

November 20, 2006

Fluid Minerals Group
Bureau of Land Management
Vernal Field Office
170 South 500 East
Vernal, Utah 84078

RE: Application for Permit to Drill - Petro-Canada Resources (USA), Inc.
Rye Patch Fed 24-44 - 657' FSL & 654' FEL, Lot 4 (SE/4 SE/4),
Section 24, T11S, R14E, SLB&M, Duchesne County, Utah

Dear Fluid Minerals Group:

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

Exhibit "A" - Survey plats, layouts and cross-section of the proposed well site;

Exhibit "B" - Photos of the proposed well site;

Exhibit "C" - Proposed location maps with access & pipeline corridor;

Exhibit "D" - Drilling Plan;

Exhibit "E" - Surface Use Plan;

Exhibit "F" - Typical BOP and Choke Manifold diagram.

Please accept this letter as Petro-Canada's, written request for confidential treatment of all information contained in and pertaining to this application.

Thank you very much for your timely consideration of this application. Please feel free to contact myself or Alan Vrooman of Petro-Canada at 303-350-1171 if you have any questions or need additional information.

Sincerely,

Don Hamilton
Don Hamilton
Agent for Petro-Canada

cc: Alan Vrooman, Petro-Canada
Carla Konopka, Petro-Canada
Diana Whiney, Division of Oil, Gas & Mining

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DIV. OF OIL, GAS & MINING

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UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL OR REENTER

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

5. Lease Serial No. UTU-084317	
6. If Indian, Allottee or Tribe Name N/A	
7. If Unit or CA Agreement, Name and No. N/A	
8. Lease Name and Well No. Rye Patch Fed 24-44	
9. API Well No. 43-013-33446	
10. Field and Pool, or Exploratory Wildcat	
11. Sec., T. R. M. or Blk. and Survey or Area Section 24, T11S, R14E, SLB&M	
12. County or Parish Duchesne	13. State UT
14. Distance in miles and direction from nearest town or post office* 27.39 miles southwest of Myton, Utah	
15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any) 654'	16. No. of acres in lease 1,159.93 acres
17. Spacing Unit dedicated to this well 40 acres	
18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft. 1,320'	19. Proposed Depth 11,500'
20. BLM/BIA Bond No. on file UT 1215	
21. Elevations (Show whether DF, KDB, RT, GL, etc.) 6,944' GR	22. Approximate date work will start* 05/01/2007
23. Estimated duration 35 days drilling 40 days completion	

24. Attachments

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

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

25. Signature <i>Don Hamilton</i>	Name (Printed/Typed) Don Hamilton	Date 11/20/2006
Title Agent for Petro-Canada Resources (USA), Inc.		
Approved by (Signature) <i>Bradley G. Hill</i>	Name (Printed/Typed) BRADLEY G. HILL	Date 11-29-06
Title Office ENVIRONMENTAL MANAGER		

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

Conditions of approval, if any, are attached.

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

*(Instructions on page 2)

Federal Approval of this
Action is Necessary

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T11S, R14E, S.L.B.&M.

PETRO-CANADA RESOURCES (USA), INC.

Well location, RYE PATCH #24-44, located as shown in Lot 4 of Section 24, T11S, R14E, S.L.B.&M., Duchesne County, Utah.

BASIS OF ELEVATION

SPOT ELEVATION LOCATED AT A ROAD INTERSECTION IN THE SE 1/4 OF SECTION 4, T11S, R15E, S.L.B.&M. TAKEN FROM THE GILSONITE DRAW QUADRANGLE, UTAH, DUCHESNE COUNTY, 7.5 MINUTE QUAD. (TOPOGRAPHIC MAP) PUBLISHED BY THE UNITED STATES DEPARTMENT OF THE INTERIOR, GEOLOGICAL SURVEY. SAID ELEVATION IS MARKED AS BEING 7309 FEET.

BASIS OF BEARINGS

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



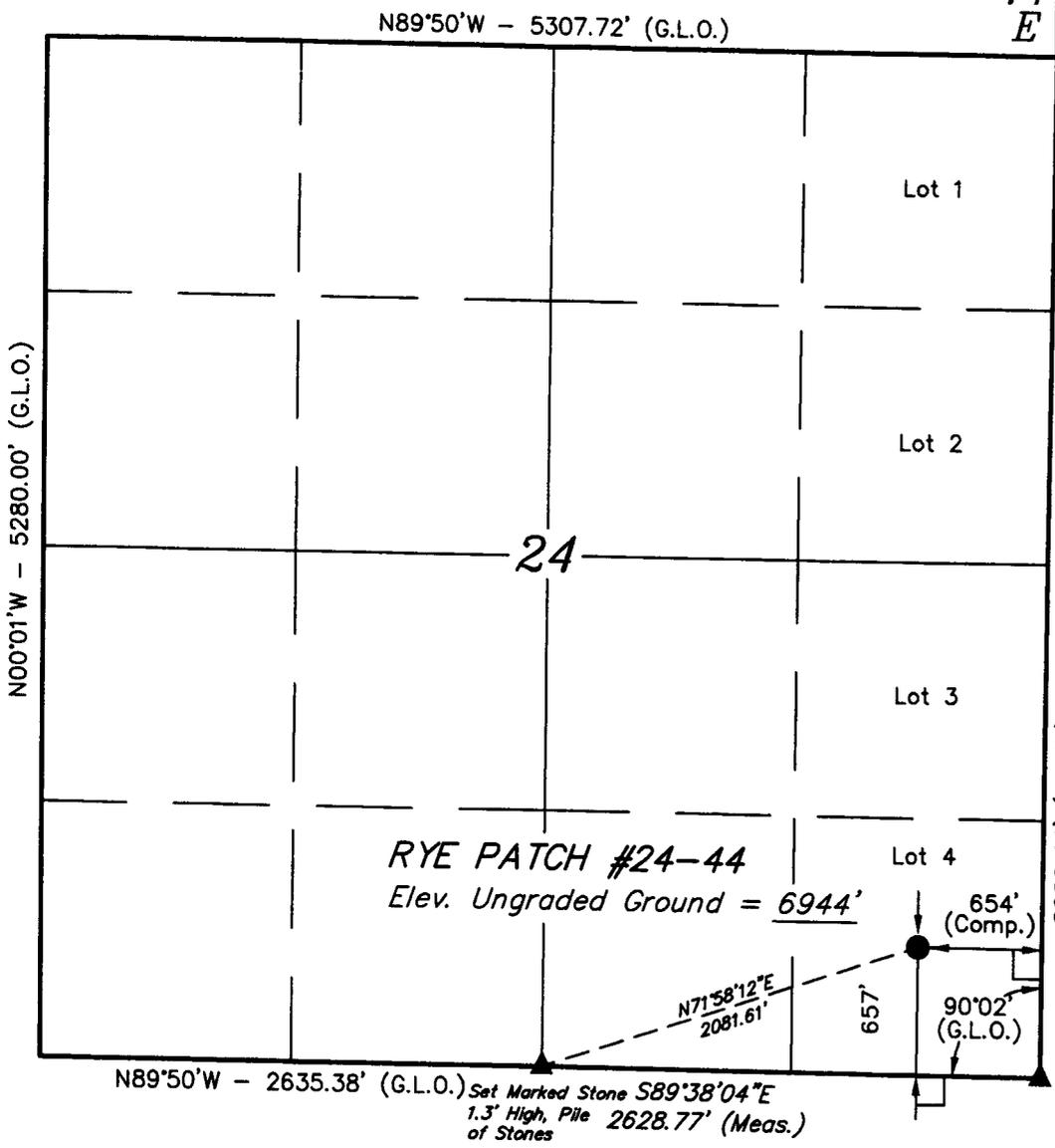
SCALE

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. 10778
STATE OF UTAH



R
14
E

R
15
E

2629.44' (G.L.O.)

N89°50'W - 5307.72' (G.L.O.)

N00°01'W - 5280.00' (G.L.O.)

24

Lot 1

Lot 2

Lot 3

Lot 4

RYE PATCH #24-44
Elev. Ungraded Ground = 6944'

654' (Comp.)

90°02' (G.L.O.)

N89°50'W - 2635.38' (G.L.O.)
Set Marked Stone S89°38'04"E
1.3' High, Pile 2628.77' (Meas.)
of Stones

Set Marked Stone
1.3' High, Pile
of Stones

LEGEND:

- = 90° SYMBOL
- = PROPOSED WELL HEAD.
- = SECTION CORNERS LOCATED.

(AUTONOMOUS NAD 83)
LATITUDE = 39°50'14.69" (39.837414)
LONGITUDE = 110°17'20.19" (110.288942)
(AUTONOMOUS NAD 27)
LATITUDE = 39°50'14.82" (39.837450)
LONGITUDE = 110°17'17.63" (110.288231)

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

SCALE 1" = 1000'	DATE SURVEYED: 09-14-06	DATE DRAWN: 09-19-06
PARTY B.B. K.A. C.H.	REFERENCES G.L.O. PLAT	
WEATHER WARM	FILE PETRO-CANADA RESOURCES (USA) INC	

DRILLING PLAN

Attachment for Permit to Drill

Name of Operator: Petro-Canada Resources (USA), Inc.
Address: 1099 – 18th Street, Suite 400
Denver, CO 80202
Well Location: Rye Patch Fed 24-44
657' FSL & 654' FEL, Lot 4 (SE/4 SE/4),
Section 24, T11S, R14E
Duchesne County, UT

1. GEOLOGIC SURFACE FORMATION Green River

2 & 3. ESTIMATED DEPTHS OF IMPORTANT GEOLOGIC MARKERS AND FORMATIONS EXPECTED TO CONTAIN WATER, OIL AND GAS OR MINERALS

<u>Formation</u>	<u>Depth</u>
Green River	Surface
Wasatch	2,850'*
North Horn	5,000'*
Price River	6,850' *
Castlegate	9,450' *
Blackhawk	9,700' *
Mancos	10,400' *
TD	11,500'

* PROSPECTIVE PAY

4. PROPOSED CASING PROGRAM

All casing used to drill this well will be new casing.

<u>Type</u>	<u>Size</u>	<u>Weight</u>	<u>Grade</u>	<u>Conn.</u>	<u>Top</u>	<u>Bottom</u>	<u>Hole</u>
Surface	9.625"	43.5 ppf	L-80	STC	0'	1,200'	12-1/4"
Production	5.5"	20.0 ppf	P-110	LTC	0'	11,500'	7-7/8"

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DRILLING PLAN

5. OPERATOR'S MINIMUM SPECIFICATIONS FOR PRESSURE CONTROL

Surface hole: No BOPE will be utilized.

Production hole: Prior to drilling out the surface casing shoe, 5,000 psi BOP equipment will be installed. The pipe rams will be operated at least once per day from surface casing depth to total depth. The blind rams will be tested once per day from surface casing depth to total depth if operations permit.

A diagram of the planned BOP equipment for normal drilling operations in this area is attached. As denoted there will be two valves and one check valve on the kill line, two valves on the choke line, and two adjustable chokes on the manifold system. The BOP "stack" will consist of two BOP rams (1 pipe, 1 blind) and one annular type preventer, all rated to a minimum of 5,000 psi working pressure.

The BOP equipment will be pressure tested prior to drilling below the surface casing shoe. All test pressures will be maintained for fifteen (15) minutes without any significant pressure decrease. Clear water will be circulated into the BOP stack and lines prior to pressure testing. The BLM and the state of Utah Division of Oil, Gas and Mining will be notified 24 hours in advance of all BOP pressure tests.

6. MUD SYSTEMS

Sufficient mud materials to maintain mud properties, control lost circulation and to contain "kick" will be available at the well site.

<u>Interval</u>	<u>Mud Weight (ppg)</u>	<u>Viscosity</u>	<u>Fluid Loss</u>	<u>Remarks</u>
0 - 40'	8.3 - 8.6	27-40	--	Native Spud Mud
40' - 1,200'	8.3 - 8.6	27-40	15 cc or less	Native/Gel/Lime
1,200' - TD	8.6 - 9.5	38-46	15 cc or less	Potassium Formate

7. BLOOIE LINE

- An automatic igniter will not be installed on blooie line. The blooie will have a constant ignition source.
- A "target tee" connection will be installed on blooie line for 90° change of directions for abrasion resistance.
- "Target tee" connections will be a minimum of 50' from wellhead.
- The blooie line discharge will be a minimum of 100' from the wellhead.

8. AUXILIARY EQUIPMENT TO BE USED

- Upper Kelly cock; lower Kelly cock will be installed while drilling
- Inside BOP or stab-in valve (available on the rig floor)
- Safety valve(s) and subs to fit all string connections in use
- Mud monitoring will be visually observed

9. TESTING, LOGGING AND CORING PROGRAMS TO BE FOLLOWED

Cores	None anticipated.
Testing	None anticipated.
Sampling	30' samples; surface casing to TD Preserve samples all show intervals
Surveys	Run every 1,000' and on trips
Logging	DIL-GR-SP, FDC-CNL-GR-Caliper-Pe-Microlog, Sonic-GR, all TD to base of surface casing, GR through surface casing.

10. ANTICIPATED ABNORMAL PRESSURES OR TEMPERATURES EXPECTED

- No abnormal temperature or pressures are anticipated, Bottom Hole pressure expected at 4980 psi.
- The formations to be penetrated do not contain known H₂S gas.

DRILLING PLAN

11. WATER SUPPLY

- No water pipelines will be laid for this well.
- No water well will be drilled for this well.
- Drilling water for this will be hauled on the road(s) shown in Exhibit B
- Water to be used for drilling will be obtained through a direct purchase from Bill Barrett Corporation (BBC) utilizing an existing water well located in Cottonwood Canyon on State Lands: Section 32-T12S-R16E; BBC has previously been granted authorization with SITLA Right of Entry #4534 and Water Right #90-1542.

12. CEMENT SYSTEMS

- **Surface Casing:** 220 sacks Premium Lite Plus + 0.05 lbs/sack Static Free + 2% bwoc Calcium Chloride + 0.25 lbs/sack Cello Flake + 6% bwoc Bentonite + 1% bwoc Sodium Metasilicate + 161.2% Fresh Water;
Weight: 11.5 ppg
Yield: 2.84 cu.ft/sack
209 sacks Type III Cement + 2% bwoc Calcium Chloride + 0.25 lbs/sack Cello Flake + 60.5% Fresh Water.
Weight: 14.5 ppg
Yield: 1.41 cu.ft/sack
Cement will be circulated to surface with 100% excess

- **Production Casing:** 987 sacks 50:50 Poz:Class G Cement +0.3% bwoc R-3 + 0.25 lbs/sack Cello Flake + 3 lbs/sack Kol Seal + 1% bwoc FL-25 +2% bwoc Bentonite + 3% bwoc Potassium Chloride + 0.75% bwoc EC-1 + 0.2% bwoc Sodium Metasilicate + 69.3% Fresh Water;
Weight: 13.5 ppg
Yield: 1.49 cu.ft/sack
Cement will be placed in two stages through the use of a stage tool. Depth determined based on potential pay sections, estimated at 4000 ft.
519 sacks Class G cement + 0.05% bwoc R-3 + 44.3% Fresh Water.
Weight: 15.8 ppg
Yield: 1.15 cu.ft/sack
Top of cement to be determined by log and sample evaluation; estimated TOC 2,350'.
Volume is log caliper +10%

13. ANTICIPATED STARTING DATE AND DURATION OF THE OPERATIONS

Starting Date: May 1, 2007
Duration: 35 days, drilling and 40 days completion

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SURFACE USE PLAN

Attachment for Permit to Drill

Name of Operator: Petro-Canada Resources (USA), Inc.
Address: 1099 – 18th Street, Suite 400
Denver, CO 80202
Well Location: Rye Patch Fed 24-44
657' FSL & 654' FEL, Lot 4 (SE/4 SE/4),
Section 24, T11S, R14E
Duchesne County, UT

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

An off-lease federal right-of-way is being requested with this application and is necessary for an access and pipeline corridor to the existing federal lease UTU-084317. No other surface use is necessary.

The BLM onsite inspection for the referenced well was conducted on Wednesday, November 1, 2006 at approximately 2:45 pm. In attendance at the onsite inspections were the following individuals:

Scott Ackerman	Natural Resource Specialist	Bureau of Land Management – Vernal
Brandon MacDonald	Wildlife Biologist	Bureau of Land Management – Vernal
Brandon Bowthorpe	Surveyor	Uintah Engineering & Land Surveying
Carla Konopka	Land Manager	Petro-Canada Resources (USA), Inc.
Don Hamilton	Agent	Buys & Associates, Inc.

1. **Existing Roads:**

- a. The proposed well site is located approximately 27.39 miles southwest of Myton, Utah.
- b. The use of roads under State and County Road Department maintenance are necessary to access the Rye Patch area. An encroachment to leave the Duchesne County maintained Wells Draw Road (CR 32) is necessary and will be applied for and approved once the federal permits are in place.
- c. All existing roads will be maintained and kept in good repair during all phases of operation.
- e. Vehicle operators will obey posted speed restrictions and observe safe speeds commensurate with road and weather conditions.
- f. An off-lease federal right-of-way is necessary for the off-lease portions of the access road and pipeline corridor trending east from the north line of Section 24, T11S, R14E. An off-lease federal right-of-way grant is being requested with this application.

2. Planned Access Roads:

- a. From the existing gravel surfaced Duchesne County maintained Wells Draw Road (CR-32), the existing native bladed-surface Rye Patch access road trending west will be upgraded for approximately 5.2 miles to a road realignment segment that will proceed south 1.1 miles.
- b. The road realignment is necessary to provide an acceptable grade for the proposed access across a small tributary to Currant Canyon and makes the best use of existing disturbance along the realignment.
- c. A road design plan is not anticipated at this time.
- d. The proposed access road will consist of a 22' travel surface within a 30' disturbed area across entirely BLM managed lands.
- e. BLM approval to upgrade the existing access corridor and construct the new access corridor is requested with this application.
- f. A maximum grade of 10% will be maintained throughout the project.
- g. No turnouts are proposed.
- h. No low water crossings and one 18' culvert at the spur road intersection with the Rye Patch road is anticipated. Additional culverts and adequate drainage structures will be incorporated into the remaining existing road.
- i. No surfacing material will come from federal or Indian lands.
- j. No gates or cattle guards are anticipated at this time.
- k. Surface disturbance and vehicular travel will be limited to the approved location access road.
- l. All access roads and surface disturbing activities will conform to the standards outlined in the Bureau of Land Management and Forest Service publication: Surface Operating Standards for Oil and Gas Exploration and Development, (1989).
- m. The operator will be responsible for all maintenance of the access road including drainage structures.

3. Location of Existing Wells:

- a. No existing wells are located within a one mile radius of the proposed well.

4. Location of Production Facilities:

- a. All permanent structures will be painted a flat, non-reflective Olive Black to match the standard environmental colors. All facilities will be painted within six months of installation. Facilities required to comply with the Occupational Safety and Health Act (OSHA) may be excluded.
- b. Site security guidelines identified in 43 CFR 3163.7-5 and Onshore Oil and Gas Order No. 3 will be adhered to.
- c. A gas meter run will be constructed and located on lease within 500 feet of the wellhead.

Meter runs will be housed and/or fenced. All gas production and measurement shall comply with the provisions of 43 CFR 3162.7-3, Onshore Oil and Gas Order No. 5, and American Gas Association (AGA) Report No. 3.

- d. A two-tank battery will be constructed on this lease, it will be surrounded by a dike of sufficient capacity to contain the storage capacity of the largest tank. All loading lines and valves will be placed inside the berm surrounding the tank battery. All liquid hydrocarbons production and measurement shall conform to the provisions of 43 CFR 3162.7-3 and Onshore Oil and Gas Order No. 4 and Onshore Oil and Gas Order No. 5 for natural gas production and measurement.
- e. Any necessary pits will be properly fenced to prevent any wildlife and livestock entry.
- f. All access roads will be maintained as necessary to prevent erosion and accommodate year-round traffic. The road will be maintained in a safe useable condition.
- g. The site will require periodic maintenance to ensure that drainages are kept open and free of debris, ice, and snow, and that surfaces are properly treated to reduce erosion, fugitive dust, and impacts to adjacent areas.
- h. A gas pipeline is associated with this application and is being applied for at this time. The proposed gas pipeline corridor will leave the west side of the well site and traverse 7,576' north to the proposed Rye Patch 24-21 pipeline corridor.
- i. The new gas pipeline will be a 10" or less steel surface pipeline within a 30' wide utility corridor. The use of the proposed well sites and existing access roads will facilitate the staging of the pipeline construction. A new pipeline length of approximately 7,576' is associated with this well.
- j. Petro-Canada intends on installing the pipeline on the surface by welding many joints into long lengths, dragging the long lengths into position and then completing a final welding pass to join the long lengths together. Petro-Canada intends on connecting the pipeline together utilizing conventional welding technology.

5. Location and Type of Water Supply:

- a. The location and type of water supply has been addressed as number 11 within the previous drilling plan information.

6. Source of Construction Material:

- a. The use of materials will conform to 43 CFR 3610.2-3.
- b. No construction materials will be removed from BLM lands.
- c. If any gravel is used, it will be obtained from a state approved gravel pit.

7. Methods of Handling Waste Disposal:

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

8. Ancillary Facilities:

- a. A complete drilling crew camp is being proposed with this application and will be located central to the project area. A central crew camp will be analyzed in detail within the associated Environmental Assessment.

9. Well Site Layout: (See Exhibit B)

- a. The well will be properly identified in accordance with 43 CFR 3162.6.
- b. Access to the well pad will be from the west.
- c. The pad and road designs are consistent with BLM specification
- d. A pre-construction meeting with responsible company representative, contractors and the BLM will be conducted at the project site prior to commencement of surface-disturbing activities. The pad and road will be construction-staked prior to this meeting.
- e. The pad has been staked at its maximum size of 245' X 290'; however it will be constructed smaller if possible, depending upon rig availability. Should the layout change, this application will be amended and approved utilizing a sundry notice.
- f. All surface disturbing activities, will be supervised by a qualified, responsible company representative who is aware of the terms and conditions of the APD and specifications in the approved plans.
- g. All cut and fill slopes will be such that stability can be maintained for the life of the activity.
- h. Diversion ditches will be constructed as shown around the well site to prevent surface waters from entering the well site area.
- i. The site surface will be graded to drain away from the pit to avoid pit spillage during large storm events.
- j. The stockpiled topsoil (first 6 inches or maximum available) will be stored in a windrow on the uphill side of the location to prevent any possible contamination. All topsoil will be stockpiled for reclamation in such a way as to prevent soil loss and contamination.
- k. Pits will remain fenced until site cleanup.
- l. The blooie line will be located at least 100 feet from the well head.
- m. Water injection may be implemented if necessary to minimize the amount of fugitive dust.

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

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

- c. Following BLM published Best Management Practices the interim reclamation will be completed within 90 days of completion of the well to reestablish vegetation, reduce dust and erosion and compliment the visual resources of the area.
 - a. All equipment and debris will be removed from the area proposed for interim reclamation and the pit area will be backfilled and re-contoured.
 - b. The area outside of the rig anchors and other disturbed areas not needed for the operation of the well will be re-contoured to blend with the surrounding area and reseeded at 20 lbs /acre with the following native grass seeds:
 - 1. Blue Bunch Wheat Grass (10 lbs / acre)
 - 2. Rice Grass (10 lbs / acre)
 - c. Reclaimed areas receiving incidental disturbance during the life of the producing well will be re-contoured and reseeded as soon as practical.
- d. The Operator will control noxious weeds along access road use authorizations, pipeline route authorizations, well sites, or other applicable facilities by spraying or mechanical removal. A list of noxious weeds may be obtained from the BLM or the appropriate County Extension Office. On BLM administered land, it is required that a Pesticide Use Proposal be submitted and approved prior to the application of herbicides, pesticides or possibly hazardous chemicals.
- e. Prior to final abandonment of the site, all disturbed areas, including the access road, will be scarified and left with a rough surface. The site will then be seeded and/or planted as prescribed by the BLM. The BLM recommended seed mix will be detailed within their approval documents.

11. Surface and Mineral Ownership:

- a. Surface Ownership – Federal under the management of the Bureau of Land Management - Vernal Field Office, 170 South 500 East, Vernal, Utah 84078; 435-781-4400.
- b. Mineral Ownership – Federal under the management of the Bureau of Land Management - Vernal Field Office, 170 South 500 East, Vernal, Utah 84078; 435-781-4400.

12. Other Information:

- a. Montgomery Archaeological Consultants has conducted a Class III archeological survey. A copy of the pending report will be submitted under separate cover to the appropriate agencies by Montgomery Archaeological Consultants.
- b. Alden Hamblin will conduct a paleontological survey. A copy of the report will be submitted under separate cover to the appropriate agencies by Alden Hamblin.
- c. Our understanding of the results of the onsite inspection are:
 - a. No Threatened and Endangered flora and fauna species were found during the onsite inspection.
 - b. No drainage crossings that require additional State or Federal approval are being crossed.
 - c. The well site is located within an identified MSO polygon which is presently in question by the Vernal BLM. An MSO survey was completed during the spring of 2006 and the second survey will be completed in the spring of 2007, if required. MSO timing restrictions may apply.

13. Operator's Representative and Certification

<u>Title</u>	<u>Name</u>	<u>Office Phone</u>
Company Representative (Denver)	Alan Vrooman	1-303-350-1171
Agent	Don Hamilton	1-435-719-2018

Certification:

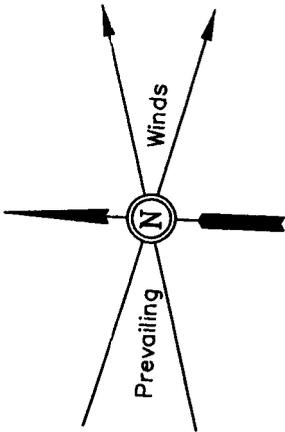
I hereby certify that I, or persons under my direct supervision, have inspected the proposed drill site and access route; that I am familiar with the conditions which currently exists; that the statements made in this APD package are, to the best of my knowledge, true and correct; and that the work associated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

Signature: Don Hamilton Date: 11-20-06

PETRO-CANADA RESOURCES (USA), INC.

FIGURE #1

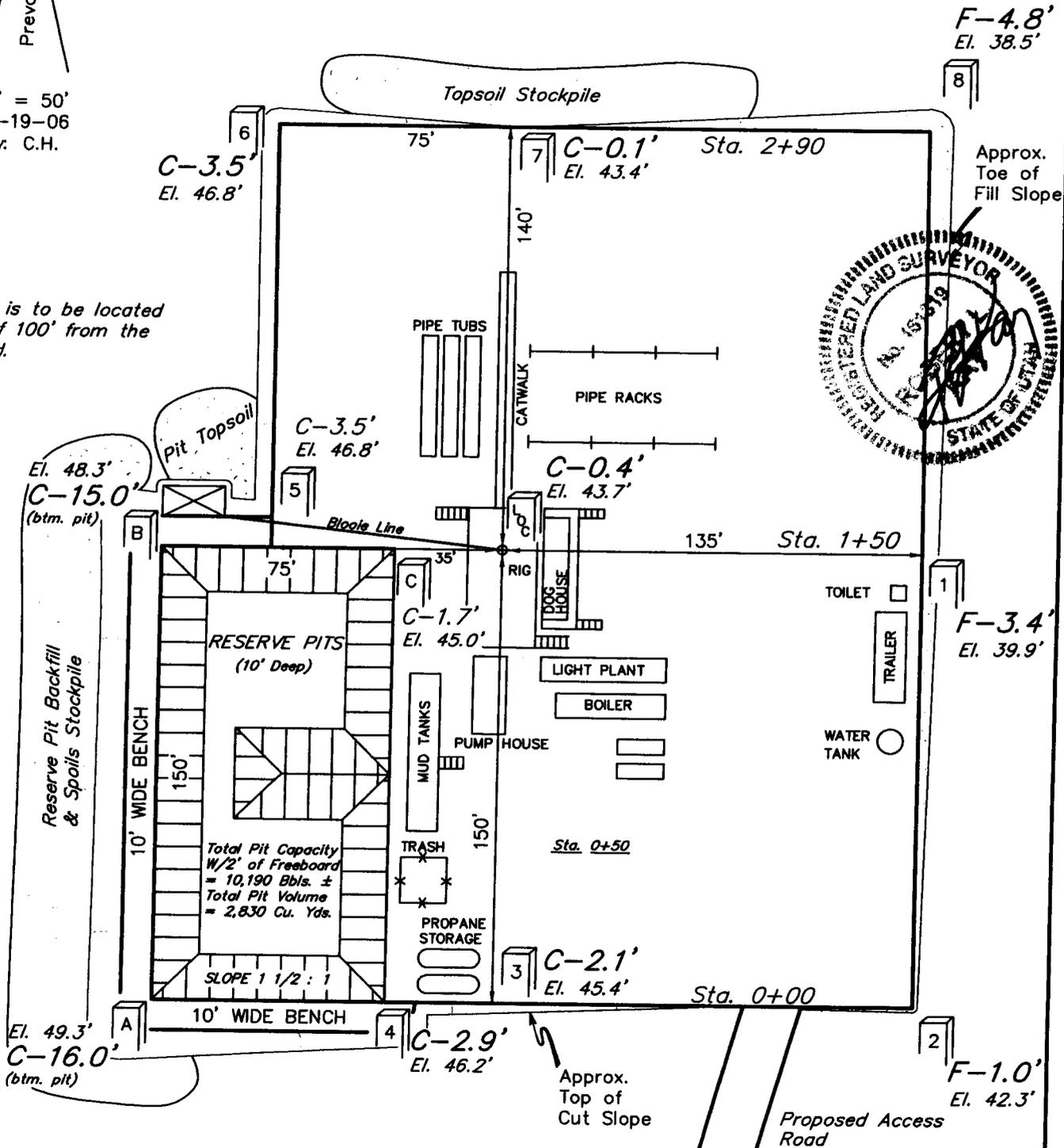
LOCATION LAYOUT FOR
 RYE PATCH #24-44
 SECTION 24, T11S, R14E, S.L.B.&M.
 657' FSL 654' FEL



SCALE: 1" = 50'
 DATE: 09-19-06
 Drawn By: C.H.

NOTE:

Flare Pit is to be located a min. of 100' from the Well Head.



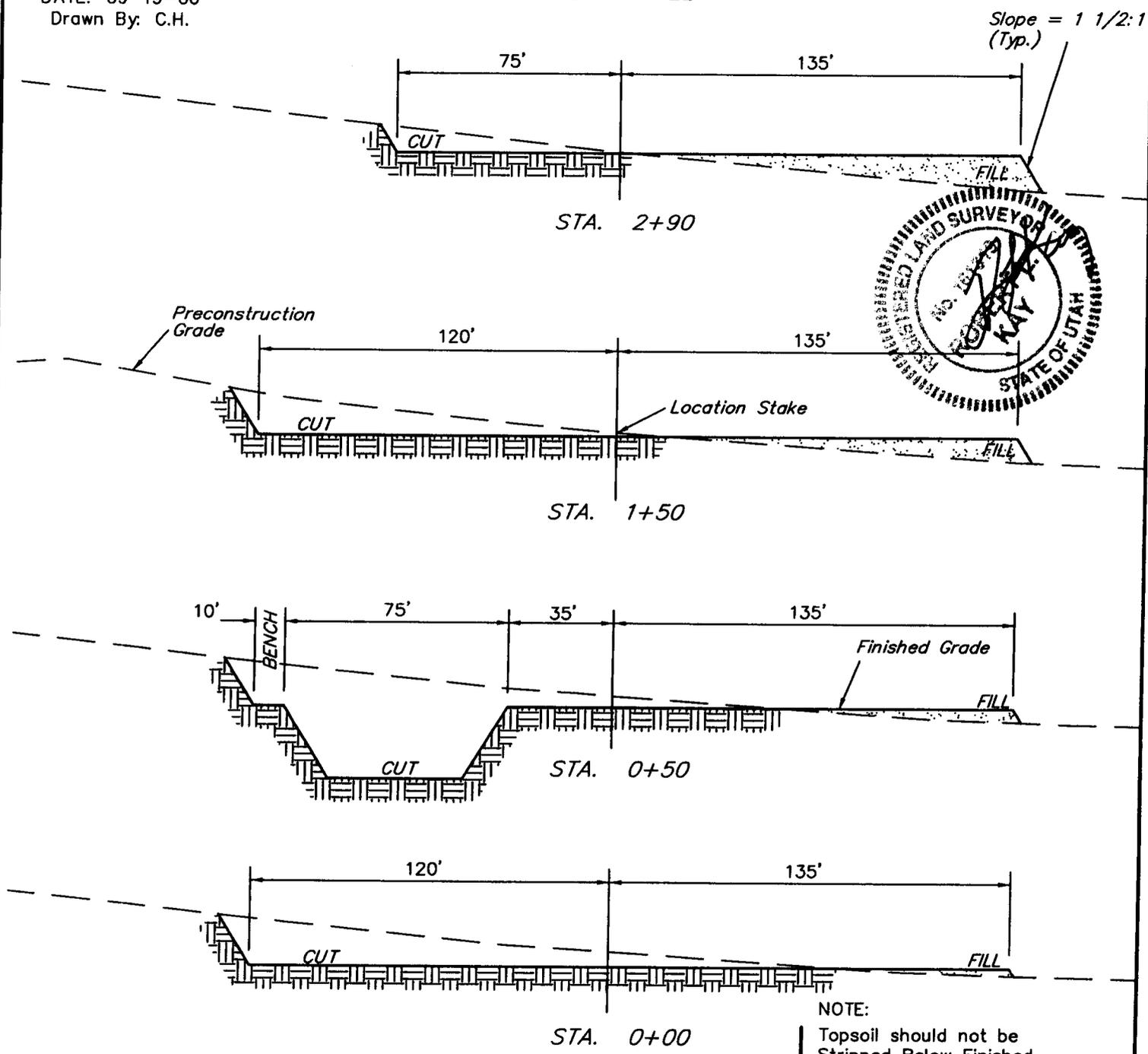
NOTES:

Elev. Ungraded Ground At Loc. Stake = 6943.7'
 FINISHED GRADE ELEV. AT LOC. STAKE = 6943.3'

1" = 20'
X-Section Scale
1" = 50'

TYPICAL CROSS SECTIONS FOR
RYE PATCH #24-44
SECTION 24, T11S, R14E, S.L.B.&M.
657' FSL 654' FEL

DATE: 09-19-06
Drawn By: C.H.



NOTE:
Topsoil should not be Stripped Below Finished Grade on Substructure Area.

APPROXIMATE YARDAGES

CUT	
(6") Topsoil Stripping	= 1,430 Cu. Yds.
Remaining Location	= 5,940 Cu. Yds.
TOTAL CUT	= 7,370 CU.YDS.
FILL	= 2,910 CU.YDS.

EXCESS MATERIAL	= 4,460 Cu. Yds.
Topsoil & Pit Backfill (1/2 Pit Vol.)	= 2,850 Cu. Yds.
EXCESS UNBALANCE (After Interim Rehabilitation)	= 1,610 Cu. Yds.

PETRO-CANADA RESOURCES (USA), INC.

RYE PATCH #24-44
LOCATED IN DUCHESNE COUNTY, UTAH
SECTION 24, T11S, R14E, S.L.B.&M.

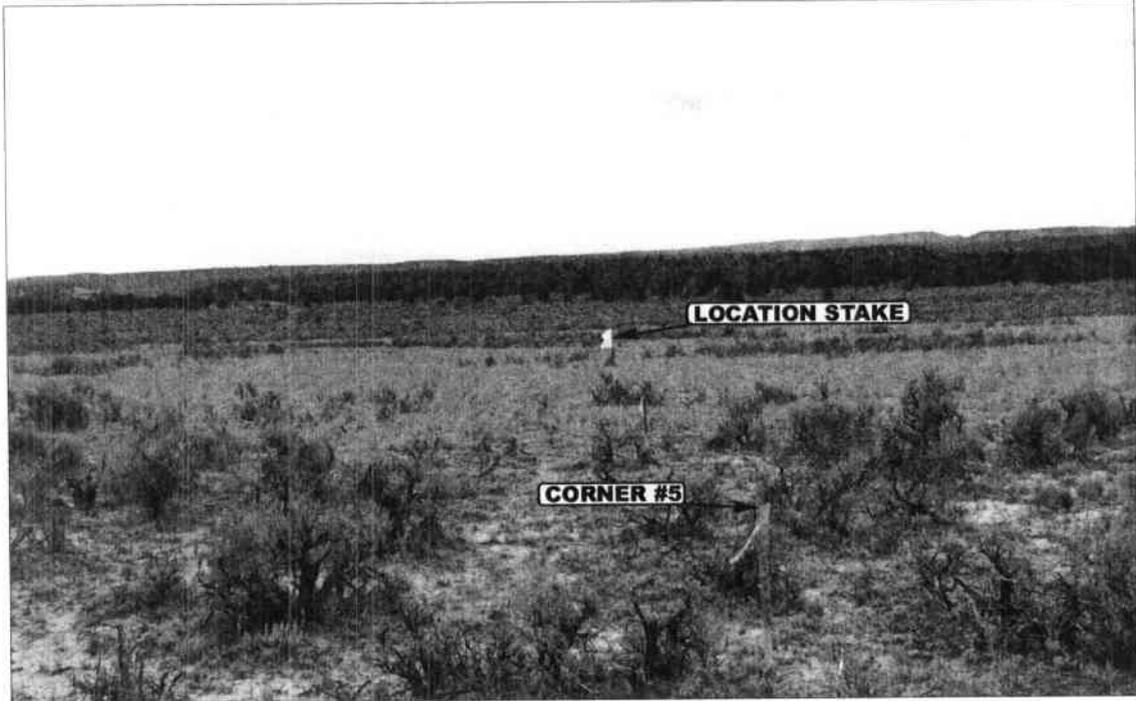


PHOTO: VIEW FROM CORNER #5 TO LOCATION STAKE

CAMERA ANGLE: SOUTHERLY

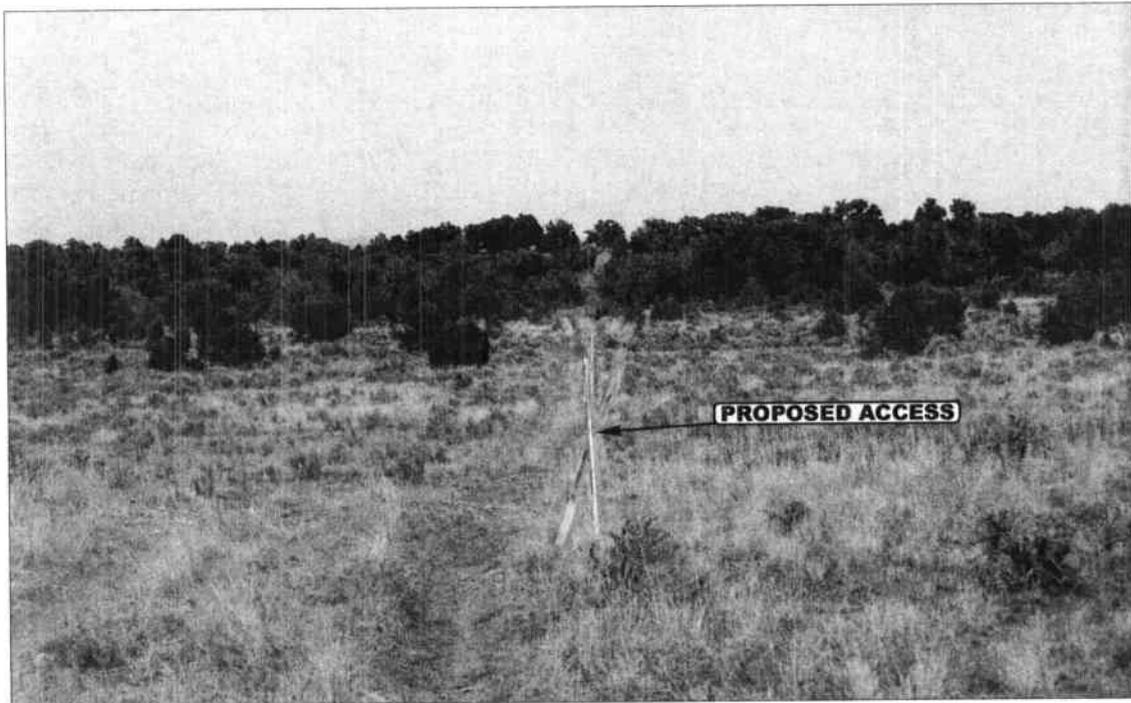


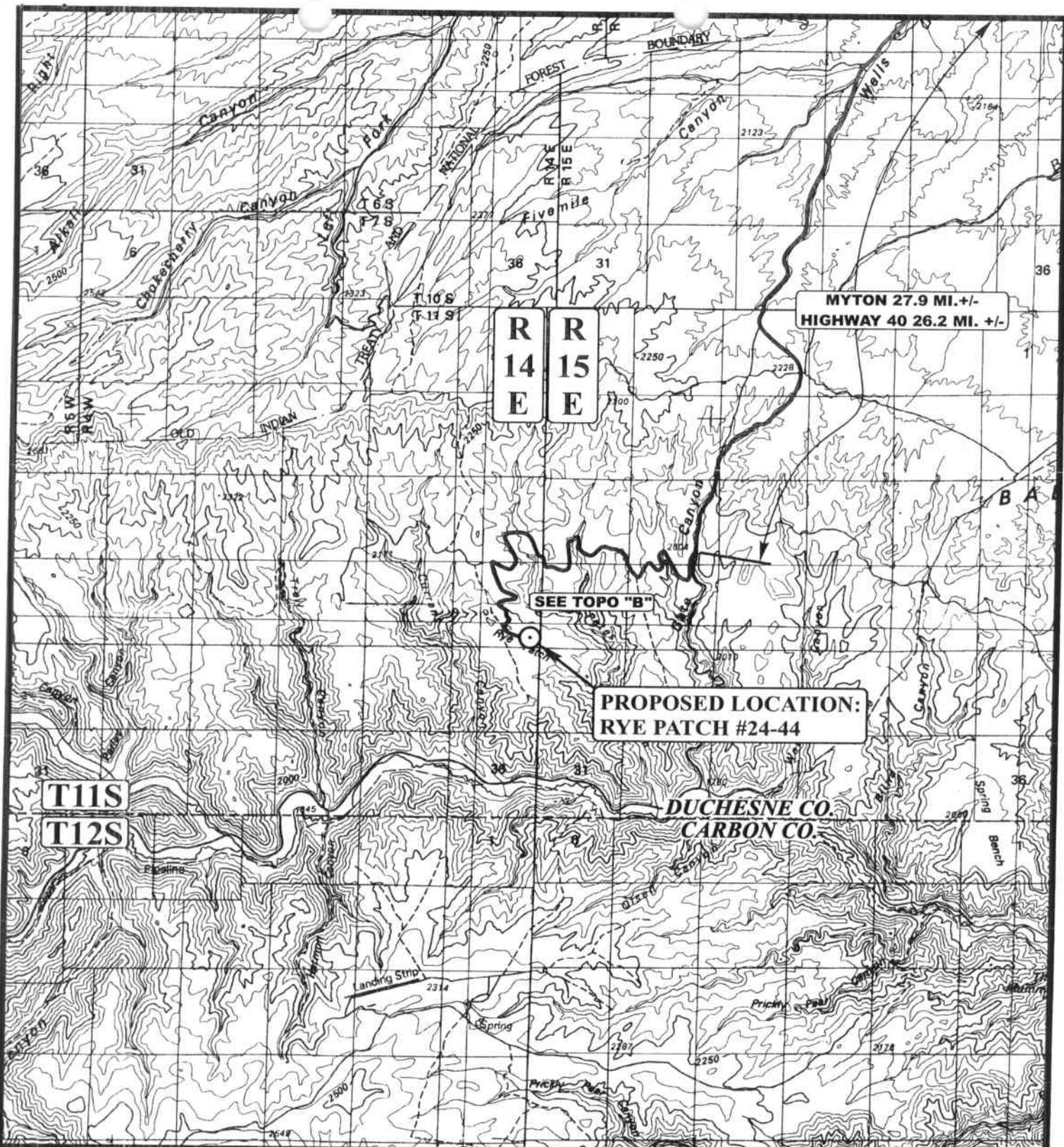
PHOTO: VIEW FROM BEGINNING OF PROPOSED ACCESS

CAMERA ANGLE: SOUTHEASTERLY



U ELS Uintah Engineering & Land Surveying
85 South 200 East Vernal, Utah 84078
435-789-1017 uels@uelsinc.com

LOCATION PHOTOS	09	20	06	PHOTO
	MONTH	DAY	YEAR	
TAKEN BY: B.B.	DRAWN BY: C.P.		REVISED: 00-00-00	



MYTON 27.9 MI. +/-
HIGHWAY 40 26.2 MI. +/-

R
14
E

R
15
E

SEE TOPO "B"

PROPOSED LOCATION:
RYE PATCH #24-44

T11S
T12S

DUCHESNE CO.
CARBON CO.

LEGEND:

⊙ PROPOSED LOCATION



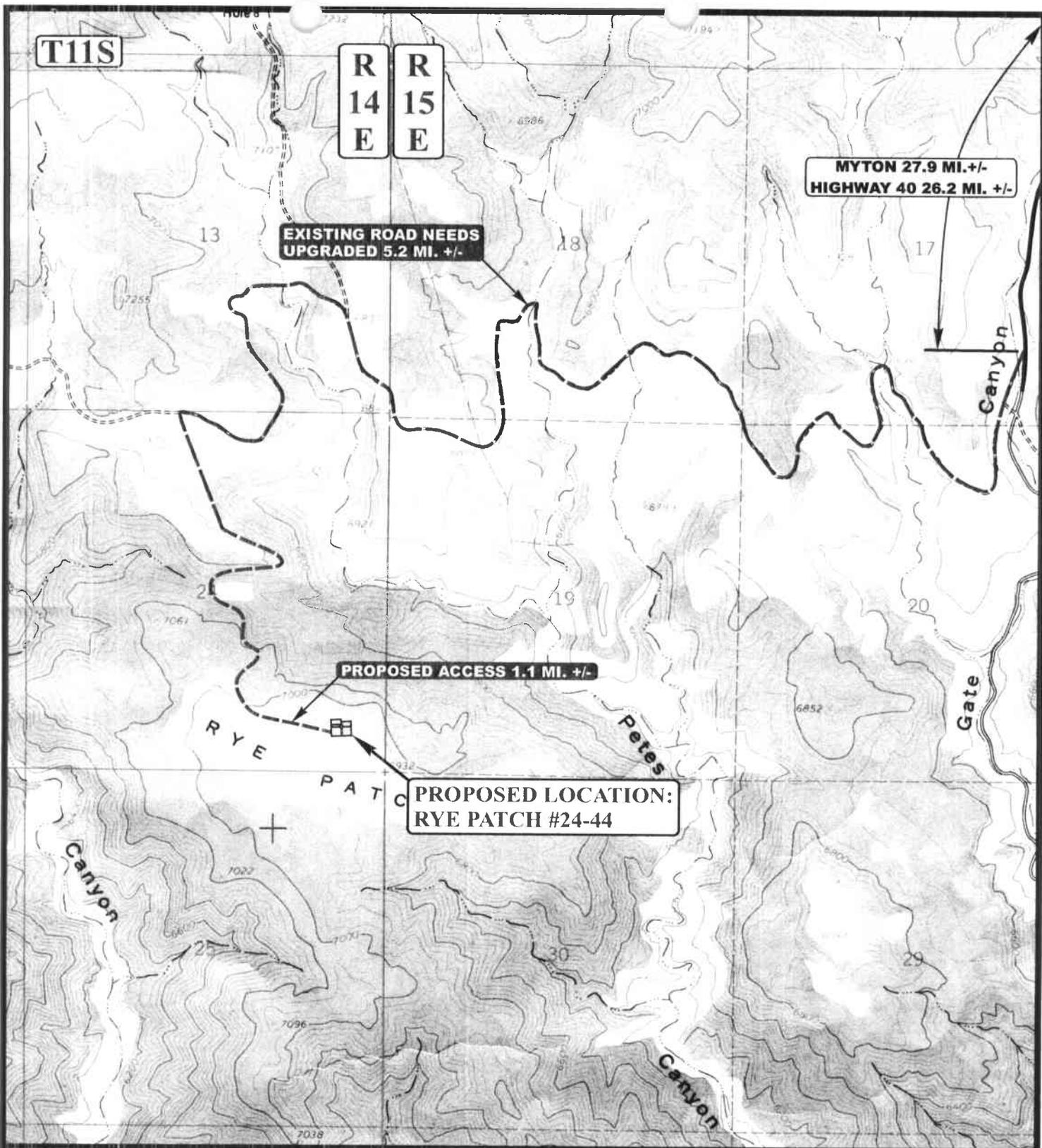
PETRO-CANADA RESOURCES (USA), INC.

RYE PATCH #24-44
SECTION 24, T11S, R14E, S.L.B.&M.
657' FSL 654' FEL



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

TOPOGRAPHIC	09	20	06	A TOPO
MAP	MONTH	DAY	YEAR	
SCALE: 1:100,000	DRAWN BY: C.P.		REVISED: 00-00-00	



LEGEND:

- EXISTING ROAD
- - - - - PROPOSED ACCESS ROAD
- EXISTING ROAD NEEDS UPGRADED



PETRO-CANADA RESOURCES (USA), INC.

RYE PATCH #24-44
SECTION 24, T11S, R14E, S.L.B.&M.
657' FSL 654' FEL



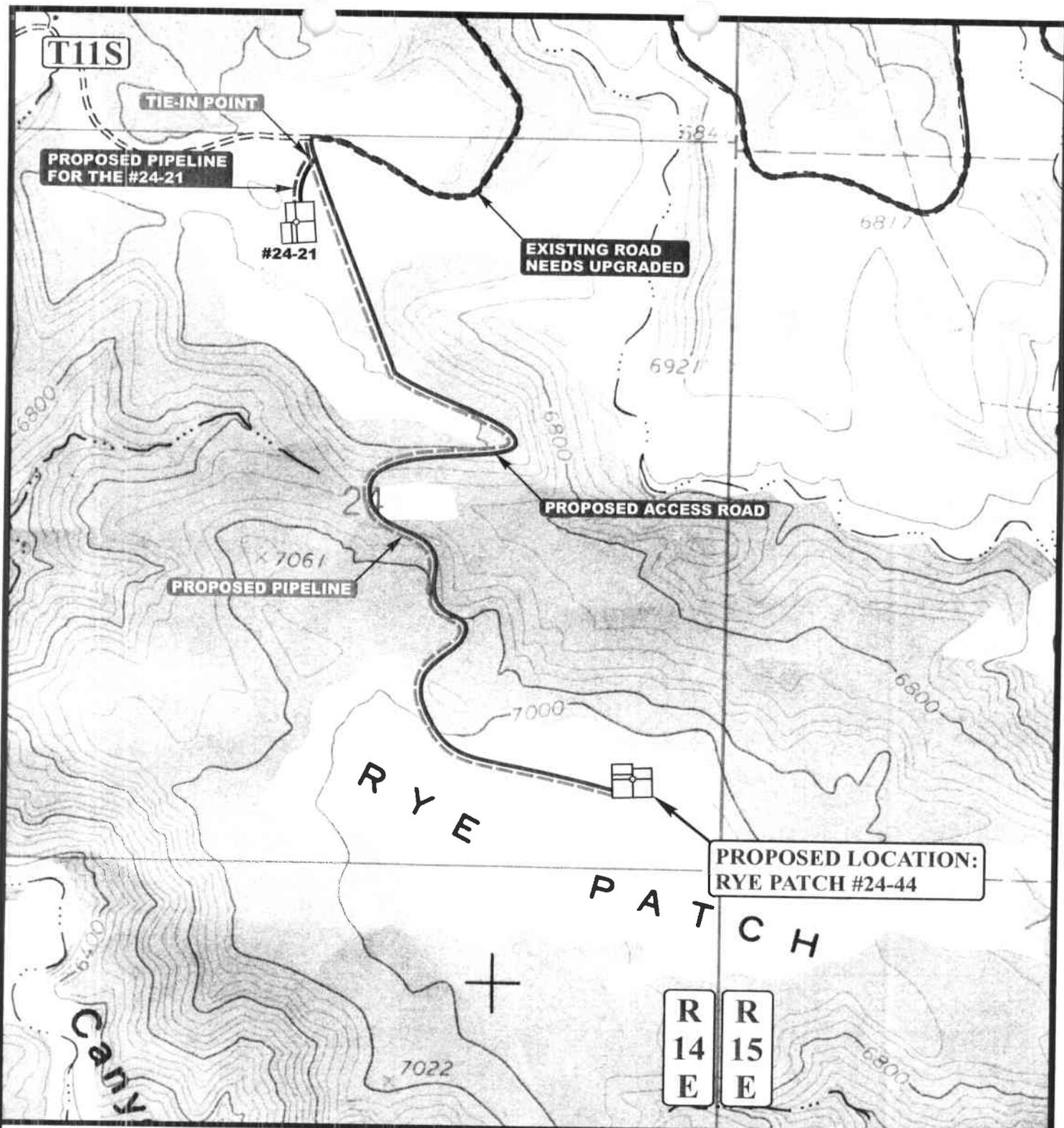
Uintah Engineering & Land Surveying
 35 South 200 East Vernal, Utah 84078
 (435) 789-1017 * FAX (435) 789-1813

TOPOGRAPHIC MAP

09	20	06
MONTH	DAY	YEAR

SCALE: 1" = 2000' DRAWN BY: C.P. REVISED: 00-00-00





APPROXIMATE TOTAL PIPELINE DISTANCE = 7,576' +/-

LEGEND:

- PROPOSED ACCESS ROAD
- EXISTING ROAD NEEDS UPGRADED
- - - - - PROPOSED PIPELINE
- - - - - PROPOSED PIPELINE (SERVICING OTHER WELLS)

PETRO-CANADA RESOURCES (USA), INC.

RYE PATCH #24-44
SECTION 24, T11S, R14E, S.L.B.&M.
657' FSL 654' FEL



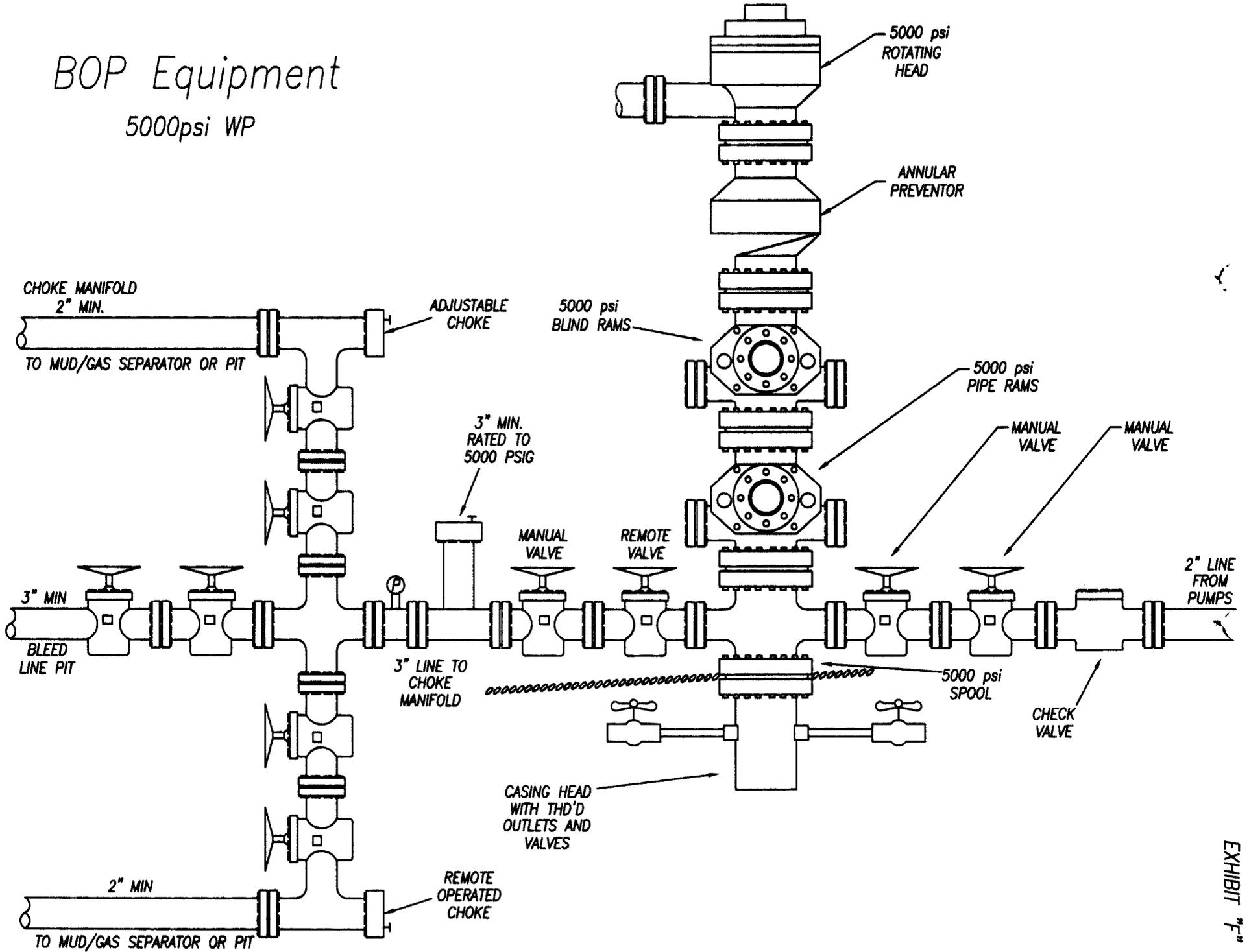
Uintah Engineering & Land Surveying
85 South 200 East Vernal, Utah 84078
(435) 789-1017 * FAX (435) 789-1813

TOPOGRAPHIC MAP
MONTH 09 DAY 20 YEAR 06
SCALE: 1" = 1000' DRAWN BY: C.P. REVISED: 00-00-00



BOP Equipment

5000psi WP



**WORKSHEET
APPLICATION FOR PERMIT TO DRILL**

APD RECEIVED: 11/22/2006

API NO. ASSIGNED: 43-013-33446

WELL NAME: RYE PATCH FED 24-44
 OPERATOR: PETRO-CANADA RESOURCES (N2705)
 CONTACT: DON HAMILTON

PHONE NUMBER: 303-350-1171

PROPOSED LOCATION:

SESE 24 110S 140E
 SURFACE: 0657 FSL 0654 FEL
 BOTTOM: 0657 FSL 0654 FEL
 COUNTY: DUCHESNE
 LATITUDE: 39.83748 LONGITUDE: -110.2882
 UTM SURF EASTINGS: 560903 NORTHINGS: 4409752
 FIELD NAME: WILDCAT (1)

INSPECT LOCATN BY: / /		
Tech Review	Initials	Date
Engineering		
Geology		
Surface		

LEASE TYPE: 1 - Federal
 LEASE NUMBER: UTU-084317
 SURFACE OWNER: 1 - Federal

PROPOSED FORMATION: MNCS
 COALBED METHANE WELL? NO

RECEIVED AND/OR REVIEWED:

- Plat
- Bond: Fed[1] Ind[] Sta[] Fee[]
(No. UT 1215)
- Potash (Y/N)
- Oil Shale 190-5 (B) or 190-3 or 190-13
- Water Permit
(No. 90-1542)
- RDCC Review (Y/N)
(Date: _____)
- Fee Surf Agreement (Y/N)
- Intent to Commingle (Y/N)

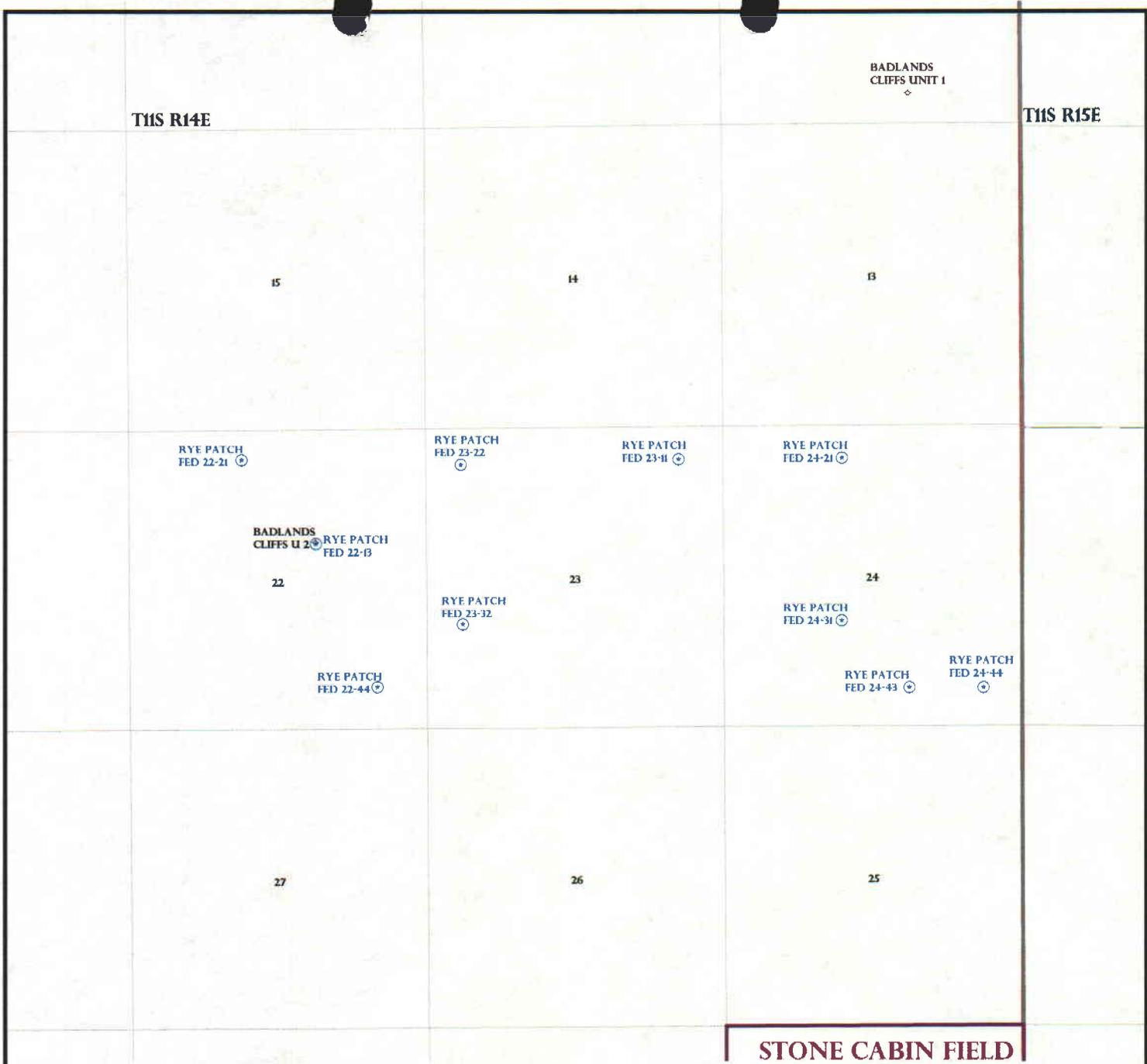
LOCATION AND SITING:

- R649-2-3.
- Unit: _____
- R649-3-2. General
Siting: 460 From Qtr/Qtr & 920' Between Wells
- R649-3-3. Exception
- Drilling Unit
Board Cause No: _____
Eff Date: _____
Siting: _____
- R649-3-11. Directional Drill

COMMENTS: _____

STIPULATIONS: 1- Federal Approval

2- Spacing Dir



STONE CABIN FIELD

OPERATOR: PETRO-CANADA RES (N2705)

SEC: 22,23,24 T.11S R. 14E

FIELD: WILDCAT (001)

COUNTY: DUCHESNE

SPACING: R649-3-2 / GENERAL SITING

Wells Status

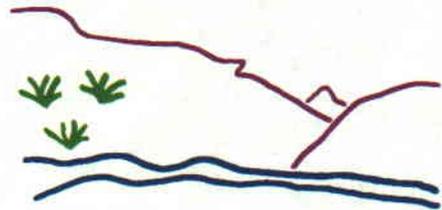
- GAS INJECTION
- GAS STORAGE
- LOCATION ABANDONED
- NEW LOCATION
- PLUGGED & ABANDONED
- PRODUCING GAS
- PRODUCING OIL
- SHUT-IN GAS
- SHUT-IN OIL
- TEMP. ABANDONED
- TEST WELL
- WATER INJECTION
- WATER SUPPLY
- WATER DISPOSAL
- DRILLING

Field Status

- ABANDONED
- ACTIVE
- COMBINED
- INACTIVE
- PROPOSED
- STORAGE
- TERMINATED

Unit Status

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



Utah Oil Gas and Mining



PREPARED BY: DIANA MASON
DATE: 29-NOVEMBER-2006



State of Utah

**Department of
Natural Resources**

MICHAEL R. STYLER
Executive Director

**Division of
Oil, Gas & Mining**

JOHN R. BAZA
Division Director

JON M. HUNTSMAN, JR.
Governor

GARY R. HERBERT
Lieutenant Governor

November 29, 2006

Petro-Canada Resources (USA), Inc.
1099-18th Street, Suite 400
Denver, CO 80202

Re: Rye Patch Federal 24-44 Well, 657' FSL, 654' FEL, SE SE, Sec. 24,
T. 11 South, R. 14 East, Duchesne County, Utah

Gentlemen:

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

This approval shall expire one year from the above date unless substantial and continuous operation is underway, or a request for extension is made prior to the expiration date. The API identification number assigned to this well is 43-013-33446.

Sincerely,

Gil Hunt
Associate Director

pab
Enclosures

cc: Duchesne County Assessor
Bureau of Land Management, Vernal District Office

Operator: Petro-Canada Resources (USA), Inc.
Well Name & Number Rye Patch Federal 24-44
API Number: 43-013-33446
Lease: UTU-084317

Location: SE SE **Sec.** 24 **T.** 11 South **R.** 14 East

Conditions of Approval

1. General

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

2. Notification Requirements

Notify the Division within 24 hours of spudding the well.

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

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

- Contact Dan Jarvis at (801) 538-5338

3. Reporting Requirements

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

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

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

RECEIVED

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

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

NOV 22 2006

APPLICATION FOR PERMIT TO DRILL OR REENTER

BLM

1a. Type of work: <input checked="" type="checkbox"/> DRILL <input type="checkbox"/> REENTER		5. Lease Serial No. UTU-084317
1b. Type of Well: <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other <input type="checkbox"/> Single Zone <input checked="" type="checkbox"/> Multiple Zone		6. If Indian, Allottee or Tribe Name N/A
2. Name of Operator Petro-Canada Resources (USA), Inc.		7. If Unit or CA Agreement, Name and No. N/A
3a. Address 1099-18th Street, Suite 400 Denver, Colorado 80202	3b. Phone No. (include area code) 303-350-1171	8. Lease Name and Well No. Rye Patch Fed 24-44
4. Location of Well (Report location clearly and in accordance with any State requirements.)* At surface 657' FSL & 654' FEL, Lot 4 (SE/4 SE/4), At proposed prod. zone 657' FSL & 654' FEL, Lot 4 (SE/4 SE/4),		9. API Well No. 43-013-33446
14. Distance in miles and direction from nearest town or post office* 27.39 miles southwest of Myton, Utah		10. Field and Pool, or Exploratory undesignated
15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any) 654'		11. Sec., T. R. M. or Blk. and Survey or Area Section 24, T11S, R14E, SLB&M
16. No. of acres in lease 1,159.93 acres	17. Spacing Unit dedicated to this well 40 acres	12. County or Parish Duchesne
18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft. 1,320'	19. Proposed Depth 11,500'	13. State UT
20. BLM/BIA Bond No. on file UT 1215	21. Elevations (Show whether DF, KDB, RT, GL, etc.) 6,944' GR	22. Approximate date work will start* 05/01/2007
23. Estimated duration 35 days drilling 40 days completion	24. Attachments	

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

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

25. Signature <i>Don Hamilton</i>	Name (Printed/Typed) Don Hamilton	Date 11/20/2006
--------------------------------------	--------------------------------------	--------------------

Title
Agent for Petro-Canada Resources (USA), Inc.

Approved by (Signature) <i>[Signature]</i>	Name (Printed/Typed) TERRY KENZKA	Date 10-24-2007
---	--------------------------------------	--------------------

Title
Assistant Field Manager
Lands & Mineral Resources

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

Conditions of approval, if any, are attached. **CONDITIONS OF APPROVAL ATTACHED**

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

*(Instructions on page 2)

NOTICE OF APPROVAL

UDOGM

RECEIVED

OCT 29 2007

DIV. OF OIL, GAS & MINING

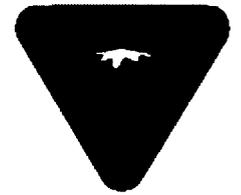
NOS 10/05/06
07PP0705A

CONFIDENTIAL



**UNITED STATES DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
VERNAL FIELD OFFICE**

170 South 500 East VERNAL, UT 84078 (435) 781-4400



CONDITIONS OF APPROVAL FOR APPLICATION FOR PERMIT TO DRILL

Company: Petro-Canada Resources (USA),Inc. **Location:** Lot 4, Sec 24, T11S, R14E
Well No: Rye Patch Fed 24-44 **Lease No:** UTU-084317
API No: 43-047-33446 **Agreement:** N/A

Title	Name	Office Phone Number	Cell Phone Number
Petroleum Engineer:	Matt Baker	(435) 781-4490	(435) 828-4470
Petroleum Engineer:	Michael Lee	(435) 781-4432	(435) 828-7875
Petroleum Engineer:	James Ashley	(435) 781-4470	(435) 828-7874
Petroleum Engineer:	Ryan Angus	(435) 781-4430	(435) 828-7368
Supervisory Petroleum Technician:	Jamie Sparger	(435) 781-4502	(435) 828-3913
NRS/Enviro Scientist:	Paul Buhler	(435) 781-4475	(435) 828-4029
NRS/Enviro Scientist:	Karl Wright	(435) 781-4484	(435) 828-7381
NRS/Enviro Scientist:	Holly Villa	(435) 781-4404	
NRS/Enviro Scientist:		(435) 781-4476	
NRS/Enviro Scientist:	Chuck MacDonald	(435) 781-4441	(435) 828-7481
NRS/Enviro Scientist:	Jannice Cutler	(435) 781-3400	(435) 828-3544
NRS/Enviro Scientist:	Michael Cutler	(435) 781-3401	(435) 828-3546
NRS/Enviro Scientist:	Anna Figueroa	(435) 781-3407	(435) 828-3548
NRS/Enviro Scientist:	Verlyn Pindell	(435) 781-3402	(435) 828-3547
NRS/Enviro Scientist:	Darren Williams	(435) 781-4447	
NRS/Enviro Scientist:	Nathan Packer	(435) 781-3405	(435) 828-3545

Fax: (435) 781-3420

**A COPY OF THESE CONDITIONS SHALL BE FURNISHED TO YOUR
FIELD REPRESENTATIVE TO INSURE COMPLIANCE**

All lease and/or unit operations are to be conducted in such a manner that full compliance is made with the applicable laws, regulations (43 CFR Part 3160), and this approved Application for Permit to Drill including Surface and Downhole Conditions of Approval. The operator is considered fully responsible for the actions of his subcontractors. A copy of the approved APD must be on location during construction, drilling, and completion operations. **This permit is approved for a two (2) year period, or until lease expiration, whichever occurs first. An additional extension, up to two (2) years, may be applied for by sundry notice prior to expiration.**

NOTIFICATION REQUIREMENTS

Location Construction (Notify Environmental Scientist)	-	Forty-Eight (48) hours prior to construction of location and access roads.
Location Completion (Notify Environmental Scientist)	-	Prior to moving on the drilling rig.
Spud Notice (Notify Petroleum Engineer)	-	Twenty-Four (24) hours prior to spudding the well.
Casing String & Cementing (Notify Supv. Petroleum Tech.)	-	Twenty-Four (24) hours prior to running casing and cementing all casing strings.
BOP & Related Equipment Tests (Notify Supv. Petroleum Tech.)	-	Twenty-Four (24) hours prior to initiating pressure tests.
First Production Notice (Notify Petroleum Engineer)	-	Within Five (5) business days after new well begins or production resumes after well has been off production for more than ninety (90) days.

***SURFACE USE PROGRAM
CONDITIONS OF APPROVAL (COAs)***

Surface COAs:

- If there is an active Gilsonite mining operation within 2 miles of the well location, operator shall notify the Gilsonite operator at least 48 hours prior to any blasting during construction.
- If paleontological materials are uncovered during construction, the operator is to immediately stop work and contact the Authorized Officer (AO). A determination will be made by the AO as to what mitigation may be necessary for the discovered paleontologic material before construction can continue.

Site Specific COAs:

- Within 90 calendar days of the approval date for this Application for Permit to Drill (APD), the operator/lessee shall submit to the Authorized Officer (AO), on Sundry Notice Form 3160-5, an Interim Surface Reclamation Plan for surface disturbance on well pads, access roads, and pipelines. At a minimum, this would include the reshaping of the pad to the original contour to the extent possible; the re-spreading of the top soil up to the rig anchor points; and, the area reseeded using appropriate reclamation methods. The AO will provide written approval or concurrence within 30 calendar days of receipt. During interim management of the surface, use the following seed mix:
 - 10 lbs of Indian Ricegrass
 - 10 lbs of Bluebunch Wheatgrass.
- All the culverts would be installed according to the BLM Gold Book.
- The road and well pad will have road base on the surface.
- Bury pipeline at all low water crossings.
- Permission from an authorized BLM representative would be required if construction or other operations occur during wet conditions that would lead to excessive rutting.
- Permission to clear all wildlife stipulations would only be approved by the BLM wildlife biologist during the specific timing for the species potentially affected by this action.
- In an effort to ensure that project activities do not increase the existence of invasive or noxious weeds in the Project Area, prior to construction activities, all proposed areas of disturbance would be surveyed for the presence of noxious weeds. Results of these surveys would be included in the project record.

- Road crossings of ephemeral drainages at ten locations within the Project Area would be upgraded and armored with rock to minimize erosion. The locations, pre- and post-construction photos, and typical design sketches of these improved crossings would be provided to the U.S. Army Corps of Engineers.
- Petro-Canada would cover all reserve pits with proper netting to eliminate the potential exposure of migratory birds to contaminated water. Netting would be present throughout all phases of the project when fluids are present in the reserve pit.
- A qualified paleontologist would monitor all ground-disturbing activities, and, if fossils are found, would report these findings to the BLM. Operations in the area of the discovery would not resume until avoidance recommendation have been made by the BLM, and written authorization to proceed has been received from the BLM AO.
- The project area is proposed within ½ mile of Mexican Spotted Owl habitat. With this occurrence no surface occupancy will be allowed until after the first season of surveys is completed. If no owls are detected after the first season of surveys, then construction and drilling may begin outside of the timing restriction March 15 – June 15. The second season of surveys will still be required for these buffer areas.

DOWNHOLE COAs

SITE SPECIFIC DOWNHOLE COAs:

- BOPE shall meet all requirements of Onshore Order #2 including testing requirements.
- The top of the production casing cement shall extend a minimum of 200 feet above the surface casing shoe.
- All casing strings below the conductor shall be pressure tested to 0.22 psi/ft or 1500 psi, whichever is greater, but not to exceed 70% of the internal yield strength of the casing.

All provisions outlined in Onshore Oil & Gas Order #2 Drilling Operations shall be strictly adhered to. The following items are emphasized:

DRILLING/COMPLETION/PRODUCING OPERATING STANDARDS

- The spud date and time shall be reported orally to Vernal Field Office within 24 hours of spudding.
- Notify Vernal Field Office Supervisory Petroleum Engineering Technician at least 24 hours in advance of casing cementing operations and BOPE & casing pressure tests.
- Blowout prevention equipment (BOPE) shall remain in use until the well is completed or abandoned. Closing unit controls shall remain unobstructed and readily accessible at all times. Choke manifolds shall be located outside of the rig substructure.
- All BOPE components shall be inspected daily and those inspections shall be recorded in the daily drilling report. Components shall be operated and tested as required by Onshore Oil & Gas Order No. 2 to insure good mechanical working order. All BOPE pressure tests shall be performed by a test pump with a chart recorder and **NOT** by the rig pumps. Test shall be reported in the driller's log.
- BOP drills shall be initially conducted by each drilling crew within 24 hours of drilling out from under the surface casing and weekly thereafter as specified in Onshore Oil & Gas Order No. 2.
- Casing pressure tests are required before drilling out from under all casing strings set and cemented in place.
- No aggressive/fresh hard-banded drill pipe shall be used within casing.
- **Cement baskets shall not be run on surface casing.**
- The operator must report all shows of water or water-bearing sands to the BLM. If flowing water is encountered it must be sampled, analyzed, and a copy of the analyses submitted to the BLM Vernal Field Office.

- The operator must report encounters of all non oil & gas mineral resources (such as Gilsonite, tar sands, oil shale, trona, etc.) to the Vernal Field Office, in writing, within 5 working days of each encounter. Each report shall include the well name/number, well location, date and depth (from KB or GL) of encounter, vertical footage of the encounter and, the name of the person making the report (along with a telephone number) should the BLM need to obtain additional information.
- A complete set of angular deviation and directional surveys of a directional well will be submitted to the Vernal BLM office engineer within 30 days of the completion of the well.
- Chronologic drilling progress reports shall be filed directly with the BLM, Vernal Field Office on a weekly basis in sundry, letter format or e-mail to the Petroleum Engineers until the well is completed.
- A cement bond log (CBL) will be run from the production casing shoe to the top of cement and shall be utilized to determine the bond quality for the production casing. Submit a field copy of the CBL to this office.
- **Please submit an electronic copy of all other logs run on this well in LAS format to UT_VN_Welllogs@BLM.gov. This submission will supersede the requirement for submittal of paper logs to the BLM.**
- There shall be no deviation from the proposed drilling, completion, and/or workover program as approved. Safe drilling and operating practices must be observed. Any changes in operation must have prior approval from the BLM Vernal Field Office.

OPERATING REQUIREMENT REMINDERS:

- All wells, whether drilling, producing, suspended, or abandoned, shall be identified in accordance with 43 CFR 3162.6. There shall be a sign or marker with the name of the operator, lease serial number, well number, and surveyed description of the well.
- In accordance with 43 CFR 3162.4-3, this well shall be reported on the "Monthly Report of Operations" (Oil and Gas Operations Report ((OGOR)) starting with the month in which operations commence and continue each month until the well is physically plugged and abandoned. This report shall be filed in duplicate, directly with the Minerals Management Service, P.O. Box 17110, Denver, Colorado 80217-0110, or call 1-800-525-7922 (303) 231-3650 for reporting information.
- Should the well be successfully completed for production, the BLM Vernal Field office must be notified when it is placed in a producing status. Such notification will be by written communication and must be received in this office by not later than the fifth business day following the date on which the well is placed on production. The notification shall provide, as a minimum, the following informational items:
 - Operator name, address, and telephone number.
 - Well name and number.
 - Well location (¼¼, Sec., Twn, Rng, and P.M.).
 - Date well was placed in a producing status (date of first production for which royalty will be paid).
 - The nature of the well's production, (i.e., crude oil, or crude oil and casing head gas, or natural gas and entrained liquid hydrocarbons).
 - The Federal or Indian lease prefix and number on which the well is located; otherwise the non-Federal or non-Indian land category, i.e., State or private.
 - Unit agreement and/or participating area name and number, if applicable.
 - Communitization agreement number, if applicable.
- Any venting or flaring of gas shall be done in accordance with Notice to Lessees (NTL) 4A and needs prior approval from the BLM Vernal Field Office.
- All undesirable events (fires, accidents, blowouts, spills, discharges) as specified in NTL 3A will be reported to the BLM, Vernal Field Office. Major events, as defined in NTL3A, shall be reported verbally within 24 hours, followed by a written report within 15 days. "Other than Major Events" will be reported in writing within 15 days. "Minor Events" will be reported on the Monthly Report of Operations and Production.

- Whether the well is completed as a dry hole or as a producer, "Well Completion and Recompletion Report and Log" (BLM Form 3160-4) shall be submitted not later than 30 days after completion of the well or after completion of operations being performed, in accordance with 43 CFR 3162.4-1. Two copies of all logs run, core descriptions, and all other surveys or data obtained and compiled during the drilling, workover, and/or completion operations, shall be filed on BLM Form 3160-4. Submit with the well completion report a geologic report including, at a minimum, formation tops, and a summary and conclusions. Also include deviation surveys, sample descriptions, strip logs, core data, drill stem test data, and results of production tests if performed. Samples (cuttings, fluid, and/or gas) shall be submitted only when requested by the BLM, Vernal Field Office.
- All off-lease storage, off-lease measurement, or commingling on-lease or off-lease, shall have prior written approval from the BLM Vernal Field Office.
- Oil and gas meters shall be calibrated in place prior to any deliveries. The BLM Vernal Field Office Petroleum Engineers will be provided with a date and time for the initial meter calibration and all future meter proving schedules. A copy of the meter calibration reports shall be submitted to the BLM Vernal Field Office. All measurement facilities will conform to the API standards for liquid hydrocarbons and the AGA standards for natural gas measurement. All measurement points shall be identified as the point of sale or allocation for royalty purposes.
- A schematic facilities diagram as required by Onshore Oil & Gas Order No. 3 shall be submitted to the BLM Vernal Field Office within 30 days of installation or first production, whichever occurs first. All site security regulations as specified in Onshore Oil & Gas Order No. 3 shall be adhered to. All product lines entering and leaving hydrocarbon storage tanks will be effectively sealed in accordance with Onshore Oil & Gas Order No. 3.
- Any additional construction, reconstruction, or alterations of facilities, including roads, gathering lines, batteries, etc., which will result in the disturbance of new ground, shall require the filing of a suitable plan and need prior approval of the BLM Vernal Field Office. Emergency approval may be obtained orally, but such approval does not waive the written report requirement.
- No location shall be constructed or moved, no well shall be plugged, and no drilling or workover equipment shall be removed from a well to be placed in a suspended status without prior approval of the BLM Vernal Field Office. If operations are to be suspended for more than 30 days, prior approval of the BLM Vernal Field Office shall be obtained and notification given before resumption of operations.
- Pursuant to Onshore Oil & Gas Order No. 7, this is authorization for pit disposal of water produced from this well for a period of 90 days from the date of initial production. A permanent disposal method must be approved by this office and in operation prior to the end of this 90-day period. In order to meet this deadline, an application for the proposed permanent disposal method shall be submitted along with any necessary water analyses, as soon as possible, but no later than 45 days after the date of first production. Any method of disposal which has not been approved prior to the end of the authorized 90-day period will be considered as an Incident of Noncompliance and will be grounds for issuing a shut-in order until an acceptable manner for disposing of said water is provided and approved by this office.

- Unless the plugging is to take place immediately upon receipt of oral approval, the Field Office Petroleum Engineers must be notified at least 24 hours in advance of the plugging of the well, in order that a representative may witness plugging operations. If a well is suspended or abandoned, all pits must be fenced immediately until they are backfilled. The "Subsequent Report of Abandonment" (Form BLM 3160-5) must be submitted within 30 days after the actual plugging of the well bore, showing location of plugs, amount of cement in each, and amount of casing left in hole, and the current status of the surface restoration.

CONFIDENTIAL

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, re-enter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.

1. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER _____		5. LEASE DESIGNATION AND SERIAL NUMBER: UTU- 084317
2. NAME OF OPERATOR: Petro-Canada Resources (USA) Inc.		6. IF INDIAN, ALLOTTEE OR TRIBE NAME: N/A
3. ADDRESS OF OPERATOR: 999 18th St, Suite 600 Denver CO ZIP 80202-2499		7. UNIT or CA AGREEMENT NAME: undesignated
PHONE NUMBER: (303) 297-2100		8. WELL NAME and NUMBER: RYE PATCH FED 24-44
4. LOCATION OF WELL FOOTAGES AT SURFACE: 657' FSL & 654' FEL Lot 4 SE/4 SE/4		9. API NUMBER: 4301333446
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: SESE 24 11S 14E S		10. FIELD AND POOL, OR VALCAT: undesignated
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 (Submit in Duplicate) Approximate date work will start: _____	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> REPERFORATE CURRENT FORMATION
<input type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) 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>Permit Extension</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.

Petro-Canada Resources (USA), Inc. hereby requests a one year extension of the state permit for the referenced well.
This is the first extension that has been requested

Approved by the
Utah Division of
Oil, Gas and Mining

COPY SENT TO OPERATOR

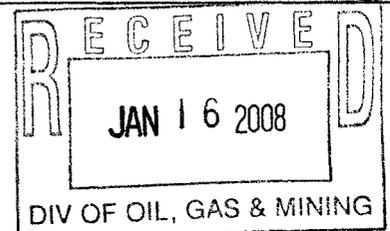
Date: 1-22-2008

Initials: KS

Date: 01-17-08
By: [Signature]

NAME (PLEASE PRINT) <u>Marnie Griffin</u>	TITLE <u>Agent for Petro-Canada Resources (USA), Inc.</u>
SIGNATURE <u>[Signature]</u>	DATE <u>1/14/2008</u>

(This space for State use only)



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

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

API: 4301333446
Well Name: RYE PATCH FED 24-44 UTU-084317
Location: Sec 24 11S-14E SESE 657' FSL & 654' FEL Lot 4 SE/
Company Permit Issued to: Petro-Canada Resources (USA) Inc.
Date Original Permit Issued: 11/29/2006

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

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

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

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

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

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

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

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

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



Signature

1/14/2008

Date

Title: Agent

Representing: Petro-Canada Resources (USA) Inc.

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

FORM 9

CONFIDENTIAL

5. LEASE DESIGNATION AND SERIAL NUMBER:
UTU-084317

SUNDRY NOTICES AND REPORTS ON WELLS

6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
N/A

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:
~~Undesignated~~ Rye Patch (Deep)

1. TYPE OF WELL OIL WELL GAS WELL OTHER _____

8. WELL NAME and NUMBER:
RYE PATCH FED 24-44

2. NAME OF OPERATOR:
Petro-Canada Resources (USA) Inc.

9. API NUMBER:
43013334476

3. ADDRESS OF OPERATOR:
999 18th St, Suite 600 CITY Denver STATE CO ZIP 80202-2499

PHONE NUMBER:
(303) 297-2100

10. FIELD AND POOL, OR WILDCAT:
Undesignated Wildcat

4. LOCATION OF WELL
FOOTAGES AT SURFACE: 657' FSL & 654' FEL, COUNTY: Duchesne
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: SESE 24 11S 14E S 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 (Submit in Duplicate) Approximate date work will start: _____	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> REPERFORATE CURRENT FORMATION
	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> SIDETRACK TO REPAIR WELL
	<input type="checkbox"/> CASING REPAIR	<input type="checkbox"/> NEW CONSTRUCTION	<input type="checkbox"/> TEMPORARILY ABANDON
	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> TUBING REPAIR
	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> VENT OR FLARE
<input type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion: _____	<input type="checkbox"/> CHANGE WELL NAME	<input type="checkbox"/> PLUG BACK	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> PRODUCTION (START/RESUME)	<input type="checkbox"/> WATER SHUT-OFF
	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input checked="" type="checkbox"/> OTHER: <u>Permit Extension</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.

Petro-Canada Resources (USA), Inc. hereby requests a one year extension of the state permit for the referenced well.

This is the second extension that has been requested with the original permit being approved 11/29/2006.

Approved by the
Utah Division of
Oil, Gas and Mining

Date: 12-22-08

By: [Signature]

NAME (PLEASE PRINT) Don Hamilton

TITLE Agent for Petro-Canada Resources (USA), Inc.

SIGNATURE Don Hamilton

DATE 12/17/2008

(This space for State use only)

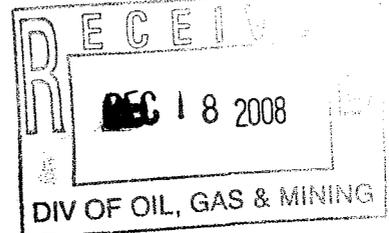
COPY SENT TO OPERATOR

(5/2000)

Date: 12-30-2008

(See Instructions on Reverse Side)

Initials: KS



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

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

API: 430133344⁶
Well Name: RYE PATCH FED 24-44
Location: 657' FSL & 654' FEL, SESE, S. 24, T11S, R14E,
Company Permit Issued to: Petro-Canada Resources (USA) Inc.
Date Original Permit Issued: 11/29/2006

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

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

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

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

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

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

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

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

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

Don Hamilton
Signature

12/17/2008
Date

Title: Agent

Representing: Petro-Canada Resources (USA) Inc.

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

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

SUNDRY NOTICES AND REPORTS ON WELLS

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

SUBMIT IN TRIPLICATE- Other instructions on reverse side.

1. Type of Well
 Oil Well Gas Well Other

2. Name of Operator **Petro-Canada Resources (USA), Inc.**

3a. Address **1099-18th Street, Suite 400; Denver, Colorado 80202**
 3b. Phone No. (include area code) **303-297-2100**

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
657' FSL & 654' FEL, Lot 4 (SE/4 SE/4), Section 24, T11S, R14E, SLB&M

5. Lease Serial No.
UTU-084317

6. If Indian, Allottee or Tribe Name
N/A

7. If Unit or CA/Agreement, Name and/or No.
N/A

8. Well Name and No.
Rye Patch Fed 24-44

9. API Well No.
4301333446

10. Field and Pool, or Exploratory Area
undesignated

11. County or Parish, State
Duchesne County, Utah

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

TYPE OF SUBMISSION	TYPE OF ACTION			
<input checked="" type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input checked="" type="checkbox"/> Other <u>Permit Extension</u>
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	

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

Petro-Canada Resources (USA), Inc. hereby requests a two year extension of the federal drilling permit for the referenced well.

This is the first extension that has been requested with the original permit being approved 10-24-2007.

RECEIVED
 VERNAL FIELD OFFICE
 DEPT OF THE INTERIOR
 BUREAU OF LAND MGMT
 2009 SEP 8 PM 12:58

14. I hereby certify that the foregoing is true and correct
 Name (Printed/Typed)

Don Hamilton

Title **Agent for Petro-Canada Resources (USA), Inc.**

Signature

Don Hamilton

Date

September 2, 2009

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

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

Petroleum Engineer

Office

OCT 5 2009

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

(Instructions on page 2)

RECEIVED

CONDITIONS OF APPROVAL ATTACHED 2009

DIV. OF OIL, GAS & MINING

UDOGM

CONDITIONS OF APPROVAL

Petro-Canada resources (USA), Inc.

Notice of Intent APD Extension

Lease: UTU-084317
Well: Rye Patch Fed 24-44
Location: SESE Sec 24-T11S-R14E

An extension for the referenced APD is granted with the following conditions:

1. The extension and APD shall expire on 10/24/2011.
2. No other extension shall be granted.

If you have any other questions concerning this matter, please contact Ryan Angus of this office at (435) 781-4430

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: UTU-084317
	6. IF INDIAN, ALLOTTEE OR TRIBE NAME: _____
	7. UNIT or CA AGREEMENT NAME: RYE PATCH (DEEP)
1. TYPE OF WELL Gas Well	8. WELL NAME and NUMBER: RYE PATCH FED 24-44
2. NAME OF OPERATOR: PETRO-CANADA RESOURCES (USA), INC	9. API NUMBER: 43013334460000
3. ADDRESS OF OPERATOR: 999 18th Street, Sutie 600 , Denver, CO, 80202	PHONE NUMBER: 303 297-2100 Ext
4. LOCATION OF WELL FOOTAGES AT SURFACE: 0657 FSL 0654 FEL QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: Qtr/Qtr: SESE Section: 24 Township: 11.0S Range: 14.0E Meridian: S	9. FIELD and POOL or WILDCAT: WILDCAT
	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 Approximate date work will start: 9/1/2010	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> CASING REPAIR
<input type="checkbox"/> SUBSEQUENT REPORT 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 Date of Spud:	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> CONVERT WELL TYPE
<input type="checkbox"/> DRILLING REPORT Report Date:	<input type="checkbox"/> DEEPEN	<input 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 checked="" type="checkbox"/> APD EXTENSION
	<input type="checkbox"/> WILDCAT WELL DETERMINATION	<input type="checkbox"/> OTHER	OTHER: _____

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

Petro-Canada Resources (USA), Inc. hereby requests a one year extension of the state permit for the referenced well. This is the third extension that has been requested.

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

Date: December 14, 2009

By: 

NAME (PLEASE PRINT) Don Hamilton	PHONE NUMBER 435 719-2018	TITLE Permitting Agent (Buys & Associates, Inc)
SIGNATURE N/A	DATE 12/4/2009	



The Utah Division of Oil, Gas, and Mining

- State of Utah
- Department of Natural Resources

Electronic Permitting System - Sundry Notices

Request for Permit Extension Validation Well Number 43013334460000

API: 43013334460000

Well Name: RYE PATCH FED 24-44

Location: 0657 FSL 0654 FEL QTR SESE SEC 24 TWNP 110S RNG 140E MER S

Company Permit Issued to: PETRO-CANADA RESOURCES (USA), INC

Date Original Permit Issued: 11/29/2006

The undersigned as owner with legal rights to drill on the property as permitted above, hereby verifies that the information as submitted in the previously approved application to drill, remains valid and does not require revision. Following is a checklist of some items related to the application, which should be verified.

- If located on private land, has the ownership changed, if so, has the surface agreement been updated? Yes No
- Have any wells been drilled in the vicinity of the proposed well which would affect the spacing or siting requirements for this location? Yes No
- Has there been any unit or other agreements put in place that could affect the permitting or operation of this proposed well? Yes No
- Have there been any changes to the access route including ownership, or rightof- way, which could affect the proposed location? Yes No
- Has the approved source of water for drilling changed? Yes No
- Have there been any physical changes to the surface location or access route which will require a change in plans from what was discussed at the onsite evaluation? Yes No
- Is bonding still in place, which covers this proposed well? Yes No

Approved by the Utah Division of Oil, Gas and Mining

Signature: Don Hamilton

Date: 12/4/2009

Title: Permitting Agent (Buys & Associates, Inc) **Representing:** PETRO-CANADA RESOURCES (USA), INC **Date:** December 14, 2009

By:



United States Department of the Interior

BUREAU OF LAND MANAGEMENT
Green River District-Vernal Field Office
170 South 500 East
Vernal, UT 84078

(435) 781-4400 Fax: (435) 781-4410
<http://www.blm.gov/ut/st/en/fo/vernal.html>

AUG 04 2010



TAKE PRIDE
IN AMERICA

43013-33446

24-T11S R14E

IN REPLY REFER TO:
3162.3 (UTG011)

Jessica Berg
Gasco Production Company
8 Inverness Drive East, Suite 100
Englewood, CO 80112

Re: Change of Operator
Well No. Rye Patch Federal 24-44
Lot 4, Sec. 24, T11S, R14E
Duchesne County, Utah
Lease No. UTU-84317

CONFIDENTIAL

Dear Ms. Berg:

This correspondence is in regard to the self-certification statement submitted requesting a change of operator for the referenced well. After a review by this office, the change of operator request is approved. Effective January 1, 2010, Gasco Production Company is responsible for all operations performed on the referenced well. All liability will now fall under your bond, BLM Bond No. UT1233, for all operations conducted on the referenced well on the leased land.

Our records show that rights-of-way, UTU-85791 and UTU-85790 have been issued for the off lease portion of the road and pipeline to the subject well. In order for Gasco Production Company to obtain the Bureau of Land Management's approval for the use of these rights-of-way, you must have these rights-of-way assigned to Gasco Production Company. Please contact Margo Roberts at (435) 781-4492 for instructions on how to complete the assignment of the rights-of-way.

If you have any other questions regarding this matter, please contact Cindy Severson of this office at (435) 781-4455.

Sincerely,

RECEIVED

AUG 09 2010

DIV. OF OIL, GAS & MINING

James H. Sparger
Acting Assistant Field Manager
Lands & Mineral Resources

Enclosure

cc: UDOGM
Petro-Canada Resources (USA) Inc.

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

RECEIVED

FORM APPROVED
OMB NO. 1004-0135
Expires: July 31, 2010

JUL 26 2010

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

BLM

5. Lease Serial No.
UTU84317

6. If Indian, Allottee or Tribe Name

7. If Unit or CA/Agreement, Name and/or No.

8. Well Name and No.
RYE PATCH FEDERAL 24-44

9. API Well No.
43-013-33446

10. Field and Pool, or Exploratory
WILDCAT

11. County or Parish, and State
DUCHESNE COUNTY, UT

SUBMIT IN TRIPLICATE - Other instructions on reverse side.

1. Type of Well
 Oil Well Gas Well Other

2. Name of Operator
GASCO PRODUCTION COMPANY
Contact: JESSICA BERG
E-Mail: jberg@gascoenergy.com

3a. Address
8 INVERNESS DRIVE EAST, SUITE 100
ENGLEWOOD, CO 80112

3b. Phone No. (include area code)
Ph: 303-996-1805

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
Sec 24 T11S R14E SESE 657FSL 654FEL
Lot 4

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

TYPE OF SUBMISSION	TYPE OF ACTION			
<input checked="" type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input checked="" type="checkbox"/> Other
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	

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

Effective January 1, 2010, Gasco Production Company will be the operator for the Rye Patch Federal 24-44 located in SESE of sec 24-T11S-R14E.

Gasco Production Company's federal bonding requirements are as follows:
Statewide BLM Bond #UT1233
Blanket Drilling Bond-State of Utah Dept. of Natural Resources #4127763

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

**Electronic Submission #90206 verified by the BLM Well Information System
For GASCO PRODUCTION COMPANY, sent to the Vernal
Committed to AFMSS for processing by GAIL JENKINS on 07/30/2010 ()**

Name (Printed/Typed) JESSICA BERG

Title AUTHORIZED REPRESENTATIVE

Signature (Electronic Submission)

Date 07/26/2010

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved By

Title

Acting Assistant Field Manager
Lands & Mineral Resources

AUG 04 2010
Date

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

Office

VERNAL FIELD OFFICE

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

**** OPERATOR-SUBMITTED ** OPERATOR-SUBMITTED ** OPERATOR-SUBMITTED ****



STATE OF UTAH DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS, AND MINING	FORM 9 5. LEASE DESIGNATION AND SERIAL NUMBER: UTU-084317
SUNDRY NOTICES AND REPORTS ON WELLS Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.	6. IF INDIAN, ALLOTTEE OR TRIBE NAME: 7. UNIT or CA AGREEMENT NAME:
1. TYPE OF WELL Gas Well	8. WELL NAME and NUMBER: RYE PATCH FED 24-44
2. NAME OF OPERATOR: GASCO PRODUCTION COMPANY	9. API NUMBER: 43013334460000
3. ADDRESS OF OPERATOR: 8 Inverness Dr. East, Suite 100 , Englewood, CO, 80112	PHONE NUMBER: 303 483-0044 Ext
4. LOCATION OF WELL FOOTAGES AT SURFACE: 0657 FSL 0654 FEL QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: Qtr/Qtr: SESE Section: 24 Township: 11.0S Range: 14.0E Meridian: S	9. FIELD and POOL or WILDCAT: GATE CANYON 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 Approximate date work will start: 11/26/2011 <input type="checkbox"/> SUBSEQUENT REPORT Date of Work Completion: <input type="checkbox"/> SPUD REPORT Date of Spud: <input type="checkbox"/> DRILLING REPORT Report Date:	<input type="checkbox"/> ACIDIZE <input type="checkbox"/> CHANGE TO PREVIOUS PLANS <input type="checkbox"/> CHANGE WELL STATUS <input type="checkbox"/> DEEPEN <input type="checkbox"/> OPERATOR CHANGE <input type="checkbox"/> PRODUCTION START OR RESUME <input type="checkbox"/> REPERFORATE CURRENT FORMATION <input type="checkbox"/> TUBING REPAIR <input type="checkbox"/> WATER SHUTOFF <input type="checkbox"/> WILDCAT WELL DETERMINATION	<input type="checkbox"/> ALTER CASING <input type="checkbox"/> CHANGE TUBING <input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS <input type="checkbox"/> FRACTURE TREAT <input type="checkbox"/> PLUG AND ABANDON <input type="checkbox"/> RECLAMATION OF WELL SITE <input type="checkbox"/> SIDETRACK TO REPAIR WELL <input type="checkbox"/> VENT OR FLARE <input type="checkbox"/> SI TA STATUS EXTENSION <input type="checkbox"/> OTHER	<input type="checkbox"/> CASING REPAIR <input type="checkbox"/> CHANGE WELL NAME <input type="checkbox"/> CONVERT WELL TYPE <input type="checkbox"/> NEW CONSTRUCTION <input type="checkbox"/> PLUG BACK <input type="checkbox"/> RECOMPLETE DIFFERENT FORMATION <input type="checkbox"/> TEMPORARY ABANDON <input type="checkbox"/> WATER DISPOSAL <input checked="" type="checkbox"/> APD EXTENSION OTHER: <input style="width: 100px;" type="text"/>

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

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

Date: 11/29/2010
By:

NAME (PLEASE PRINT) Roger Knight	PHONE NUMBER 303 996-1803	TITLE EHS Supervisor
SIGNATURE N/A		DATE 11/23/2010



The Utah Division of Oil, Gas, and Mining

- State of Utah
- Department of Natural Resources

Electronic Permitting System - Sundry Notices

Request for Permit Extension Validation Well Number 43013334460000

API: 43013334460000

Well Name: RYE PATCH FED 24-44

Location: 0657 FSL 0654 FEL QTR SESE SEC 24 TWP 110S RNG 140E MER S

Company Permit Issued to: GASCO PRODUCTION COMPANY

Date Original Permit Issued: 11/29/2006

The undersigned as owner with legal rights to drill on the property as permitted above, hereby verifies that the information as submitted in the previously approved application to drill, remains valid and does not require revision. Following is a checklist of some items related to the application, which should be verified.

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

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

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

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

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

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

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

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

Signature: Roger Knight

Date: 11/23/2010

Title: EHS Supervisor **Representing:** GASCO PRODUCTION COMPANY

Date: 11/29/2010

By: 

STATE OF UTAH DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS, AND MINING		FORM 9
		5. LEASE DESIGNATION AND SERIAL NUMBER: UTU-084317
SUNDRY NOTICES AND REPORTS ON WELLS		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:
1. TYPE OF WELL Gas Well		8. WELL NAME and NUMBER: RYE PATCH FED 24-44
2. NAME OF OPERATOR: GASCO PRODUCTION COMPANY		9. API NUMBER: 43013334460000
3. ADDRESS OF OPERATOR: 8 Inverness Dr. East, Suite 100 , Englewood, CO, 80112	PHONE NUMBER: 303 483-0044 Ext	9. FIELD and POOL or WILDCAT: GATE CANYON
4. LOCATION OF WELL FOOTAGES AT SURFACE: 0657 FSL 0654 FEL QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: Qtr/Qtr: SESE Section: 24 Township: 11.0S Range: 14.0E Meridian: S		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 Approximate date work will start: 11/29/2012 <input type="checkbox"/> SUBSEQUENT REPORT Date of Work Completion: <input type="checkbox"/> SPUD REPORT Date of Spud: <input type="checkbox"/> DRILLING REPORT Report Date:	<input type="checkbox"/> ACIDIZE <input type="checkbox"/> ALTER CASING <input type="checkbox"/> CASING REPAIR <input type="checkbox"/> CHANGE TO PREVIOUS PLANS <input type="checkbox"/> CHANGE TUBING <input type="checkbox"/> CHANGE WELL NAME <input type="checkbox"/> CHANGE WELL STATUS <input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS <input type="checkbox"/> CONVERT WELL TYPE <input type="checkbox"/> 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 checked="" 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.		
		<p style="color: red; font-weight: bold; margin: 0;">Approved by the Utah Division of Oil, Gas and Mining</p> <p style="color: red; font-weight: bold; margin: 0;">Date: <u>11/30/2011</u></p> <p style="color: red; font-weight: bold; margin: 0;">By: <u></u></p>
NAME (PLEASE PRINT) Roger Knight	PHONE NUMBER 303 996-1803	TITLE EHS Supervisor
SIGNATURE N/A		DATE 11/28/2011



The Utah Division of Oil, Gas, and Mining

- State of Utah
- Department of Natural Resources

Electronic Permitting System - Sundry Notices

Request for Permit Extension Validation Well Number 43013334460000

API: 43013334460000

Well Name: RYE PATCH FED 24-44

Location: 0657 FSL 0654 FEL QTR SESE SEC 24 TWNP 110S RNG 140E MER S

Company Permit Issued to: GASCO PRODUCTION COMPANY

Date Original Permit Issued: 11/29/2006

The undersigned as owner with legal rights to drill on the property as permitted above, hereby verifies that the information as submitted in the previously approved application to drill, remains valid and does not require revision. Following is a checklist of some items related to the application, which should be verified.

- If located on private land, has the ownership changed, if so, has the surface agreement been updated? Yes No
- Have any wells been drilled in the vicinity of the proposed well which would affect the spacing or siting requirements for this location? Yes No
- Has there been any unit or other agreements put in place that could affect the permitting or operation of this proposed well? Yes No
- Have there been any changes to the access route including ownership, or rightof- way, which could affect the proposed location? Yes No
- Has the approved source of water for drilling changed? Yes No
- Have there been any physical changes to the surface location or access route which will require a change in plans from what was discussed at the onsite evaluation? Yes No
- Is bonding still in place, which covers this proposed well? Yes No

Signature: Roger Knight

Date: 11/28/2011

Title: EHS Supervisor **Representing:** GASCO PRODUCTION COMPANY

STATE OF UTAH DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS, AND MINING	FORM 9 5.LEASE DESIGNATION AND SERIAL NUMBER: UTU-084317
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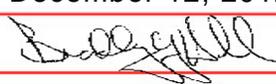
11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION		
<input checked="" type="checkbox"/> NOTICE OF INTENT Approximate date work will start: 11/29/2013	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> CASING REPAIR
<input type="checkbox"/> SUBSEQUENT REPORT 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 Date of Spud:	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> CONVERT WELL TYPE
<input type="checkbox"/> DRILLING REPORT Report Date:	<input type="checkbox"/> DEEPEN	<input 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 checked="" 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.

Approved by the Utah Division of Oil, Gas and Mining

Date: December 12, 2012

By: 

NAME (PLEASE PRINT) Roger Knight	PHONE NUMBER 303 996-1803	TITLE EHS Supervisor
SIGNATURE N/A	DATE 11/29/2012	



The Utah Division of Oil, Gas, and Mining

- State of Utah
- Department of Natural Resources

Electronic Permitting System - Sundry Notices

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API: 43013334460000

Well Name: RYE PATCH FED 24-44

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Signature: Roger Knight

Date: 11/29/2012

Title: EHS Supervisor Representing: GASCO PRODUCTION COMPANY