIRECTIONAL SURVEY MADE NONE

26. TYPE ELECTRIC AND OTHER LOGS RUN DIL-SFL, NGT, CNL-FDL, BHC Sonic-GR, CBL, Cyberlook, Mudlog 27. WAS WELL CORRED NO

Table with 6 columns: CASING SIZE, WEIGHT, LB./FT., DEPTH SET (MD), HOLE SIZE, CEMENTING RECORD, AMOUNT PULLED. Rows include 10 3/4", 7 5/8", and 5 1/2" casing sizes.

Table with 8 columns: SIZE, TOP (MD), BOTTOM (MD), SACKS CEMENT\*, SCREEN (MD), SIZE, DEPTH SET (MD), PACKER SET (MD). Rows include 5 1/2" casing size.

Table with 2 columns: 31. PERFORATION RECORD (Interval, size and number) 12,465' -13,836'; 32. ACID, SHOT, FRACTURE, CEMENT SQUEEZE, ETC. DEPTH INTERVAL (MD) 13300-13836', 12465-13244; AMOUNT AND KIND OF MATERIAL USED 15,000 gal 15% HCl, 20,000 gal 15% HCl.

Table with 8 columns: DATE FIRST PRODUCTION 26 & 27 Feb. 1987; PRODUCTION METHOD Flowing; WELL STATUS Producing; DATE OF TEST 27 Feb 1987, 5 Mar 1987; HOURS TESTED 24; CHOKE SIZE 13/64", 16/24"; PROD'N. FOR TEST PERIOD 730.16, 305; OIL-BBL. 232, 498.16; GAS-MCF. 120, 185; WATER-BBL. 0, 24; GAS-OIL RATIO 0.52, 0.37; FLOW. TUBING PRESS. 100-1000; CASING PRESSURE 0; CALCULATED 24-HOUR RATE 730.16; OIL-BBL. 730.16; GAS-MCF. 305; WATER-BBL. 24; OIL GRAVITY-API (CORR.) 42.5.

34. DISPOSITION OF GAS (Sold, used for fuel, vented, etc.) SOLD TEST WITNESSED BY H. Payne & S. Wells

35. LIST OF ATTACHMENTS Electric Logs, Mud Logs, Perforations

36. I hereby certify that the foregoing and attached information is complete and correct as determined from all available records SIGNED [Signature] TITLE Lewis F. Wells DATE 21 May 1987

\*(See Instructions and Spaces for Additional Data on Reverse Side)

# INSTRUCTIONS

**General:** This form is designed for submitting a complete and correct well completion report and log on all types of lands and leases to either a Federal agency or a State agency, or both, pursuant to applicable Federal and/or State laws and regulations. Any necessary special instructions concerning the use of this form and the number of copies to be submitted, particularly with regard to local, area, or regional procedures and practices, either are shown below or will be issued by, or may be obtained from, the local Federal and/or State office. See instructions on items 22 and 24, and 33, below regarding separate reports for separate completions.

If not filed prior to the time this summary record is submitted, copies of all currently available logs (drillers, geologists, sample and core analysis, all types electric, etc.), formation and pressure tests, and directional surveys, should be attached hereto, to the extent required by applicable Federal and/or State laws and regulations. All attachments should be listed on this form, see item 35.

**Item 4:** If there are no applicable State requirements, locations on Federal or Indian land should be described in accordance with Federal requirements. Consult local State or Federal office for specific instructions.

**Item 18:** Indicate which elevation is used as reference (where not otherwise shown) for depth measurements given in other spaces on this form and in any attachments. **Items 22 and 24:** If this well is completed for separate production from more than one interval zone (multiple completion), so state in item 22, and in item 24 show the producing interval, or intervals, top(s), bottom(s) and name(s) (if any) for only the interval reported in item 33. Submit a separate report (page) on this form, adequately identified, for each additional interval to be separately produced, showing the additional data pertinent to such interval.

**Item 29: "Sacks Cement":** Attached supplemental records for this well should show the details of any multiple stage cementing and the location of the cementing tool. **Item 33:** Submit a separate completion report on this form for each interval to be separately produced. (See instruction for items 22 and 24 above.)

| 37. SUMMARY OF POROUS ZONES:<br>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 |             | 38. GEOLOGIC MARKERS |                             |
|--|-------------|----------------------|-----------------------------|
| FORMATION  | TOP         | BOTTOM               | DESCRIPTION, CONTENTS, ETC. |
| NAME   | MEAS. DEPTH | TOP                  | FROM VERT. DEPTH            |
| Duchesne River FM Surface  | 3238'       | 3238'                | Fresh Water Cased Off       |
| Uinta Fm.  | 3238'       | 6990'                | Fresh Water Cased Off       |
| Green River Fm.  | 6990'       | 10700'               | Oil & Gas                   |
| Wasatch Trans.   | 10700'      | 11190'               | Oil & Gas                   |
| Wasatch Fm.  | 11190'      | 14000'               | Oil & Gas                   |
| Duchesne River Surface   | 3238'       |                      | Sea Level                   |
| Uinta Fm.  | 3238'       |                      | 2438'                       |
| Green River  | 6900'       |                      | -1314'                      |
| Blach Shale  | 10005'      |                      | -4329'                      |
| Wasatch Trans  | 10700'      |                      | -5024'                      |
| Wasatch Fm.  | 11190'      |                      | -5514'                      |
| Wasatch "B"  | 12855'      |                      | -7179'                      |
| Neola 3 Finger   | 13141'      |                      | -7465'                      |

QUINEX ENERGY CORPORATION  
DYE-HALL 2-21 PERFORATION SCHEDULE

STAGE II

| <u>INTERVAL</u> | <u>DEPTH</u>                               | <u>SHOTS</u> |
|-----------------|--|--------------|
| 1)              | 13,241, 42, 43, 44                         | 12           |
| 2)              | 13,180, 81, 82, 83, 84, 85, 86, 87, 89, 90 | 30           |
| 3)              | 13,130, 31, 32, 33, 34, 35, 36             | 21           |
| 4)              | 13,122, 23, 24, 25, 26, 27, 28             | 21           |
| 5)              | 13,088, 89, 90, 91, 92, 93, 94             | 21           |
| 6)              | 13,012, 14, 16, 18, 20                     | 15           |
| 7)              | 12,974, 75, 76, 77, 78                     | 15           |
| 8)              | 12,951, 53, 54                             | 9            |
| 9)              | 12,907, 09, 11, 13, 15, 17, 19             | 21           |
| 10)             | 12,892, 94, 96, 98, 900, 02, 04            | 21           |
| 11)             | 12,874, 76, 78, 80, 82, 84, 86, 88, 90     | 27           |
| 12)             | 12,812, 14, 16, 18, 20                     | 15           |
| 13)             | 12,748, 50, 52, 54                         | 12           |
| 14)             | 12,711, 13, 14, 15                         | 12           |
| 15)             | 12,570, 72, 74, 76, 78                     | 15           |
| 16)             | 12,554, 56, 58, 60                         | 12           |
| 17)             | 12,536, 38, 40, 42, 43, 44, 47, 48, 50     | 27           |
| 18)             | 12,514, 16, 20, 22, 24, 26, 27, 28, 29,    | 27           |
| 19)             | 12,499, 501, 03, 04                        | 12           |
| 20)             | 12,465, 66, 67, 70, 71, 74, 76, 77, 78,    |              |
|                 | 81, 82                                     | <u>33</u>    |
|                 | <u>TOTAL</u>                               | <u>378</u>   |

QUINEX ENERGY CORPORATION  
DYE-HALL 2-21 PERFORATION SCHEDULE

STAGE I

| <u>INTERVAL</u>          | <u>DEPTHS</u>   | <u>SHOTS</u> |
|--------------------------|---|--------------|
| 1J                       | 13,830, 31, 32, 33, 34, 35, 36                            | 21           |
| 2J                       | 13,752, 53, 54, 55  | 12           |
| 3J                       | 13,724, 25, 26, 27, 28                                    | 15           |
| 4J                       | 13,705, 06, 07, 08, 09, 10                                | 18           |
| 5J                       | 13,584, 85, 86, 87, 88, 89                                | 18           |
| 6J                       | 13,571, 72, 73, 74, 75                                    | 15           |
| 7J                       | 13,546, 47, 48, 49, 50, 51, 52, 53, 54,<br>55, 56, 57, 58 | 39           |
| 8J                       | 13,540, 41, 42  | 9            |
| 9J                       | 13,482, 83, 84, 85, 86                                    | 15           |
| 10J                      | 13,460, 61, 62, 63, 64, 65, 66                            | 21           |
| 11J                      | 13,454, 55, 56, 57, 58                                    | 15           |
| 12J                      | 13,412, 13, 14, 15, 16                                    | 15           |
| 13J                      | 13,396, 97, 98, 99, 400, 01, 02                           | 21           |
| 14J                      | 13,300, 01, 02, 03, 04, 05, 06                            | 21           |
| <u>TOTAL NO. SHOTS =</u> |   | <u>270</u>   |

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

**SUBMIT IN TRIPLICATE**  
(Other instructions  
verse side)

Form approved.  
Budget Bureau No. 1004-0135  
Expires August 31, 1985

**SUNDRY NOTICES AND REPORTS ON WELLS**

(Do not use this form for proposals to drill or to deepen or plug back to a different reservoir.  
Use "APPLICATION FOR PERMIT—" for such proposals.)

|   |   |
|---|---|
| <p>1. <input checked="" type="checkbox"/> OIL WELL    <input type="checkbox"/> GAS WELL    <input type="checkbox"/> OTHER</p> <p>2. NAME OF OPERATOR<br/>    <b>QUINEX ENERGY CORPORATION</b></p> <p>3. ADDRESS OF OPERATOR<br/>    <b>465 SOUTH 200 WEST, SUITE #300, BOUNTIFUL, UTAH 84010</b></p> <p>4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.*<br/>See also space 17 below.)<br/>At surface<br/>    <b>1500 FNL &amp; 1100 FEL, Section 21, T1S, R1W, USM</b></p> <p>14. PERMIT NO.<br/>    <b>43-013-31163</b></p> | <p>5. LEASE DESIGNATION AND SERIAL NO.<br/>    <b>FEE</b></p> <p>6. IF INDIAN, ALLOTTEE OR TRIBE NAME</p> <p>7. UNIT AGREEMENT NAME</p> <p>8. FARM OR LEASE NAME<br/>    <b>Benjamin Dye Fee</b></p> <p>9. WELL NO.<br/>    <b>Dye Hall #2-21A1</b></p> <p>10. FIELD AND POOL, OR WILDCAT<br/>    <b>Bluebell</b></p> <p>11. SEC., T., E., M., OR BLK. AND SURVEY OR AREA<br/>    <b>SE 1/4, NE 1/4, Sec. 21<br/>T1S, R1W, USM</b></p> <p>12. COUNTY OR PARISH    13. STATE<br/>    <b>Duchesne                  Utah</b></p> |
| <p>15. ELEVATIONS (Show whether DF, RT, GR, etc.)<br/>    <b>GR 5651' / KB 5676'</b></p>  |   |

AUG 02 1990

**Check Appropriate Box To Indicate Nature of Notice, Report, or Other Data**

| NOTICE OF INTENTION TO:                      |   | SUBSEQUENT REPORT OF:   |  |
|--|---|---|--|
| TEST WATER SHUT-OFF <input type="checkbox"/> | PULL OR ALTER CASING <input type="checkbox"/> | WATER SHUT-OFF <input type="checkbox"/>   | REPAIRING WELL <input type="checkbox"/>  |
| FRACTURE TREAT <input type="checkbox"/>      | MULTIPLE COMPLETE <input type="checkbox"/>    | FRACTURE TREATMENT <input type="checkbox"/>   | ALTERING CASING <input type="checkbox"/> |
| SHOOT OR ACIDIZE <input type="checkbox"/>    | ABANDON* <input type="checkbox"/>             | SHOOTING OR ACIDIZING <input type="checkbox"/>  | ABANDONMENT* <input type="checkbox"/>    |
| REPAIR WELL <input type="checkbox"/>         | CHANGE PLANS <input type="checkbox"/>         | (Other): <b>Notice of Gas Venting</b> <input type="checkbox"/>  |  |
| (Other) <input type="checkbox"/>             | <input checked="" type="checkbox"/>           | (NOTE: Report results of multiple completion on Well Completion or Recompletion Report and Log form.) |  |

17. DESCRIBE PROPOSED OR COMPLETED OPERATIONS (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting and proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)\*

On or about 7/21/90 Gary Williams Energy had an explosion at their Wasatch Gas Plant. Due to the explosion of the plant we are unable to make gas deliveries and found it necessary to vent our gas.

The Gas Plant should be back on line within a month and normal deliveries of gas will resume.

| OIL AND GAS                                      |      |
|--|------|
| DYN  | R/JF |
| JOB <input checked="" type="checkbox"/>          | GLH  |
| DIS  | SLS  |
| 2- DMS <input checked="" type="checkbox"/>       |      |
| 3- MICROFILM <input checked="" type="checkbox"/> |      |
| 4- FILE  |      |

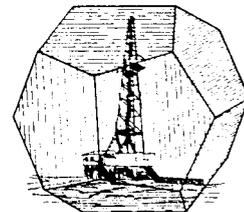
18. I hereby certify that the foregoing is true and correct

SIGNED *[Signature]* TITLE Vice-President DATE August 1, 1990

(This space for Federal or State office use)

APPROVED BY \_\_\_\_\_ TITLE \_\_\_\_\_ APPROVED BY THE STATE OF UTAH DIVISION OF OIL, GAS, AND MINING

\*See Instructions on Reverse Side DATE: 8-16-90  
[Signature]



## QUINEX ENERGY CORPORATION

465 South 200 West • Suite 300 • Bountiful, Utah 84010 • (801) 292-3800 • FAX (801) 295-5858

Field Office  
P.O. Box 1030  
Roosevelt, Utah 84066

April 29, 1991

Lisha Romero  
Division of Oil, Gas and Mining  
355 W. North Temple  
3 Triad Center, Suite 350  
Salt Lake City, Utah 84180-1203

Re: Dye-Hall 2-21 Well  
Duchesne County, Utah  
Change of Operatorship

Dear Lisha,

Enclosed are two original Sundry Notices assigning all operating rights to Uintah Swabbing, Inc. dba Uintah Oil and Gas Co., who currently has a bond of record at your offices.

Quinex Energy has agreed to make a smooth transaction and may be assisting Uintah Oil and Gas with the required state reports.

If you have any questions, please let me know.

Sincerely,

  
Steven A. Malnar  
Vice President  
722-4664

RECEIVED

APR 30 1991

DIVISION OF  
OIL GAS & MINING

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

6. Lease Designation and Serial Number

Fee

7. Indian Allottee or Tribe Name

**SUNDRY NOTICES AND REPORTS ON WELLS**

Do not use this form for proposals to drill new wells, deepen existing wells, or to reenter plugged and abandoned wells.  
Use APPLICATION FOR PERMIT— for such proposals

8. Unit or Communitization Agreement

VR49I84671C

1. Type of Well

Oil Well       Gas Well       Other (specify)

9. Well Name and Number

Dye-Hall 2-21

2. Name of Operator

Quinex Energy Corporation

10. API Well Number

43-013-31163

3. Address of Operator

465 S 200 W, Bountiful, UT 84010

4. Telephone Number

292-3800

11. Field and Pool, or Wildcat

Bluebell

5. Location of Well

Footage :

County : Duchesne

QQ, Sec. T., R., M. : SE 1/4 NE 1/4; Sect. 21; T1S, R1W; U.S.M.

State : UTAH

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

**NOTICE OF INTENT**  
(Submit in Duplicate)

- Abandonment
- Casing Repair
- Change of Plans
- Conversion to Injection
- Fracture Treat
- Multiple Completion
- Other Assignment to new operator
- New Construction
- Pull or Alter Casing
- Recompletion
- Shoot or Acidize
- Vent or Flare
- Water Shut-Off

Approximate Date Work Will Start 1 April 1991

**SUBSEQUENT REPORT**  
(Submit Original Form Only)

- Abandonment \*
- Casing Repair
- Change of Plans
- Conversion to Injection
- Fracture Treat
- Other \_\_\_\_\_
- New Construction
- Pull or Alter Casing
- Shoot or Acidize
- Vent or Flare
- Water Shut-Off

Date of Work Completion \_\_\_\_\_

Report results of Multiple Completions and Recompletions to different reservoirs on WELL COMPLETION OR RECOMPLETION AND LOG form.

\* Must be accompanied by a cement verification report.

13. DESCRIBE PROPOSED OR COMPLETED OPERATIONS (Clearly state all pertinent details, and give pertinent dates. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)

Quinex Energy Corporation Assigned all operating rights for the Dye-Hall well to Uinta Swabbing, Inc. DBA Uinta Oil and Gas Co.

Effective 1 April 1991

RECEIVED

APR 30 1991

DIVISION OF  
OIL GAS & MINING

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

Name & Signature

*Stuart A. Mahan*

Title Vice President

Date 4/29/91

(State Use Only)

04/16/91 D E T A I L W E L L D A T A B Y A P I MENU: OPTION 00  
API NUMBER: 4301331163 PROD ZONE: GR-WS SEC TWNSHP RANGE QR-QR  
ENTITY: 10713 ( DYE-HALL 2-21A1 ) 21 01.0 S 01.0 W SENE  
WELL NAME: DYE-HALL #2-21A1  
OPERATOR: N9995 ( QUINEX ENERGY CORP ) MERIDIAN: U  
FIELD: 65 ( BLUEBELL

CONFIDENTIAL FLAG: CONFIDENTIAL EXPIRES: 0 ALT ADDR FLAG:

\* \* \* APPLICATION TO DRILL, DEEPEN, OR PLUG BACK \* \* \*

1B. TYPE OF WELL (OW/GW/OT) OW 5. LEASE NUMBER: FEE LEASE TYPE: 4

4. SURFACE LOC: 1500 FNL 1100 FEL 7. UNIT NAME:

PROD ZONE LOC: 1500 FNL 1100 FEL 19. DEPTH: 14000 PROPOSED ZONE: WSTC

21. ELEVATION: 5676' KB APD DATE: 860612 AUTH CODE: 139-42

\* \* \* COMPLETION REPORT INFORMATION \* \* \* DATE RECD: 870604

SPUD DATE: 861106 17. COMPL DATE: 870305 20. TOTAL DEPTH: 14000'

24. PRODUCING INTERVALS: 12465-13836'

4. BOTTOM HOLE: 1500 FNL 1100 FEL 33. DATE PROD: 870226 WELL STATUS: POW

24HR OIL: 730 24HR GAS: 305 24HR WTR: 24 G-O RATIO: 1

\* \* \* WELL COMMENTS \* \* \* API GRAVITY: 42.50

870414 ENTITY ADDED:870511 STAT CHG FR DRL & ADD WSTC PZTO CLEAR SUSPENSE:

910325 PZ CHG FR WSTC:

OPTION: 21 PERIOD(YMM): 0 API: 4301331163 ZONE: ENTITY: 0

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

|   |
|---|
| 6. Lease Designation and Serial Number<br>Fee       |
| 7. Indian Allottee or Tribe Name                    |
| 8. Unit or Communitization Agreement<br>VR49I84671C |

**SUNDRY NOTICES AND REPORTS ON WELLS**

Do not use this form for proposals to drill new wells, deepen existing wells, or to reenter plugged and abandoned wells.  
Use APPLICATION FOR PERMIT— for such proposals

1. Type of Well  
 Oil Well     Gas Well     Other (specify)

9. Well Name and Number  
Dye-Hall 2-21

2. Name of Operator  
Uintah Swabbing, Inc. DBA Uinta Oil & Gas

10. API Well Number  
43-013-31163

3. Address of Operator  
P.O. Box 1618, Roosevelt, UT 84066

4. Telephone Number  
646-6279

11. Field and Pool, or Wildcat  
Bluebell

5. Location of Well  
Footage : \_\_\_\_\_ County : Duchesne  
QQ, Sec. T., R., M. : SE $\frac{1}{4}$ NE $\frac{1}{4}$ ; Section 21; T1S, R1W; U.S.M. State : UTAH

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

**NOTICE OF INTENT**  
(Submit in Duplicate)

Abandonment                       New Construction  
 Casing Repair                     Pull or Alter Casing  
 Change of Plans                    Recompletion  
 Conversion to Injection         Shoot or Acidize  
 Fracture Treat                     Vent or Flare  
 Multiple Completion            Water Shut-Off  
 Other Acceptance of operating rights

Approximate Date Work Will Start \_\_\_\_\_

**SUBSEQUENT REPORT**  
(Submit Original Form Only)

Abandonment \*                     New Construction  
 Casing Repair                     Pull or Alter Casing  
 Change of Plans                    Shoot or Acidize  
 Conversion to Injection         Vent or Flare  
 Fracture Treat                     Water Shut-Off  
 Other \_\_\_\_\_

Date of Work Completion \_\_\_\_\_

Report results of Multiple Completions and Recompletions to different reservoirs on WELL COMPLETION OR RECOMPLETION AND LOG form.  
\* Must be accompanied by a cement verification report.

**13. DESCRIBE PROPOSED OR COMPLETED OPERATIONS** (Clearly state all pertinent details, and give pertinent dates. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)

Uintah Swabbing, Inc. DBA Uinta Oil & Gas will be the operator of the Dye-Hall well effective 1 April 1991.

**RECEIVED**  
MAY 03 1991  
DIVISION OF  
OIL GAS & MINING

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

Name & Signature [Signature] Title V.P. Date 4-29-91  
(State Use Only)



# UTAH STATE BUSINESS REGISTRATION

TC-69  
REV. 7/90

Return to: COMMERCE & TAX SERVICE CENTER  
HEBER M. WELLS BUILDING  
160 East Third South, Salt Lake City, Utah 84134-3330  
For assistance call, (801) 530-4848 or outside Salt Lake area, within Utah 1-800-662-4335

Check all boxes that apply and complete corresponding sections.  
All corporations and partnerships must fill out section 5, page 3.

**Business Name Registration**

Complete section 1, page 2.

If DBA owned by corporation or partnership must also complete section 5, page 3.

Filing fee:  New name - \$20     Amended - \$10     Cancellation - No charge

**New Corporation**

Complete sections 1, 4 and 5, pages 2 and 3.

Utah Corporations must include *Articles of Incorporation*. Foreign corporations must include *Application for Certificate of Authority* and a certificate of 'good standing' from home state. Certificate of Authority forms are available at the Commerce & Tax Services Center shown above.

New limited partnership must include *Certificate of Limited Partnership*. Foreign limited partnerships must include *Application for Registration of Foreign Limited Partnership* and a certificate of 'good standing' from home state. Application are available at the Commerce & Tax Services Center.

Filing fee: Non-profit - \$20    Profit - \$50    Limited Partnership - \$50

**Sales and Use Tax (Sale retail goods and/or taxable services)**

Complete sections 1 and 2, page 2.

If corporation or partnership also complete section 5, page 3.

If you have multiple business locations also complete section 6, page 4.

**Wholesale (Sell ONLY to other retailers, will NEVER make a retail sale)**

Complete sections 1 and 2, page 2.

If corporation or partnership also complete section 5, page 3.

**Use Tax Only (Sales made to the final consumer tax-free, when sales tax is applicable)**

Complete sections 1 and 2, page 2.

If corporation or partnership also complete section 5, page 3.

**Employer's Withholding (If you have employees)**

Complete sections 1 and 3, page 2.

If corporation or partnership also complete section 5, page 3.

**Cigarette License (To sell cigarettes with affixed stamps only)**

Complete section 1, page 2.

If multiple locations also complete section 6, page 4.

Filing fee (per location): \$30

**Cigarette License (Stamper and seller)**

Complete section 1, page 2.

A bond must be filed with the Utah State Tax Commission to stamp cigarettes or to buy untaxed tobacco products. For assistance, call (801) 530-4848 or outside Salt Lake City, within Utah 1-800-662-4335.

**Tobacco Products Registration**

Complete section 1, page 2.

A bond must be filed with the Utah State Tax Commission to stamp cigarettes or to buy untaxed tobacco products. For assistance, call (801) 530-4848 or outside Salt Lake City, within Utah 1-800-662-4335.

**SECTION 1**

**General Information** For all Businesses and Corporations

Type of ownership

- Individual/Sole Proprietor
- Corporation
- Partnership
- Limited Partnership

Owner's name (if owner is a corporation, use corporate name. If owner is a partnership, start on "Business name" below)

UINTA SWABBING, INC.

Social Security number (for individual/Sole proprietor)

Owner's address

1000 East 2000 North (North Ballard Road)

Federal Identification number (for corporations/partnerships)

8,710,482,525

City

State

Zip code

Day telephone number

Office use only

Ballard

U | T

84066

801-722-2481

Office use only box

Business name or DBA (write "same" if same as above. Business name registration does not guarantee exclusive use or ownership of the name.)

UINTA OIL & GAS

Telephone number

801/722-2481

Business address (P.O. box not acceptable)

1000 East 2000 North (North Ballard Road)

Office use only

Incorporated?  Yes

No

City

County

State

Zip code

Ballard

Uintah

U | T

84066

Office use only box

Office use only box

Mailing address (write "same" if same as business address above)

City

State

Zip code

Same

Check box, if billing statements should be sent to mailing address

Describe the nature of your business

Oil and gas production.

Office use only

Office use only box

Owner/Officer's signature (or application will be rejected)

x *Craig Phillips*

Date signed

MAY-2-91

**SECTION 2**

**Sales Information** Fill out for a Sales Tax License

Check all that apply

- Retail sales of goods or services from a place of business located in Utah
- Retail sales of goods or services from more than one place of business in Utah
- Retail sales from vending machines or door-to-door sales
- Retail sales (include tax-free), from out-of-state, delivered to and/or consumed by a Utah customer
- Motel, hotel, or other tourist accommodations
- Business location within the city limits of Alta, Brian Head, Park City or Springdale
- Retail sales of tires (includes motor vehicle dealers, as part of vehicle sale)
- Short term (less than 30 days) rental or lease of motor vehicle

Estimate your monthly sales subject to sales tax

Specify if over \$10,000

- \$1,000 or less
- \$1,001 to \$5,000
- \$5,001 to \$10,000

When will you start selling

Month Day Year

**SECTION 3**

**Withholding Information** Fill out for a Withholding Number

When will you start paying wages

Month Day Year

**SECTION 4****Corporations**

|  |                                       |                                |                             |
|--|---------------------------------------|--------------------------------|-----------------------------|
| 1. Taxable year-end if other than calendar year          | Month                                 | Day                            | Year                        |
| 2. State and date of incorporation                       | Month                                 | Day                            | Year                        |
| 3. Federal sub-chapter 'S' election date (if applicable) | Month                                 | Day                            | Year                        |
| Registered agent's name                                  | Office telephone no.                  | Agent's Social Security number |                             |
| Agent's signature<br>X                                   | Agent's Federal Identification number |                                |                             |
| Agent's office address (P.O. box not acceptable)         | City                                  | State<br>U, T                  | Zip code<br>Office use only |

**SECTION 5****Partnerships/Corporations Officers, directors, general partners**

|  |                                      |               |                                      |
|--|--------------------------------------|---------------|--------------------------------------|
| Officer, director or general partner's name<br>John P. Bowen     | Social Security number               |               |                                      |
| Title<br>President   | Federal Identification number        |               |                                      |
| Home address<br>P.O. Box 222                                     | City<br>Roosevelt,                   | State<br>U, T | Zip code<br>84066<br>Office use only |
| Signature<br>X <i>John P. Bowen</i>                              | Day telephone number<br>801/722-2481 |               |                                      |
| Officer, director or general partner's name<br>Craig K. Phillips | Social Security number               |               |                                      |
| Title<br>Vice President  | Federal Identification number        |               |                                      |
| Home address<br>Route 3, Box 30-80                               | City<br>Roosevelt                    | State<br>U, T | Zip code<br>84066<br>Office use only |
| Signature<br>X <i>Craig K Phillips</i>                           | Day telephone number<br>801/722-2481 |               |                                      |
| Officer, director or general partner's name<br>Michael Wood      | Social Security number               |               |                                      |
| Title<br>Secretary   | Federal Identification number        |               |                                      |
| Home address<br>1610 West 200 North                              | City<br>Roosevelt                    | State<br>U, T | Zip code<br>84066<br>Office use only |
| Signature<br>X <i>Michael Wood</i>                               | Day telephone number<br>801/722-2481 |               |                                      |

**SECTION 6****Business Locations** Fill out if you have additional business locations

Please indicate all locations of this business or corporation in the state of Utah. A "Business Location" means any place of business, branch, satellite office or outlet. Use additional sheets if necessary. Use same format as shown below. If any business locations change, notify the Tax Commission immediately.

|  |       |          |   |
|--|-------|----------|---|
| Business name                              |       |          | Telephone number  |
| Business address (P.O. box not acceptable) |       |          | Office use only   |
| City                                       | State | Zip code | Incorporated? <input type="checkbox"/> Yes<br><input type="checkbox"/> No           |
|  | U   T |          | <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> |
| Business name                              |       |          | Telephone number  |
| Business address (P.O. box not acceptable) |       |          | Office use only   |
| City                                       | State | Zip code | Incorporated? <input type="checkbox"/> Yes<br><input type="checkbox"/> No           |
|  | U   T |          | <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> |
| Business name                              |       |          | Telephone number  |
| Business address (P.O. box not acceptable) |       |          | Office use only   |
| City                                       | State | Zip code | Incorporated? <input type="checkbox"/> Yes<br><input type="checkbox"/> No           |
|  | U   T |          | <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> |
| Business name                              |       |          | Telephone number  |
| Business address (P.O. box not acceptable) |       |          | Office use only   |
| City                                       | State | Zip code | Incorporated? <input type="checkbox"/> Yes<br><input type="checkbox"/> No           |
|  | U   T |          | <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> |
| Business name                              |       |          | Telephone number  |
| Business address (P.O. box not acceptable) |       |          | Office use only   |
| City                                       | State | Zip code | Incorporated? <input type="checkbox"/> Yes<br><input type="checkbox"/> No           |
|  | U   T |          | <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> |
| Business name                              |       |          | Telephone number  |
| Business address (P.O. box not acceptable) |       |          | Office use only   |
| City                                       | State | Zip code | Incorporated? <input type="checkbox"/> Yes<br><input type="checkbox"/> No           |
|  | U   T |          | <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> |



# State of Utah

DEPARTMENT OF NATURAL RESOURCES  
DIVISION OF OIL, GAS AND MINING

Norman H. Bangerter  
Governor

Dee C. Hansen  
Executive Director

Dianne R. Nielson, Ph.D.  
Division Director

355 West North Temple  
3 Triad Center, Suite 350  
Salt Lake City, Utah 84180-1203  
801-538-5340

May 13, 1991

Mr. Steven A. Malnar  
Quinex Energy Corporation  
P.O. Box 1030  
Roosevelt, Utah 84066

Dear Mr. Malnar:

Re: Notification of Sale or Transfer of Lease Interest - Dye-Hall 2-21A1 Well, Section 21, Township 1 South, Range 1 West, Duchesne County, Utah API No. 43-013-31163

The division has received notification of a change of operator from Quinex Energy Corporation to Uinta Oil and Gas for the referenced well which is located on a fee lease.

Rule R615-2-10, of the Utah Oil and Gas Conservation General Rules, requires that the owner of a lease provide notification to any person with an interest in such lease, when all or part of that interest in the lease is sold or transferred.

This letter is written to advise Quinex Energy Corporation of its responsibility to notify all individuals with an interest in this lease of the change of operator. Please provide written documentation of this notification to the division no later than June 4, 1991.

Sincerely,

A handwritten signature in black ink that reads "Don Staley".

Don Staley  
Administrative Supervisor  
Oil and Gas

ldc  
cc: R.J. Firth  
WOI201

Division of Oil, Gas and Mining  
**OPERATOR CHANGE WORKSHEET**

*JAM*

Routing:

|        |                                     |
|--------|-------------------------------------|
| 1- LCP | <input checked="" type="checkbox"/> |
| 2- DTS | <input checked="" type="checkbox"/> |
| 3- VLC | <input checked="" type="checkbox"/> |
| 4- RJF | <input checked="" type="checkbox"/> |
| 5- RWM | <input checked="" type="checkbox"/> |
| 6- ICR | <input checked="" type="checkbox"/> |

Attach all documentation received by the division regarding this change.  
 Initial each listed item when completed. Write N/A if item is not applicable.

- Change of Operator (well sold)                       Designation of Agent  
 Designation of Operator                               Operator Name Change Only

The operator of the well(s) listed below has changed (EFFECTIVE DATE: 4-1-91)

|   |  |
|---|--|
| TO (new operator) <u>UINTA OIL &amp; GAS</u><br>(address) <u>P. O. BOX 1618</u><br><u>ROOSEVELT, UT 84066</u><br><br><u>phone (801) 646-6279</u><br><u>account no. N2945 (5-7-91)</u> | FROM (former operator) <u>QUINEX ENERGY CORP.</u><br>(address) <u>465 S. 200 W. #300</u><br><u>BOUNTIFUL, UT 84010</u><br><u>STEVE MALNAR</u><br><u>phone (801) 292-3800</u><br><u>account no. N9995</u> |
|---|--|

Well(s) (attach additional page if needed):

|                                    |                        |                      |   |                        |
|------------------------------------|------------------------|----------------------|---|------------------------|
| Name: <u>DYE-HALL 2-21A1/GR-WS</u> | API: <u>4301331163</u> | Entity: <u>10713</u> | Sec <u>21</u> Twp <u>1S</u> Rng <u>1W</u> | Lease Type: <u>FEE</u> |
| Name: _____                        | API: _____             | Entity: _____        | Sec _____ Twp _____ Rng _____             | Lease Type: _____      |
| Name: _____                        | API: _____             | Entity: _____        | Sec _____ Twp _____ Rng _____             | Lease Type: _____      |
| Name: _____                        | API: _____             | Entity: _____        | Sec _____ Twp _____ Rng _____             | Lease Type: _____      |
| Name: _____                        | API: _____             | Entity: _____        | Sec _____ Twp _____ Rng _____             | Lease Type: _____      |
| Name: _____                        | API: _____             | Entity: _____        | Sec _____ Twp _____ Rng _____             | Lease Type: _____      |
| Name: _____                        | API: _____             | Entity: _____        | Sec _____ Twp _____ Rng _____             | Lease Type: _____      |

**OPERATOR CHANGE DOCUMENTATION**

- 1 1. (Rule R615-8-10) Sundry or other legal documentation has been received from former operator (Attach to this form). *(Rec. 4-30-91)*
- 2 2. (Rule R615-8-10) Sundry or other legal documentation has been received from new operator (Attach to this form). *(Reg. 5-1-91) (Rec. 5-7-91)*
- 3 3. The Department of Commerce has been contacted if the new operator above is not currently operating any wells in Utah. Is company registered with the state? (yes/no) yes If yes, show company file number: #149348 (Uinta Swabbing, Inc.)
- N/A 4. (For Indian and Federal Wells ONLY) The BLM has been contacted regarding this change (attach Telephone Documentation Form to this report). Make note of BLM status in comments section of this form. Management review of **Federal and Indian** well operator changes should take place prior to completion of steps 5 through 9 below.
- 5 5. Changes have been entered in the Oil and Gas Information System (Wang/IBM) for each well listed above. *(5-7-91)*
- 6 6. Cardex file has been updated for each well listed above.
- 7 7. Well file labels have been updated for each well listed above.
- 8 8. Changes have been included on the monthly "Operator, Address, and Account Changes" memo for distribution to State Lands and the Tax Commission.
- 9 9. A folder has been set up for the Operator Change file, and a copy of this page has been placed there for reference during routing and processing of the original documents.

ENTITY REVIEW

- 1. (Rule R615-8-7) Entity assignments have been reviewed for all wells listed above. Were entity changes made? (yes/no) \_\_\_\_ (If entity assignments were changed, attach copies of Form 6, Entity Action Form).
- 2. State Lands and the Tax Commission have been notified through normal procedures of entity changes.

BOND VERIFICATION (Fee wells only)

- 1. (Rule R615-3-1) The new operator of any fee lease well listed above has furnished a proper bond. (Rev. 4-19-91 / Surety # 802968 - Winko Swabbing, Inc. - \$40,000 - Underwriter Indemnity Co.)  
*\*12-22-91 rider adding dba Winko Oil and Gas Co. - Craig Phillips. \* Upon completion of routing.*
- 2. A copy of this form has been placed in the new and former operators' bond files.
- 3. The former operator has requested a release of liability from their bond (yes/no) no. Today's date May 1, 1991. If yes, division response was made by letter dated \_\_\_\_\_ 19\_\_\_\_.

LEASE INTEREST OWNER NOTIFICATION RESPONSIBILITY

- 1. (Rule R615-2-10) The former operator/lessee of any fee lease well listed above has been notified by letter dated 5-13 1991, of their responsibility to notify any person with an interest in such lease of the change of operator. Documentation of such notification has been requested.
- 2. Copies of documents have been sent to State Lands for changes involving State leases.

MICROFILMING

- 1. All attachments to this form have been microfilmed. Date: May 14 1991.

FILED

- 1. Copies of all attachments to this form have been filed in each well file.
- 2. The original of this form and the original attachments have been filed in the Operator Change file.

REMARKS

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

5. LEASE DESIGNATION AND SERIAL NO.  
FEE

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

7. UNIT AGREEMENT NAME

8. FARM OR LEASE NAME  
Benjamin Dye Fee

9. WELL NO.  
Dye Hall 2-21A1

10. FIELD AND POOL, OR WILDCAT  
Bluebell

11. SEC. T. S. R. OR NE. AND SURVEY OR AREA  
SE $\frac{1}{4}$ , NE $\frac{1}{4}$ , Sec. 21,  
T. 1 S., R. 1 W., USB&M

12. COUNTY OR PARISH 13. STATE  
Duchesne Utah

SUNDRY NOTICES AND REPORTS ON WELLS

(Do not use this form for proposals to drill or to deepen or plug back to a different reservoir. Use "APPLICATION FOR PERMIT--" for such proposals.)

1. OIL WELL  GAS WELL  OTHER

2. NAME OF OPERATOR  
QUINEX ENERGY CORPORATION

3. ADDRESS OF OPERATOR  
465 South 200 West, Bountiful, Utah 84010

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements. See also space 17 below.)  
At surface  
1500 FNL, 1100 FEL, Section 21, T 1 S, R 1 W, USB&M

14. API NUMBER 43-013-31163

15. ELEVATIONS (Survey whether top, ht. or, etc.)  
Gr. 5651', Kb. 5676'

16. Check Appropriate Box to Indicate Nature of Notice, Report, or Other Data

| NOTICE OF INTEREST TO:                       |   | SUBSEQUENT REPORT OF:   |  |
|--|---|---|--|
| TEST WATER SHUT-OFF <input type="checkbox"/> | PULL OR ALTER CASING <input type="checkbox"/> | WATER SHUT-OFF <input type="checkbox"/>   | REPAIRING WELL <input type="checkbox"/>  |
| FRACTURE TREAT <input type="checkbox"/>      | MULTIPLE COMPLETION <input type="checkbox"/>  | FRACTURE TREATMENT <input type="checkbox"/>   | ALTERING CASING <input type="checkbox"/> |
| SHOOT OR ACIDIZE <input type="checkbox"/>    | ABANDON*                                      | SHOOTING OR ACIDIZING <input type="checkbox"/>  | ABANDONMENT* <input type="checkbox"/>    |
| REPAIR WELL <input type="checkbox"/>         | CHANGE TEAM <input type="checkbox"/>          | (Other) <u>Change of Operator</u>   |  |
| (Other)                                      |   | (Note: Report results of multiple completion or well completion or recompletion Report and Log form.) |  |

17. DESCRIBE PROPOSED OR COMPLETED OPERATIONS (Identify special pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)

New Operator as of 1 May 1991, is UINTA SWABBING, INC. , P.O. Box 1618, ROOSEVELT, UTAH, 84066. Attn. Craig Phillips. Telephone 722-5887, answering service 722-2481.

*\*910524 per Mr. Smouse, eff. date April 1, 1991.  
Operator change made on 5-7-91  
JS*

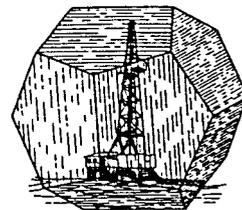
**RECEIVED**  
MAY 22 1991  
DIVISION OF  
OIL GAS & MINING

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

SIGNED *Craig Phillips* TITLE Vice Pres. Quinex Energy DATE 21 May 1991

(This space for Federal or State office use)

APPROVED BY \_\_\_\_\_ TITLE \_\_\_\_\_ DATE \_\_\_\_\_  
CONDITIONS OF APPROVAL, IF ANY:



## QUINEX ENERGY CORPORATION

465 South 200 West • Suite 300 • Bountiful, Utah 84010 • (801) 292-3800 • FAX (801) 295-5858

Date: May 23, 1991

### NOTICE

To: Duchesne County  
50 East 100 South  
Duchesne, Utah 84021

Re: Change of Operator  
Dye Hall #2-21  
Sec 21, T1S, R1W  
Duchesne County, Utah  
API # 43-013-31163

To Whom It May Concern:

As of May 1, 1991 Quinex Energy Corporation has turned the operations of the above referenced well over to:

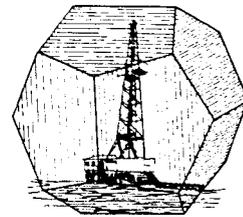
Uinta Swabbing, Inc.  
P.O. Box 1618  
Roosevelt, Utah 84066  
801-722-5887  
Attn: Craig Phillips

QUINEX ENERGY CORPORATION

**RECEIVED**

MAY 29 1991

DIVISION OF  
OIL GAS & MINING



# QUINEX ENERGY CORPORATION

465 South 200 West • Suite 300 • Bountiful, Utah 84010 • (801) 292-3800 • FAX (801) 295-5858

May 28, 1991

State of Utah  
Division of Oil, Gas & Mining  
355 West North Temple  
3 Triad Center, Suite 350  
Salt Lake City, Utah 84180-1203

Attention: Mr. Don Staley  
Administrative Supervisor  
Oil and Gas

Re: Notification of Sale or Transfer of Lease Interest  
Dye-Hall #2-21A1 Well, Section 21, Township 1 South, Range  
1 West, Duchesne County, Utah API No. 43-013-31163

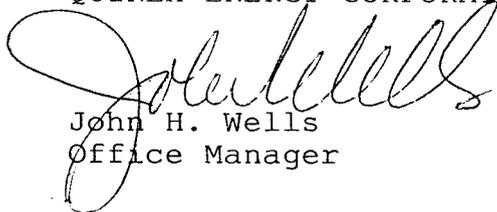
Dear Mr. Staley:

This letter is written to advise the Utah Division of Oil, Gas & Mining that Quinex Energy Corporation has notified all persons having interest in the above referenced lease of the change of operator.

Enclosed you will find copies of each letter and a list of individuals and companies notified.

Very Truly Yours,

QUINEX ENERGY CORPORATION



John H. Wells  
Office Manager

JHW/sp

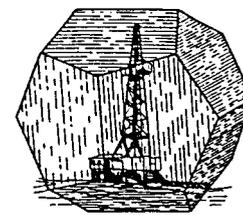
Enclosures

cc: R.J. Firth

RECEIVED

MAY 29 1991

DIVISION OF  
OIL GAS & MINING



## QUINEX ENERGY CORPORATION

465 South 200 West • Suite 300 • Bountiful, Utah 84010 • (801) 292-3800 • FAX (801) 295-5858

Date: May 23, 1991

### NOTICE

To: Bureau of Indian Affairs  
Box 130  
Fort Duchesne, Utah 84026

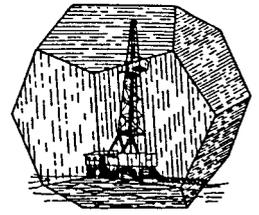
Re: Change of Operator  
Dye Hall #2-21  
Sec 21, T1S, R1W  
Duchesne County, Utah  
API # 43-013-31163

To Whom It May Concern:

As of May 1, 1991 Quinex Energy Corporation has turned the operations of the above referenced well over to:

Uinta Swabbing, Inc.  
P.O. Box 1618  
Roosevelt, Utah 84066  
801-722-5887  
Attn: Craig Phillips

QUINEX ENERGY CORPORATION



## QUINEX ENERGY CORPORATION

465 South 200 West • Suite 300 • Bountiful, Utah 84010 • (801) 292-3800 • FAX (801) 295-5858

Date: May 23, 1991

### NOTICE

To: Amoco  
P.O. Box 591  
Tulsa, Oklahoma 74102

Re: Change of Operator  
Dye Hall #2-21  
Sec 21, T1S, R1W  
Duchesne County, Utah  
API # 43-013-31163

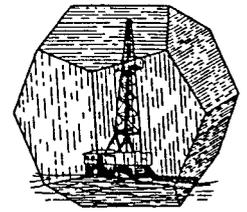
Property No: 046921  
Owner No: 228021002

To Whom It May Concern:

As of May 1, 1991 Quinex Energy Corporation has turned the operations of the above referenced well over to:

Uinta Swabbing, Inc.  
P.O. Box 1618  
Roosevelt, Utah 84066  
801-722-5887  
Attn: Craig Phillips

QUINEX ENERGY CORPORATION



# QUINEX ENERGY CORPORATION

465 South 200 West • Suite 300 • Bountiful, Utah 84010 • (801) 292-3800 • FAX (801) 295-5858

Date: May 24, 1991

Certified No: P 755 098 991

## NOTICE

To: Ute Indian Tribe Severance Tax Office  
P.O. Box 190  
Fort Duchesne, Utah 84026

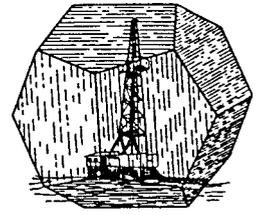
Re: Change of Operator  
Dye Hall #2-21  
Sec 21, T1S, R1W  
Duchesne County, Utah  
API # 43-013-31163

To Whom It May Concern:

As of May 1, 1991 Quinex Energy Corporation has turned the operations of the above referenced well over to:

Uinta Swabbing, Inc.  
P.O. Box 1618  
Roosevelt, Utah 84066  
801-722-5887  
Attn: Craig Phillips

QUINEX ENERGY CORPORATION



## QUINEX ENERGY CORPORATION

465 South 200 West • Suite 300 • Bountiful, Utah 84010 • (801) 292-3800 • FAX (801) 295-5858

Date: May 22, 1991

Certified No: P 755 098 990

### NOTICE

To: Thermal Exploration, Inc.  
720 Olive Way, Suite 500  
Seattle, Washington 98101

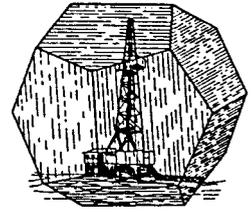
Re: Change of Operator  
Dye Hall #2-21  
Sec 21, T1S, R1W  
Duchesne County, Utah  
API # 43-013-31163

To Whom It May Concern:

As of May 1, 1991 Quinex Energy Corporation has turned the operations of the above referenced well over to:

Uinta Swabbing, Inc.  
P.O. Box 1618  
Roosevelt, Utah 84066  
801-722-5887  
Attn: Craig Phillips

QUINEX ENERGY CORPORATION



## QUINEX ENERGY CORPORATION

465 South 200 West • Suite 300 • Bountiful, Utah 84010 • (801) 292-3800 • FAX (801) 295-5858

Date: May 22, 1991

Certified No: P 755 098 988

### NOTICE

To: HJB  
P.O. Box 4140  
Houston, Texas 77210-4740

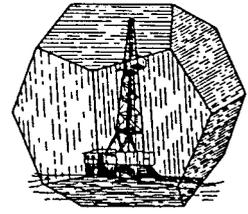
Re: Change of Operator  
Dye Hall #2-21  
Sec 21, T1S, R1W  
Duchesne County, Utah  
API # 43-013-31163

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## QUINEX ENERGY CORPORATION

465 South 200 West • Suite 300 • Bountiful, Utah 84010 • (801) 292-3800 • FAX (801) 295-5858

Date: May 22, 1991

Certified No: P 755 098 987

### NOTICE

To: Pipeco Tubular  
7134 South Yale #185  
Tulsa, Oklahoma 74136-6318

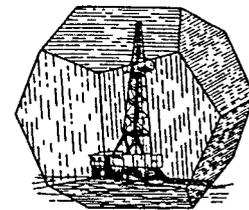
Re: Change of Operator  
Dye Hall #2-21  
Sec 21, T1S, R1W  
Duchesne County, Utah  
API # 43-013-31163

To Whom It May Concern:

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Attn: Craig Phillips

QUINEX ENERGY CORPORATION



## QUINEX ENERGY CORPORATION

465 South 200 West • Suite 300 • Bountiful, Utah 84010 • (801) 292-3800 • FAX (801) 295-5858

Date: May 23, 1991

Certified No: P 488 401 495

### NOTICE

To: Lamar B. Romer  
P.O. Box Drawer 52745  
Lafayette, Louisiana 70505

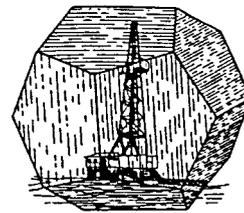
Re: Change of Operator  
Dye Hall #2-21  
Sec 21, T1S, R1W  
Duchesne County, Utah  
API # 43-013-31163

To Whom It May Concern:

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Roosevelt, Utah 84066  
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Attn: Craig Phillips

QUINEX ENERGY CORPORATION



## QUINEX ENERGY CORPORATION

465 South 200 West • Suite 300 • Bountiful, Utah 84010 • (801) 292-3800 • FAX (801) 295-5858

Date: May 23, 1991

Certified No: P 488 401 496

### NOTICE

To: Texas Meridian (Walker Exploration)  
15995 North Barkers Landing  
Suite #300  
Houston, Texas 77079

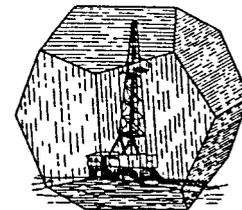
Re: Change of Operator  
Dye Hall #2-21  
Sec 21, T1S, R1W  
Duchesne County, Utah  
API # 43-013-31163

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P.O. Box 1618  
Roosevelt, Utah 84066  
801-722-5887  
Attn: Craig Phillips

QUINEX ENERGY CORPORATION



# QUINEX ENERGY CORPORATION

465 South 200 West • Suite 300 • Bountiful, Utah 84010 • (801) 292-3800 • FAX (801) 295-5858

Date: May 23, 1991

Certified No: P 488 401 497

## NOTICE

To: Gary Williams Energy Corporation  
Republic Plaza  
370-17th Street, Suite 5300  
Denver, Colorado 80202

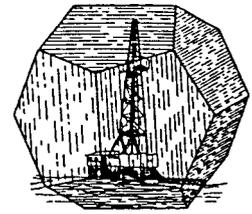
Re: Change of Operator  
Dye Hall #2-21  
Sec 21, T1S, R1W  
Duchesne County, Utah  
API # 43-013-31163

To Whom It May Concern:

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P.O. Box 1618  
Roosevelt, Utah 84066  
801-722-5887  
Attn: Craig Phillips

QUINEX ENERGY CORPORATION



## QUINEX ENERGY CORPORATION

465 South 200 West • Suite 300 • Bountiful, Utah 84010 • (801) 292-3800 • FAX (801) 295-5858

Date: May 23, 1991

Certified No: P 488 401 498

### NOTICE

To: Bureau of Land Management  
Vernal District Office  
170 South 500 East  
Vernal, Utah 84078

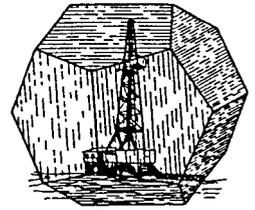
Re: Change of Operator  
Dye Hall #2-21  
Sec 21, T1S, R1W  
Duchesne County, Utah  
API # 43-013-31163

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801-722-5887  
Attn: Craig Phillips

QUINEX ENERGY CORPORATION



## QUINEX ENERGY CORPORATION

465 South 200 West • Suite 300 • Bountiful, Utah 84010 • (801) 292-3800 • FAX (801) 295-5858

Date: May 23, 1991

### NOTICE

To: Flying J Exploration & Production, Inc.  
333 West Center  
P.O. Box 540180  
North Salt Lake, Utah 84054-0180

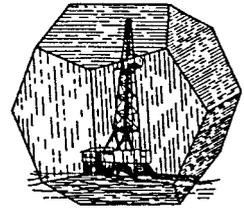
Re: Change of Operator  
Dye Hall #2-21  
Sec 21, T1S, R1W  
Duchesne County, Utah  
API # 43-013-31163

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Roosevelt, Utah 84066  
801-722-5887  
Attn: Craig Phillips

QUINEX ENERGY CORPORATION



# QUINEX ENERGY CORPORATION

465 South 200 West • Suite 300 • Bountiful, Utah 84010 • (801) 292-3800 • FAX (801) 295-5858

Date: May 23, 1991

## NOTICE

To: Utah State Tax Commission  
Conservation Tax Dept.  
Heber M. Wells Building  
160 East 3rd South  
Salt Lake City, Utah 84134-0550

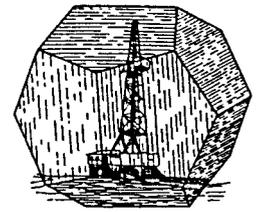
Re: Change of Operator  
Dye Hall #2-21  
Sec 21, T1S, R1W  
Duchesne County, Utah  
API # 43-013-31163

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Roosevelt, Utah 84066  
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QUINEX ENERGY CORPORATION



## QUINEX ENERGY CORPORATION

465 South 200 West • Suite 300 • Bountiful, Utah 84010 • (801) 292-3800 • FAX (801) 295-5858

Date: May 23, 1991

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Severance Tax Dept.  
Heber M. Wells Building  
160 East 3rd South  
Salt Lake City, Utah 84134-0550

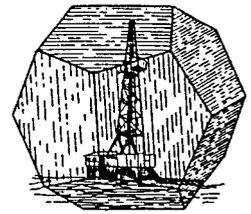
Re: Change of Operator  
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Sec 21, T1S, R1W  
Duchesne County, Utah  
API # 43-013-31163

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Roosevelt, Utah 84066  
801-722-5887  
Attn: Craig Phillips

QUINEX ENERGY CORPORATION



## QUINEX ENERGY CORPORATION

465 South 200 West • Suite 300 • Bountiful, Utah 84010 • (801) 292-3800 • FAX (801) 295-5858

Date: May 23, 1991

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Advelorem Tax Dept.  
Heber M. Wells Building  
160 East 3rd South  
Salt Lake City, Utah 84134-0550

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API # 43-013-31163

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P.O. Box 1618  
Roosevelt, Utah 84066  
801-722-5887  
Attn: Craig Phillips

QUINEX ENERGY CORPORATION

ANR PRODUCTION CO.  
P.O. BOX 201583  
HOUSTON, TX 77216-1583

ANR PRODUCTION CO.  
P.O. BOX 201583  
HOUSTON, TX 77216-1583

ALTEX OIL CORPORATION  
1430 LARIMER STREET SUITE 201  
DENVER, CO 80202

ARJAY OIL COMPANY  
225 NORTH STATE STREET  
SALT LAKE CITY, UT 84103

BADGER OIL CORPORATION  
P.O. BOX 52745  
LAFAYETTE, LOUISIANA 70505

JOSEPH BERNSTEIN  
13620 E. EVANS AVE.  
AURORA, CO 80014

MORRIS BERNSTEIN  
11705 E. ATLANTIC AVE.  
AURORA, CO 80014

BLUEWATER PETROLEUM INC.  
C/O FORREST C. WILSON JR.  
1319 FILMORE AVE.  
NEW ORLEANS, LA 70122

GWEN BURTON  
BOX 45  
FIELDING, UT 84311

WILLIAM D. CALLISTER  
2415 NEFFS LANE  
SALT LAKE CITY, UT 84109

CHAPARRAL ROYALTY COMPANY  
P.O. BOX 66687  
HOUSTON, TX 77266

CHERYL S. CHRISTENSEN  
151 N. PROCTOR LN.  
PLEASANT GROVE, UT 84062

EARL & ERMA H. CHRISTENSEN  
JOINT TENNANTS  
8800 N. 4512 W.  
PLEASANT GROVE, UT 84062

EARL L. CHRISTENSEN  
8800 N 4512 W.

PLEASANT GROVE, UT 84062

ERMA H. CHRISTENSEN  
8800 N 4512 W.  
PLEASANT GROVE, UT 84062

RONALD G. CHRISTENSEN  
151 N. PROCTOR LN.  
PLEASANT GROVE, UT 84062

COASTAL OIL & GAS CORPORATION  
ATTN: RESERVOIR DEPARTMENT  
9 GREENWAY PLAZA  
HOUSTON, TX 77046

COLONIAL ROYALTIES LIMITED PARTNERSH  
320 SOUTH BOSTON, SUITE 1108  
TULSA, OK 74103

CONVEST PRODUCTION COMPANY  
2401 FOUNTAIN VIEW DRIVE STE 700  
HOUSTON, TX 77057

COURNOYER OIL & GAS PROPERTIES

D. B. ENERGY  
P.O. BOX 532  
DALLAS, TX 75221

LAURA DYE  
RFD 1 BOX 1344  
ROOSEVELT, UT 84066

RICHARD G. DYE  
C/O FIRST INTERSTATE BANK OF UTAH  
BRIGHAM CITY OFFICE ACCT #50000159  
156 S. MAIN  
BRIGHAM CITY, UT 84302

FLYING J. PETROLEUM INC.  
ATTN: PRODUCTION ACCTG  
P.O. BOX 678  
BRIGHAM CITY, UT 84302

FORCENERGY INC.  
2730 SW 3RD AVE #800  
MIAMI, FL 33129

EDWARD W. & EMMA FOX  
JOINT TENANTS  
3177 S. 1100 W.  
SALT LAKE CITY, UT 84119

GERALD FRIEDMAN

G I D ENERGY DEVELOPMENT CO. L P

2401 FOUNTAIN VIEW DR. SUITE 700  
HOUSTON, TX 77057

DAVID GARLETT  
1720 S. BELLAIRE PENTHOUSE SUITE  
DENVER, CO 80222

HALL HOUSTON OIL CO.  
REPUBLIC BANK CENTER  
700 LOUISIANA STE 2390  
HOUSTON, TX 77002

LAVERNE L. HANSEN  
1211 RIDGEDALE LANE  
SALT LAKE CITY, UT 84106

ARTEMIS C. HARMSTON ESTATE

PAUL C. HILLIARD  
1001 PINHOOK ROAD  
P.O. DRAWER 52745  
LAFAYETTE, LA 70505

WALTER K. HOWARD  
P.O. DRAWER H.  
OLNEY, IL 62450

BONNIE HUME  
690 N. 1400 W.  
SALT LAKE CITY, UT 84116

VERNON F. KEELY

PAUL D. KELLER LIFE ESTATE  
EAST CHALK CREER ROAD  
COALVILLE, UT 84017

ROY KNAPPE, JR.  
7012 S. GLENCOE CT.  
LITTLETON, CO 80122

GERALD P. LANGTON  
1363 S. 1425 E.  
BOUNTIFUL, UT 84010

PAUL H. LANGTON TRUST  
4163 CARTER CIRCLE  
SALT LAKE CITY, UT 84124

DOUGLAS B. LAWSON  
P.O. BOX 1877  
VERNAL, UT 84078

EVERETT LAWSON ESTATE

FERRIS & MARY F. LAWSON

4349 S. EL CAMINO ST.  
SALT LAKE CITY, UT 84119

LUCILLA N. LAWSON  
RTD #1 BOX 1098  
ROOSEVELT, UT 84066

MAX J. LAWSON SR.  
26 CHURCH ST VIGO ROAD  
CHILLICOTHE, OH 45601

QUIVINGTON & LUCILLA LAWSON &  
ELAIN SANDERS, JT TENNANTS  
RFD #1 BOX 1098  
ROOSEVELT, UT 84066

WOODROW LAWSON  
P.O. BOX 161  
WEST JORDAN, UT 84084

LEHNDORFF LGB MINERAL INC.  
P.O. BOX 910848  
DALLAS, TX 75391-0848

LEON & LOIS LISTER  
JOINT TENANTS  
P.O. BOX 25  
MT. PLEASANT, UT 84647

STEVEN A. MALNAR  
P.O. BOX 1030  
ROOSEVELT, UT 84066

GEORGE E. MANGAN CLIFFORD TRUST  
LEWIS CLAY FRANSEN TRUSTEE  
407 NORTH FOURTH STREET  
BARDSTOWN, KY 40004

VERNA B. MELVILLE  
2161 MILLSTREAM LANE  
SALT LAKE CITY, UT 84109

EMERSON E. MILLER

WAYNE D. MILLS  
511 E. 400 S.  
OREM, UT 84058

MINERALS MANAGEMENT SERVICE  
UINTAH & OURAY AGENCIES  
P.O. BOX 5810 TA  
DENVER, CO 80217

CHERYL J. MURRAY  
637 S. 100 E. (13-1)  
ROOSEVELT, UT 84066

CLYDE R. MURRAY  
BOX 113  
ROOSEVELT, UT 84066

CLYDE R. & ERNA E. MURRAY  
JOINT TENANTS  
P.O. BOX 113  
ROOSEVELT, UT 84066

DANNY W. MURRAY  
P.O. BOX 1112  
ROOSEVELT, UT 84066

ERNA E. MURRAY  
BOX 113  
ROOSEVELT, UT 84066

LARRY C. MURRAY  
637 S. 100 E (13-1)  
ROOSEVELT, UT 84066

CLINTON & REMIDA T. NELSON  
JOINT TENANTS  
2927 WEST 10400 SOUTH  
SOUTH JORDAN, UT 84065

KOA LOU NELSON  
9745 NORTH 11600 WEST  
TREMONTON, UT 84337

LETA PEARL W. NELSON  
1941 W. 1700 N.  
ST. GEORGE, UT 84770

VERL A. & WANDA NELSON  
JOINT TENANTS  
736 N. 1ST W.  
TREMONTON, UT 84337

WILLIAM C. & ERICA H. NICHOLSON  
1225 ROSLYN  
DENVER, CO 80202

O. B. & MARGARET OBERHANSLY  
STAR RT  
NEOLA, UT 84053

PENTAGON OIL COMPANY  
P.O. BOX 391  
KILGORE, TX 75662

GERALD M. QUIAT  
PENTHOUSE SUITE  
1720 S. BELLAIRE  
DENVER, CO 80222

QUINEX ENERGY CORPORATION  
465 S. 200 W.  
BOUNTIFUL, UT 84010

URANIA REDMOND  
445 N. 600 E. 106-16  
ROOSEVELT, UT 84066

LAMAR B. ROEMER DR.  
530 S. UNIVERSITY  
DENVER, CO 80209

GWEN SWEAT  
1579 W. 500 N.  
SALT LAKE CITY, UT 84116

THERMAL EXPLORATION INC.  
P.O. BOX 1869  
SEATTLE, WA 98111

TINTAGEL RESOURCES INC.  
SUITE 21  
P.O. BOX 20 SS #1  
CALGARY, ALBERTA CA T2M 4N3

IONA WORTHEN  
3332 E. 4250 S.  
SALT LAKE CITY, UT 84124

KATHRYN YACK  
4803 WHITEWOOD  
LONG BEACH, CA 90808

INSPECTION FORM 4 STATE OF UTAH  
DIVISION OF OIL GAS AND MINING

## OIL AND GAS PRODUCTION FACILITIES

|   |                                 |                     |                       |
|---|---------------------------------|---------------------|-----------------------|
| Well Name: <u>DYE-HALL 2-21A1</u>             | API Number: <u>43-013-31163</u> | (4)                 |                       |
| Qtr/Qtr: <u>SE/NE</u>                         | Section: <u>21</u>              | Township: <u>1S</u> | Range: <u>1W</u>      |
| Company Name: <u>ERHC/BASS AMERICAN PETRO</u> |                                 |                     |                       |
| Lease: State _____                            | Fee <u>SURFACE</u>              | Federal _____       | Indian <u>MINERAL</u> |
| Inspector: <u>DENNIS L. INGRAM</u>            | Date: <u>04/28/99</u>           |                     |                       |

---

Type of Inspection:    Routine            Complaint            Other ADMINISTRATION REQUEST

Well status at time of visit:    Producing \_\_\_\_\_            Shut-in YES            Other \_\_\_\_\_

COMMENTS: NO ACTIVITY OR LIFTING EQUIPMENT. UNLINED EMERGENCY PIT IS HARD SETUP OIL PRESENT--LONG TIME ISSUE FOR DOGM. AN ATTEMPT TO CONTACT OPERATOR WAS MADE BUT ALL PHONE LINES HAVE BEEN DISCONNECTED. PLEASE FORWARD TO OIL & GAS BOARD.

---

**OPERATOR CHANGE WORKSHEET**

**ROUTING**

|        |                                     |        |                                     |
|--------|-------------------------------------|--------|-------------------------------------|
| 1. GLH | <input checked="" type="checkbox"/> | 4-KAS  | <input checked="" type="checkbox"/> |
| 2. CDW | <input checked="" type="checkbox"/> | 5-SJ   |                                     |
| 3. JLT |                                     | 6-FILE |                                     |

Enter date after each listed item is completed

**X Change of Operator (Well Sold)**

Designation of Agent

Operator Name Change (Only)

Merger

The operator of the well(s) listed below has changed, effective: **9/1/1999**

|                                      |
|--------------------------------------|
| <b>FROM:</b> (Old Operator):         |
| ERHC/BASS AMERICAN PETROLEUM COMPANY |
| Address: P. O. BOX 1574              |
|                                      |
| ROOSEVELT, UT 84066                  |
| Phone: 1-(435)-722-2992              |
|                                      |
| Account No. N8210                    |

|                             |
|-----------------------------|
| <b>TO:</b> ( New Operator): |
| MOUNTAIN OIL INC            |
| Address: P. O. BOX 1574     |
|                             |
| ROOSEVELT, UT               |
| Phone: 1-(435)-722-2992     |
|                             |
| Account No. N5495           |

CA No.

Unit:

**WELL(S)**

| NAME            | API NO.      | ENTITY NO. | SEC. TWN RNG | LEASE TYPE | WELL TYPE | WELL STATUS |
|-----------------|--------------|------------|--------------|------------|-----------|-------------|
| DYE HALL 1-21A1 | 43-013-31163 | 10713      | 21-01S-01W   | FEE        | OW        | P           |
| LAWSON 1-21A1   | 43-013-30738 | 935        | 21-01S-01W   | FEE        | OW        | S           |
| NIELSON 1-20B1  | 43-013-30740 | 673        | 20-02S-01W   | FEE        | OW        | P           |
| MYRIN RANCH # 1 | 43-013-30176 | 1091       | 20-02S-03W   | FEE        | OW        | P           |
| WILKINS 1-24A5  | 43-013-30320 | 205        | 24-01S-05W   | FEE        | OW        | S           |
| WALKER 2-24A5   | 43-013-31085 | 218        | 24-01S-05W   | FEE        | OW        | S           |
| JOSIE 1-3B5     | 43-013-30273 | 215        | 03-02S-05W   | FEE        | OW        | S           |
| JOSIE 1A-3B5    | 43-013-30677 | 216        | 03-02S-05W   | FEE        | OW        | S           |
| FAUSETT 1-26A1E | 43-047-30821 | 870        | 26-01S-01E   | FEE        | OW        | P           |

**OPERATOR CHANGES DOCUMENTATION**

- (R649-8-10) Sundry or legal documentation was received from the **FORMER** operator on: 03/05/2001
- (R649-8-10) Sundry or legal documentation was received from the **NEW** operator on: 03/05/2001
- The new company has been checked through the **Department of Commerce, Division of Corporations Database** on: 03/07/2001
- Is the new operator registered in the State of Utah: YES Business Number: 3-301306-0
- If **NO**, the operator was contacted on: N/A
- Federal and Indian Lease Wells:** The BLM and or the BIA has approved the (merger, name change, or operator change for all wells listed on Federal or Indian leases on: N/A
- Federal and Indian Units:** The BLM or BIA has approved the successor of unit operator for wells listed on: N/A

8. **Federal and Indian Communization Agreements ("CA"):** The BLM or the BIA has approved the operator change for all wells listed involved in a CA on: N/A

9. **Underground Injection Control ("UIC") Prog:** The Division has approved UIC Form 5, **Transfer of Authority to Inject**, for the enhanced/secondary recovery unit/project for the water disposal well(s) listed on: N/A

---

**DATA ENTRY:**

1. Changes entered in the **Oil and Gas Database** on: 03/07/2001
2. Changes have been entered on the **Monthly Operator Change Spread Sheet** on: 03/07/2001
3. Bond information entered in RBDMS on: 03/07/2001
4. Fee wells attached to bond in RBDMS on: 03/07/2001

---

**STATE BOND VERIFICATION:**

1. State well(s) covered by Bond No.: N/A

---

**FEE WELLS - BOND VERIFICATION/LEASE INTEREST OWNER NOTIFICATION:**

1. (R649-3-1) The **NEW** operator of any fee well(s) listed has furnished a bond No: LOC '00762
2. The **FORMER** operator has requested a release of liability from their bond on: 09/08/00  
The Division sent response by letter on: 03/08/2001
3. (R649-2-10) The **FORMER** operator of the Fee wells has been contacted and informed by a letter from the Division of their responsibility to notify all interest owners of this change on: 03/08/2001

---

**FILMING:**

1. All attachments to this form have been **MICROFILMED** on: APR 24 2001

---

**FILING:**

1. **ORIGINALS/COPIES** of all attachments pertaining to each individual well have been filed in each well file on: \_\_\_\_\_

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**COMMENTS:**

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Form 9

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

|   |  |  |
|---|--|--|
| <p align="center"><b>SUNDRY NOTICE AND REPORTS ON WELLS</b></p> <p align="center">Do not use this form for proposals to drill new wells, deepen existing wells, or to reenter plugged and abandoned wells</p> <p align="center">Use APPLICATION FOR PERMIT – for such proposals</p> |  | 6. Lease Designation and Serial Number                                       |
|   |  | 7. Indian Allottee or Tribe Name<br><p align="center">Ute Indian Tribe</p>   |
|   |  | 8. Unit or Communitization Agreement   |
|   |  | 9. Well Name and Number<br><p align="center">Dye- Hall 1-21A1</p>            |
| 1. Title of Well<br>[ X ] Oil Well [ ] Gas Well [ ] Other   |  | 10. API Well Number<br><p align="center">43-013-31163</p>                    |
| 2. Name of Operator<br><b>ERHC/ Bass American Petroleum Company</b>   |  | 11. Field and Pool, or Exploratory Area<br><p align="center">65 Bluebell</p> |
| 3. Address and Telephone No.<br><b>PO Box 1574, Roosevelt, UT 84066</b>   | 4. Telephone Number<br><b>435-722-2992</b> |  |

5. Location of Well

Footage

County: Duchesne

QQ, Sec. T.,R.,M.: T1S, R1W, Section 21, SENE, USM

State: Utah

| 12. CHECK APPROPRIATE BOX(S) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA |   |   |   |
|--|---|---|---|
| NOTICE OF INTENT<br>(Submit in Duplicate)  |   | SUBSEQUENT REPORT<br>(Submit Original Form Only)  |   |
| <input type="checkbox"/> Abandonment   | <input type="checkbox"/> New Construction     | <input type="checkbox"/> Abandonment  | <input type="checkbox"/> New Construction     |
| <input type="checkbox"/> Casing Repair   | <input type="checkbox"/> Pull or Alter Casing | <input type="checkbox"/> Casing Repair  | <input type="checkbox"/> Pull or Alter Casing |
| <input type="checkbox"/> Change of Plans   | <input type="checkbox"/> Recompletion         | <input type="checkbox"/> Change of Plans  | <input type="checkbox"/> Recompletion         |
| <input type="checkbox"/> Conversion to Injection                                 | <input type="checkbox"/> Shoot or Acidize     | <input type="checkbox"/> Conversion to Injection  | <input type="checkbox"/> Shoot or Acidize     |
| <input type="checkbox"/> Fracture Test   | <input type="checkbox"/> Vent or Flare        | <input type="checkbox"/> Fracture Test  | <input type="checkbox"/> Vent or Flare        |
| <input type="checkbox"/> Multiple Completion                                     | <input type="checkbox"/> Water Shut-Off       | <input type="checkbox"/> Multiple Completion  | <input type="checkbox"/> Water Shut-Off       |
| <input checked="" type="checkbox"/> Other <u>Change of Operator</u>              |   | <input type="checkbox"/> Other  |   |
| Approximate Date Work Will Start _____   |   | Date of Work Completion _____   |   |
|  |   | Report results of Multiple Completions and Recompletions to different reservoirs on WELL COMPLETION OR RECOMPLETION AND LOG FORM.<br>*Must be accompanied by a cement verification report |   |

13. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface location and measured and true vertical depths for all markers and zones pertinent to this work.

Please note effective September 1, 1999, ERHC/ Bass American Petroleum Company relinquishes operatorship of the Dye-Hall 1-21A1 well. Please release ERHC/ Bass American Petroleum Company's bond # 7. Please be advised that Mountain Oil, Inc., PO Box 1574, Roosevelt, UT 84066 is considered to PO Box 1574, Roosevelt, UT 84066. Under Mountain Oil, Inc.'s bond # 00762.

Contact Person: Julie Jensen

14. I hereby certify that the foregoing is true and correct  
Signed Julie Jensen Title Agent Date 9/8/00  
Julie Jensen

(State Use Only)

Form 0

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

|  |  |  |
|--|--|--|
| <p align="center"><b>SUNDRY NOTICE AND REPORTS ON WELLS</b></p> <p align="center">Do not use this form for proposals to drill new wells, deepen existing wells, or to reenter plugged and abandoned wells</p> <p align="center">Use APPLICATION FOR PERMIT -- for such proposals</p> |  | 6. Lease Designation and Serial Number                                     |
|  |  | 7. Indian Allottee or Tribe Name<br><p align="center">Ute Indian Tribe</p> |
|  |  | 8. Unit or Communitization Agreement                                       |
|  |  | 9. Well Name and Number<br><p align="center">Dye- Hall 1-21A1</p>          |
| 1. Title of Well<br>(X) Oil Well [ ] Gas Well [ ] Other  | 2. Name of Operator<br><b>Mountain Oil, Inc.</b> | 10. API Well Number<br><b>43-013-31163</b>                                 |
| 3. Address and Telephone No.<br><b>PO Box 1574, Roosevelt, UT 84066</b>  | 4. Telephone Number<br><b>435-722-2992</b>       | 11. Field and Pool, or Exploratory Area<br><b>65 Bluebell</b>              |

5. Location of Well

Footage

County: **Duchesne**

QQ, Sec. T.,R.,M.: **T1S, R1W, Section 21, SENE, USM**

State: **Utah**

|   |   |  |   |
|---|---|--|---|
| 12. CHECK APPROPRIATE BOX(S) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA  |   |  |   |
| NOTICE OF INTENT<br>(Submit in Duplicate)   |   | SUBSEQUENT REPORT<br>(Submit Original Form Only) |   |
| <input type="checkbox"/> Abandonment  | <input type="checkbox"/> New Construction     | <input type="checkbox"/> Abandonment             | <input type="checkbox"/> New Construction     |
| <input type="checkbox"/> Casing Repair  | <input type="checkbox"/> Pull or Alter Casing | <input type="checkbox"/> Casing Repair           | <input type="checkbox"/> Pull or Alter Casing |
| <input type="checkbox"/> Change of Plans  | <input type="checkbox"/> Recompletion         | <input type="checkbox"/> Change of Plans         | <input type="checkbox"/> Recompletion         |
| <input type="checkbox"/> Conversion to Injection  | <input type="checkbox"/> Shoot or Acidize     | <input type="checkbox"/> Conversion to Injection | <input type="checkbox"/> Shoot or Acidize     |
| <input type="checkbox"/> Fracture Test  | <input type="checkbox"/> Vent or Flare        | <input type="checkbox"/> Fracture Test           | <input type="checkbox"/> Vent or Flare        |
| <input type="checkbox"/> Multiple Completion  | <input type="checkbox"/> Water Shut-Off       | <input type="checkbox"/> Multiple Completion     | <input type="checkbox"/> Water Shut-Off       |
| <input checked="" type="checkbox"/> Other <u>Change of Operator</u>   |   | <input type="checkbox"/> Other                   |   |
| Approximate Date Work Will Start _____  |   | Date of Work Completion _____                    |   |
| Report results of Multiple Completions and Recompletions to different reservoirs on WELL COMPLETION OR RECOMPLETION AND LOG FORM.<br>*Must be accompanied by a cement verification report |   |  |   |

13. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface location and measured and true vertical depths for all markers and zones pertinent to this work.

**Self Certification Statement:**

Please be advised that Mountain Oil, Inc., PO Box 1574, Roosevelt, UT 84066 is considered to be the new operator of the Dye-Hall 1-21A1 Well, and is responsible under the terms and conditions of the lease of the operations conducted upon the associated leased lands. Please release ERHC/ Bass American Petroleum Company's bond # 7618020, as bond coverage will be provided under Mountain Oil, Inc.'s bond #00762, this will be effective September 1, 1999. Send all communications regarding this lease to Mountain Oil, Inc., PO Box 1574, Roosevelt, UT 84066.

Contact Person: **Julie Jensen**

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

Signed Julie R Jensen Title Agent Date 9/8/00

(State Use Only)



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

FORM 9

|  |  |  |
|--|--|--|
| <b>SUNDRY NOTICE AND REPORTS ON WELLS</b><br><small>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.</small> |  | 5. LEASE DESIGNATION AND SERIAL NUMBER:<br>VR49184671 <i>fee</i> |
|  |  | 6. IF INDIAN, ALLOTTEE OR TRIBE NAME:<br>UTE INDIAN TRIBE        |
|  |  | 7. UNIT OR CA AGREEMENT NAME:<br>VR49184671                      |
| 1. TYPE OF WELLS<br><input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other  | 8. WELL NAME and NUMBER<br>DYE-HALL 2-21A1 |  |
| 2. NAME OF OPERATOR<br>MOUNTAIN OIL AND GAS, INC.  | 9. API NUMBER:<br>43-013-31163             |  |
| 3. ADDRESS OF OPERATOR<br>P.O. BOX 1574, ROOSEVELT, UT 84066   | PHONE NUMBER<br>435-722-2992               | 10. FIELD AND POOL, OR WILDCAT<br>65 BLUEBELL                    |

4. LOCATION OF WELLS

TOWNSHIP 1S RANGE 1W SECTION 21 SENE USBM

COUNTY: DUCHESNE

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

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

Effective MARCH 1, 2003, operation of this well was taken over by:

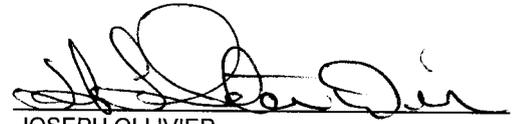
MOUNTAIN OIL AND GAS, INC.  
P.O. BOX 1574  
ROOSEVELT, UT 84066

*N2485*

The previous operator was:

MOUNTAIN OIL, INC.  
3191 N CANYON ROAD  
PROVO, UT 84604

*N5495*

  
JOSEPH OLLIVIER  
PRESIDENT, MOUNTAIN OIL, INC.

Effective March 1, 2003 Mountain Oil & Gas, Inc. is responsible under the terms and conditions of the leases for operations conducted on the leased lands or a portion thereof under Mountain Oil, Inc.'s Utah Letter of Credit #001856 issued by Bonneville Bank.

NAME (PLEASE PRINT) Craig Phillips  
SIGNATURE 

TITLE President, Mountain Oil and Gas, Inc.  
DATE July 21, 2004

(This space for State use only)

APPROVED 12/31/04  
*Earlene Russell*  
Division of Oil, Gas and Mining  
Earlene Russell, Engineering Technician

RECEIVED  
SEP 08 2004

DIV. OF OIL, GAS & MINING

Division of Oil, Gas and Mining  
**OPERATOR CHANGE WORKSHEET**

43,013.31163

**ROUTING**

- |        |
|--------|
| 1. DJJ |
| 2. CDW |

Change of Operator (Well Sold)

**X - Operator Name Change/Merger**

The operator of the well(s) listed below has changed, effective:

1/1/2006

|   |  |
|---|--|
| <b>FROM:</b> (Old Operator):<br>N2485-Mountain Oil & Gas, Inc.<br>PO Box 1776<br>Ballard, UT 84066<br>Phone: 1 (435) 722-2992 | <b>TO:</b> ( New Operator):<br>N3130-Homeland Gas & Oil, Inc.<br>PO Box 1776<br>Ballard, UT 84066<br>Phone: 1 (435) 722-2992 |
|---|--|

CA No.

Unit:

| WELL NAME         | SEC | TWN | RNG | API NO | ENTITY NO | LEASE TYPE | WELL TYPE | WELL STATUS |
|-------------------|-----|-----|-----|--------|-----------|------------|-----------|-------------|
| SEE ATTACHED LIST |     |     |     |        |           |            |           |             |

**OPERATOR CHANGES DOCUMENTATION**

Enter date after each listed item is completed

- (R649-8-10) Sundry or legal documentation was received from the **FORMER** operator on: 10/30/2006
- (R649-8-10) Sundry or legal documentation was received from the **NEW** operator on: 10/30/2006
- The new company was checked on the **Department of Commerce, Division of Corporations Database** on: 6/19/2006
- 4a. Is the new operator registered in the State of Utah: yes Business Number: 6174726-0143
- 5a. (R649-9-2)Waste Management Plan has been received on: Requested 10/31/06
- 5b. Inspections of LA PA state/fee well sites complete on: n/a
- 5c. Reports current for Production/Disposition & Sundries on: \_\_\_\_\_
- Federal and Indian Lease Wells:** The BLM and or the BIA has approved the merger, name change, or operator change for all wells listed on Federal or Indian leases on: BLM not yet BIA not yet
- Federal and Indian Units:**  
The BLM or BIA has approved the successor of unit operator for wells listed on: n/a
- Federal and Indian Communization Agreements ("CA"):**  
The BLM or BIA has approved the operator for all wells listed within a CA on: n/a
- Underground Injection Control ("UIC")** The Division has approved UIC Form 5, **Transfer of Authority to Inject**, for the enhanced/secondary recovery unit/project for the water disposal well(s) listed on: n/a

**DATA ENTRY:**

- Changes entered in the **Oil and Gas Database** on: 10/31/2006
- Changes have been entered on the **Monthly Operator Change Spread Sheet** on: 10/31/2006
- Bond information entered in RBDMS on: 10/31/2006
- Fee/State wells attached to bond in RBDMS on: 10/31/2006
- Injection Projects to new operator in RBDMS on: n/a
- Receipt of Acceptance of Drilling Procedures for APD/New on: n/a

**BOND VERIFICATION:**

- Federal well(s) covered by Bond Number: 310279523
- Indian well(s) covered by Bond Number: SB-509795
- 3a. (R649-3-1) The **NEW** operator of any fee well(s) listed covered by Bond Number F16420
- 3b. The **FORMER** operator has requested a release of liability from their bond on: n/a  
The Division sent response by letter on: \_\_\_\_\_

**LEASE INTEREST OWNER NOTIFICATION:**

- (R649-2-10) The **FORMER** operator of the fee wells has been contacted and informed by a letter from the Division of their responsibility to notify all interest owners of this change on: 10/31/2006

**COMMENTS:** Homeland Gas and Oil, Inc was added as a principal on the Mountain Oil & Gas Inc Bond - no release possible. All wells moved to Homeland, except three "Stripper Wells".

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

FORM 9

|  |  |   |
|--|--|---|
| <b>SUNDRY NOTICES AND REPORTS ON WELLS</b>   |  | 5. LEASE DESIGNATION AND SERIAL NUMBER<br>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:<br>see attached list  |
| 1. TYPE OF WELL<br>OIL WELL <input checked="" type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER _____  |  | 7. UNIT or CA AGREEMENT NAME<br>see attached list           |
| 2. NAME OF OPERATOR<br>Homeland Gas & Oil  |  | 8. WELL NAME and NUMBER<br>see attached list                |
| 3. ADDRESS OF OPERATOR<br>3980 East Main, HWY 40 Ballard UT 84066  |  | 9. API NUMBER<br>attached                                   |
| PHONE NUMBER:<br>(435) 722-2992  |  | 10. FIELD AND POOL, OR WILDCAT                              |
| 4. LOCATION OF WELL<br>FOOTAGES AT SURFACE: see attached list COUNTY _____<br>QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN STATE _____  |  | <b>UTAH</b>   |

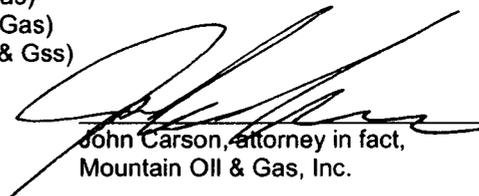
| 11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA                              |   |   |  |
|--|---|---|--|
| TYPE OF SUBMISSION   | TYPE OF ACTION  |   |  |
| <input type="checkbox"/> NOTICE OF INTENT<br>(Submit in Duplicate)<br>Approximate date work will start _____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

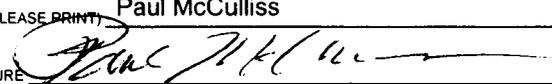
12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

Effective January 1, 2006, operation of attached well list was taken over by:  
Homeland Gas & Oil  
3980 E Main ST HWY 40 *N3130*  
Ballard, UT 84066

Previous operator was: Mountain Oil & Gas *N2485*  
PO Box 1574  
Roosevelt, UT 84066

BIA Bond: SB-509795 (to be transferred from Mountain Oil & Gas)  
BLM Bond: 0310279523 (to be transferred from Mountain Oil & Gas)  
SITLA Bond: Dated 09/14/04 (to be transferred from Mountain Oil & Gss)

  
John Carson, attorney in fact,  
Mountain Oil & Gas, Inc.

|   |                       |
|---|-----------------------|
| NAME (PLEASE PRINT) <u>Paul McCulliss</u>   | TITLE <u>Director</u> |
| SIGNATURE  | DATE <u>10/26/07</u>  |

(This space for State use only)

**APPROVED** 10/31/06  
*Earlene Russell*  
Division of Oil, Gas and Mining  
Earlene Russell, Engineering Technician

**RECEIVED**  
**OCT 30 2006**

(5/2000)

(See Instructions on Reverse Side)

DIV. OF OIL, GAS & MINING

| well_name                  | sec | tpw  | rng  | api        | entity | qtr_qtr | well | stat | lease   | l_num          |
|----------------------------|-----|------|------|------------|--------|---------|------|------|---------|----------------|
| UTE TRIBAL 1-34B           | 34  | 010N | 020W | 4301310494 | 775    | SWNE    | OW   | P    | Indian  | 14-20-H62-1704 |
| WESLEY BASTIAN FEE 1       | 08  | 010S | 010W | 4301310496 | 942    | SWNE    | OW   | S    | Fee     | FEE            |
| UTE TRIBE 1-13             | 13  | 050S | 040W | 4301320073 | 1225   | SWSW    | OW   | P    | Indian  | 14-20-H62-4894 |
| UTE TRIBAL 2               | 08  | 010S | 010W | 4301330020 | 690    | NWSW    | OW   | S    | Indian  | 14-20-H62-2117 |
| UTE TRIBAL 2-35B           | 35  | 010N | 020W | 4301330106 | 705    | NWSE    | OW   | P    | Indian  | 14-20-H62-1614 |
| DUSTIN 1                   | 22  | 020S | 030W | 4301330122 | 1092   | NESW    | OW   | S    | Fee     | FEE            |
| HANSEN 1                   | 23  | 020S | 030W | 4301330161 | 1093   | SENW    | OW   | P    | Fee     | FEE            |
| UTE TRIBAL 1-26B           | 26  | 010N | 020W | 4301330168 | 715    | SWNE    | OW   | P    | Indian  | INDIAN         |
| MYRIN RANCH 1              | 20  | 020S | 030W | 4301330176 | 1091   | SWNE    | OW   | S    | Fee     | FEE            |
| KNIGHT 1                   | 28  | 020S | 030W | 4301330184 | 1090   | SENW    | OW   | S    | Fee     | FEE            |
| UTE 1-12B6                 | 12  | 020S | 060W | 4301330268 | 1866   | SENE    | OW   | S    | Indian  | 14-20-H62-4951 |
| JOSIE 1-3B5                | 03  | 020S | 050W | 4301330273 | 215    | SENE    | OW   | S    | Fee     | FEE            |
| V MILES 1                  | 20  | 010S | 040W | 4301330275 | 740    | NWNE    | OW   | S    | Fee     | FEE            |
| A RUST 2                   | 22  | 010S | 040W | 4301330290 | 745    | NENE    | OW   | S    | Fee     | FEE            |
| SINK DRAW 7                | 21  | 030S | 070W | 4301330302 | 6360   | SENE    | OW   | S    | Indian  | 14-20-H62-1141 |
| UTE TRIBAL 1-32Z1          | 32  | 010N | 010W | 4301330324 | 755    | NESW    | OW   | S    | Indian  | 14-20-H62-2457 |
| REIMANN 10-1               | 10  | 040S | 060W | 4301330460 | 6410   | NESW    | OW   | S    | Fee     | FEE            |
| TEXACO TRIBAL 3-1          | 03  | 040S | 060W | 4301330468 | 10959  | NWNE    | OW   | S    | Indian  | 14-20-H62-1939 |
| BATES 9-1                  | 09  | 040S | 060W | 4301330469 | 530    | SENE    | OW   | S    | Fee     | FEE            |
| UTE 1-14D6                 | 14  | 040S | 060W | 4301330480 | 5275   | SWNE    | OW   | P    | Indian  | 14-20-H62-4893 |
| 1-31C5                     | 31  | 030S | 050W | 4301330501 | 2330   | SENW    | OW   | P    | Indian  | 14-20-H62-4890 |
| JOSIE 1A-3B5               | 03  | 020S | 050W | 4301330677 | 216    | NESW    | OW   | S    | Fee     | FEE            |
| LAWSON 1-21A1              | 21  | 010S | 010W | 4301330738 | 935    | NESW    | OW   | S    | Fee     | FEE            |
| UTE TRIBAL 11-25           | 25  | 040S | 030W | 4301330743 | 2645   | NESW    | OW   | S    | Indian  | 14-20-H62-4892 |
| UTE TRIBAL 16-2            | 02  | 050S | 040W | 4301330756 | 2610   | SESE    | OW   | P    | Indian  | 14-20-H62-3404 |
| UTE TRIBAL 7-24            | 24  | 040S | 030W | 4301330768 | 2625   | SWNE    | OW   | P    | Indian  | 14-20-H62-4891 |
| UTE TRIBAL 24-12           | 24  | 050S | 040W | 4301330830 | 9104   | NWSW    | OW   | S    | Indian  | 14-20-H62-4716 |
| UTE TRIBAL 13-15X          | 13  | 050S | 040W | 4301330844 | 9100   | SWSE    | OW   | S    | Indian  | 14-20-H62-4715 |
| GUSHER 2-17B1              | 17  | 020S | 010W | 4301330846 | 8436   | NENE    | OW   | S    | Fee     | FEE            |
| COYOTE UTE TRIBAL 10-9     | 09  | 040S | 040W | 4301330861 | 9900   | NWSE    | OW   | S    | Indian  | 1-109-IND-5351 |
| BROWN 3-2                  | 03  | 010S | 020W | 4301330986 | 10290  | NWNW    | GW   | P    | Fee     | FEE            |
| L E FONT 3-27Z2            | 27  | 010N | 020W | 4301331052 | 9464   | SESE    | OW   | P    | Indian  | 14-20-H62-4733 |
| BADGER UTE H E MANN 2-28Z2 | 28  | 010N | 020W | 4301331053 | 9459   | SWSE    | OW   | P    | Indian  | 14-20-H62-4305 |
| WALKER 2-24A5              | 24  | 010S | 050W | 4301331085 | 218    | SESW    | OW   | S    | Fee     | FEE            |
| DYE-HALL 2-21A1            | 21  | 010S | 010W | 4301331163 | 10713  | SENE    | OW   | S    | Fee     | FEE            |
| BASTIAN 3-8A1              | 08  | 010S | 010W | 4301331181 | 10758  | NWSE    | OW   | P    | Fee     | FEE            |
| RUST 3-22A4                | 22  | 010S | 040W | 4301331266 | 11194  | NESW    | OW   | S    | Fee     | FEE            |
| BEND UNIT 2                | 08  | 070S | 220E | 4304715416 | 2475   | NENE    | GW   | S    | Federal | U-0647         |
| MONADA STATE 1             | 02  | 060S | 190E | 4304730080 | 11089  | NWNW    | OW   | PA   | State   | ML-40730       |
| UTE TRIBAL 1-16A1E         | 16  | 010S | 010E | 4304730231 | 780    | SESE    | OW   | P    | Indian  | 14-20-H62-4888 |
| C J HACKFORD 1-23          | 23  | 010S | 010E | 4304730279 | 790    | SENW    | OW   | S    | Fee     | FEE            |
| UTE TRIBAL 1-14-B1E        | 14  | 020S | 010E | 4304730774 | 4521   | NWNE    | OW   | P    | Indian  | 14-20-H62-2931 |
| RIVER JUNCTION 11-18       | 18  | 090S | 200E | 4304731316 | 9705   | NESW    | OW   | S    | Federal | U-27041A       |
| BRENNAN FED 4-15           | 15  | 070S | 200E | 4304731332 | 9760   | NESE    | GW   | S    | Federal | U-14219        |
| PENNY 16-7                 | 07  | 090S | 200E | 4304731360 | 2680   | SESE    | OW   | S    | Federal | U-27041        |
| HORSESHOE BEND 34-E        | 34  | 060S | 210E | 4304731595 | 10203  | SWNW    | OW   | S    | Federal | U-74499        |



**State of Utah**  
DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER  
*Executive Director*

**Division of Oil, Gas and Mining**

JOHN R. BAZA  
*Division Director*

JON M. HUNTSMAN, JR.  
*Governor*

GARY R. HERBERT  
*Lieutenant Governor*

October 1, 2008

CERTIFIED MAIL NO.: 7004 2510 0004 1824 6435

Mr. Brian Jones  
Homeland Gas & Oil Inc.  
825 East Speer Blvd, Suite #100 E  
Denver, CO 80218

43 013 31163  
Dye-Hall 2-21A1  
IS IW 21

Re: **SECOND NOTICE: Extended Shut-in and Temporarily Abandoned Requirements for Wells on Fee or State Leases**

Dear Mr. Jones:

Homeland Gas & Oil Inc. ("Homeland") has seven (7) Fee Lease Wells (see attachment A) that are currently in non-compliance for extended shut-in and temporary abandonment (SI/TA) status. Wells SI/TA beyond twelve (12) consecutive months require the filing of a Sundry Notice in accordance with R649-3-36-1 for Utah Division of Oil, Gas & Mining ("Division") approval. Wells with five (5) years non-activity or non-productivity shall be plugged, unless the Division grants approval for extended shut-in time upon a showing of good cause by the operator (R649-3-36-1.3.3).

This is a second notice for wells 1 through 3 listed on Attachment A. The Division notified the previous operators, Mountain Oil, Flying J Oil, and McCullis Resources, on several occasions by certified mail about these wells non-compliance issues. Several plans to produce or plug were submitted, but no action has been taken to date on these wells. Homelands responsibility to comply with the above listed rules was assumed at current level when ownership was transferred. The Division has been holding several meetings with Homeland in regards to these wells, but no work has taken place. Immediate action is required on these wells. Please submit your plans to produce or plug these wells. If this is not addressed within 30 days, a Notice of Violation will be issued for these wells. A similar response is required for the other four wells listed in Attachment A.



Page 2  
October 1, 2008  
Mr. Jones

For extended SI/TA consideration the operator shall provide the Division with the following:

1. Reasons for SI/TA of the well (R649-3-36-1.1).
2. The length of time the well is expected to be SI/TA (R649-3-36-1.2), and
3. An explanation and supporting data if necessary, for showing the well has integrity, meaning that the casing, cement, equipment condition, static fluid level, pressure, existence or absence of Underground Sources of Drinking Water and other factors do not make the well a risk to public health and safety or the environment (R649-3-36-1.3)

Submitting the information suggested below may help show well integrity and may help qualify your well for extended SI/TA. **Note: As of July 1, 2003, wells in violation of the SI/TA rule R649-3-36 may be subject to full cost bonding (R649-3-1-4.2, 4.3).**

1. Wellbore diagram, and
2. Copy of recent casing pressure test, and
3. Current pressures on the wellbore (tubing pressure, casing pressure, and casing/casing annuli pressure) showing wellbore has integrity, and
4. Fluid level in the wellbore, and
5. An explanation of how the submitted information proves integrity.

If the required information is not received within 30 days of the date of this notice, further actions will be initiated. If you have any questions concerning this matter, please contact me at (801) 538-5281.

Sincerely,



Dustin K. Doucet  
Petroleum Engineer

JP/js  
Enclosure

cc: Compliance File  
Well File

### Attachment A

|   | <b>Well Name</b> | <b>API</b>   | <b>Lease Type</b> | <b>Years Inactive</b> |
|---|------------------|--------------|-------------------|-----------------------|
| 1 | REIMANN 10-1     | 43-013-30460 | FEE               | 3 Years 9 Months      |
| 2 | BATES 9-1        | 43-013-30469 | FEE               | 3 Years 9 Months      |
| 3 | WALKER 2-24A5    | 43-013-31085 | FEE               | 19 Years 6 Months     |
| 4 | HANSEN 1         | 43-013-30161 | FEE               | 1 Year 6 Months       |
| 5 | WILKINS 1-24A5   | 43-013-30320 | FEE               | 1 Year 11 Months      |
| 6 | DYE-HALL 2-21A1  | 43-013-31163 | FEE               | 2 Years 2 Months      |
| 7 | FAUSETT 1-26A1E  | 43-047-30821 | FEE               | 1 Year 5 Months       |



JON M. HUNTSMAN, JR.  
Governor

GARY R. HERBERT  
Lieutenant Governor

# State of Utah

## DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER  
Executive Director

### Division of Oil Gas and Mining

JOHN R. BAZA  
Division Director

December 23, 2008

CERTIFIED MAIL NO.: 7004 2510 0004 1824 6626

Mr. Brian Jones  
Homeland Gas & Oil Inc.  
15587 Huron St  
Broomfield CO 80020

43 013 31163  
Dye-Hall 2-21A1  
15 1W 21

SUBJECT: SECOND NOTICE: Extended Shut-in and Temporarily Abandoned Requirements for Wells on Fee or State Leases

Dear Mr. Jones:

Homeland Gas & Oil Inc. ("Homeland") has four (4) Fee Lease Wells (see attachment A) that are currently in non-compliance for extended shut-in and temporary abandonment (SI/TA) status. Wells SI/TA beyond twelve (12) consecutive months require the filing of a Sundry Notice in accordance with R649-3-36-1 for Utah Division of Oil, Gas & Mining ("Division") approval. Wells with five (5) years non-activity or non-productivity shall be plugged, unless the Division grants approval for extended shut-in time upon a showing of good cause by the operator (R649-3-36-1.3.3).

This is a second notice for the wells listed on Attachment A. The Division notified Homeland by certified mail on October 29, 2008, about these wells non-compliance issues. Homeland had 30 days to respond. More than sufficient time has passed but no correspondence has been received by the Division to date. Immediate action is required on these wells. Please submit your plans to produce or plug these wells. If this is not addressed within 30 days, a Notice of Violation will be issued for these wells.

Page 2  
December 23, 2008  
Mr. Jones

For extended SI/TA consideration the operator shall provide the Division with the following:

1. Reasons for SI/TA of the well (R649-3-36-1.1).
2. The length of time the well is expected to be SI/TA (R649-3-36-1.2), and
3. An explanation and supporting data if necessary, for showing the well has integrity, meaning that the casing, cement, equipment condition, static fluid level, pressure, existence or absence of Underground Sources of Drinking Water and other factors do not make the well a risk to public health and safety or the environment (R649-3-36-1.3)

Submitting the information suggested below may help show well integrity and may help qualify your well for extended SI/TA. **Note: As of July 1, 2003, wells in violation of the SI/TA rule R649-3-36 may be subject to full cost bonding (R649-3-1-4.2, 4.3).**

1. Wellbore diagram, and
2. Copy of recent casing pressure test, and
3. Current pressures on the wellbore (tubing pressure, casing pressure, and casing/casing annuli pressure) showing wellbore has integrity, and
4. Fluid level in the wellbore, and
5. An explanation of how the submitted information proves integrity.

If the required information is not received within 30 days of the date of this notice, further actions will be initiated. If you have any questions concerning this matter, please contact me at (801) 538-5281.

Sincerely,



Dustin K. Doucet  
Petroleum Engineer

DKD/js  
Enclosure  
cc: Compliance File  
Well File

### Attachment A

|    | Well Name       | API          | Lease Type | Years Inactive   |
|----|-----------------|--------------|------------|------------------|
| 1. | HANSEN 1        | 43-013-30161 | FEE        | 1 Year 6 Months  |
| 2. | WILKINS 1-24A5  | 43-013-30320 | FEE        | 1 Year 11 Months |
| 3. | DYE-HALL 2-21A1 | 43-013-31163 | FEE        | 2 Years 2 Months |
| 4. | FAUSETT 1-26A1E | 43-047-30821 | FEE        | 1 Year 5 Months  |

UTAH DEPARTMENT OF NATURAL RESOURCES

Division of Oil, Gas & Mining

Oil and Gas Program

1594 West North Temple, Suite 1210, Box 145801

Salt Lake City, Utah 84114-5801

(801) 538-5340 Phone

(801) 359-3940 Fax

NOTICE OF VIOLATION  
STATE OF UTAH  
OIL AND GAS CONSERVATION ACT

\*\*\*\*\*

To the following operator:

Name: HOMELAND GAS & OIL INC.

|   |                            |
|---|----------------------------|
| Well(s) or Site(s): 1.) <u>WILKINS 1-24A5</u> | API #: <u>43-013-30320</u> |
| 2.) <u>DYE-HALL 2-21A1</u>                    | <u>43-013-31163</u>        |
| 3.) <u>HANSEN 1</u>                           | <u>43-013-30161</u>        |
| 4.) <u>FAUSETT 1-26A1E</u>                    | <u>43-047-30821</u>        |

Date and Time of Inspection/Violation: January 28, 2009

Mailing Address: Attn: Brian Jones

15587 Hurron St

Broomfield, CO 80020

Under the authority of the Utah Oil and Gas Conservation Act, Section 40-6 et. Seq., Utah Code Annotated, 1953, as amended, the undersigned authorized representative of the Division of Oil, Gas and Mining (Division) has conducted an inspection of the above described site and/or records on the above date and has found alleged violation(s) of the act, rules or permit conditions as described below.

Description of Violation(s):

Rule R649-3-36, Shut-in and Temporarily Abandoned Wells –According to Rule R649-3-36, the operator is required to supply the Division with reasons for extended SI/TA, the length of time for extended SI/TA and proof of well bore integrity for every well SI/TA over 12 consecutive months. After 5 years of continued SI/TA, the wells are to be plugged unless good cause is supplied to the Division for extended SI/TA in addition to the required information just mentioned.

Homeland Oil & Gas Inc.

January 28, 2009

Notice of Violation

The Division has initiated several contacts with Homeland Gas & Oil Inc. (Homeland) requesting required documents and action per R649-3-36. The Division notified Homeland by certified mail on October 29, 2008, about these wells non-compliance issues. Homeland had 30 days to respond, in which they did not. The above listed wells then had a second notice sent out via certified mail on December 22, 2008 to Homeland. In that notice it was made clear that if this issue was not addressed within 30 days, a Notice of Violation will be issued for the wells. To date the Division has not seen any such correspondence on the matter. Our records show nothing has been done to date to move these wells out of violation status.

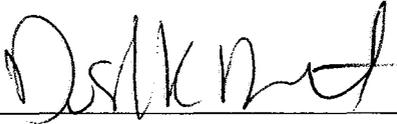
Action: For the wells subject to this notice, Homeland shall either submit the information required by R649-3-36, plug and abandon or place the well on production.

This notice shall remain in effect until it is modified, terminated, or vacated by a written notice of an authorized representative of the director of the Division of Oil, Gas and Mining. Failure to comply with this notice will result in the Division pursuing further actions against said operator. Further actions may include initiation of agency actions to order full cost bonding and plugging and abandonment of wells and requests for bond forfeiture and civil penalties.

Compliance Deadline: April 1, 2009 *per*

Date of Service Mailing: February 11, 2009

CERTIFIED MAIL NO: 7004 2510 0004 1824 6855



Division's Representative

Operator or Representative

(If presented in person)

cc: Well Files  
Operator Compliance File

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

FORM 9

**SUNDRY NOTICES AND REPORTS ON WELLS**

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

|   |  |  |
|---|--|--|
|   |  | 5. LEASE DESIGNATION AND SERIAL NUMBER:              |
|   |  | 6. IF INDIAN, ALLOTTEE OR TRIBE NAME:                |
|   |  | 7. UNIT or CA AGREEMENT NAME:<br><b>VR49I-84671C</b> |
| 1. TYPE OF WELL<br>OIL WELL <input checked="" type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER _____ |  | 8. WELL NAME and NUMBER:<br><b>Dye-Hall 2-21A1</b>   |
| 2. NAME OF OPERATOR:<br><b>Homeland Gas &amp; Oil, Ltd.</b>   |  | 9. API NUMBER:<br><b>4301331163</b>                  |
| 3. ADDRESS OF OPERATOR:<br><b>P.O. Box 1776</b> CITY <b>Roosevelt</b> STATE <b>Ut</b> ZIP <b>84066</b>        |  | 10. FIELD AND POOL, OR WILDCAT:<br><b>Bluebell</b>   |
| 4. LOCATION OF WELL<br>FOOTAGES AT SURFACE: <b>1,500' FNL 1,100' FEL</b>                                      |  | COUNTY: <b>Duchesne</b>                              |
| QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: <b>SENE 21 1s 1w U</b>   |  | STATE: <b>UTAH</b>                                   |

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<br>(Submit in Duplicate)<br>Approximate date work will start:<br>_____          | <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<br>(Submit Original Form Only)<br>Date of work completion:<br>_____ | <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: <u>undesirable event</u> |
|   | <input type="checkbox"/> CONVERT WELL TYPE              | <input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION |  |

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

DOGMA notified Homeland of a landowner complaint on 6/8/2009. It was discovered that the well flowed fluid from the casing into the treater and filled treater and then vented fluid to pit. Approximately 50 bbls of oil was recovered from pit by heating oil and transferring to production tank. Approximately 1 bbl of oil was unrecoverable blowover outside of pit, and 3 additional bbls are unrecoverable in pit and inside treater house. Operations to complete cleanup are continuing. Unrecoverable oil will be mixed with dirt and hauled to approved disposal facility. When pit is cleaned DOGMA personnel will be notified and given opportunity to inspect pit prior to closing of pit.

|  |                               |
|--|-------------------------------|
| NAME (PLEASE PRINT) <u>Clifford Murray</u> | TITLE <u>Field Supervisor</u> |
| SIGNATURE                                  | DATE <u>6/15/2009</u>         |

(This space for State use only)

**RECEIVED**

**JUN 22 2009**

DIV. OF OIL, GAS & MINING

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

FORM 9

**SUNDRY NOTICES AND REPORTS ON WELLS**

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

|   |  |  |
|---|--|--|
| 1. TYPE OF WELL<br>OIL WELL <input checked="" type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER _____ |  | 5. LEASE DESIGNATION AND SERIAL NUMBER:<br>FEE |
| 2. NAME OF OPERATOR:<br>Homeland Gas & Oil, LTD   |  | 6. IF INDIAN, ALLOTTEE OR TRIBE NAME:          |
| 3. ADDRESS OF OPERATOR:<br>P.O. Box 1776 CITY Roosevelt STATE UT ZIP 84066                                    |  | 7. UNIT or CA AGREEMENT NAME:                  |
| 4. LOCATION OF WELL<br>FOOTAGES AT SURFACE: 1500' FNL & 1100' FEL COUNTY: Duchesne                            |  | 8. WELL NAME and NUMBER:<br>Dye Hall 2-21A1    |
| QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: SENE 21 T1S R1W STATE: UTAH                                      |  | 9. API NUMBER:<br>4301331163                   |
|   |  | 10. FIELD AND POOL, OR WILDCAT:<br>Bluebell    |

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

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

Due to pending capital acquisitions, Homeland Gas & Oil, LTD (HGO) is requesting a one year extension for shut in. At which time funding is acquired, HGO's intentions are to perform a MIT on the well bore and bring the well to a production status. HGO plans to clean location of debris and weeds sometime in September 2010. Pictures and report of location clean up have been provided to the Board.

COPY SENT TO OPERATOR

Date: 9.29.2010  
Initials: RS

|  |                                       |
|--|---------------------------------------|
| NAME (PLEASE PRINT) <u>RaSchelle Richens</u> | TITLE <u>Regulatory Affairs Agent</u> |
| SIGNATURE <u>RaSchelle Richens</u>           | DATE <u>9-14-2010</u>                 |

(This space for State use only)

**REQUEST DENIED**  
Utah Division of  
Oil, Gas and Mining

Date: 9/27/10  
By: [Signature] (See Instructions on Reverse Side)

\* Extension cannot be granted without a showing of Good Cause and a showing of integrity. DIV. OF OIL, GAS & MINING

**RECEIVED**

SEP 20 2010



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

December 20, 2010

Certified Mail No. 7004 1160 0003 0190 4802

Craig Phillips  
Homeland Gas & Oil, Inc  
P.O. Box 1574  
Roosevelt, Utah 84066

43 013 31163  
DYE-HALL 2-21A1  
IS IW 21

Subject: Homeland Gas and Oil, Inc. Escrow Account

Dear Mr. Phillips:

This letter is in response to the e-mail you sent me on December 8, 2010, regarding Homeland Gas & Oil, Inc. (Homeland) proposal to place \$280,000.00 in an escrow account specifically for the plugging and performing of Mechanical Integrity Tests (MIT's) on Shut-in and Temporarily Abandoned Wells (SI/TA) currently operated by Homeland.

The Division of Oil, Gas and Mining (Division) grants Homeland 30 days from receipt of this letter to submit a formal escrow account agreement and plan of action, for Division review and approval, for the eighteen (18) Homeland Fee and State operated wells (see Attachment A – Subject Wells) in non-compliance with Utah Oil and Gas Conservation General Rule R649-3-36.

The Division requests that Homeland's escrow account agreement and/or plan of action submittals include, but not restricted to the following:

- Prioritized work plans for all eighteen Shut-in and Temporarily Abandoned Wells.
- Identify and prioritize wells with landowner complaints.
- Identify the specific wells to be plugged and plugging deadlines for each well.
- Identify the specific wells for MIT and MIT performance deadlines for each well.
- Plan for any well failing a MIT.
- Proof of funding.
- When the funds will be available for placement into the escrow account.
- Parameters for withdrawals from the escrow account.
- Additional placement of funds into the escrow account.
- Show that the Homeland and the escrow manager have no conflict of interest.

Page 2  
Homeland Gas and Oil, Inc. Escrow Account  
December 20, 2010

Questions regarding this matter may be directed to Mr. Clinton Dworshak, Compliance Manager, at 801 538-5280, or to Mr. Dustin Doucet, Engineer, at 801 538-5281.

Sincerely,



Clinton Dworshak  
Compliance Manager

CLD/js  
Enclosures  
cc: Compliance File  
Well Files  
Steve Alder, Attorney General  
John Rogers, Associate Director  
Dustin Doucet, Petroleum Engineer  
Randy Thackeray, Lead Auditor

N:\O&G Reviewed Docs\ChronFile\Compliance

# Attachment A Subject Wells

| <b>Well Name</b>     | <b>API</b>   | <b>SI/TA (Years and Months) 10/2010</b> |
|----------------------|--------------|---|
| Brown 3-2            | 43-013-30986 | 3 years 0 Months                        |
| Fausett 1-26A1E      | 43-047-30821 | 3 years 7 Months                        |
| Myrin Ranch 1        | 43-013-30176 | 4 years 1 Month                         |
| Wilkins 1-24A5       | 43-013-30320 | 4 Years 1 Month                         |
| Wesley Bastian Fee 1 | 43-013-10496 | 5 Years 2 Months                        |
| Josie 1A-3B5         | 43-013-30677 | 5 Years 5 Months                        |
| → Dye-Hall 2-21A1    | 43-013-31163 | 5 Years 6 Months                        |
| Bates 9-1            | 43-013-30469 | 5 Years 11 Months                       |
| V Miles 1            | 43-013-30275 | 6 Years 3 Months                        |
| Rust 3-22A4          | 43-013-31266 | 6 Years 6 Months                        |
| Gusher 2-17B1        | 43-013-30846 | 6 Years 8 Months                        |
| CJ Hackford 1-23     | 43-047-30279 | 6 years 9 Months                        |
| Knight 1             | 43-013-30184 | 7 Years 0 Months                        |
| Josie 1-3B5          | 43-013-30273 | 9 Years 5 Months                        |
| A Rust 2             | 43-013-30290 | 10 Years 4 Months                       |
| Reiman 10-1          | 43-013-30460 | 14 years 0 Months                       |
| Dustin 1             | 43-013-30122 | 17 Years 3 Months                       |
| Walker 2-24A5        | 43-013-31085 | 20 years 8 Months                       |

7004 1160 0003 0190 4802

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| Return Receipt Fee<br>(Endorsement Required)      |    |                           |
| Restricted Delivery Fee<br>(Endorsement Required) |    |                           |

Total Postage

Sent To **CRAIG PHILLIPS**  
**HOMELAND GAS & OIL INC**  
 Street, Apt. No. or PO Box No. **P O BOX 1574**  
 City, State, ZIP **ROOSEVELT UT 84066**

PS Form 3800, June 2002 See Reverse for Instructions

**SENDER: COMPLETE THIS SECTION**

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

**CRAIG PHILLIPS**  
**HOMELAND GAS & OIL INC**  
**P O BOX 1574**  
**ROOSEVELT UT 84066**

2. Article Number  
*(Transfer from service label)*

**COMPLETE THIS SECTION ON DELIVERY**

A. Signature  Agent  
 Addressee

B. Received By (Printed Name) **Amber Simpsa** C. Date of Delivery **12/27/10**

D. Is delivery address different from item 1?  Yes  
 If YES, enter delivery address below:  No

3. Service Type  
 Certified Mail  Express Mail  
 Registered  Return Receipt for Merchandise  
 Insured Mail  C.O.D.

4. Restricted Delivery? (Extra Fee)  Yes

7004 1160 0003 0190 4802

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

FORM 9

|   |  |                                   |   |
|---|--|-----------------------------------|---|
| <b>SUNDRY NOTICES AND REPORTS ON WELLS</b>  |  |                                   | 5. LEASE DESIGNATION AND SERIAL NUMBER.           |
| 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<br>OIL WELL <input checked="" type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER _____  |  |                                   | 7 UNIT or CA AGREEMENT NAME<br>VR491-84671C       |
| 2 NAME OF OPERATOR<br>Homeland Gas & Oil Inc.   |  |                                   | 8 WELL NAME and NUMBER<br>Dye Hall 2-21A1         |
| 3 ADDRESS OF OPERATOR<br>P.O. Box 1776  |  | CITY Roosevelt STATE UT ZIP 84066 | 9 API NUMBER<br>4301331163                        |
| 4 LOCATION OF WELL<br>FOOTAGES AT SURFACE 1500 FNL 1100 FEL   |  | PHONE NUMBER<br>(435) 722-2992    | 10 FIELD AND POOL OR WILDCAT<br>Altamont Bluebell |
| QTR/QTR. SECTION. TOWNSHIP, RANGE, MERIDIAN. SENE 21 1S 1W U  |  |                                   | COUNTY Duchesne                                   |
|   |  |                                   | 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<br>(Submit in Duplicate)<br><br>Approximate date work will start:<br><u>4/9/2012</u> | <input type="checkbox"/> ACIDIZE                        | <input type="checkbox"/> DEEPEN                           | <input type="checkbox"/> REPERFORATE CURRENT FORMATION  |
|   | <input type="checkbox"/> ALTER CASING                   | <input type="checkbox"/> FRACTURE TREAT                   | <input type="checkbox"/> SIDETRACK TO REPAIR WELL       |
| <input type="checkbox"/> SUBSEQUENT REPORT<br>(Submit Original Form Only)<br><br>Date of work completion:                                 | <input type="checkbox"/> CASING REPAIR                  | <input type="checkbox"/> NEW CONSTRUCTION                 | <input type="checkbox"/> TEMPORARILY ABANDON            |
|   | <input type="checkbox"/> CHANGE TO PREVIOUS PLANS       | <input type="checkbox"/> OPERATOR CHANGE                  | <input type="checkbox"/> TUBING REPAIR                  |
|   | <input type="checkbox"/> CHANGE TUBING                  | <input type="checkbox"/> PLUG AND ABANDON                 | <input type="checkbox"/> VENT OR FLARE                  |
|   | <input type="checkbox"/> CHANGE WELL NAME               | <input type="checkbox"/> PLUG BACK                        | <input type="checkbox"/> WATER DISPOSAL                 |
|   | <input type="checkbox"/> CHANGE WELL STATUS             | <input type="checkbox"/> PRODUCTION (START/RESUME)        | <input type="checkbox"/> WATER SHUT-OFF                 |
|   | <input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS | <input type="checkbox"/> RECLAMATION OF WELL SITE         | <input checked="" type="checkbox"/> OTHER <u>M.I.T.</u> |
|   | <input type="checkbox"/> CONVERT WELL TYPE              | <input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION |   |

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

Homeland propose to preform the following MIT

release rod pump flush rods Pull rods CIRC well nipple up BOPs- release anchor P.O.O.H. lay down anchor. pick up packer T.I.H. set packer at 10040. 24 hour notice Dennis Ingram with Utah state pressure test to 1000 PSI if fail casing will be repaired. Returning well to production

**COPY SENT TO OPERATOR**  
Date: 4-10-2012  
Initials: KS

NAME (PLEASE PRINT) Craig S. Phillips TITLE \_\_\_\_\_  
SIGNATURE Craig S. Phillips DATE 4-5-2012

(This space for State use only)

**APPROVED BY THE STATE OF UTAH DIVISION OF OIL, GAS, AND MINING**  
DATE: 4/9/2012  
BY: [Signature] (See Instructions on Reverse Side)

**RECEIVED**  
**APR 05 2012**  
**DIV. OF OIL, GAS & MINING**

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

FORM 9

|  |  |                                   |  |
|--|--|-----------------------------------|--|
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| 1. TYPE OF WELL<br>OIL WELL <input checked="" type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER _____  |  |                                   | 7. UNIT or CA AGREEMENT NAME<br>VR491-84671C       |
| 2. NAME OF OPERATOR<br>Homeland Gas & Oil Inc.   |  |                                   | 8. WELL NAME and NUMBER<br>Dye Hall 2-21A1         |
| 3. ADDRESS OF OPERATOR<br>P.O. Box 1776  |  | CITY Roosevelt STATE UT ZIP 84066 | 9. API NUMBER<br>4301331163                        |
| 4. LOCATION OF WELL<br>FOOTAGES AT SURFACE 1500 FNL 1100 FEL   |  | PHONE NUMBER<br>(435) 722-2992    | 10. FIELD AND POOL OR WILDCAT<br>Altamont Bluebell |
| QTR/QTR. SECTION. TOWNSHIP, RANGE, MERIDIAN. SENE 21 1S 1W U   |  |                                   | COUNTY Duchesne STATE UTAH                         |

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|   | <input type="checkbox"/> ALTER CASING                   | <input type="checkbox"/> FRACTURE TREAT                   | <input type="checkbox"/> SIDETRACK TO REPAIR WELL       |
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|   | <input type="checkbox"/> CHANGE TO PREVIOUS PLANS       | <input type="checkbox"/> OPERATOR CHANGE                  | <input type="checkbox"/> TUBING REPAIR                  |
|   | <input type="checkbox"/> CHANGE TUBING                  | <input type="checkbox"/> PLUG AND ABANDON                 | <input type="checkbox"/> VENT OR FLARE                  |
|   | <input type="checkbox"/> CHANGE WELL NAME               | <input type="checkbox"/> PLUG BACK                        | <input type="checkbox"/> WATER DISPOSAL                 |
|   | <input type="checkbox"/> CHANGE WELL STATUS             | <input type="checkbox"/> PRODUCTION (START/RESUME)        | <input type="checkbox"/> WATER SHUT-OFF                 |
|   | <input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS | <input type="checkbox"/> RECLAMATION OF WELL SITE         | <input checked="" type="checkbox"/> OTHER <u>M.I.T.</u> |
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**COPY SENT TO OPERATOR**  
Date: 4-10-2012  
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NAME (PLEASE PRINT) Craig S. Phillips TITLE \_\_\_\_\_  
SIGNATURE Craig S. Phillips DATE 4-5-2012

(This space for State use only)

**APPROVED BY THE STATE OF UTAH DIVISION OF OIL, GAS, AND MINING**  
DATE: 4/9/2012  
BY: [Signature] (See Instructions on Reverse Side)

**RECEIVED**  
**APR 05 2012**  
**DIV. OF OIL, GAS & MINING**

UTAH DEPARTMENT OF NATURAL RESOURCES

Division of Oil, Gas & Mining

Oil and Gas Program

1594 West North Temple, Suite 1210, Box 145801

Salt Lake City, Utah 84114-5801

(801) 538-5340 Phone

(801) 359-3940 Fax

NOTICE OF VIOLATION
STATE OF UTAH
OIL AND GAS CONSERVATION ACT

\*\*\*\*\*

To the following operator:

Name: HOMELAND GAS AND OIL, INC.

- Well(s) or Site(s): 1.) BATES 9-1 API #: 43-013-30469
2.) REIMANN 10-1 43-013-30460
3.) DUSTIN 1 43-013-30122
4.) A RUST 2 43-013-30290
5.) GUSHER 2-17B1 43-013-30846
6.) RUST 3-22A4 43-013-31266
7.) C J HACKFORD 1-23 43-047-30279
8.) V MILES 1 43-013-30275
9.) WILKINS 1-24-A5 43-013-30320
10.) JOSIE 1A-3B5 43-013-30677
11.) DYE-HALL 2-21A1 43-013-31163
12.) FAUSET 1-26A1E 43-047-30821
13.) BROWN 3-2 43-013-30986

IS IW 21

Date and Time of Inspection/Violation: December 28, 2012

Mailing Address: Attn: Craig Phillips
P.O. BOX 1776
Roosevelt, UT 84066

Under the authority of the Utah Oil and Gas Conservation Act, Section 40-6 et. Seq., Utah Code Annotated, 1953, as amended, the undersigned authorized representative of the Division of Oil, Gas and Mining (Division) has conducted an inspection of the above described site and/or records on the above date and has found alleged violation(s) of the act, rules or permit conditions as described below.

Description of Violation(s):

Rule R649-3-36, Shut-in and Temporarily Abandoned Wells - According to Rule R649-3-36, the operator is required to supply the Division with reasons for extended SI/TA, the length of time for extended SI/TA and proof of well bore integrity for every well SI/TA over 12 consecutive months. After 5 years of continued SI/TA, the wells are to be plugged unless good cause is supplied to the Division for extended SI/TA in addition to the required information just mentioned.

Rule R649-3-4.3, Bonding - If the division finds that a well subject to this bonding rule is in violation of Rule R649-3-36, Shut-in and Temporarily Abandoned Wells, the division shall require a bond amount for the applicable well in the amount of actual plugging and site restoration costs.

Rule R649-3-4.4.1, Bonding - Within 30 days of notification by the division, the operator shall submit to the division an estimate of plugging and site restoration costs for division review and approval.

UTAH DEPARTMENT OF NATURAL RESOURCES

Division of Oil, Gas & Mining

Oil and Gas Program

1594 West North Temple, Suite 1210, Box 145801

Salt Lake City, Utah 84114-5801

(801) 538-5340 Phone

(801) 359-3940 Fax

The Division has initiated several contacts with Homeland Gas and Oil, Inc. (Homeland) requesting required documents and action per R649-3-36. All wells listed have previously been issued SI/TA Notices and Notices of Violation without the required work being accomplished or information submitted to bring these wells into compliance.

These wells are in violation of R-649-3-36 as listed above. The Division requires Homeland to put up full cost bonding for all wells in violation above per R649-3-4. It is also mandatory that Homeland submit all documentation as required by R649-3-36 concerning shut-in and temporarily abandoned wells.

**Immediate Action: For the wells subject to this notice, Homeland shall fulfill full cost bonding requirements for each well. Homeland shall also submit all information as required by R649-3-36 or plug and abandon or place the wells on production.**

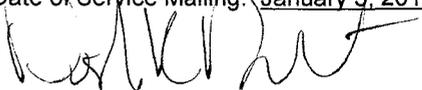
\* **Fines may be levied up to \$10,000.00 per day for every well in violation given the authority provided under U.C.A. 40-6-11, part 4.**

This notice shall remain in effect until it is modified, terminated, or vacated by a written notice of an authorized representative of the director of the Division of Oil, Gas and Mining. Failure to comply with this notice will result in the Division pursuing further actions against said operator. Further actions may include initiation of agency actions to order full cost bonding and plugging and abandonment of wells and requests for bond forfeiture and civil penalties.

**Compliance Deadline: February 8, 2013**

Date of Service Mailing: January 3, 2013

Certified Mail No: 7010 1670 0001 4810 3638



Division's Representative

Operator or Representative

(If presented in person)

cc: Compliance File  
Well Files

6/2005



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

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

IN THE MATTER OF:

Homeland Gas and Oil, Inc. operations at:

Bates 9-1 located at Sec. 9, T4S, R6W;  
Riemann 10-1 located at Sec. 10, T4S,  
R6W; Dustin 1 located at Sec. 22, T2S,  
R3W; A Rust 2 located at Sec. 22, T1S,  
R4W; Gusher 2-17B1 located at Sec. 17,  
T2S, R1W; Rust 3-22A4 located at Sec.  
22, T1S, R4W; V Miles 1 located at Sec.  
20, T1S, R4W; Josie 1A-3B5 located at  
Sec. 3, T2S, R5W; Wilkins 1-24A5  
located at Sec. 24, T1S, R5W; Dye-Hall  
2-21A1 located at Sec. 21, T1S, R1W;  
Brown 3-2 located at Sec. 3, T1S, R2W;  
CJ Hackford 1-23 located at Sec. 23, T1S,  
R1E; and Fausett 1-26A1E located at Sec.  
26, T1S, R1E.

43 013 31163

## NOTICE OF AGENCY ACTION

Case No. SI/TA 102

1. This Notice of Agency Action is to inform Homeland Gas and Oil, Inc. ("Homeland") that the Utah Division of Oil, Gas & Mining ("Division") is commencing an administrative adjudicative proceeding to consider appropriate action to be taken pursuant to Utah Admin. Code R649-3-36 for your failure to comply with a Notice of Violation ("NOV") issued January 3, 2013, for the following wells:



| Well Name        | API Number   | Location<br>Section TwN-Rng |       |
|------------------|--------------|-----------------------------|-------|
| Bates 9-1        | 43-013-30469 | 9                           | 4S-6W |
| Riemann 10-1     | 43-013-30460 | 10                          | 4S-6W |
| Dustin 1         | 43-013-30122 | 22                          | 2S-3W |
| A Rust 2         | 43-013-30290 | 22                          | 1S-4W |
| Gusher 2-17B1    | 43-013-30846 | 17                          | 2S-1W |
| Rust 3-22A4      | 43-013-31266 | 22                          | 1S-4W |
| V Miles 1        | 43-013-30275 | 20                          | 1S-4W |
| Josie 1A-3B5     | 43-013-30677 | 3                           | 2S-5W |
| Wilkins 1-24A5   | 43-013-30320 | 24                          | 1S-5W |
| Dye-Hall 2-21A1  | 43-013-31163 | 21                          | 1S-1W |
| Brown 3-2        | 43-013-30986 | 3                           | 1S-2W |
| CJ Hackford 1-23 | 43-047-30279 | 23                          | 1S-1E |
| Fausett 1-26A1E  | 43-047-30821 | 26                          | 1S-1E |

This Division action is an informal adjudicative proceeding and shall be conducted according to the provisions of Utah Code Ann. §§ 40-6-10, 63G-4-202, and 63G-4-203; and Utah Admin. Code R649-10 *et seq.*

2. The Division issued a NOV on January 3, 2013, compelling you to provide full cost bonding on all of the listed wells, and one of the following actions: 1) a written explanation for each well's status per the terms of Utah Admin. Code R649-3-36; 2) return each well to production; or 3) plug and abandon the wells. The NOV is attached as an exhibit to this Notice of Agency Action.

3. The purpose of this informal adjudication is to determine what action you are required to take in order to comply with R649-3-36, the Oil and Gas Conservation Act, and other applicable regulations. This informal adjudication also provides you an opportunity for

a hearing so that you may present evidence and testimony, if any, concerning your noncompliance with the NOV.

4. You are entitled to request a hearing to review the claims and recommendations in this Notice of Agency Action. The request for hearing **must be made in writing and received by the Division no later than 10 calendar days from the date of this Notice.** *See* Utah Admin. Code R649-10-3.2.1.6 and R649-10-4.1.2. Upon receiving a hearing request, the Division will schedule a date and time for the hearing. Failure to respond to this Notice within 10 calendar days to request a hearing may result in a Default Order being entered against you granting the relief recommended by the Division. *See* Utah Admin. Code R649-10-5.

5. Pursuant to Utah Admin. Code R649-10-2.9, the Director has designated Cameron Johnson, Assistant Attorney General, as the Presiding Officer in this matter. Clinton Dworshak, Compliance Manager, will represent the Division. Attendance at the hearing is required either in person, over the phone, or via written testimony. Failure to attend and participate in a scheduled hearing may result in a Default Order being entered against you granting the relief recommended by the Division. *See* Utah Admin. Code R649-10-5.

6. If you have any information, evidence, or statements that should be reviewed prior to the hearing, you should submit that information to the Division at the address noted below so that it may be considered and made a part of the record.

7. Upon request and to the extent permitted by law, the Division will provide you with any information or documents in its files relevant to this proceeding.

8. If after the hearing the Presiding Officer determines that you failed to adhere to the directives of the NOV, he may enter a Decision and Order requiring you to take additional actions, including, but not limited to: posting additional amounts of bonding, immediate plugging of the well, or other measures that are deemed to be appropriate under Utah Admin. Code R649-3-1 through -36.

9. To preserve the Division's ability to effectively manage the State's oil and gas resources, the Division is recommending the following actions:

- a. **Plugging Sundries for the 13 state or fee shut-in wells; and**
- b. **A plugging schedule for the wells shall be submitted to the Division by April 30, 2013.**

10. Following the hearing, and after considering all the evidence presented, the Presiding Officer will issue a written Decision and Order detailing the legal and factual rationale for the decision. The final Decision and Order may be appealed to the Board of Oil, Gas & Mining in accordance with the provisions of Utah Admin. Code R649-10-6.

11. All written communication concerning this Notice of Agency Action shall be identified by the case name and number set forth in the caption at the top of this Notice, and shall be directed to Jean Sweet, Division of Oil, Gas & Mining, P.O. Box 145801, Salt Lake City, Utah 84114-5801, phone: 801-538-5329, [jsweet@utah.gov](mailto:jsweet@utah.gov).

DATED this 12<sup>th</sup> day of March, 2013.



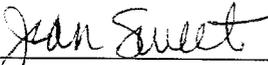
**Cameron Johnson**  
**Assistant Attorney General**  
**1594 West North Temple, Suite 300**  
**Salt Lake City, Utah 84101**  
**801.518.3988**  
**[cameronjohnson@utah.gov](mailto:cameronjohnson@utah.gov)**

**CERTIFICATE OF SERVICE**

The undersigned hereby certifies that on this 12<sup>th</sup> day of March, 2013, a true and correct copy of the foregoing **NOTICE OF AGENCY ACTION** was served via certified mail on the following person(s):

**Homeland Gas and Oil, Inc.**  
**Attn: Craig Phillips**  
**P.O. Box 1776**  
**Roosevelt, Utah 84066**

Certified Mail #7010 1670 0001 4810 3928

  
\_\_\_\_\_  
Jean Sweet  
Division of Oil, Gas & Mining

|  |  |   |
|--|--|---|
| <b>STATE OF UTAH</b><br>DEPARTMENT OF NATURAL RESOURCES<br>DIVISION OF OIL, GAS, AND MINING  |  | <b>FORM 9</b>   |
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|  |  | <b>6. IF INDIAN, ALLOTTEE OR TRIBE NAME:</b>          |
| <b>1. TYPE OF WELL</b><br>Oil Well   |  | <b>7. UNIT or CA AGREEMENT NAME:</b>                  |
| <b>2. NAME OF OPERATOR:</b><br>HOMELAND GAS & OIL, INC.  |  | <b>8. WELL NAME and NUMBER:</b><br>DYE-HALL 2-21A1    |
| <b>3. ADDRESS OF OPERATOR:</b><br>P.O. Box 1776 , Roosevelt, UT, 84066   |  | <b>9. API NUMBER:</b><br>43013311630000               |
| <b>PHONE NUMBER:</b><br>435 722-2992 Ext   |  | <b>9. FIELD and POOL or WILDCAT:</b><br>BLUEBELL      |
| <b>4. LOCATION OF WELL</b><br><b>FOOTAGES AT SURFACE:</b><br>1500 FNL 1100 FEL<br><b>QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN:</b><br>Qtr/Qtr: SENE Section: 21 Township: 01.0S Range: 01.0W Meridian: U  |  | <b>COUNTY:</b><br>DUCHESNE                            |
|  |  | <b>STATE:</b><br>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<br>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<br>Date of Work Completion:<br>5/31/2013 | <input type="checkbox"/> CHANGE TO PREVIOUS PLANS      | <input type="checkbox"/> CHANGE TUBING                  | <input type="checkbox"/> CHANGE WELL NAME               |
| <input type="checkbox"/> SPUD REPORT<br>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<br>Report Date:                                       | <input type="checkbox"/> DEEPEN                        | <input type="checkbox"/> FRACTURE TREAT                 | <input type="checkbox"/> NEW CONSTRUCTION               |
|  | <input type="checkbox"/> OPERATOR CHANGE               | <input type="checkbox"/> PLUG AND ABANDON               | <input type="checkbox"/> PLUG BACK                      |
|  | <input type="checkbox"/> PRODUCTION START 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 checked="" type="checkbox"/> OTHER               | OTHER: <input type="text"/>                             |

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

TBG PSI 650 CSG PSI 650

**Accepted by the  
Utah Division of  
Oil, Gas and Mining  
FOR RECORD ONLY  
June 19, 2013**

|   |                                     |                         |
|---|-------------------------------------|-------------------------|
| <b>NAME (PLEASE PRINT)</b><br>Craig S. Phillips | <b>PHONE NUMBER</b><br>435 722-2992 | <b>TITLE</b><br>Manager |
| <b>SIGNATURE</b><br>N/A                         | <b>DATE</b><br>6/3/2013             |                         |

Division of Oil, Gas and Mining  
**OPERATOR CHANGE WORKSHEET (for state use only)**

**ROUTING**  
 CDW

**X - Change of Operator (Well Sold)**

Operator Name Change/Merger

The operator of the well(s) listed below has changed, effective:

**6/28/2013**

**FROM:** (Old Operator):  
 N3130- Homeland Gas & Oil, Inc  
 PO Box 1776  
 Roosevelt, UT 84066  
 Phone: 1 (435)-722-2992

**TO:** ( New Operator):  
 N3880- Tiger Energy Operating LLC  
 22287 Mulholland Hwy #350  
 Calabasas, CA 91302  
 Phone: 1 (424) 274-4655

**CA No.**

**Unit:**

| WELL NAME       | SEC | TWN  | RNG  | API NO     | ENTITY NO | LEASE TYPE | WELL TYPE | WELL STATUS |
|-----------------|-----|------|------|------------|-----------|------------|-----------|-------------|
| DYE-HALL 2-21A1 | 21  | 010S | 010W | 4301331163 | 10713     | Fee        | OW        | S           |

**OPERATOR CHANGES DOCUMENTATION**

Enter date after each listed item is completed

- (R649-8-10) Sundry or legal documentation was received from the **FORMER** operator on: 7/8/2013
- (R649-8-10) Sundry or legal documentation was received from the **NEW** operator on: 7/10/2013
- The new company was checked on the **Department of Commerce, Division of Corporations Database** on: 7/10/2013
- 4a. Is the new operator registered in the State of Utah: Y Business Number: 8418485-0161
- 5a. (R649-9-2)Waste Management Plan has been received on: Not Yet
- 5b. Inspections of LA PA state/fee well sites complete on: N/A
- 5c. Reports current for Production/Disposition & Sundries on: 7/10/2013
- Federal and Indian Lease Wells:** The BLM and or the BIA has approved the merger, name change, or operator change for all wells listed on Federal or Indian leases on: BLM N/A BIA N/A
- Federal and Indian Units:**  
 The BLM or BIA has approved the successor of unit operator for wells listed on: N/A
- Federal and Indian Communization Agreements ("CA"):**  
 The BLM or BIA has approved the operator for all wells listed within a CA on: N/A
- Underground Injection Control ("UIC")** Division has approved UIC Form 5 Transfer of Authority to **Inject**, for the enhanced/secondary recovery unit/project for the water disposal well(s) listed on: N/A

**DATA ENTRY:**

- Changes entered in the **Oil and Gas Database** on: 7/10/2013
- Changes have been entered on the **Monthly Operator Change Spread Sheet** on: 7/10/2013
- Bond information entered in RBDMS on: 6/20/2013
- Fee/State wells attached to bond in RBDMS on: 7/11/2013
- Injection Projects to new operator in RBDMS on: N/A
- Receipt of Acceptance of Drilling Procedures for APD/New on: N/A

**BOND VERIFICATION:**

- Federal well(s) covered by Bond Number: N/A
- Indian well(s) covered by Bond Number: N/A
- 3a. (R649-3-1) The **NEW** operator of any state/fee well(s) listed covered by Bond Number RLB0015170
- 3b. The **FORMER** operator has requested a release of liability from their bond on: Not Yet. See Stipulated Order, Case No. SI/TA-102.

**LEASE INTEREST OWNER NOTIFICATION:**

- (R649-2-10) The **NEW** operator of the fee wells has been contacted and informed by a letter from the Division of their responsibility to notify all interest owners of this change on: 7/10/2013

**COMMENTS:**

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

FORM 9

|  |  |   |
|--|--|---|
| <b>SUNDRY NOTICES AND REPORTS ON WELLS</b>   |  | 5 LEASE DESIGNATION AND SERIAL NUMBER:<br>Fee |
|  |  | 6 IF INDIAN, ALLOTTEE OR TRIBE NAME           |
| 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. |  | 7 UNIT or CA AGREEMENT NAME:<br>VR491-84671C  |
| 1 TYPE OF WELL<br>OIL WELL <input checked="" type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER _____   | 8 WELL NAME and NUMBER:<br>Dye Hall 2-21A1 |   |
| 2 NAME OF OPERATOR:<br>Homeland Gas & Oil LTD <b>N3130</b>   |  | 9 API NUMBER:<br>4301331163                   |
| 3 ADDRESS OF OPERATOR:<br>PO BOX 1776 Roosevelt UT 84066   | PHONE NUMBER:<br>(435) 722-2992            | 10 FIELD AND POOL, OR WMLDCAT:<br>Bluebell    |
| 4 LOCATION OF WELL<br>FOOTAGES AT SURFACE: 1,500' FNL & 1,100' FEL<br>COUNTY: Duchesne<br>QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: SENE 21 1S 1W U<br>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<br>(Submit in Duplicate)<br>Approximate date work will start:<br><u>6/28/2013</u> | <input type="checkbox"/> ACIDIZE                        | <input type="checkbox"/> DEEPEN                           | <input type="checkbox"/> REPERFORATE CURRENT FORMATION |
| <input type="checkbox"/> SUBSEQUENT REPORT<br>(Submit Original Form Only)<br>Date of work completion: _____                            | <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 checked="" type="checkbox"/> OPERATOR CHANGE       | <input type="checkbox"/> TUBING REPAIR                 |
|  | <input type="checkbox"/> CHANGE TUBING                  | <input type="checkbox"/> PLUG AND ABANDON                 | <input type="checkbox"/> VENT OR FLARE                 |
|  | <input type="checkbox"/> CHANGE WELL NAME               | <input type="checkbox"/> PLUG BACK                        | <input type="checkbox"/> WATER DISPOSAL                |
|  | <input type="checkbox"/> CHANGE WELL STATUS             | <input type="checkbox"/> PRODUCTION (START/RESUME)        | <input type="checkbox"/> WATER SHUT-OFF                |
|  | <input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS | <input type="checkbox"/> RECLAMATION OF WELL SITE         | <input type="checkbox"/> OTHER: _____                  |
|  | <input type="checkbox"/> CONVERT WELL TYPE              | <input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION |  |

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

Effective 06/28/2013 Operation of this well was taken over by:

Tiger Energy Operating LLC,  
22287 Mulholland Hwy 350  
Calabasas Ca. 91302

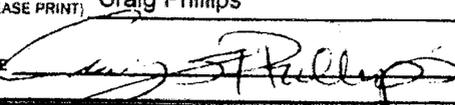
The previous operator was: Homeland Gas & Oil INC.

PO Box 1776  
Roosevelt UT 84066

Effective 06/28/2013 Tiger Energy Operating LLC. is responsible for all operations and bonding.

Please remove Homeland Gas & Oil's bond from this well

RECEIVED  
JUL 08 2013  
Div. of Oil, Gas & Mining

|   |                         |
|---|-------------------------|
| NAME (PLEASE PRINT) <u>Craig Phillips</u>   | TITLE <u>Operations</u> |
| SIGNATURE  | DATE <u>6/28/2013</u>   |

(This space for State use only) **APPROVED**

JUL 10 2013

(5/2000)

DIV. OIL GAS & MINING (See Instructions on Reverse Side)  
BY: Zeke Clements for Rachel Medina

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

FORM 9

**SUNDRY NOTICES AND REPORTS ON WELLS**

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

|   |  |  |
|---|--|--|
| 1. TYPE OF WELL<br>OIL WELL <input checked="" type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER _____                   |  | 5. LEASE DESIGNATION AND SERIAL NUMBER:<br>FEE |
| 2. NAME OF OPERATOR:<br>TIGER ENERGY OPERATING LLC  |  | 6. IF INDIAN, ALLOTTEE OR TRIBE NAME:          |
| 3. ADDRESS OF OPERATOR:<br>22287 MULHOLLAND HWY #350, CALABASAS, CA 91302   |  | 7. UNIT or CA AGREEMENT NAME:                  |
| 4. LOCATION OF WELL<br>FOOTAGES AT SURFACE: 1500 FML 1100 FEL<br>QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: SENE 21 O1S O1W U |  | 8. WELL NAME and NUMBER:<br>DYE-HALL 2-21A1    |
| PHONE NUMBER: 424-274-4655  |  | 9. API NUMBER:<br>43013311630000               |
|   |  | 10. FIELD AND POOL, OR WILDCAT:<br>BLUEBELL    |
|   |  | COUNTY: DUCHESNE                               |
|   |  | 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<br>(Submit in Duplicate)<br>Approximate date work will start: _____ | <input type="checkbox"/> ACIDIZE                        | <input type="checkbox"/> DEEPEN                           | <input type="checkbox"/> REPERFORATE CURRENT FORMATION |
| <input type="checkbox"/> SUBSEQUENT REPORT<br>(Submit Original Form Only)<br>Date of work completion: _____   | <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 checked="" type="checkbox"/> OPERATOR CHANGE       | <input type="checkbox"/> TUBING REPAIR                 |
|   | <input type="checkbox"/> CHANGE TUBING                  | <input type="checkbox"/> PLUG AND ABANDON                 | <input type="checkbox"/> VENT OR FLARE                 |
|   | <input type="checkbox"/> CHANGE WELL NAME               | <input type="checkbox"/> PLUG BACK                        | <input type="checkbox"/> WATER DISPOSAL                |
|   | <input type="checkbox"/> CHANGE WELL STATUS             | <input type="checkbox"/> PRODUCTION (START/RESUME)        | <input type="checkbox"/> WATER SHUT-OFF                |
|   | <input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS | <input type="checkbox"/> RECLAMATION OF WELL SITE         | <input type="checkbox"/> OTHER: _____                  |
|   | <input type="checkbox"/> CONVERT WELL TYPE              | <input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION |  |

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc. **RLB0015170**  
EFFECTIVE 06/28/2013 OPERATION OF THIS WELL WAS TAKEN OVER BY:

TIGER ENERGY OPERATING LLC  
22287 MULHOLLAND HWY #350  
CALABASAS, CA 91302

THE PREVIOUS OPERATOR WAS: HOMELAND GAS & OIL INC.  
PO BOX 1776  
ROOSEVELT, UT 84066

EFFECTIVE 06/28/2013 TIGER ENERGY OPERATING LLC IS RESPONSIBLE FOR ALL OPERATIONS AND BONDING. PLEASE REMOVE THE DYE HALL 2-21A1 WELL FROM HOMELAND'S BOND.

RECEIVED  
JUL 10 2013  
Div. of Oil, Gas & Mining

NAME (PLEASE PRINT) KEVIN SYLLA TITLE MANAGER  
SIGNATURE [Signature] DATE 10, JULY 2013

(This space for State use only) **APPROVED**

JUL 10 2013

DIV. OIL GAS & MINING  
BY: Zeke Clements for Rachel Medina



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

July 10, 2013

Kevin Sylla  
Tiger Energy Operating LLC  
22287 Mulholland Hwy #350  
Calabasas, CA 91302

SUBJECT: Notification of Sales or Transfer of Fee Lease Interest

Dear Kevin Sylla:

The Division of Oil, Gas and Mining has received notification of an operator change from Homeland Gas & Oil Inc to Tiger Energy Operating LLC for the Dye-Hall 2-21A1 well (API No. 4301331163), which is located on fee lease.

Utah Administrative Rule R649-2-10 states: the owner of a lease shall provide notification to any person with an interest in such lease, when all or part of that interest in the lease is sold or transferred.

This letter is written to advise Tiger Energy Operating LLC of its responsibility to notify all individuals with an interest in this lease (royalty interest and working interest) of the change of operator. Please provide written documentation of this notification to:

Utah Royalty Owners Association  
Box 1292  
Roosevelt, UT 84066

Your assistance in this matter is appreciated.

Sincerely,

For Rachel Medina  
Bonding Technician

cc: Utah Royalty Owners Association  
Homeland Gas & Oil Inc



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

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IN THE MATTER OF:

Homeland Gas and Oil, Inc. operations at:

Bates 9-1 located at Sec. 9, T4S, R6W;  
Riemann 10-1 located at Sec. 10, T4S,  
R6W; Dustin 1 located at Sec. 22, T2S,  
R3W; A Rust 2 located at Sec. 22, T1S,  
R4W; Gusher 2-17B1 located at Sec. 17,  
T2S, R1W; Rust 3-22A4 located at Sec.  
22, T1S, R4W; V Miles 1 located at Sec.  
20, T1S, R4W; Josie 1A-3B5 located at  
Sec. 3, T2S, R5W; Wilkins 1-24A5  
located at Sec. 24, T1S, R5W; Dye-Hall  
2-21A1 located at Sec. 21, T1S, R1W;  
Brown 3-2 located at Sec. 3, T1S, R2W;  
CJ Hackford 1-23 located at Sec. 23, T1S,  
R1E; and Fausett 1-26A1E located at Sec.  
26, T1S, R1E.

**STIPULATED ORDER**

Case No. SI/TA-102

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**INTRODUCTION**

On March 12, 2013, the Utah Division of Oil, Gas and Mining ("**Division**" or "**DOGM**") issued a Notice of Agency Action ("**NOAA**") to Homeland Gas and Oil, Inc. ("**Homeland**" or "**Respondent**"), commencing an administrative adjudicative proceeding to consider appropriate action to be taken pursuant to Utah Admin. Code R649-3-36 for failure to comply with a Notice of Violation ("**NOV**") for the following wells (the "**Subject Wells**"):

| Well Name        | API Number   | Location<br>Section TwN-Rng |       |
|------------------|--------------|-----------------------------|-------|
| Bates 9-1        | 43-013-30469 | 9                           | 4S-6W |
| Riemann 10-1     | 43-013-30460 | 10                          | 4S-6W |
| Dustin 1         | 43-013-30122 | 22                          | 2S-3W |
| A Rust 2         | 43-013-30290 | 22                          | 1S-4W |
| Gusher 2-17B1    | 43-013-30846 | 17                          | 2S-1W |
| Rust 3-22A4      | 43-013-31266 | 22                          | 1S-4W |
| V Miles 1        | 43-013-30275 | 20                          | 1S-4W |
| Josie 1A-3B5     | 43-013-30677 | 3                           | 2S-5W |
| Wilkins 1-24A5   | 43-013-30320 | 24                          | 1S-5W |
| Dye-Hall 2-21A1  | 43-013-31163 | 21                          | 1S-1W |
| Brown 3-2        | 43-013-30986 | 3                           | 1S-2W |
| CJ Hackford 1-23 | 43-047-30279 | 23                          | 1S-1E |
| Fausett 1-26A1E  | 43-047-30821 | 26                          | 1S-1E |

Pursuant to Utah Admin. Code R649-10-3, the Division designated Cameron Johnson, Assistant Attorney General, as the Presiding Officer in this matter.

On March 15, 2013, Homeland requested a hearing. Homeland indicated it was “under a Confidentiality Agreement with Tiger Energy Partners International Corporation [“Tiger”]” regarding the wells, and that Tiger was “the 100% legal owner of said wellbores with exceptions to the Brown 3-2 well which Homeland remains as Operator.”

A hearing was held on April 3, 2013 at the Utah Department of Natural Resources building in Salt Lake City, Utah. The Division, Homeland, and Tiger were present at the hearing. Clint Dworshak, Dustin Doucet, John Rogers, and Randy Thackeray participated on behalf of the Division, Craig Phillips participated on behalf of Homeland, and Kevin Sylla and John Adamson participated on behalf of Tiger. The Division was represented by Cassidy J. Wallin, Assistant

Attorney General; Tiger was represented by Charles R. Cox; and Homeland was unrepresented by counsel.

During the hearing, it was discovered that the status of the mineral interest in four (4) of the Subject Wells was in question. Two (2) wells—the Bates 9-1 and the Reimann 10-1—were the subject of inquiry from another oil and gas operator in the Uintah Basin area. Two (2) additional wells—the Josie 1A-3B5 and the Wilkins 1-24A5—were part of a separate proceeding in the Eighth Judicial District Court in and for Uintah County. Because of the uncertainty regarding mineral ownership in the lands where these wells are located which may preclude production from those four (4) wells, the Presiding Officer agreed to withhold determination with respect to those wells until April 25, 2013.

On April 25, 2013, the parties reconvened at the Utah Department of Natural Resources building in Salt Lake City, Utah. The Division, Homeland, and Tiger were present at the hearing. Clint Dworshak, Dustin Doucet, John Rogers, and Randy Thackeray participated on behalf of the Division, Craig Phillips participated on behalf of Homeland, and Kevin Sylla and John Adamson participated on behalf of Tiger. The Division was represented by Cassidy J. Wallin, Assistant Attorney General; Tiger was represented by Charles R. Cox; and Homeland was unrepresented by counsel. The parties came to an agreement during the course of the hearing, which agreement is reflected in this Stipulated Order. The purpose of this Stipulated Order is to resolve which of the parties is responsible for the Subject Wells, and what will be done by each party to place on production or plug each of the wells.

#### **FINDINGS OF FACT**

The parties stipulate to the following facts:

1. Homeland currently owns each of the Subject Wells.

2. Each of the Subject Wells has been shut-in, inactive, and nonproductive for a period of at least five (5) years.

3. Due to its financial state, Homeland is unable to presently develop the Subject Wells.

4. With respect to four (4) of the Subject Wells—the Bates 9-1, the Reimann 10-1, the Josie 1A-3B5, and the Wilkins 1-24A5—mineral ownership is uncertain.

5. Homeland has entered into an agreement with Tiger in which Tiger would replace Homeland as the owner of the Subject Wells and would have responsibility to further develop or plug each of the Subject Wells.

6. For ownership in any of the Subject Wells to effectively transfer to Tiger, an operator change must be approved by the Division. An operator change requires the new owner to post appropriate bonding.

7. Tiger has represented that if it becomes the owner of any of the Subject Wells, Tiger will employ recently-advanced well stimulation technology to increase the likelihood of the Subject Wells being placed on production.

8. Tiger has also represented that if it becomes the owner of any of the Subject Wells, and the well is not placed on production, Tiger will bear the responsibility of plugging the well according to the Division's specifications.

9. Homeland has represented that Homeland bears responsibility for plugging any of the Subject Wells according to the Division's specifications if such wells remain unacquired by Tiger.

## SOURCES OF LEGAL AUTHORITY

Utah Admin. Code R649-3-36.3 provides that “[a]fter five (5) years of nonactivity or nonproductivity, [a] well shall be plugged in accordance with R649-3-24, unless approval for extended shut-in time is given by the Division upon a showing of good cause by the operator.”<sup>1</sup>

Utah Admin. Code R649-3-1.1 provides that “[a]n owner or operator shall furnish a bond to the division prior to approval of a permit to drill a new well, reenter an abandoned well or assume responsibility as operator of existing wells.”

Utah Admin. Code R649-3-1.1.1 provides that “[a]n owner or operator shall furnish a bond to the division on Form 4, for wells located on lands with fee or privately owned minerals.”

Utah Admin. Code R649-3-1.5.4 provides that “[f]or wells of more than 10,000 feet in depth, an individual well bond in the amount of at least \$60,000 for each such well” shall be required.

Utah Admin. Code R649-3-1.6.1 provides that “[a] blanket bond shall be conditioned in a manner similar to individual well bonds and shall cover all wells that the operator may drill or operate on lands with fee or privately owned minerals within the state.”

Utah Admin. Code R649-3-1.6.3 provides that “[f]or wells of more than 1,000 feet in depth, a blanket bond in the amount of at least \$120,000 shall be required.”

Utah Admin. Code R649-3-1.6.4.1 provides that “[o]perators who elect to establish a surety bond as a blanket bond shall not require qualification by the division.”

Utah Admin. Code R649-3-1.14.4 provides that “[t]ransfer of the ownership of property does not cancel liability under an existing bond until the division reviews *and approves* a change of operator for any wells affected by the transfer of ownership.” (emphasis added).

---

<sup>1</sup> “Good cause” is not defined by the Division’s administrative rules

Utah Admin. Code R649-3-1.15 sets forth the requirements for a transfer of well ownership. One of those requirements is that the new operator has adequate bond coverage. *See* Utah Admin. Code R649-3-1.14.5.4.

#### CONCLUSIONS OF LAW

1. Because each of the Subject Wells has been shut-in, inactive, and nonproductive for a period of at least five (5) years, the Presiding Officer concludes that the Subject Wells are required to “be plugged in accordance with R649-3-24, unless approval for extended shut-in time is given by the Division upon a showing of good cause by [Homeland].”

2. The Presiding Officer concludes that the following factors contribute to a showing of “good cause” for extended shut-in time of the Subject Wells:

- a. Homeland and Tiger have entered into an agreement to transfer ownership of the Subject Wells to Tiger;
- b. Homeland represented that it is financially unable to further develop the Subject Wells;
- c. Homeland represented that it will plug any of the Subject Wells that remain unacquired by Tiger;
- d. Tiger represented that it is financially capable and intends to employ recently advanced well stimulation technology that may greatly increase the likelihood of the Subject Wells being placed on production;
- e. Tiger agreed to the Production and Plugging Schedule as set forth below
- f. Tiger represented that it will plug any of the Subject Wells that are transferred to Tiger but are not placed on production;

- g. Tiger represented that it is ready and able to post appropriate bonding as part of the process of taking ownership of the Subject Wells; and
- h. Tiger agreed to maintain the site of each of the Subject Wells in a clean and orderly state by sending cleaning crews, if necessary, to the sites to remove trash and other debris that may be present at the location.
- i. Homeland agreed to provide tubing, casing, and bradenhead pressures to the Division for each of the Subject Wells for the purpose of showing wellbore integrity until Tiger becomes operator of the well(s).

### **ORDER**

Based on the foregoing findings of fact, sources of legal authority, and conclusions of law, and pursuant to Utah Admin. Code R649-3-36 and R649-10-5:

1. The Division shall approve extended shut-in time of the Subject Wells provided the following requirements are fulfilled:
  - a. An initial change of operator form shall be submitted to the Division not later than June 3, 2013;
  - b. The initial change of operator form shall comply with the requirements set forth in Utah Admin. Code R649-3-1.14.5 through R649-3-1.14.5.5, specifically including at least one of the Subject Wells identified in this Stipulated Order, and specifically including evidence that Tiger's bond coverage is appropriate for the State of Utah. Tiger will sign the initial change of operator form as it verifies title to the oil and gas leasehold associated with the lands affected by the well(s) listed on the change of operator form;
  - c. Tiger shall provide evidence of adequate bonding no later than June 3, 2013;

- d. For any of the Subject Wells not listed on the initial change of operator form, a subsequent change of operator form shall be submitted to the Division at least thirty (30) days prior to commencing rework operations on any of the Subject Wells;
- e. Each subsequent change of operator form shall comply with the requirements set forth in Utah Admin. Code R649-3-1.14.5 through R649-3-1.14.5.5, specifically including at least one of the Subject Wells identified in this Stipulated Order, and specifically including evidence that Tiger's bond coverage is appropriate for the State of Utah. Tiger will sign a subsequent change of operator form as it verifies title to the oil and gas leasehold associated with the lands affected by the well(s) listed on the change of operator form; and
- f. On or before each of the following dates, and subject to the Division's approval of the change of operator, Tiger shall commence rework operations on at least one of the Subject Wells, and shall continue diligently with such operations until the well is either (a) placed on production or (b) plugged according to the Division's specifications (the "**Production and Plugging Schedule**"):
  - i. July 1, 2013
  - ii. August 15, 2013
  - iii. October 1, 2013
  - iv. November 15, 2013
  - v. January 1, 2014
  - vi. February 15, 2014
  - vii. April 1, 2014

- viii. May 15, 2014
- ix. July 1, 2014
- x. August 15, 2014
- xi. October 1, 2014
- xii. November 15, 2014

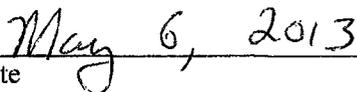
2. All of the Subject Wells shall be either placed on production or plugged according to the Division's specifications by November 15, 2014. The Production and Plugging Schedule may be modified for good cause, but any modification must be in writing and be signed by both the operator and the Division.
3. The Production and Plugging Schedule remains in effect even if a change of operator form lists more than one of the Subject Wells.
4. Upon issuance of a notice of approval of a change of operator form, Tiger shall become the legally recognized owner of the Subject Well(s) listed on the change of operator form and shall be obligated to place on production or plug such well(s) by the dates listed on the Production and Plugging Schedule.
5. In the event that ownership of the Subject Wells does not transfer to Tiger, Homeland shall be required to adhere to the Production and Plugging Schedule. If Homeland fails to adhere to the Production and Plugging Schedule, the Division may immediately seek forfeiture of any and all bond money in accordance with Utah Admin. Code R649-3-1.16 *et seq.* and may additionally recover from Homeland all costs of plugging and restoration incurred by the Division in excess of the amount forfeited.
6. Blanket bond coverage shall be considered appropriate bonding for Tiger for so long as the requirements of this Stipulated Order are fulfilled. Failure to fulfill any of the

requirements set forth in this Stipulated Order, including failure to sign or submit timely change of operator forms or failure to comply with the production or plugging deadlines stated in the Production and Plugging Schedule, may result in the Division requesting a depth bond, in addition to the blanket bond held by the Division, for any remaining individual well not already placed on production or plugged before the Division approves a change of operator.

7. Any bond amount posted by Tiger will not reduce or replace Homeland's current bond held by the Division. Homeland's current bond shall remain in full force and effect, and Homeland will remain obligated to plug the wells of which it remains as operator as ordered by the Division or as the result of an adjudicative proceeding.
8. On or before June 3, 2013, and on or before each of the dates listed in the Production and Plugging Schedule, Homeland shall gather updated tubing, casing, and bradenhead pressures for each well not yet acquired by Tiger and submit those results on Form 9 Sundry Notice and Reports to the Division. If readings indicate the well may be a risk to public health and safety or the environment, remedial action may be necessary.
9. Failure to comply with any of the terms of this Stipulated Order may result in the Division taking further action in accordance with Utah Admin. Code R649-3-1(16) and Utah Code Ann. § 40-6-11(3) through (5).

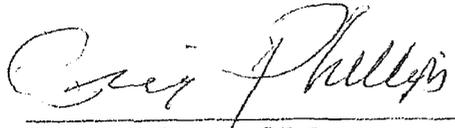
**SO STIPULATED:**

  
\_\_\_\_\_  
Utah Division of Oil, Gas and Mining  
By: John Rogers, Associate Director

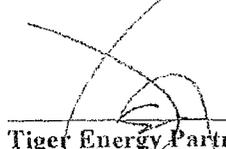
  
\_\_\_\_\_  
Date

  
Kassidy J. Wallin  
Attorney for the Division

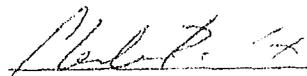
06 MAY 2013  
Date

  
Homeland Gas and Oil, Inc.  
By: Craig Phillips, President

6 MAY 2013  
Date

  
Tiger Energy Partners  
By: Kevin Sylla, Director

3, MAY 13  
Date

  
Charles R. Cox  
Attorney for Tiger Energy Partners

May 3, 2013  
Date

**IT IS SO ORDERED:**

  
CAMERON B. JOHNSON  
PRESIDING OFFICER

May 6, 2013  
Date

### NOTICE

“A request for review of an order issued by the division shall be filed with the secretary to the Board within 30 days of the issuance of the order and: 1.1. Be signed by the party seeking review. 1.2. State the grounds for review and the relief requested. 1.3. State the date upon which it was mailed. 1.4. Be sent by mail to the presiding officer and to each party.” Utah Admin. Code R649-10-6.1.” The secretary to the Board of Oil, Gas and Mining is Julie Ann Carter, Utah Division of Oil, Gas, and Mining, 1594 West North Temple, Suite 1210, PO Box 145801, Salt Lake City, UT 84114, [juliecarter@utah.gov](mailto:juliecarter@utah.gov).



GARY R. HERBERT  
Governor

SPENCER J. COX  
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

June 2, 2014

Charles Cox via FedEx  
Attorney  
1432 South Carson Avenue  
Tulsa, OK 74119

Kevin Sylla, Managing Director via FedEx  
Tiger Energy Partners  
6400 Canoga Ave., Suite 360  
Woodland Hills, CA 91367

Craig Phillips, President via FedEx  
Homeland Gas & Oil  
P.O. Box 1776  
Roosevelt, Utah 84066

43 013 31163  
Dye-Hall 2-21A1  
IS IW ZI

## DIVISION ORDER

**Subject: Stipulated Order in Cause No. SI/TA-102**

Dear Sirs,

In May 2013, Tiger Energy Partners (“Tiger”), Homeland Gas and Oil, Inc. (“Homeland”), and the Utah Division of Oil, Gas and Mining (“Division”) entered into a Stipulated Order. The Stipulated Order included a “Production and Plugging Schedule” requiring either Tiger or Homeland to begin rework operations to either place on production or plug at least one of the twelve (12) Subject Wells<sup>1</sup> starting July 1, 2013. Our understanding was that once a rig was on a well, it would remain until the well was capable of production or properly plugged and then would move to the next Subject Well. The schedule also required commencement of rework operations at a new Subject Well every forty-five (45) days thereafter.

Homeland has transferred six (6) of the Subject Wells (Dye-Hall 2-21A1, Gusher 2-17B1, Rust 3-22A4, Dustin 1, Rust 3-22A4 and V Miles 1) to Tiger over the past year. The Division initially understood Tiger’s need for additional time to acquire sufficient mineral leases in the subject drilling units before beginning rework operations on any of the transferred wells. However, while the Division allowed Tiger the flexibility to acquire mineral leases, to date, Tiger has only done rework operations on one of the Subject Wells (the Gusher 2-17B1 well during April of this year). Tiger submitted a sundry dated April 25, 2014 stating the Gusher 2-17B1 well was capable of producing in paying quantities and awaiting the arrival of a more economic work over unit to remove a stuck packer. To the Divisions’ knowledge the work-over rig used on the Gusher 2-17B1 was not moved to another Subject Well, as contemplated by the Stipulated Order.

The Division asked that Tiger keep the Division informed with regular updates to show they were actively and continuously working to improve their lease position. The Division also requested

<sup>1</sup> Bates9-1, Reimann 10-1, Dustin 1, A Rust 2, Gusher 2-17B1, Rust 3-22A4, V Miles 1, Josie 1A-3B5, Wilkins 1-24A5, Dye-Hall 2-21A1, C J Hackford 1-23, Fausett 1-26A1E



Tiger provide a list of which, if any, wells they would not have Homeland transfer. Tiger never submitted land updates or a list of wells that would not be transferred.

The Division sent a letter dated December 10, 2013 reminding Tiger of its obligation to commence rework operations on these wells and the Division would reevaluate depth bonding for the wells after the first of the year. In response, Tiger transferred additional wells in order to attempt to comply with the Production and Plugging Schedule through February 15, 2014. Since December, however, Tiger has not transferred any additional wells in order to meet the April 1, 2014 or the May 15, 2014 dates on the Production and Plugging Schedule.

**Therefore, Tiger must provide individual depth bonding for the six (6) subject wells it operates (Dye-Hall 2-21A1, Gusher 2-17B1, Rust 3-22A4, Dustin 1, Rust 3-22A4 and V Miles 1) by June 30, 2014. Depth bonding for the six (6) wells is \$360,000 total. Since Tiger currently has a \$120,000 bond with the State, an additional \$240,000 is required at this time. If Tiger attempts to transfer additional Subject Wells from Homeland, such transfer must be accompanied by a \$60,000 individual well bond for each well and must comply with the Production and Plugging Schedule as set forth in the Stipulated Order.**

**Additionally, by June 13, 2014, Homeland must identify at least two wells on which it will immediately commence rework operations to either produce or plug in order to comply with the April 1, 2014 and the May 15, 2014 dates as set forth in the Production and Plugging Schedule. Unless additional wells are transferred to Tiger, Homeland will be responsible to comply with the remaining dates on the Production and Plugging Schedule. If Tiger desires to transfer wells to comply with those dates, it must notify the Division by June 13, 2014 and must accompany the transfer request with a \$60,000 individual well bond for each well.**

Tiger or Homeland may appeal this Division Order by filing with the Board of Oil, Gas and Mining a request for review according to procedures set forth in R649-10-6. A request for review must be filed with the Secretary to the Board, Julie Ann Carter (801) 538-5277, within 30 days of issuance of this Order.

In the event Tiger or Homeland does not respond to this Order within 30 days of receipt, the Division may file for a formal hearing before the Board of Oil, Gas and Mining, as described in the Utah Administrative Code R641, requesting a Board Order to plug and restore the well sites. Should this matter be brought before the Board, the Division will seek bond forfeiture (R649-3-1.16) and liability for plugging costs in excess of bond forfeiture amounts (R649-3-1-4).

Questions regarding this order may be directed to Clinton Dworshak, Compliance Manager at (801) 538-5280 or Dustin Doucet, Engineer, at (801) 538-5281.

Sincerely,



Clinton Dworshak  
Compliance Manager

CLD/js

cc: John Rogers, Associate Director Oil & Gas  
Kass Wallin, Attorney General  
Dustin Doucet, Petroleum Engineer  
Elizabeth A. Schulte, Parsons, Behle & Latimer  
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|  |  |
|--|--|
| <b>STATE OF UTAH</b><br>DEPARTMENT OF NATURAL RESOURCES<br>DIVISION OF OIL, GAS, AND MINING  | <b>FORM 9</b>                                  |
| <b>SUNDRY NOTICES AND REPORTS ON WELLS</b><br><br>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. | 5. LEASE DESIGNATION AND SERIAL NUMBER:<br>FEE |
|  | 6. IF INDIAN, ALLOTTEE OR TRIBE NAME:          |
|  | 7. UNIT or CA AGREEMENT NAME:                  |
| 1. TYPE OF WELL<br>Oil Well  | 8. WELL NAME and NUMBER:<br>DYE-HALL 2-21A1    |
| 2. NAME OF OPERATOR:<br>TIGER ENERGY OPERATING, LLC  | 9. API NUMBER:<br>43013311630000               |
| 3. ADDRESS OF OPERATOR:<br>22287 Mulholland Hwy#350 , Calabasas, CA, 91302   | PHONE NUMBER:<br>888 328-9888 Ext              |
| 4. LOCATION OF WELL<br>FOOTAGES AT SURFACE:<br>1500 FNL 1100 FEL<br>QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN:<br>Qtr/Qtr: SENE Section: 21 Township: 01.0S Range: 01.0W Meridian: U   | 9. FIELD and POOL or WILDCAT:<br>BLUEBELL      |
|  | COUNTY:<br>DUCHESNE                            |
|  | STATE:<br>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<br>Approximate date work will start:<br><b>7/11/2015</b> | <input checked="" type="checkbox"/> ACIDIZE                       | <input type="checkbox"/> ALTER CASING                   | <input type="checkbox"/> CASING REPAIR                  |
| <input type="checkbox"/> SUBSEQUENT REPORT<br>Date of Work Completion:  | <input type="checkbox"/> CHANGE TO PREVIOUS PLANS                 | <input type="checkbox"/> CHANGE TUBING                  | <input type="checkbox"/> CHANGE WELL NAME               |
| <input type="checkbox"/> SPUD REPORT<br>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<br>Report Date:  | <input type="checkbox"/> DEEPEN                                   | <input type="checkbox"/> FRACTURE TREAT                 | <input type="checkbox"/> NEW CONSTRUCTION               |
|   | <input type="checkbox"/> OPERATOR CHANGE                          | <input type="checkbox"/> PLUG AND ABANDON               | <input type="checkbox"/> PLUG BACK                      |
|   | <input type="checkbox"/> PRODUCTION START OR RESUME               | <input type="checkbox"/> RECLAMATION OF WELL SITE       | <input type="checkbox"/> RECOMPLETE DIFFERENT FORMATION |
|   | <input checked="" 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 style="width: 100px;" type="text"/>       |

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

New perforations to be performed at the following depth ranges:  
 10194-10201' 10233-10240' Stimulation: 5000 gallons of 15% HCL 40  
 Balls

Approved by the  
 July 04, 2015  
 Oil, Gas and Mining

Date: \_\_\_\_\_  
 By:       *Derek Quist*      

|                                    |                              |                    |
|------------------------------------|------------------------------|--------------------|
| NAME (PLEASE PRINT)<br>Richard Liu | PHONE NUMBER<br>213 706-6755 | TITLE<br>Assistant |
| SIGNATURE<br>N/A                   | DATE<br>7/8/2015             |                    |



GARY R. HERBERT  
Governor

SPENCER J. COX  
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

July 9, 2015

Certified Mail 7014 2870 0001 4232 4559

## DIVISION ORDER

Mr. Kevin Sylla  
Tiger Energy Operating, LLC  
22287 Mullholland Hwy #350  
Calabasas, CA 91302

Subject: Order to bond and plug the A Rust 2, Rust 3-22A4, C J Hackford 1-23, V Miles 1, Dye-Hall 2-21A1, Wilkins 1-24A5, Josie 1A-3B5, and Fausett 1-26A1E wells

Dear Mr. Sylla:

21 IS IW

The following wells are in violation of Oil, and Gas Conservation General Rule R649-3-36 (Shut-in and Temporarily Abandoned Wells). The wells (Subject Wells) are:

| <u>Well Name</u>  | <u>API</u>   | <u>Completed</u> | <u>Years Shut-In</u> |
|-------------------|--------------|------------------|----------------------|
| A RUST 2          | 43-013-30290 | 9/3/1974         | 14 yrs. 11 mo.       |
| RUST 3-22A4       | 43-013-31266 | 5/17/1991        | 11 yrs. 1 mo.        |
| C J HACKFORD 1-23 | 43-047-30279 | 8/26/1977        | 11 yrs. 4 mo.        |
| V MILES 1         | 43-013-30275 | 4/10/1974        | 10 yrs. 10 mo.       |
| → DYE-HALL 2-21A1 | 43-013-31163 | 3/5/1987         | 7 yrs. 11 mo.        |
| WILKINS 1-24A5    | 43-013-30320 | 3/11/1975        | 8 yrs. 8 mo.         |
| JOSIE 1A-3B5      | 43-013-30677 | 12/10/1984       | 10 yrs.              |
| FAUSETT 1-26A1E   | 43-047-30821 | 4/25/1981        | 8 yrs. 2 mo.         |

Tiger Energy Operating, LLC and Tiger Energy Partners International LLC (collectively, Tiger) are the listed operator and bonding agent for these wells.

Although the Division agreed to withhold enforcement in the Modification to Stipulated Order, (MSO), because of Tiger's dilatory and inadequate efforts, the Division is exercising its discretion and requiring immediate action. In the modification, Tiger agreed to begin workover activities sequentially and eventually plug or produce wells. MSO, paragraphs 11 & 12. Tiger has not complied with the stipulated order. Tiger has failed to continue working-over wells in sequence. Tiger had ten wells to plug in sequence, and to date has plugged only two. When the Division agreed to enter into the stipulated order, it believed Tiger would act quickly and diligently to get ten wells plugged or producing. Furthermore, for at least the last six months, the Division has repeatedly asked for increased communication and timely action, and Tiger has been reluctant to give the Division information and has been dilatory in its actions. The progress over the last year has been inadequate and the Division now exercises its enforcement authority and the discretion discussed in paragraph 13 of the MSO.



Therefore, the Division hereby orders Tiger Energy Operating, LLC and Tiger Energy Partners International LLC, jointly and severally, to immediately plug the Subject Wells; post a \$60,000 bond for each of the Subject Wells, as Rule 649-3-1(5) requires (see Attachment A for details); and within thirty days (August 10, 2015), provide an estimate of plugging and site restoration contest for the Division's review and approval as Rule 649-3-1(4.4) requires.

As Tiger plugs the Subject Wells, it must adhere to the requirements under rule R649-3-24 and all other rules and regulations.

Per the MSO, Tiger and the Division have entered into an escrow agreement which was funded with a \$240,000 deposit. Tiger has plugged two wells (i.e., Dustin 1 and Gusher 2-17B1) but has not submitted proof of site restoration of those two wells. The Division will approve a withdrawal of up to \$60,000 per well from the escrow account upon receiving proof of restoration. The Division will release the remaining \$120,000 plus interest upon either the receipt of four \$60,000 bonds for the A Rust 2, Rust 3-22A4, V Miles 1, and Dye Hall2-21A1 wells or the plugging and site restoration of two of those four wells.

Tiger may appeal this Division Order by filing with the Board of Oil, Gas and Mining a request for review according to procedures set forth in Rule R649-10-6. A request for review of a Division Order must be filed with the secretary to the Board, Julie Ann Carter (801) 538-5277, within thirty (30) days of issuance of the order.

In the event Tiger does not comply with this Division Order, the Division will file for a formal hearing before the Board of Oil, Gas and Mining, as described in the Utah Administrative Code R641, requesting a Board Order to forfeit Tiger's current bond, and recovery of plugging and restoration costs in excess of bond forfeiture amounts.

Questions regarding this order may be directed to Dustin Doucet, Petroleum Engineer at (801) 538-5281 or John Rogers, Oil and Gas Associate Director at (801) 538-5349.

Sincerely,



John Rogers  
Oil and Gas Associate Director

Enclosure

cc: John Rogers, Oil and Gas Associate Director  
Steve F. Alder, Assistant Attorney General  
Douglas J. Crapo, Assistant Attorney General  
Elizabeth A. Schulte, Parsons Behle & Latimer  
Michael R. McCarthy, Parsons Behle & Latimer  
Compliance File  
Well File

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## Attachment A

| <u>Well Name</u>  | <u>API</u>   | <u>Well Depth</u> | <u>Bond</u>      |
|-------------------|--------------|-------------------|------------------|
| A RUST 2          | 43-013-30290 | 16467             | \$60,000         |
| RUST 3-22A4       | 43-013-31266 | 15775             | \$60,000         |
| C J HACKFORD 1-23 | 43-047-30279 | 13007             | \$60,000         |
| V MILES 1         | 43-013-30275 | 17092             | \$60,000         |
| DYE-HALL 2-21A1   | 43-013-31163 | 14000             | \$60,000         |
| WILKINS 1-24A5    | 43-013-30320 | 17020             | \$60,000         |
| JOSIE 1A-3B5      | 43-013-30677 | 15000             | \$60,000         |
| FAUSETT 1-26A1E   | 43-047-30821 | 12350             | <u>\$60,000</u>  |
|                   |              | <b>TOTAL</b>      | <b>\$480,000</b> |