

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

SUBMIT IN TRIPLICATE*
(Other instructions on reverse side)

ML-4386-A

5. Lease Designation and Serial No.

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

6. If Indian, Allottee or Tribe Name

1a. Type of Work

DRILL DEEPEN PLUG BACK

7. Unit Agreement Name

b. Type of Well

Oil Well Gas Well Other Single Zone Multiple Zone

8. Farm or Lease Name

STATE

2. Name of Operator

MEGADON ENTERPRISES, INC.

9. Well No.

BOLINDER #2-2

3. Address of Operator

57 WEST SOUTH TEMPLE, SALT LAKE CITY, UTAH 84101

10. Field and Pool, or Wildcat

GRASSY TRAIL

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

At surface SE 1/4 NE 1/4 SECTION 2, T 16S, R 12E, SLM.
At proposed prod. zone 1840' FR. N-LINE AND 800' FR. E-LINE

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

SE. SEC. 2-16S-12E SLM.

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

APPROXIMATELY 15 MILES SE. OF PRICE, UTAH

12. County or Parrish

EMERY

13. State

UTAH

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

520 FT.

16. No. of acres in lease

120 ACRES

17. No. of acres assigned to this well

40 ACRES

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

1200 FT.

19. Proposed depth

3900'

20. Rotary or cable tools

ROTARY

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

5368' GRD; 5378' K.B.

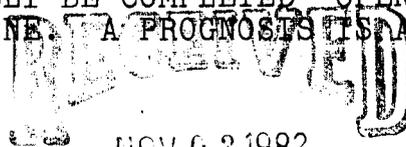
22. Approx. date work will start*

NOV. 30, 1982

23. PROPOSED CASING AND CEMENTING PROGRAM

Size of Hole	Size of Casing	Weight per Foot	Setting Depth	Quantity of Cement
14"	10 3/4"	40.50	250'	150 sks
9 1/2"	7 5/8"	26.40	3700'	600 sks

IT IS PLANNED TO DRILL A WELL AT THE ABOVE LOCATION TO TEST THE PRODUCTION CAPABILITIES OF A ZONE IN THE MOENKOPI FORMATION AT A DEPTH OF ABOUT 3900'. SURFACE CASING, 10 3/4", WILL BE SET AT ABOUT 250' AND THOROUGHLY CEMENTED TO THE SURFACE. BLOWOUT PREVENTERS AND ROTATING HEAD WILL THEN BE INSTALLED AND A 9 1/2" HOLE WILL BE DRILLED BELOW THE SURFACE CASING USING AIR AND AIR MIST FOR CIRCULATION. THE 9 1/2" HOLE WILL BE DRILLED TO ABOUT 3700' (50' to 100' ABOVE THE PAY ZONE) AND 7 5/8" CASING WILL THEN BE SET AND CEMENTED THRU THE WATER ZONES. A 6 3/4" HOLE WILL THEN BE DRILLED INTO THE PAY SECTION WITH AIR. THE WELL WILL PROBABLY BE COMPLETED 'OPEN-HOLE' TO MINIMIZE THE DAMAGE TO THE PRODUCTION ZONE. A PROGNOSTIC IS ATTACHED HERETO.



NOV 03 1982

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

24. DIVISION OF OIL, GAS & MINING

Signed: *H. Don Gungley*

Title: PRESIDENT

Date: OCT. 29, 1982

(This space for Federal or State office use)

Permit No.

Approval

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

Approved by

Title

DATE: 12-8-82

Conditions of approval, if any:

BY: *Norman Stord*

OPERATOR MEGADON ENTERPRISES INC

DATE 11-4-82

WELL NAME STATE BOLINDER # 2-2

SEC SE NE 2 T 16S R 12E COUNTY EMERY

43-015-30143
API NUMBER

STATE
TYPE OF LEASE

POSTING CHECK OFF:

<input type="checkbox"/>	INDEX	<input type="checkbox"/>	HL	<input checked="" type="checkbox"/>
<input type="checkbox"/>	NID	<input checked="" type="checkbox"/>	PI	<input type="checkbox"/>
<input type="checkbox"/>	MAP	<input checked="" type="checkbox"/>		<input type="checkbox"/>

PROCESSING COMMENTS:

Nearest well over 1000' distance - boundary spacing ok
BECKY OF STATE LANDS ADVISES BOLINDER HOLDS A 5000 BOND ON THE
LEASE - THE WELL DEPTH IS IN THE 10,000 BOND CLASS - OTHERWISE OK
PJT ✓

APPROVAL LETTER:

SPACING: A-3 _____ UNIT c-3-a _____ CAUSE NO. & DATE

c-3-b c-3-c

SPECIAL LANGUAGE:

RECONCILE WELL NAME AND LOCATION ON APD AGAINST SAME DATA ON PLAT MAP.

AUTHENTICATE LEASE AND OPERATOR INFORMATION

VERIFY ADEQUATE AND PROPER BONDING

AUTHENTICATE IF SITE IS IN A NAMED FIELD, ETC.

APPLY SPACING CONSIDERATION

ORDER NO

UNIT NO

c-3-b

c-3-c

OUTSTANDING OR OVERDUE REPORTS FOR OTHER WELLS OF THE OPERATOR.

IF POTASH DESIGNATED AREA, SPECIAL LANGUAGE ON APPROVAL LETTER

Telecom with
Don Quigley 11-4-82

They have applied for
a bond and lease
assignment. Will advise
when accomplished.

Yours

Rec'd verification
12-9-82

$$\begin{array}{r} 1840 \\ 1320 \\ \hline 520 \\ 800 \\ \hline 1320 \end{array}$$


POST PETAD

20' conductor

Map #1

MOUNDS QUADRANGLE
UTAH

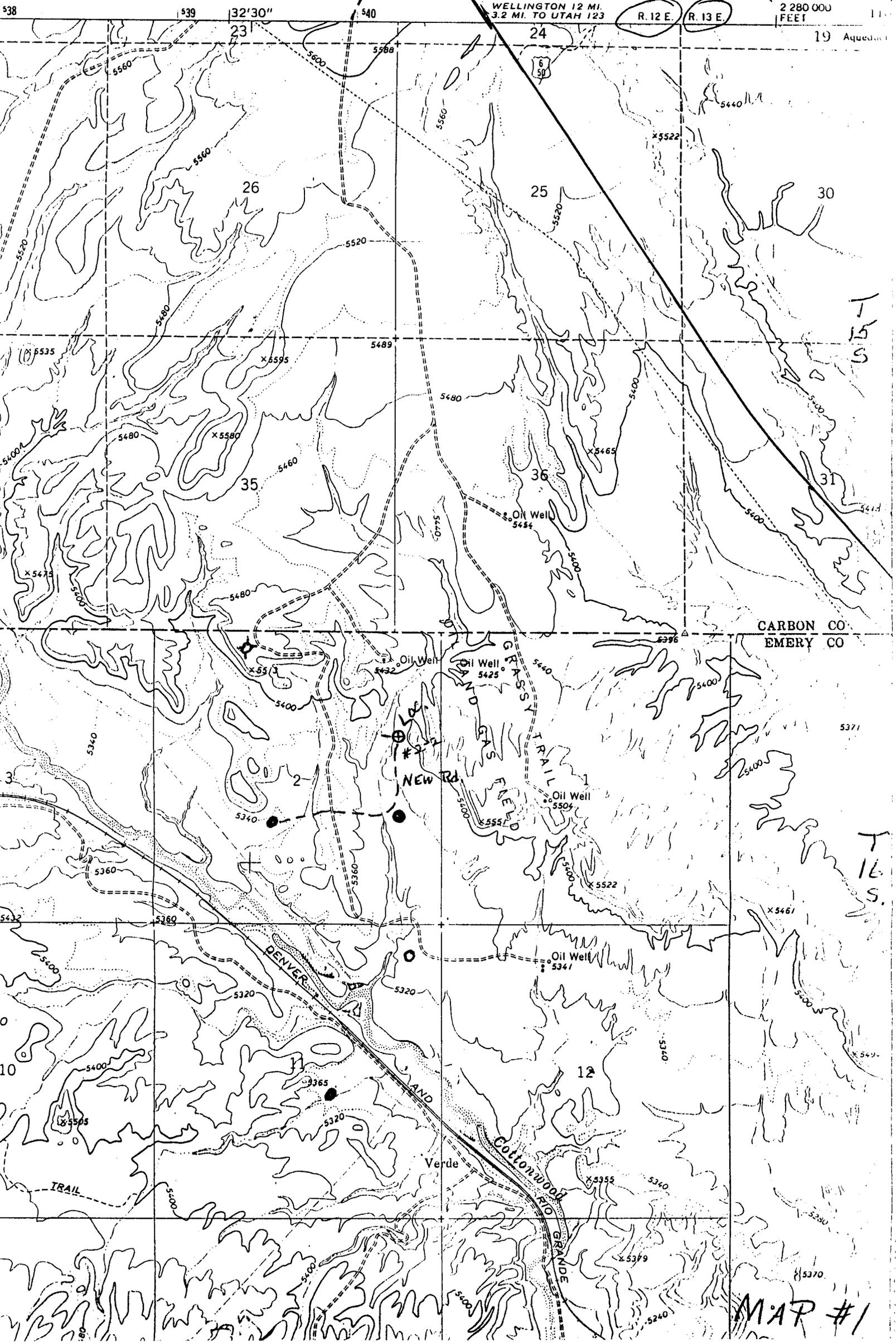
7.5 MINUTE SERIES (TOPOGRAPHIC)

WELLINGTON 12 MI.
3.2 MI. TO UTAH 123

2 280 000
FEET

R. 12 E. R. 13 E.

19 Aqueduct



PROGNOSIS FOR
BOLINDER-STATE #2-2 WELL
EMERY COUNTY, UTAH

OPERATOR: Megadon Enterprises, Inc., Salt Lake City, Utah

LOCATION: SE. NE. Section 2, T 16S, R 12E, SLM., Emery County, Utah

ELEVATIONS: 5368' Grd; 5378' K.B.

SURFACE HOLE: 14" approximately to 250 ft.

SURFACE CASING: 10 3/4", 40.50#, H-40, set at approximately 250' and cemented with 150 sks. of RFC cement with returns to surface.

1. Estimated Formation Tops:

<u>Formation</u>	<u>Depth to Top</u>	<u>Thickness</u>	<u>Datum</u>
Mancos (Tununk)	Surface	228'	5378'
Dakota	228'	40'	5150'
Cedar Mt.	268'	260'	5110'
Morrison	528'	700'	4850'
Summerville	1228'	200'	4150'
Curtis	1428'	150'	3950'
Entrada	1578'	350'	3800'
Carmel	1928'	220'	3450'
Navajo	2148'	450'	3230'
Kayenta	2598'	50'	2780'
Wingate	2648'	400'	2730'
Chinle	3048'	200'	2330'
Shinarump	3248'	100'	2130'
Moenkopi	3348'	400'	2030'
(Production Zone)*	3748'	150'	1630'
(Sinbad)*	3898'	100'	1480'
TOTAL DEPTH:	3900'		

*The oil producing section in the Moenkopi should occur in the area between 3750' and 3850'. The Sinbad could have some possibilities also.

2. The surface hole will be drilled with water using about a 14" bit. (Bit size will be determined by the available bit at the time.) The surface hole will be kept within 1 1/2° of vertical. The surface casing will be set and thoroughly cemented with returns to the surface. Approximately 4 hours will be allowed for the cement to set. Blowout preventer with hydraulic pipe and blind rams will then be installed on top of the casing. A rotating head will be installed on the top of the BOP and/or hydril and approximately 100 feet of blewie line laid with the end of the line located in the reserve pit. The BOP and surface casing will then be tested to 1500# pressure for leaks. Fill and kill lines will be connected to the casing head below the blind

rams.

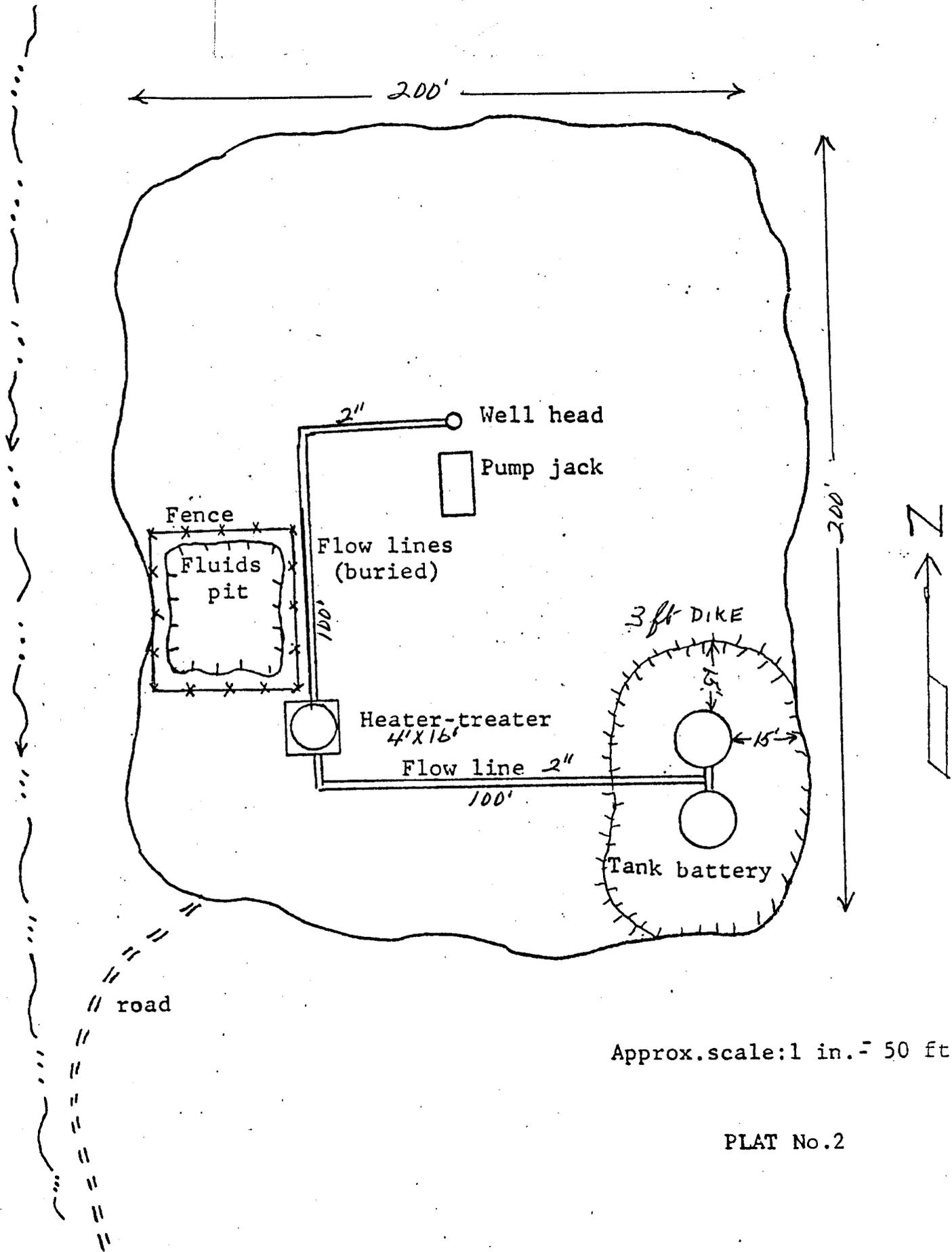
3. A 9½" hole will be drilled below the surface casing using air for circulation. It is anticipated that water will be encountered in the Entrada, Navajo, and Wingate formations and the air will have to be converted to air-mist thru these formations. The hole will be kept straight, varying no more than 5° from vertical and no greater drifts than 2° within a 400 ft. interval. Surveys will be taken at 400 ft. intervals. The 9½" hole will be drilled to a depth of about 3700', filled with 100 viscosity mud and logged electrically. (Only a Dual-Induction log needs to be run at this point.) After logging, 7 5/8" casing will be run and cemented with sufficient cement to cover the water zones.
4. Approximately 8 hrs. will be allowed for the cement to set, and then the casing will be set in the slips and then re-nipped-up to drill ahead with air. (The casing head, BOP's and welds will again be tested to 1500# for leaks.) A 6 3/4" hole will then be drilled below the intermediate casing to a depth sufficient to penetrate the production zone at about 3750 to 3850'; and possibly into the Sinbad section below. The lower part of the hole from about 3600' to T.D. will then be filled with 100 viscosity mud and logged, using dual-induction and Gamma-Density-CNL tools. (It should be noted that this program may be changed to core the pay zone and/or to divert the hole at about 3700' and drill horizontally into the pay zone in one or more directions; or it may be decided to under-ream the vertical hole thru the pay-zone to approximately 18" diameter.)
5. No abnormal conditions are anticipated. The area does not have a history of high pressure natural gas or any toxic gases. Some water flows may be encountered and these will be cased off as indicated above.
6. The anticipated starting date is approximately November 30, 1982 and it should take about 15 days to drill and about 15 days to complete.
7. The well will probably be completed 'open-hole' to minimize the damage to the production zone. Some slotted casing (4½") might be hung below the intermediate casing just to keep the hole open.

LOCATION PLANS FOR
BOLINDER - ST. #2-2 WELL

1. A survey plat (Plat #1) is attached and shows the location of the site. The site is between two producing wells as shown on the attached topographic map, Map #1; and is approximately equidistant between the two producing wells.
2. Access to the well site from Hwy #6-50 out of Price, Utah is shown on the map. The new access road is simply an extension of the road to the Skyline #2-43 well. The new road is approximately 1200 feet long and will be constructed along the east bank of the wash. No deep cuts or fills will be required; and no culverts are needed. The total width of the road will be about 20 feet with a travel surface width of 14 ft. The road will have a 6" crown in the middle and ditched on both sides.
3. All of the nearby wells to the proposed site are shown on the attached map.
4. A plan for the type and location of production equipment if the well is successful, is shown on Plat #2. The tank battery will be protected with a dike. Production lines will be buried. The small fluid pit will be fenced. All moving parts on the pump jack will be protected with guard rails. The original drill site will be cleaned, reserve pit folded in, and the site contracted to the size needed for production purposes.
5. Water for drilling purposes will be obtained from the nearby Cottonwood Creek, if flowing; otherwise, from the Price River. Very little water will be required due to the air-drilling.
6. A planned layout for the drilling equipment is shown on Plat #3. This plat shows the reserve pit which will be approximately 75 feet wide, 200 feet long, and 6 ft. deep. This pit will be dug completely in native soil and Mancos shale, so should have no leaks. Excess drilling water, mud, and drill cuttings will be deposited into this pit. The pit will be fenced on three sides with barbed wire to prevent access by livestock and wild animals. The waste and burnable material will be put into a burn cage to be removed at the end of the well.
7. The location and access road are located on the east bank of a N-S trending dry wash. There is only sparse grass, shad scale, and black brush on the site. The site has a 6° slope to the west and will require a 10 ft. cut on the east and south sides with a corresponding fill on the west and north sides. The reserve pit will be below the fill on the west side. After the well is completed, the pit will be fully fenced until the fluids, if any, evaporate and permit folding-in and levelling.

8. There is no surface activity in the area which would conflict with the drilling and production operations. There is no ranching, irrigation or cultivation in the area. Some very limited cattle grazing may be present. There are no habitations, powerlines or telephone lines which would be damaged by the drilling operations. There are no known archaeological or cultural sites in the area. The only present activity is the extensive drilling operations of Skyline Oil Co. in the area.

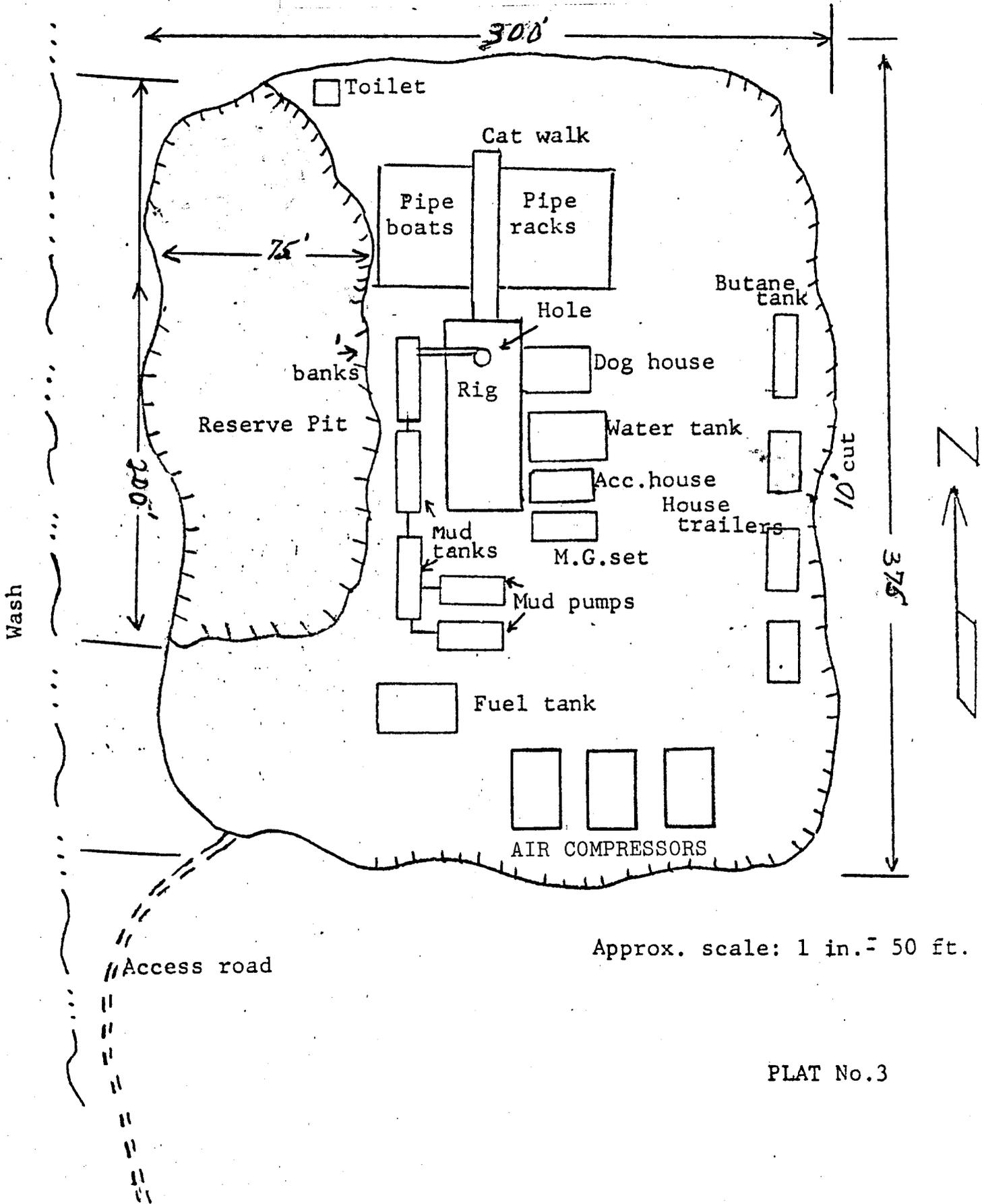
PLAN FOR COMPLETION EQUIPMENT
FOR THE BOLINDER ST. #2-2 WELL
EMERY COUNTY, UTAH



Approx. scale: 1 in. = 50 ft.

PLAT No. 2

ILLING EQUIPMENT LAYOUT FOR
THE BOLINDER ST. #2-2 WELL
EMERY COUNTY, UTAH



Approx. scale: 1 in. = 50 ft.

PLAT No. 3

WELL CONTROL EQUIPMENT FOR
BOLINDER ST. #2-2 WELL
SE. NE. SECTION 2-16S-12E.
EMERY COUNTY, UTAH

The following control equipment is planned for the above designated well:

SURFACE CASING:

- A: Hole size for the surface casing is 14".
- B: Setting depth for surface casing is approximately 250'.
- C: Casing specs are: 10 3/4" O.D., H-40, 40.50#, 8-rd thread, new or used.
- D: Anticipated pressure at setting depth is approximately 100 lbs.
- E: Casing will be run and cemented with 150 sks of cement and with returns to the surface.
- F: Top of casing will be at ground level.

CASING HEAD:

- A: Flange size: 13 5/8", API.
- B: Pressure Rating: 3000#, Series 600, Cameron, OCT, or equivalent; new or used; equipped with two 2" ports with nipples and 2", 3000# W.P. valves. Casing head and valves will be set above ground.

INTERMEDIATE CASING:

- A: 7 5/8", 26.40#, J-55, set at approximately 2700' and cemented w/600 sks cement. Cemented thru the water zones.

BLOWOUT PREVENTERS:

- A: Double Rams: Hydraulic; one set of blind rams for 3 1/2" or 4" drill pipe; 10" flange; 3000# W.P; Series 900; equipped with mechanical wheels and rod for back-up; set on top of casing head and bolted down securely; pressure tested for leaks up to 2000#; Cameron, Shaffer, or equivalent. A rotating head will also be used.
- B: Fill and Kill Lines: To be connected to the 2" valve in the casing head and are to be heavy duty line pipe or tubing. The kill line will be connected to the mud pump and the flow line will be directed into the reserve pit.

AUXILLIARY EQUIPMENT:

- A: Float Valve: 3000# W.P; to be used in the bottom drill collar at all times.
- B: Kelly Valve: At least 3000# W.P; will be installed in the stand pipe and a valve with proper sub will be available for stabbing in the drill pipe or drill collars.

WELL CONTROL EQUIPMENT
BOLINDER ST. #2-2 WELL

ANTICIPATED PRESSURES:

A: Shut-In Pressure: The Moenkopi formation at a depth of about 3800' has been recorded at about 1500#, in the Grassy Trail Field. This will be the pressure that will be considered in the control program for the mud.

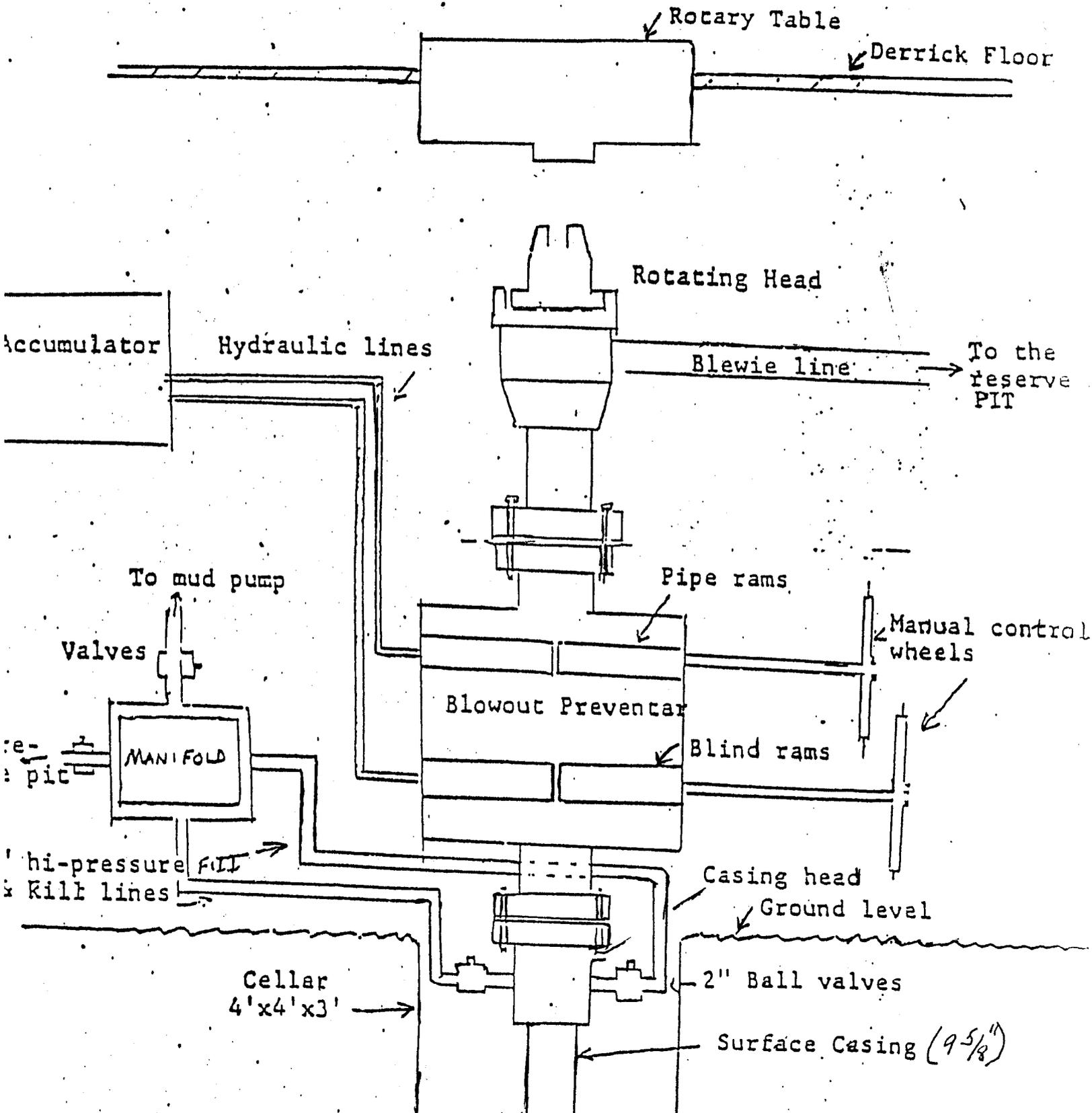
DRILLING FLUIDS:

A: Normal Air & Air-Mist: Will be used to drill the well near to the top of the pay section of the Moenkopi formation, which is expected at a depth of about 3750'.

B: Hi-Visc. Mud: At a depth of about 3700', hole will be filled with hi-viscosity mud for logging and casing purposes. Air will be used below the casing until the hole reaches total depth.

C: Toxic Gasses: None are anticipated.

SCHEMATIC DIAGRAM OF
 CONTROL EQUIPMENT FOR THE
 BOLINDER ST. #2-2 WELL
 EMERY COUNTY, UTAH



DESIGNATION OF OPERATOR

The undersigned is, on the records of the Utah State Land Board, holder of lease

DISTRICT LAND OFFICE: Salt Lake City, Utah
SERIAL No.: ML-4386-A

and hereby designates

NAME: MEGADON ENTERPRISES, INC.
ADDRESS: 57 WEST SOUTH TEMPLE, STE. 253
SALT LAKE CITY, UTAH 84101

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

Township 16 South - Range 12 East

Section 2: NW.NE.; S $\frac{1}{2}$ NE

Emery County, Utah

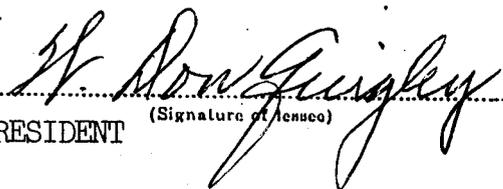
It is understood that this designation of operator does not relieve the lessee of responsibility for compliance with the terms of the lease and the Operating Regulations. It is also understood that this designation of operator does not constitute an assignment of any interest in the lease.

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

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

MEGADON ENERGY CORPORATION

BY:


.....
PRESIDENT

(Signature of lessee)

OCTOBER 31, 1982

.....
(Date)

57 WEST SOUTH TEMPLE, SALT LAKE CITY, UT.

.....
(Address)

Suite 440 / 57 West South Temple
Salt Lake City, Utah 84101
Bus. Tel: (801) 359-3575
Res. Tel: (801) 295-1870

President: W. Don Quigley
Vice President: Margaret Quigley
Secretary: Sherrill L. Bateman



DIVISION OF
OIL, GAS & MINING

DEC 06 1982

December 7, 1982

Mr. Norman Stout
Oil, Gas, & Mining
4741 State Office Bldg.
Salt Lake City, Utah 84114

Dear Norm:

The enclosed CD has been filed with the State Lands & Forestry in lieu of a Drilling Bond as per their request. They also informed us that the assignment of the lease plus new designation has been approved and made but the papers will not get to us for a few weeks. If you need confirmation, please call Becky with the State Land Board and she will varify the approval.

Sincerely yours,

A handwritten signature in cursive script that reads "Sherrill L. Bateman".

Sherrill L. Bateman
Secretary/Treasurer

Enclosure

NOT TRANSFERABLE

First Security Bank of Utah

No 794478

TIME CERTIFICATE OF DEPOSIT

ISSUED AT (NAME OF OFFICE) Main at First South	CITY & STATE Salt Lake City, Utah	DATE December 7, 1982	AMOUNT \$ 5,000.00--
---	--------------------------------------	--------------------------	-------------------------

This is to certify that ******Division of State Land and Forestry or Megadon Corp.,**
 in lieu of drilling bond on oil and gas lease ML-4386-B*****
 has deposited in this Bank the sum of **The sum of 5,000 dollars 00/100** called Registered Owner(s)
 DOLLARS

payable at the issuing office to the registered owner(s) upon presentation and surrender of this certificate properly endorsed on **June 7, 1983**
 Interest hereon from date to maturity at the rate of **5.75** % per annum is payable **at maturity** by mailing to the
 Registered Owner(s) a check for the amount of such interest or by credit to account in accordance with instructions of the registered owner(s).

This certificate is subject to the terms and conditions set forth on the reverse side hereof. **NO INTEREST WILL BE PAID AFTER MATURITY.**
 In mailing interest checks or giving any notice the Bank may regard as correct the addresses shown by its records.

**SUBSTANTIAL PENALTY FOR REDEMPTION
 PRIOR TO MATURITY**
6 months

[Handwritten Signature]
 AUTHORIZED SIGNATURE

December 9, 1982

Megadon Enterprises, Inc.
57 West South Temple
Salt Lake City, Utah 84101

RE: Well No. State Bolinder #2-2
SENE Sec. 2, T.16S, R.12E
Emery County, Utah

Gentlemen:

Insofar as this office is concerned, approval to drill the above referred to oil well is hereby granted in accordance with Rule C-3(b), General Rules and Regulations and Rules of Practice and Procedure.

Should you determine that it will be necessary to plug and abandon this well, you are hereby requested to immediately notify the following:

RONALD J. FIRTH - Engineer
Office: 533-5771
Home: 571-6068

OR

CLEON B. FEIGHT - Director
Office: 533-5771
Home: 466-4455

Enclosed please find Form OGC-8-X, which is to be completed whether or not water sands (aquifers) are encountered during drilling. Your cooperation in completing this form will be appreciated.

Further, it is requested that this Division be notified within 24 hours after drilling operations commence, and that the drilling contractor and rig number be identified.

The API number assigned to this well is 43-15-30143.

Sincerely,

Norman C. Stout
Administrative Assistant

NCS/as
cc: State Lands
Enclosure

Copy
12/3/82

Form OGR-1b

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

SUBMIT IN TRIPLICATE*
 (Other instructions on reverse side)

SUNDRY NOTICES AND REPORTS ON WELLS

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

1. OIL WELL <input checked="" type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER <input type="checkbox"/>		5. LEASE DESIGNATION AND SERIAL NO. ML 4386A
2. NAME OF OPERATOR MEGADON ENTERPRISES INC.		6. IF INDIAN, ALLOTTEE OR TRIBE NAME
3. ADDRESS OF OPERATOR STE. 253, 57 WEST SOUTH TEMPLE, SALT LAKE CITY, UTAH 84101		7. UNIT AGREEMENT NAME
4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.* See also space 17 below.) At surface SE 1/4 NE 1/4 SECTION 2, T 16S, R 12E, SLM. 1840' FROM N-LINE AND 800' FROM E-LINE		8. FARM OR LEASE NAME STATE
14. PERMIT NO. 43-015-30143		9. WELL NO. BOLINDER #2-2
15. ELEVATIONS (Show whether DV, RT, GR, etc.) 5368' GRD; 5378' K.B.		10. FIELD AND POOL, OR WILDCAT GRASSY TRAILS
		11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA SE.NE. Sec 2-16S-12E. SLM.
		12. COUNTY OR PARISH EMERY
		13. STATE UTAH

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

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

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

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

LOCATION WORK WAS BEGUN ON THE ABOVE WELL SITE ON DECEMBER 23, 1982 AND THE DRILLING RIG BEGAN MOVING IN ON DECEMBER 27, 1982. DRILLING WILL BE COMMENCED AS SOON AS THE RIG IS RIGGED UP.

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

SIGNED Shekell D. Peterson TITLE SECRETARY/TREASURER DATE 1-3-83

(This space for Federal or State office use)

APPROVED BY _____ TITLE _____ DATE _____
 CONDITIONS OF APPROVAL, IF ANY:

v. W. State M

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

SUNDRY NOTICES AND REPORTS ON WELLS

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

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2. NAME OF OPERATOR MEGADON ENTERPRISES INC.		6. IF INDIAN, ALLOTTEE OR TRIBE NAME
3. ADDRESS OF OPERATOR STE. 253, 57 WEST SOUTH TEMPLE, SALT LAKE CITY, UTAH 84101		7. UNIT AGREEMENT NAME
4. LOCATION OF WELL (Report location clearly, and in accordance with any State requirements. See also space 17 below.) At surface SE 1/4 NE 1/4 SECTION 2, T 16S, R 12E, SLM. 1840' FROM N-LINE AND 800' FROM E-LINE		8. FARM OR LEASE NAME STATE
14. PERMIT NO.	15. ELEVATIONS (Show whether OF, BT, GR, etc.) 5368' GRD; 5378' K.B.	9. WELL NO. BOLINDER #2-2
		10. FIELD AND POOL, OR WILDCAT GRASSY TRAILS
		11. SEC., T., R., M., OR B.L.K. AND SUBSTY OR AREA SE.NE. Sec 2-16S-12E. SLM.
		12. COUNTY OR PARISH EMERY.
		13. STATE UTAH

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

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

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

LOCATION WORK WAS BEGUN ON THE ABOVE WELL SITE ON DECEMBER 23, 1982 AND THE DRILLING RIG BEGAN MOVING IN ON DECEMBER 27, 1982. DRILLING WILL BE COMMENCED AS SOON AS THE RIG IS RIGGED UP.

18. I hereby certify that the foregoing is true and correct
SIGNED: *Sherrill D. Batters* TITLE: SECRETARY/TREASURER DATE: 1-3-83

(This space for Federal or State office use)

APPROVED BY _____ TITLE _____ DATE _____
CONDITIONS OF APPROVAL, IF ANY:



STATE OF UTAH
NATURAL RESOURCES
State Lands & Forestry

Scott M. Matheson, Governor
Temple A. Reynolds, Executive Director
Ralph A. Miles, Division Director

3100 State Office Building • Salt Lake City, UT 84114 • 801-533-5381

June 2, 1983

Megadon Energy
57 West South Temple
Suite 253
Salt Lake City, UT
84101

Gentlemen:

On May 26, 1983, the undersigned inspected the location of your Megadon State - Bolinder 2-2 Well in the SE $\frac{1}{4}$ NE $\frac{1}{4}$ of Section 2, T16S, R12E, SLM., (ML 4386-D). This is to advise you that in accordance with the provisions of this lease you are given thirty (30) days from the date of this letter to clean up this location. At the time of the visit there were two open holes, the mud pits are dried but are open, there is considerable debris scattered around the location and if these wells are to be plugged and abandoned, they must be plugged in accordance with the requirements of the Division of Oil, Gas, and Mining and the location must be recontoured to nearly as possible its original shape.

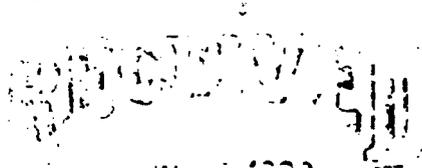
If you have any questions concerning this matter, please let us know. If you do not complete this work within the time required we will foreclose on the First Security Bank of Utah Certificate of Deposit, which you filed in lieu of a bond, to obtain the funds necessary for the restoration of this location.

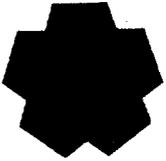
Yours very truly,

DONALD G. PRINCE
ASSISTANT DIRECTOR

DGP/bp

CC ✓ Division of Oil, Gas, and Mining





STATE OF UTAH
NATURAL RESOURCES
State Lands & Forestry

Scott M. Matheson, Governor
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Yours very truly,

DONALD G. PRINCE
ASSISTANT DIRECTOR

DGP/bp

CC ✓ Division of Oil, Gas, and Mining

RECEIVED

JUN 02 1983

DIVISION OF
OIL, GAS & MINING

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

5. LEASE DESIGNATION AND SERIAL NO. ML 4386 D
6. IF INDIAN, ALLOTTEE OR TRIBE NAME
7. UNIT AGREEMENT NAME
8. FARM OR LEASE NAME STATE
9. WELL NO. BOLINDER #2-2
10. FIELD AND POOL, OR WILDCAT GRASSY TRAIL
11. SEC., T., R., M., OR BLK. AND SURVEY OR ALBA SE. NE. SEC. 2-16S-12E. SLM.
12. COUNTY OR PARISH EMERY
13. STATE UTAH

SUNDRY NOTICES AND REPORTS ON WELLS

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

1. OIL WELL <input checked="" type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER <input type="checkbox"/>
2. NAME OF OPERATOR MEGADON ENTERPRISES INC.
3. ADDRESS OF OPERATOR STE. 253, 57 W. SQ. TEMPLE, SALT LAKE CITY, UTAH 84101
4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.* See also space 17 below.) At surface SE. NE. SECTION 2, T 16S, R 12E, SLM. 1840' FROM N-LINE AND 800' FR. E-LINE
14. PERMIT NO.
15. ELEVATIONS (Show whether DF, RT, OR, etc.) 5368' GRD; 5378' K.B.

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

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

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

SUBJECT WELL WAS DRILLED TO A DEPTH OF 4130'. CASING, 7 5/8", WAS SET AT A DEPTH OF 3710' AND CEMENTED ALL THE WAY TO THE SURFACE WITH 700 SKS OF CEMENT. HAD RETURNS TO SURFACE. A LINER, 4 1/2", WAS SET FROM 3586' TO 4130' AND THOROUGHLY CEMENTED. THIS WORK WAS COMPLETED ON 2-5-83. WE HAVE FOUR PRODUCTION ZONES IN THE WELL AND PLAN TO MOVE IN A COMPLETION RIG NEXT WEEK. THE DRILL RIG DID NOT MOVE OFF UNTIL 5-15-83. THE CLEAN-UP WORK WILL BE ACCOMPLISHED AFTER THE COMPLETION WORK IS FINISHED.

RECEIVED
JUN 07 1983
DIVISION OF
OIL GAS & MINING

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

SIGNED H. Ron Gungley TITLE PRESIDENT DATE 6-4-83

(This space for Federal or State office use)

APPROVED BY _____ TITLE _____ DATE _____

CONDITIONS OF APPROVAL, IF ANY:

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

Check House Keeping

WELL COMPLETION OR RECOMPLETION REPORT AND LOG *

1a. TYPE OF WELL: OIL WELL GAS WELL DRY Other _____

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

2. NAME OF OPERATOR
MEGADON ENTERPRISES, INC.

3. ADDRESS OF OPERATOR
57 WEST SOUTH TEMPLE, SALT LAKE CITY, UTAH 84101

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements)*
At surface SE 1/4 NE 1/4, T16S, R 12E, SLM
At top prod. interval reported below 1840 FT. FR. N-LINE AND 800' FR. E-LINE
At total depth

5. LEASE DESIGNATION AND SERIAL NO.
ML-4386-B

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

7. UNIT AGREEMENT NAME

8. FARM OR LEASE NAME
STATE

9. WELL NO.
BOLINDER #2-2

10. FIELD AND POOL, OR WILDCAT
GRASSY TRAIL

11. SEC., T., R., M., OR BLOCK AND SURVEY OR AREA
SE. NE. SEC 2, T16S, R 12E, SLM

14. PERMIT NO. 43-015-3043 | DATE ISSUED 12-9-82

12. COUNTY OR PARISH EMERY | 13. STATE UTAH

15. DATE SPUNDED 1-8-83 | 16. DATE T.D. REACHED 2-4-83 | 17. DATE COMPL. (Ready to prod.) 7-12-83 | 18. ELEVATIONS (DF, RKB, RT, GR, ETC.)* 5368' GRD; 5378' K.B. | 19. ELEV. CASINGHEAD 5369'

20. TOTAL DEPTH, MD & TVD 4130' | 21. PLUG, BACK T.D., MD & TVD 3970' | 22. IF MULTIPLE COMPL., HOW MANY* TWO ZONES | 23. INTERVALS DRILLED BY → 0'-4130' | ROTARY TOOLS | CABLE TOOLS

24. PRODUCING INTERVAL(S), OF THIS COMPLETION—TOP, BOTTOM, NAME (MD AND TVD)* 3775-90'; 3802-10'; 3850-62' - MOENKOPI | 25. WAS DIRECTIONAL SURVEY MADE NO

26. TYPE ELECTRIC AND OTHER LOGS RUN DUAL INDUCTION; GAMMA-DENSITY-CNL | 27. WAS WELL CORED NO

28. CASING RECORD (Report all strings set in well)

CASING SIZE	WEIGHT, LB./FT.	DEPTH SET (MD)	HOLE SIZE	CEMENTING RECORD	AMOUNT PULLED
10 3/4"	40.50	242'	14 1/2"	175 SKS	NONE
7 5/8"	26.40	3710'	9 7/8"	700 SKS	NONE

29. LINER RECORD | 30. TUBING RECORD

SIZE	TOP (MD)	BOTTOM (MD)	SACKS CEMENT*	SCREEN (MD)	SIZE	DEPTH SET (MD)	PACKER SET (MD)
4 1/2"	3586'	4130'	75		2 7/8"	3870'	NONE

31. PERFORATION RECORD (Interval, size and number) | 32. ACID, SHOT, FRACTURE, CEMENT SQUEEZE, ETC.

INTERVAL	SIZE	AMOUNT AND KIND OF MATERIAL USED
4106-4130'		
3850-3862'	4 SH/FT.	240 BBL GELLED 5% HCl ACID
3802-3810'		695,103 CU. FT. N2 AND 40,000# OF 20-40 SAND.
3778-3790'		

33. PRODUCTION

DATE FIRST PRODUCTION	PRODUCTION METHOD (Flowing, gas lift, pumping—size and type of pump)	WELL STATUS (Producing or shut-in)					
JULY 2, 1983	SWABBING	SHUT-IN FOR PUMP JACK					
DATE OF TEST	HOURS TESTED	CHOKE SIZE	PROD'N. FOR TEST PERIOD	OIL—BBL.	GAS—MCF.	WATER—BBL.	GAS-OIL RATIO
7-11-83	4	1 1/2"	→	27	nil	5%	
FLOW. TUBING PRESS.	CASING PRESSURE	CALCULATED 24-HOUR RATE	OIL—BBL.	GAS—MCF.	WATER—BBL.	OIL GRAVITY-API (CORR.)	
30#	230#	→	125	nil	10	42	

34. DISPOSITION OF GAS (Sold, used for fuel, vented, etc.) VENTED, IF ANY | TEST WITNESSED BY W. DON QUIGLEY

35. LIST OF ATTACHMENTS
DRILLING & COMPLETION HISTORIES

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

SIGNED *W. Don Quigley* TITLE PRESIDENT DATE 7-15-83



MEGADON ENTERPRISES, INC.

309 Guaranty Bank Building • 817 17th St. • Denver, Colorado 80202 • (303) 573-0093

57 West South Temple • Salt Lake City, Utah 84101 • (801) 359-3575

DRILLING HISTORY MEGADON-BOLINDER #2-2 WELL

OPERATOR: Megadon Enterprises, Inc., 57 West South Temple, Salt Lake City, Utah

CONTRACTOR: Jacobs Drilling Co., 2467 Commercial Ave., Grand Junction, Co. 81501

LOCATION: SE $\frac{1}{4}$ NE $\frac{1}{4}$ Section 2, T 16S, R 12E, SLM, Emery County, Utah
(1840' fr. N-line and 800' fr. E-line)

ELEVATIONS: 5368' Grd; 5378' K.B.

SPUDDED-IN: 1-9-83

SURFACE CASING: (14 $\frac{1}{2}$ " hole) Ran 6 jts. (242') of 10 3/4", 40.50#, K-55 casing.
Landed at 235' K.B. and cemented with 175 sks.

FINISHED DRLG: February 4, 1983

INTERMEDIATE CASING: (9 7/8" hole) Set at 3710' and cemented with 700 sks cement

TOTAL DEPTH: 4130'

PRODUCTION ZONE: 3770 to 3860'; 4106 to 4130'

COMPLETED: 7-12-83

INITIAL PRODUCTION RATE: 4 to 8 bbl of oil per hour (Est. 125 bbl/day).

1-7-83: Moved in Jacobs Drlg. Co. Rig #2 and rigging up and raised derrick.

1-8-83: Drilled rat hole and mouse hole. Began drilling 14 $\frac{1}{2}$ " surface hole at 2 PM and set conductor pipe. Drilled 0' to 40' (40') with air. Rigged up Blooie line.

1-9-83: Drilled 40' to 240' (200') with air mist. Hole got wet at 66' and had to begin mist-drilling. Finished drlg. surface hole (14 $\frac{1}{2}$ ") at 8 PM. Came out of hole and set out conductor pipe. Began running casing at 9 PM. Ran 6 jts. of 10 3/4", 40.50#, K-55 casing and landed at 235' K.B. Cemented casing with 175 sks. reg. cement w/3% CaCl. Plug down at 0100 hrs. Jan. 10. Had returns to the surface. Bit #1 (HTC-OSC-3AJ; Ser. #BB1309) made 240 feet in 26 hrs.

1-10-83: 0100 hrs. to 1200 hrs. - waiting on cement to set. Welded on casing head (OTC-C-22, 11", 3000# W.P.). Waited on BOP (5 $\frac{1}{2}$ hrs.) until 10:30 PM. Set BOP and nipped up.

1-11-83: Drilled 240' to 410' (170'). Went in hole with 9 7/8" bit. Hit cement at 200'. Drilled out cement with air-mist and dried up hole. Tested



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DRILLING HISTORY - BOLINDER #2-2 WELL

PAGE 2

- BOP and casing up to 2000#. No leaks. Drilled ahead with air. Hole got wet at 285' and had to begin mist-drilling again. Drilling at rate of 10' to 30' per hour. Big compressor (1500 CFM) went down at 9 PM. Had to shut down - waiting on other compressors. Down 12 hrs. Found blockage in cooler on compressor so by-passed cooler.
- 1-12-83: Drilled 410' to 710' (300'). Waited on air compressor until 0830 hrs. Then went in hole again and began drilling with air compressors by by-passing cooler. Survey at 430' was 1 3/4°; at 590' was 1 1/2°. Change out rotating head rubber. Have 14 collars (6 1/2"), (421') in hole. String weighs 44,000#. Drilling at rate of 22 ft/hr. in Morrison formation.
- 1-13-83: Drilled 710' to 835' (125'). Made rd-trip at 753' for new bit. Bit #2 (STC-SDS, Ser. #BB9896) made 513' (240' to 753') in 29 hrs. Drilled at rate of approximately 18 ft/hr. Bit was out of gauge and had to ream hole from 400' to 753'. Took 11 hrs. to ream back to bottom. Began drilling again at 1630 hrs.
- 1-14-83: Drilled 835' to 1330' (495'). Drilling in Morrison and Summerville formations at rate of approximately 20 ft/hr. Estimate top of Summerville at 1220'. Began 30 ft. samples at 1000'. Survey at 892' was 2°. String weight is 56,000#. Drilling with 20,000# on bit at 70 RPM. Air pressure is 150#. Cost to date is \$54,220.
- 1-15-83: Drilled 1330' to 1640' (310'). Made rd-trip at 1481' for new bit. Bit #3 (HTC-J33, Ser. #BB9858) made 728' (753' to 1481') in 48 hrs. Drilled at avg. rate of 15 ft/hr. in Summerville, Curtis & Entrada formations with 20,000# weight and 60 RPM. Estimate top of Curtis at 1420' and top of Entrada at 1575'. Cost to date is \$71,225.
- 1-16-83: Drilled 1640' to 1882' (242'). Made rd-trip at 1789' for new bit. Bit #4. (STC-F2 RR #BB98) made 308' (1481' to 1789') in 26 1/2 hrs. Drilled at rate of 11 1/2 ft/hr. Had to ream 1 jt. to bottom. Survey at 1799' was 1 1/2°. Drilling in red ss. and siltstone of Entrada formation. Estimate top of Carmel at 1880'. Drlg. at avg. rate of 2 min/ft.
- 1-17-83: Drilled 1882' to 2217' (335'). Drilled all day with air mist. Encountered top of Navajo at 2150' and drilling rate decreased to 6 to 20 min/ft. Navajo is hard whit quartzitic ss.
- 1-18-83: Drilled 2217' to 2288' (71'). Drilling real slow. Made rd-trip at 2246' for new bit. Bit #5 (SCMJ #BB9844 new) made 457' (1789' to 2246') in 37 1/2 hrs. Drilled at an avg. rate of 12 1/2 ft/hr. with 30,000# weight at 50 RPM. Cost to date is \$108,450.
- 1-19-83: Drilled 2288' to 2437' (149'). Drlg. rate in the Navajo increased to an avg. of 8 min/ft at 2325', about 175' below the top. Drilled all day in Navajo.



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DRILLING HISTOR - BOLINDER #2-2 WELL

PAGE 3

- 1-20-83: Drilled 2437' to 2581' (144'). Made rd-trip at 2486' for new bit. Bit #6 (Sec. H100F, #BB9918) made 240' (2246' to 2486') in 42½ hrs. Drld at avg. rate of 6 ft/hr. in the Navajo ss. Encountered more water at 2300'. Had to ream 3½ hrs back to bottom. Total estimated cost to date is \$121,400. Estimate top of Kayenta at 2510'.
- 1-21-83: Drilled 2581' to 2649' (68'). Encountered at about 2600' and it took 500# pressure to unload hole after a connection. Est. that water volume was in excess of 600 bbl/day. Reserve pit was getting full, and had to unload hole 6 times on last trip with 750# pressure on every 5 stands. Converted to mud at 2649'. Came out of hole to put jets in the bit. Found buttons on outside 2 rows on the cones chipped off so went in hole with Bit #8. Bit #7 (Smith F-3 #CD1622 new) made 163' (2486' to 2649') in 17 hrs. Drilled at avg. rate of 9½ ft/hr. Est. top of Wingate at 2590'. Took 6 hrs. to mix mud and rig flow line, and 2 hrs to get circulation. Lost only about 30 bbls of fluid. Got back on bottom at midnight after reaming for 3 hrs.
- 1-22-83: Drilled 2649' to 2862' (213'). Drilling ahead with mud (35 Visc. 8.5#, W.L. - 20) at rate of 18 ft/hr. Survey at 2800' was 1½°. Estimate top of Wingate at 2590'. Pump pressure is 400# with 5½" liners and 12" stroke. Pumping at 50 strokes/min.
- 1-23-83: Drilled 2862' to 2977' (115'). Made rd-trip at 2862' for new bit. Bit #8 (HTC-J33 RR #9903) made 213' (2649' to 2862') in 22 hrs. Drilled at avg. rate of 9.7 ft/hr. in Wingate sand. Est. top of Chinle at 2910'. Estimated total cost to date is \$159,375.
- 1-24-83: Drilled 2977' to 3076' (99'). Drilling at avg. rate of 5½ ft/hr. with 25,000# weight on bit at 55 RPM with pump pressure at 400# at 55 strokes per min. Pump is not large enough so ordered out a larger pump (Triplex-PZ8). Had to install new swab in little pump. Took 3 hrs. working on pump.
- 1-25-83: Drilled 3076' to 3136' (60'). Made rd-trip for different bit at 3080'. Bit #9 was green. Bit #9 (SCMJ - #9794) made 214 ft. (2862' to 3080') in 41 hrs. Drilled at avg. rate of 5 ft/hr. Estimate top of Shinarump at 3080'.
- 1-26-83: Drilled 3136' to 3212' (76'). Drilling real slow, due to plugged bit. Put large pump on hole with 1400#, but bit still plugged. Made rd-trip at 3208' to unplug bit (two jets were plugged). Drilling rate increased to 8 to 10 ft/hr. when back on bottom with 800# pressure at 125 strokes/min. on PZ8 pump and with 35,000# wt. on bit. Est. top of Moenkopi at 3230'.
- 1-27-83: Drilled 3212' to 3393' (181'). Started out of hole at 2200 hrs. to check bit. Bit still drilling at rate of 9 ft/hr. with 35,000# wt. at 70 RPM. Pump pressure = 800# at 125 strokes/min. (5½" liners and 8" stroke). Drilling in red siltstone and shale of Moenkopi formation.



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DRILLING HISTORY - BOLINDER #2-2 WELL

PAGE 4

1-28-83: Drilled 3393' to 3497' (104'). Made rd-trip at 3478' to check bit. Bit #10 had a number of buttons missing. It made 398' (3080' to 3478') in 54½ hrs. Drilled at an avg. rate of 7½ ft/hr. Went back in hole with Bit #9. Drilling at rate of about 6 ft/hr. with 35,000# wt. at 70 RPM. Pump pressure at 800#; Mud wt. is 8.7#; Visc. is 37; and water loss is 17. Cost to date is \$193,700.

1-29-83: Drilled 3497' to 3637' (140'). Bit #9 gave out at 3637', so decided to log hole at this point. Circulated and raised viscosity of mud to 51. Made short trip (15 stds) and had no fill or tight hole. Started out of hole to log well.

1-30-83: Finished coming out of hole. Began logging at 1000 hrs. Finished logging at 1300 hrs. T.D. by log was 3628'. Logs confirmed that casing should be set to 3710'. Log tops are as follows:

Morrison = 535'	Carmel = 1890'	Chinle = 3025'
Summerville = 1230'	Navajo = 2155'	Shinarump = 3210'
Curtis = 1405'	Kayenta = 2590'	Moenkopi = 3330'
Entrada = 1570'	Wingate = 2635'	

Had to clean out mud tanks and mix some more mud. Went in hole with Bit #7 (Smith F3) and began drilling ahead at 1730 hrs. Drilled at rate of 6 ft/hr. (put 11/32 jets in bit). Pump pressure at 1300#. Drilled ahead from 3637' to 3872' (35') in 6½ hrs.

1-31-83: Drilled 3672' to 3715' (43'). Finished drilling to casing depth at 0900 hrs. Mixed mud - viscosity up to 51 and circulated hole. Came out of hole to run casing. Casing crew brought wrong size of elevators, so had to wait 2 hrs. for another set. Ran 89 jts. of 7 5/8", 26.40#, K-55 casing and landed at 3710' K.B. Cemented casing with 550 sks of pacesetter eight on top and 150 sks of thixotropic cement on bottom. Had intermittent returns. Plug down at 2345 hrs. Bit #7 (STC-CD1622 RR) made another 78' (3637' to 3715') in 14 hrs. Drilled at an avg. rate of 5½ ft/hr.

2-1-83: Waited on cement to set until noon. Then set slips on casing and cut off. Reset BOP's and nipped up blooie line. Laid down 6" collars and picked up 18 4 3/4" collars. Went in hole with 6 3/4" bit and unloaded water in casing with air and drilled out cement. Cement top inside casing was 3660'.

2-2-83: Drilled 3715' to 3892' (177'). Drilling at rate of 12 ft/hr. with air mist and 20,000# on bit at 70 RPM. Started picking up shows in a sandy dolomite at 3790'. Had slight cut and blk. residual oil in samples. Est. cost to date is \$268,470.

2-3-83: Drilled 3892' to 4130' (238'). Drilled to a sand in the lower Moenkopi (below the Sinbad); and had best shows in this dolomitic sand at 4106'



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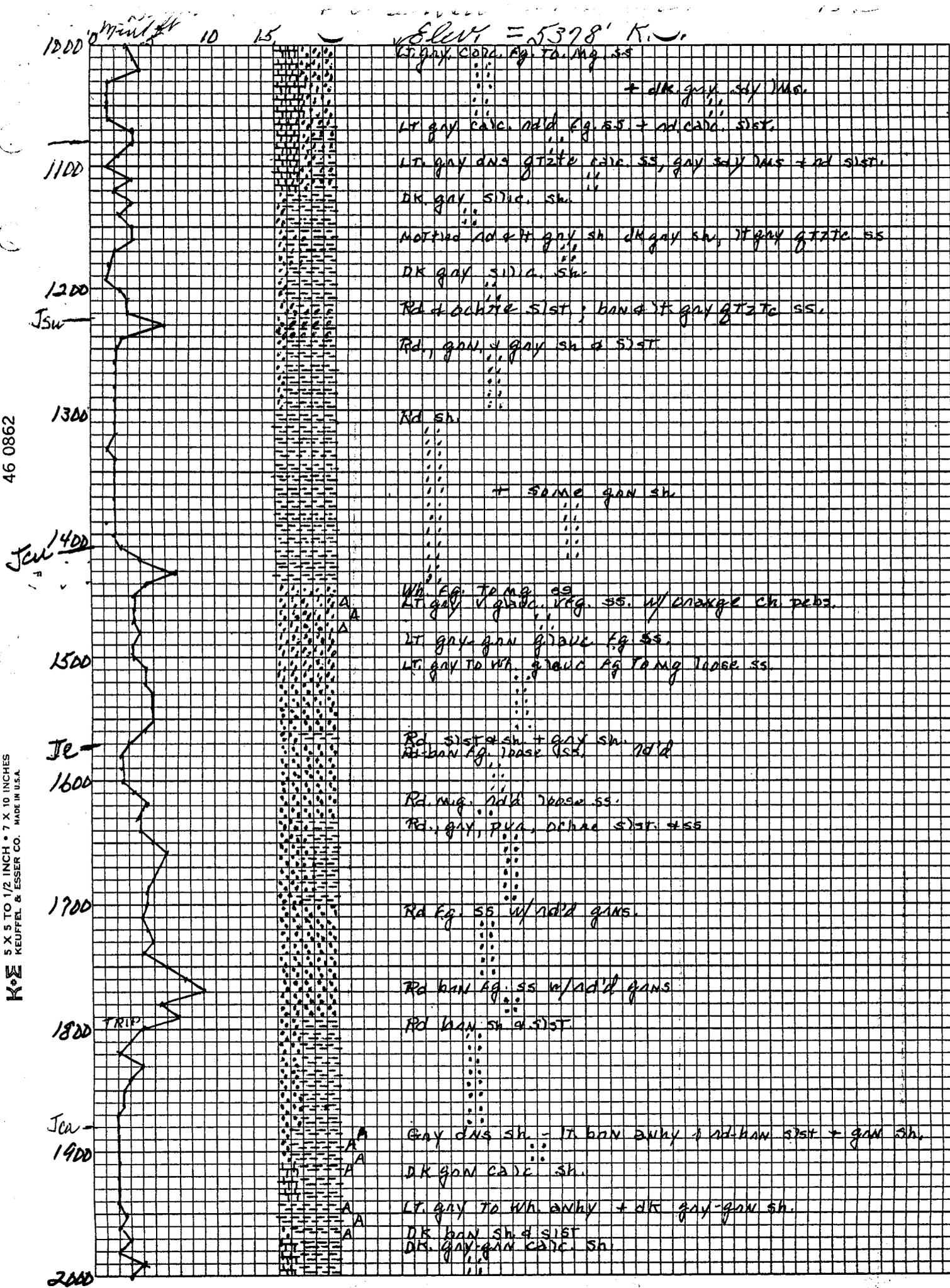
DRILLING HISTORY - BOLINDER #2-2 WELL

PAGE 5

to 4122'. Sand was saturated with black residual oil. Sinbad also had good shows. Decided 4130' was deep enough; so circulated for ½ hr. and then pumped in 18 bbl. of Kcl and gel water. Came out of hole to log. Bit #11 (HGJ #BB6015^{new}) made 415 ft. in 33½ hrs. Drilled at an avg. rate of 12½ ft/hr. with air mist and 20,000# weight at 70 RPM.

- 2-4-83: Began logging hole at 0130 hrs. Ran Dual Induction Log, Gamma Density Neutron Log from T.D. up to 3715' (bottom of casing). Finished logging at 1000 hrs. Logs show four favorable zones. Ordered out liner (4½" hydrill casing), elevators and clamps, casing hanger and setting tool, plus cement. Had to wait 11 hrs. for casing hanger to come from Farmington. Began running liner at 2130 hrs. Welded on shoe and float collar. Ran 13 jts. (529') of 4½", 13.50#, Hydrill casing with casing hanger at top and shoe on bottom.
- 2-5-83: Ran liner to bottom on 4" drill pipe and landed hanger at 3586' K.B. and cemented same w/75 sks of thixatropic cement. Plug down at 0700 hrs. Circulated out excess cement and recovered gas with some oil when circulating bottoms up. Pulled 15 stds and began laying down drill pipe. Released rig at 1800 hrs. Estimated total cost to date including bonus payment, survey work, bonds, location and road work is \$330,480.

W. DON QUIGLEY
MEGADON ENTERPRISES, INC.

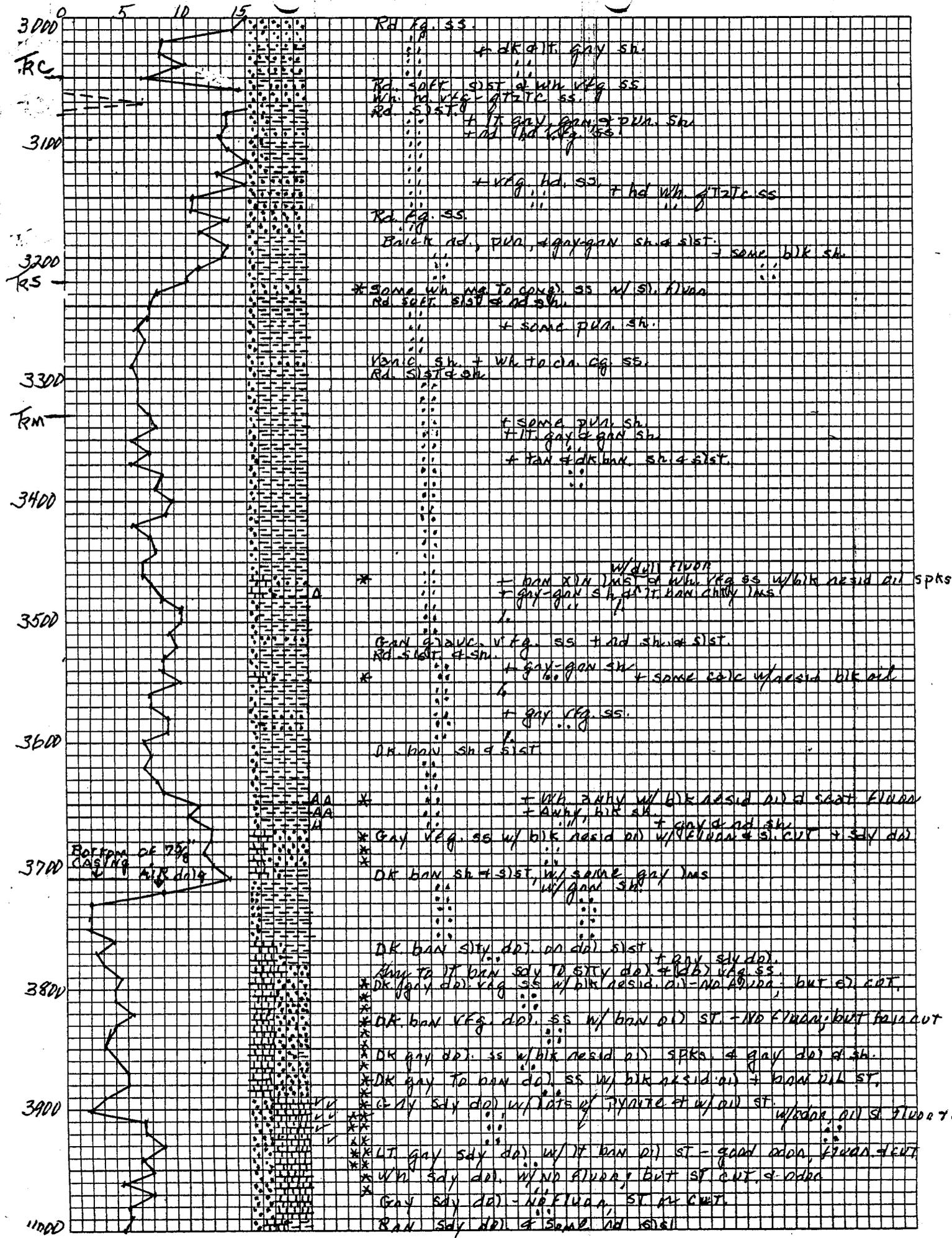


46 0862

K&E 5 X 5 TO 1/2 INCH * 7 X 10 INCHES KEUFFEL & ESSER CO. MADE IN U.S.A.

46 0862

K&E 5 X 5 TO 1/2 INCH * 7 X 10 INCHES
KEUFFEL & ESSER CO. MADE IN U.S.A.





MEGADON ENTERPRISES, INC.

~~300 Guaranty Bank Building - 817 17th St - Denver, Colorado 80202 - (303) 573-0000~~
57 West South Temple • Salt Lake City, Utah 84101 • (801) 359-3575

COMPLETION REPORT ON BOLINDER #2-2 WELL

6-24-83:

- 0800 Hrs: Moved in Thunderbird Well Service rig and began rigging up. Set spools on well head flange and mounted BOP; and tested blind and pipe rams.
- 1430 Hrs: Finished rigging up and started in with tubing (2 7/8", 6.60#) with bit (3 3/4") and scraper on bottom. Ran 111½ jts., 3620' and hit top of cement.
- 1800 Hrs: Rigged up Power Swivel and connected lines to pump. Getting ready to drill out cement.
- 2030 Hrs: Finished rigging power swivel, pack off head, etc. and sent crew home. (127 jts. of tubing on location.)

TOTAL HRS THIS DATE: 13½ Hrs.

6-25-83:

- 0700 Hrs: Crew arrived. Began circulating and drilling out cement. Had cement at 3620 to 3640'; oil and gas in water and casing; very little cement from 3640' to 4100'. Drilled cement and rubber plug plus more cement to 4130'.
- 1500 Hrs: Finished drilling to total depth. Circulated for one hour.
- 1600 Hrs: Pulled 10 stds. and rigged up swab. Swabbed fluid down to 3000'.
- 1930 Hrs: Started out of hole with rest of tubing.
- 2030 Hrs: Out of hole; Sent crew home.

TOTAL HRS THIS DATE: 13½ Hrs.

6-26-83:

- 0815 Hrs: Rig Operator arrived; Welex on location since noon yesterday.
- 0830 Hrs: Began logging. Ran Gamma Bond Microseismogram log. Bottom at 4123', ran log up to 3300'. Had good bond all the way.
- 1000 Hrs: Finished logging and began perforating. Perforated zones 4106-4122'; 3850-62'; 3802-10'; 3778-90'; with 4 shots/ft.

TOTAL HRS THIS DATE: 4 Hrs.



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6-27-83:

- 0800 Hrs: Crew arrived. Well Dynamics and Welex arrived preparing to Stress-Frac zones at 4106-22'; 3778-90' with rocket propellant charge to break down formation. Set up to run in hole with charge.
- 0930 Hrs: Shot bottom zone and came out of hole; picked up 2nd charge and went in hole so had to make another run. Shot 2nd charge at 3778-90' and came out of hole with line. Finished at 1300 hrs.
- 1300 Hrs: Went in hole with bit scrapper and tubing to clean out debris from the charge in the casing. Encountered debris at 4115'. Drilled and tried to circulate down to 4126'. Formation took fluid at 1000# pressure and didn't get returns. Came out of hole with tubing.
- 1730 Hrs: Started back in hole with packer (Halliburton RTTS Packer). Set packer at 1900'. Rigged up to swab. Made 4 runs and recovered 15 bbls. fluid: oil scum on Kcl water. Last run recovered 1 bbl. fluid. Tubing really dry. Tank gauge is 1 $\frac{1}{2}$ 4 $\frac{1}{2}$ ".
- 2000 Hrs: Shut well in and sent crew home.

TOTAL HRS THIS DATE: 12 Hrs

6-28-83:

- 0700 Hrs: Crew arrived; no pressure on well. Ran swab; had 750' fluid in tubing. First run recovered 3 bbl. fluid with strong gas and green oil on top of Kcl water. Second run recovered only gas. Waited $\frac{1}{2}$ hr. and made third run and recovered small amount of gas; waited 1 hr. and made fourth run and recovered small amount of gas only. Made 5th run with 2 cups and recovered $\frac{1}{2}$ bbl. fluid with gas and trace of green oil. Sixth and Seventh run recovered only small amount of gas. Waited 2 hrs. and dropped valve and made run after milking about 10 times; recovered small amount of gas with no fluid. Waited 2 hrs. and made another run after milking and recovered nothing.
- 1400 Hrs: Made run using same procedure and recovered nothing.
- 1630 Hrs: Made another run using same procedure and recovered nothing. Shut well in and sent crew home. Tank gauge = 1'6".

TOTAL HRS THIS DATE: 9 $\frac{1}{2}$ Hrs.

6-29-83:

- 0700 Hrs: Crew arrived. 0# pressure on tubing. Made 1 run and recovered no gas or oil. Decided to move packer up hole above perms. Reset packer above at 3735'.
- 0745 Hrs: First run recovered 3 $\frac{1}{2}$ bbl. fluid with some oil and gas on top. 2nd



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0745 Hrs: First run recovered $3\frac{1}{2}$ bbl. fluid with some oil and gas on top. Second run recovered $3\frac{1}{2}$ bbl. with oil film on top. Third and fourth runs recovered $2\frac{1}{2}$ bbl. each with trace of oil plus gas. Fifth, sixth, and seventh runs were dry except for rich gas. Waited $\frac{1}{2}$ hr. and made eighth run and recovered 1 bbl. fluid with rich gas and green oil (10% oil).

1100 Hrs: Making run every hr. recovering $\frac{1}{4}$ to $\frac{1}{2}$ bbl. each time (20-25% oil). Made run at 1400 hrs. recovering only gas so will wait until 1600 hrs. to make next run. Recovered $\frac{1}{4}$ bbl. fluid — all green oil plus gas all the way.

1800 Hrs: Made another run and recovered 5 gal. green oil plus gas. Shut well in and sent crew home. Recovered 19 bbls. fluid today..
Tank gauge = $2'3\frac{1}{2}''$.

TOTAL HRS THIS DATE: 11 Hrs.

6-30-83:

0700 Hrs: Crew arrived. 0# pressure. First swab found 500' fluid in hole. Recovered 2 bbls. fluid - 50% green oil, gas all the way. Second run recovered only gas.

0745 Hrs: Unseated packer and started out of hole to pick up bridge plug.

0900 Hrs: Out of hole, picked up bridge plug and went back in hole. Set bridge plug at 3880' and packer at 3815'. Swabbed tubing dry.

1230 Hrs: Began acid break down of zone 3850-62'. Tested lines to 4500#. Pumped in acid, 15% Hcl and dropped 48 ball sealers. Pressured up to 3000# and packer did not hold, probably set in upper perms. Dropped packer down to 3825' and reset packer. Pumped in 18 bbls. of 15% Hcl acid. Formation broke at 3000# pressure and pumped in at 1800# at 3 bbl/min. rate. Dropped 20 ball sealers. Finished break down and pulled packer to 3735' and swabbed acid from behind tubing before packer.

1630 Hrs: Set packer and began swabbing out tubing. Swabbed down in 4 runs. Gas in oil on last run. Filled annulus with fluid and pressured up to 1000# to check for leaks in packer setting. No leaks!

1900 Hrs: Shut well in and sent crew home.

TOTAL HRS THIS DATE: 12 Hrs.

7-1-83:

0700 Hrs: Crew arrived. Ran swab; fluid level at 2500' from surface - 1300' fluid in hole. First run had considerable gas and oil plus acid



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water. Second run mostly acid water. Third run recovered only gas. Fourth run recovered 100' of fluid with some oil and gas.

0815 Hrs: Western Co. arrived and began rigging up.

1100 Hrs: Began frac treatment. Pumped in 40,000# of 20-40 sand in 240 bbls. of 5% jelled acid and 695,000 cu. ft. of nitrogen at 5 bbl/min. rate at 4900# pressure. Maximum sand content was $\frac{1}{2}$ #/gal. Had only one stage due to high pressure.

1200 Hrs: Finished frac treatment. Instant shut in pressure was 2400#; 15 min. shut in pressure was 1800#. Left well shut in until 1345 hrs. and then opened well on $\frac{1}{4}$ " choke. Began flowing back nitrogen.

1345-1500 Hrs: Flowing back nitrogen.

1500-1800 Hrs: Flowing back nitrogen, acid water, plus slight film of oil. Sent crew home.

1800 Hrs: Continued to flow well recovering nitrogen, acid water with oil content increasing.

TOTAL HRS THIS DATE: 11 Hrs.

7-2-83:

0000-0200 Hrs: Well flowing good. Shut in.

0700 Hrs: Crew arrived. Good pressure on well. Opened well and had oil spray immediately. Changed flow line to go into tanks and removed $\frac{1}{4}$ " choke nipple. Tank gauge = 0'6" (14 $\frac{1}{2}$ bbl.)

0740 Hrs: Opened well to flow into tank on $1\frac{1}{4}$ " choke.

0840 Hrs: Gauged tank - 1'5" (55.1 bbl.) Flowed 40.5 bbl. fluid in 1st. hour.

0900 Hrs: Changed choke to $\frac{3}{4}$ " and opened well. Holding 30# pressure on tubing.

1000 Hrs: Gauged tank 1'7 $\frac{1}{4}$ " (63 bbl). Well made 8 bbls. fluid (50% oil) in second hr. Changed choke to $\frac{1}{2}$ ".

1100 Hrs: Gauged tank - 1'8" (66 bbls). Flowing strong gas but very little fluid, so began swabbing.

1330 Hrs: Gauged tank - 1'11" (77 bbls.). Pulling about 2 bbls fluid (50% oil) each run. Strong flow of gas continuous.

1430 Hrs: Gauged tank - 2'0" (81 bbls) 40% oil.

1530 Hrs: Tank gauge - 2'1 $\frac{1}{4}$ " (85 bbls) 60% oil. Strong flow of gas continuous.



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1630 Hrs: Tank gauge = 2'1½" (86 bbls) 80% oil.

1730 Hrs: Tank gauge = 2'2" (88 bbls) 100% oil.

1800 Hrs: Shut well in and sent crew home.

TOTAL HRS THIS DATE: 11 hrs.

7-3-83:

July 4th Holiday.

7-4-83:

July 4th Holiday.

7-5-83:

0700 Hrs: Tubing pressure = 655#. Tank gauge = 2'1 3/4". Opened well on 20/64" choke. Pressure bled back to 200# in 12 minutes and fluid (oil) began flowing and pressure increased to 280#.

0805 Hrs: Tank gauge = 2'4" (95 bbl.). Well flowed 8 bbls. of oil the first hour. Pressure = 135#.

0905 Hrs: Tank gauge = 2'4½" (97 bbl.). Well flowed 2 bbls in the 2nd hour. Pressure = 30#.

1005 Hrs: Tank gauge = 2'5½" (101 bbls). Well made 4 bbls oil in 3rd hour. Pressure = 50#.

1105 Hrs: Tank gauge = 2'6½" (103.5 bbls). Well made 2½ bbls. oil in 4th hour. Pressure = 50#.

1205 Hrs: Tank gauge = 2'6½" (103.5 bbls). Well flowing gas continuously but no oil. Pressure = 20#. Rigged up swab.

1215 Hrs: First run recovered 3½ bbl. oil. Tank gauge = 2'7¼" (107 bbls.). Well started flowing oil again. Flowed 1 bbl. oil.

1350 Hrs: Second run recovered 2 bbl. oil. Tank gauge = 2'8" (110 bbls.).

1450 Hrs: Tank gauge = 2'10 3/4" (118 bbls.). Swabbed and flowed 8 bbls. oil.

1515 Hrs: Tank gauge = 2'11½" (122 bbls.). Swabbed and flowed 4 bbls oil.

1615 Hrs: Tank gauge = 3'1" (128 bbls.). Made 6 bbls. oil.

1715 Hrs: Tank gauge = 3'2¼" (133 bbls.). Made 5 bbls. oil.



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1830 Hrs: Tank gauge = 3'2½" (134 bbls.). Made 1 bbl. oil. Well made 45 bbls. in 11 hours. Left well open on 16/64" choke. Sent crew home.

TOTAL HRS THIS DATE: 11½ Hrs.

7-6-83:

0700 Hrs: Crew arrived. Tubing pressure = 15#. Gas flowing but no oil. Tank gauge = 3'2½". No oil over night. First swab run recovered 7 bbls. oil.

<u>Time</u>	<u>Tank Gauge</u>	<u>Total Bbls.</u>	<u>Difference</u>
0700	3'2½"	133	
0745	3'4½"	140	7
0815	3'5"	143.7	3.7
0900	3'5 3/4"	147	3.3
1000	3'6 3/4"	151	4

Well made 18 bbls. in 3 hrs.

1030 Hrs: Released packer and tried to sand off bridge plug. Couldn't get circulation; pumped in 200 bbls. oil and frac fluid without returns. Decided to pull packer and get sand out with sand pump or nitrogen.

1530 Hrs: Out of hole with packer. Waiting on sand pump.

1730 Hrs: Went in hole with sand pump; pulling out about 3' of sand each trip. Recovered all frac balls.

2030 Hrs: Pulled additional sand out and sent crew home.

TOTAL HRS THIS DATE: 13½ Hrs.

7-7-83:

0700 Hrs: Crew arrived. Ran sand pump 5 times. Last 2 runs recovered very little sand.

0900 Hrs: Went in hole with tubing and bridge plug retriever.

1230 Hrs: Started out of hole with bridge plug.

1500 Hrs: Out of hole with bridge plug and going in with drillable cast iron bridge plug. Set bridge plug at 3960' and came out of hole.

1900 Hrs: Out of hole. Sent crew home.

TOTAL HRS THIS DATE: 12 Hrs.



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7-8-83:

- 0700 Hrs: Crew arrived. Laid down 7 jts. tubing. Put on mud anchor, 6' perforated nipple, seating nipple and started in hole with tubing. Ran 119 jts. and set seating nipple at 3878' (bottom of perms at 3862').
- 1000 Hrs: Rigged down BOP and set on tubing head. Had to cut off 7 5/8" casing. Rigged up swab and flow line.
- 1330 Hrs: Began swabbing; fluid level at 750' below surface.
- 2030 Hrs: Swabbed 116 bbl. fluid - 20-25% oil in 7 hrs. Tank gauge = 3'1 1/2" (130 bbls.).

7-9-83:

- 700 Hrs: Crew arrived. Tubing pressure = 40#. Casing pressure = 180#. Began swabing. Raining hard.

<u>Time</u>	<u>Tank Gauge</u>	<u>Total Bbls.</u>	<u>Difference</u>	<u>Oil Content</u>
0700	3'1 1/2"	130		
0845	3'7 3/4"	154	24	30%
1000	4'3"	185	31	45%
1100	4'8"	206	21	80%
1200	5'0"	222	16	85%
1200-1245	Lunch			
1345	5'4"	239	17	75%
1445	5'4 1/2"	240	1	100%
1445-1600	Changed flow line on tank.			
1700	5'5 1/2"	245	5	80%
1800	5'7"	252	7	90%
1830	Shut well in and sent crew home.			

7-10-83:

- 0800 Hrs: Crew arrived. Tubing pressure = 30#; Casing pressure = 310#

0800	5'7"	252		
0900	5'9 1/2"	262	10	50%*
1000	5'11 1/2"	270	8	50%*
1100	6'1"	276	6	50%*
1200	6'2"	281	5	50%*
1400	6'4 1/2"	292	11	50%*
1500	6'6"	298	6	70%*
1600	6'7"	302	4	50%*
1700	6'8"	306	4	60%*

- 1800 Hrs: Shut well in and sent crew home.



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*Still has frac fluid and sand in oil.

Recovered 56 bbls this date.

TOTAL HRS THIS DATE: 10 Hrs.

7-11-83:

0700 Hrs: Crew arrived. Tubing pressure = 10#; Casing pressure = 230#.

<u>Time</u>	<u>Tank Gauge</u>	<u>Total Bbls</u>	<u>Difference</u>	<u>Oil Content</u>
0700	6'8½"	308		
0800	6'10"	314	6	50%
0900	7'0"	323	9	80%
1000	7'1"	327	4	80%
1100	7'2 3/4"	335	8	95%

1100 Hrs: Began running rods; put on pump with 10' stinger and ran 153 3/4" rods and 2 6' pony rods and 1 4' pony rod. Put on stuffing box, polish rod (16' X 1½") and spaced out pump. Finished at 1430 hrs. (Pump is 1½" X 16' X 10' stroke - Highlyand Pump.)

1430 Hrs: Began rigging down, drained water off tank. Tank Gauge = 3'1" (128 bbls.).

TOTAL HRS THIS DAY: 11 Hrs.

7-12-83:

0700 Hrs: Crew arrived. Moved rig from Bolinder #2-2 to #1-C and rigged up.

1100 Hrs: Pulling rods. Had some paraffin. Pump may be worn. Decided to put in paraffin solvent and new pump.

1230 Hrs to 1630 Hrs: Waiting on solvent.

1630 Hrs: Poured 14 gal. solvent down tubing and 3 gal. in flow line.

1700 Hrs: Shut well in and sent crew home.

TOTAL HRS THIS DAY: 10 Hrs.

7-13-83:

0800 Hrs: Crew arrived. New pump on location. Made 2 swab runs and recovered 18 bbls. fluid (6 bbl. oil and 12 bbl. saline, brackish water).

0930 Hrs: Began running rods with pump (10 ft. stinger on bottom) 1½" X 14" pump # HP-199-20-150-RWBC-14-4 Maximum stroke 103".



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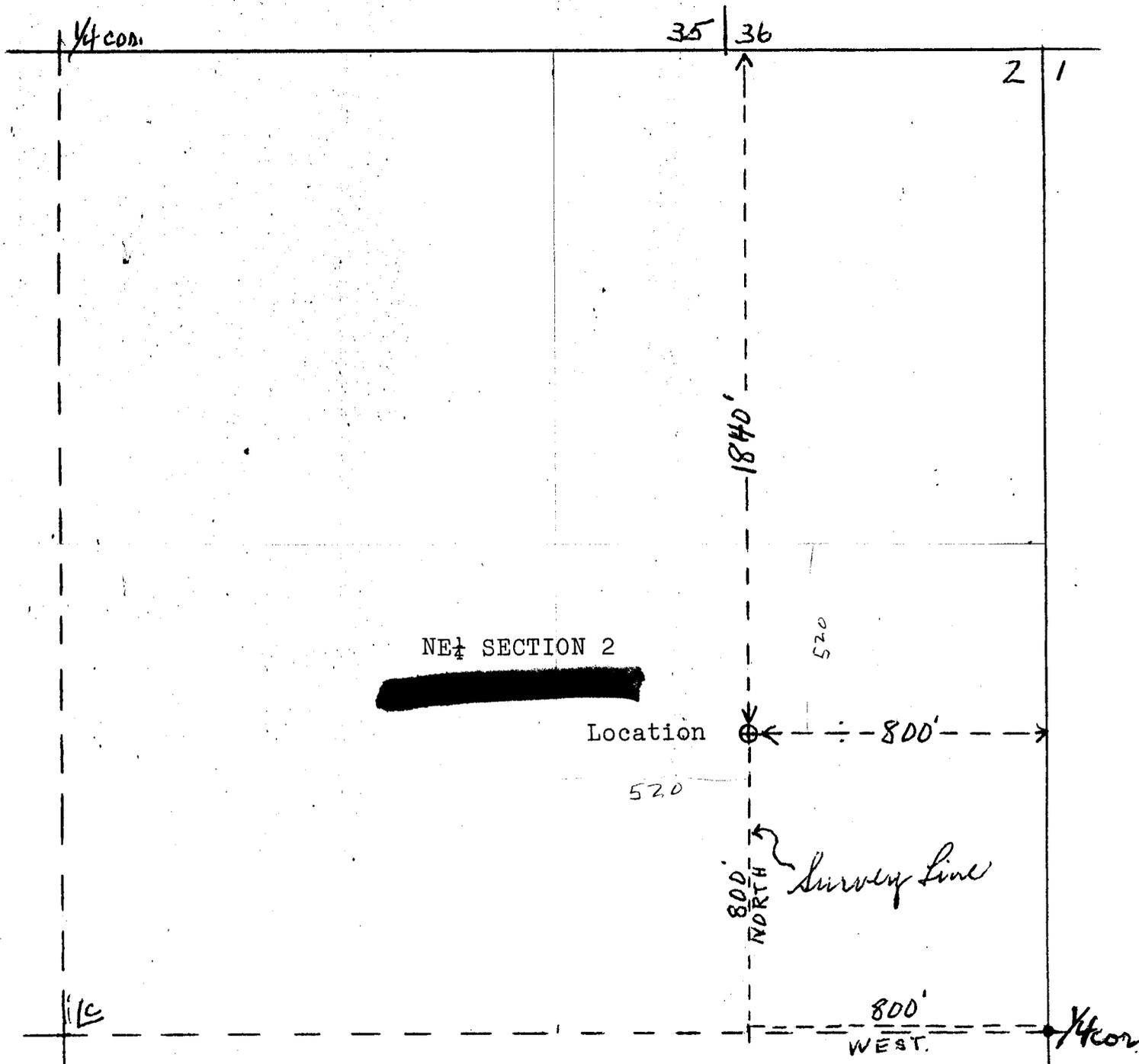
1100 Hrs: Finished running rods and set pump.

1230 Hrs: Hung horse's head on jack and worked on motor to get it started.
Had to repair starter.

1400 Hrs: Well is pumping. Released rig.

TOTAL HRS THIS DATE: 6 Hrs.

SURVEY OF
BOLINDER-ST. #2-2 WELL
SE. NE. SECTION 2-16S-12E.
EMERY COUNTY, UTAH
(1840' FR. N-LINE AND 800' FR. E-LINE)
ELEVATION: 5368' GRD.



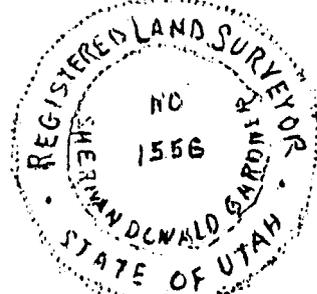
REF. PTS: 200' N & W; 175' S; 100' E.

SCALE: 1" = 400'
DATE: 10-28-82

I, Sherman D. Gardner, do hereby certify that this plot was plotted from notes of a field survey made under my direct responsibility, supervision, and checking on October 16, 1982.

Sherman D. Gardner
Registered Land Surveyor

State of Utah #1556



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

8

5. LEASE DESIGNATION AND SERIAL NO.

ML-4386-B

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

7. UNIT AGREEMENT NAME

8. FARM OR LEASE NAME

STATE

9. WELL NO.

BOLINDER #2-2

10. FIELD AND POOL, OR WILDCAT

GRASSY TRAIL

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

SE. NE. SEC 2, T16S, R 12E, S1M

12. COUNTY OR PARISH
EMERY

13. STATE
UTAH

WELL COMPLETION OR RECOMPLETION REPORT AND LOG *

1a. TYPE OF WELL: OIL WELL GAS WELL DRY Other _____

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

2. NAME OF OPERATOR

MEGADON ENTERPRISES, INC.

3. ADDRESS OF OPERATOR

57 WEST SOUTH TEMPLE, SALT LAKE CITY, UTAH 84101

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements)*

At surface SE 1/4 NE 1/4, T16S, R 12E, S1M

At top prod. interval reported below 1840 FT. FR. N-LINE AND 800' FR. E-LINE

At total depth

14. PERMIT NO. DATE ISSUED

43-015-30143 12-9-82

15. DATE SPUDDED 16. DATE T.D. REACHED 17. DATE COMPL. (Ready to prod.) 18. ELEVATIONS (DF, RKB, RT, OR, ETC.)* 19. ELEV. CASINGHEAD
1-8-83 2-4-83 7-12-83 5368' GRD; 5378' K.B. 5369'

20. TOTAL DEPTH, MD & TVD 21. PLUG, BACK T.D., MD & TVD 22. IF MULTIPLE COMPL., HOW MANY* 23. INTERESTED PARTIES TOOLS CABLE TOOLS
4130' 3970' TWO ZONES

24. PRODUCING INTERVAL(S), OF THIS COMPLETION—TOP, BOTTOM, NAME (MD AND TVD)* 25. WAS DIRECTIONAL SURVEY MADE
3775-90'; 3802-10'; 3850-62' - MOENKOPI NO

26. TYPE ELECTRIC AND OTHER LOGS RUN

DUAL INDUCTION; GAMMA-DENSITY-CNL

27. WAS WELL CORRED

NO

28. CASING RECORD (Report all strings set in well)

CASING SIZE	WEIGHT, LB./FT.	DEPTH SET (MD)	HOLE SIZE	AMOUNT PULLED
10 3/4"	40.50	242'	14 1/2"	NONE
7 5/8"	26.40	3710'	9 7/8"	NONE

29. LINER RECORD

SIZE	TOP (MD)	BOTTOM (MD)	SACKS CEMENT*	SCREEN (MD)
4 1/2"	3586'	4130'	75	

30. TUBING RECORD

SIZE	DEPTH SET (MD)	PACKER SET (MD)
2 7/8"	3870'	NONE

31. PERFORATION RECORD (Interval, size and number)

4106-4130'
3850-3862'
3802-3810'
3778-3790'
4 SH/FT.

32. ACID, SHOT, FRACTURE, CEMENT SQUEEZE, ETC.

DEPTH INTERVAL (MD)	AMOUNT AND KIND OF MATERIAL USED
3778-3850'	240 BBL GELLED 5% HCl ACID
	695,103 CU. FT. N2 AND 40,000# OF 20-40 SAND.

33.* PRODUCTION

DATE FIRST PRODUCTION	PRODUCTION METHOD (Flowing, gas lift, pumping—size and type of pump)	WELL STATUS (Producing or shut-in)					
JULY 2, 1983	SWABBING	SHUT-IN FOR PUMP JACK					
DATE OF TEST	HOURS TESTED	CHOKE SIZE	PROD'N. FOR TEST PERIOD	OIL—BBL.	GAS—MCF.	WATER—BBL.	GAS-OIL RATIO
7-11-83	4	1 1/2"	→	27	nil	5%	
FLOW. TUBING PRESS.	CASING PRESSURE	CALCULATED 24-HOUR RATE	OIL—BBL.	GAS—MCF.	WATER—BBL.	OIL GRAVITY-API (CORR.)	
30#	230#	→	125	nil	10	42	

34. DISPOSITION OF GAS (Sold, used for fuel, vented, etc.)

VENTED, IF ANY

TEST WITNESSED BY

W. DON QUIGLEY

35. LIST OF ATTACHMENTS

DRILLING & COMPLETION HISTORIES

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

SIGNED

W. Don Quigley

TITLE

PRESIDENT

DATE

7-15-83

*(See instructions and spaces for Additional Data on Reverse Side)

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

5. LEASE DESIGNATION AND SERIAL NO.

ML-4386-A

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

SUNDRY NOTICES AND REPORTS ON WELLS

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

RECEIVED

7. UNIT AGREEMENT NAME

1. OIL WELL GAS WELL OTHER

2. NAME OF OPERATOR

Megadon Enterprises, Inc.

SEP 20 1985

3. ADDRESS OF OPERATOR

Suite 253, 57 West South Temple, SLC, Utah 84101

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements. See also space 17 below.)
At surface

SE 1/4 NE 1/4 Section 2, T 16S, R 12E, SLM
1840' fr. N-line and 800' fr. E-line

8. FARM OR LEASE NAME

State

9. WELL NO.

Bolinder #2-2

10. FIELD AND FOOT, OR WILDCAT

Grassy Trails

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

SE.NE. Section 2
T 16S, R 12E.

14. PERMIT NO.

15. ELEVATIONS (Show whether DF, RT, OR, etc.)

5368' grd., 5369' Well head

12. COUNTY OR PARISH

Emery

13. STATE

Utah

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

NOTICE OF INTENTION TO:

SUBSEQUENT REPORT OF:

TEST WATER SHUT-OFF

FULL OR ALTER CASING

WATER SHUT-OFF

REPAIRING WELL

FRACTURE TREAT

MULTIPLE COMPLETE

FRACTURE TREATMENT

ALTERING CASING

SHOOT OR ACIDISE

ABANDON*

SHOOTING OR ACIDIZING

ABANDONMENT*

REPAIR WELL

CHANGE PLANS

(Other) Drill Drain hole

(Other)

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

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

It is planned to drill one or two drain holes (6 1/2") horizontally from the well bore, approximately 500' in length, in a NE and SW direction in the pay zone interval to intersect additional vertical fracture systems and thus improve the production. The attached drawing shows the approximate positions of the drain holes. The work will be done with rotary tools, with blowout preventer and rotating head installed on top of the casing head. It is planned to start the work around October 15, 1985.

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

DATE: 10/3/85
BY: _____

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

SIGNED W. Row Ginglesy TITLE President

DATE 9/19/85

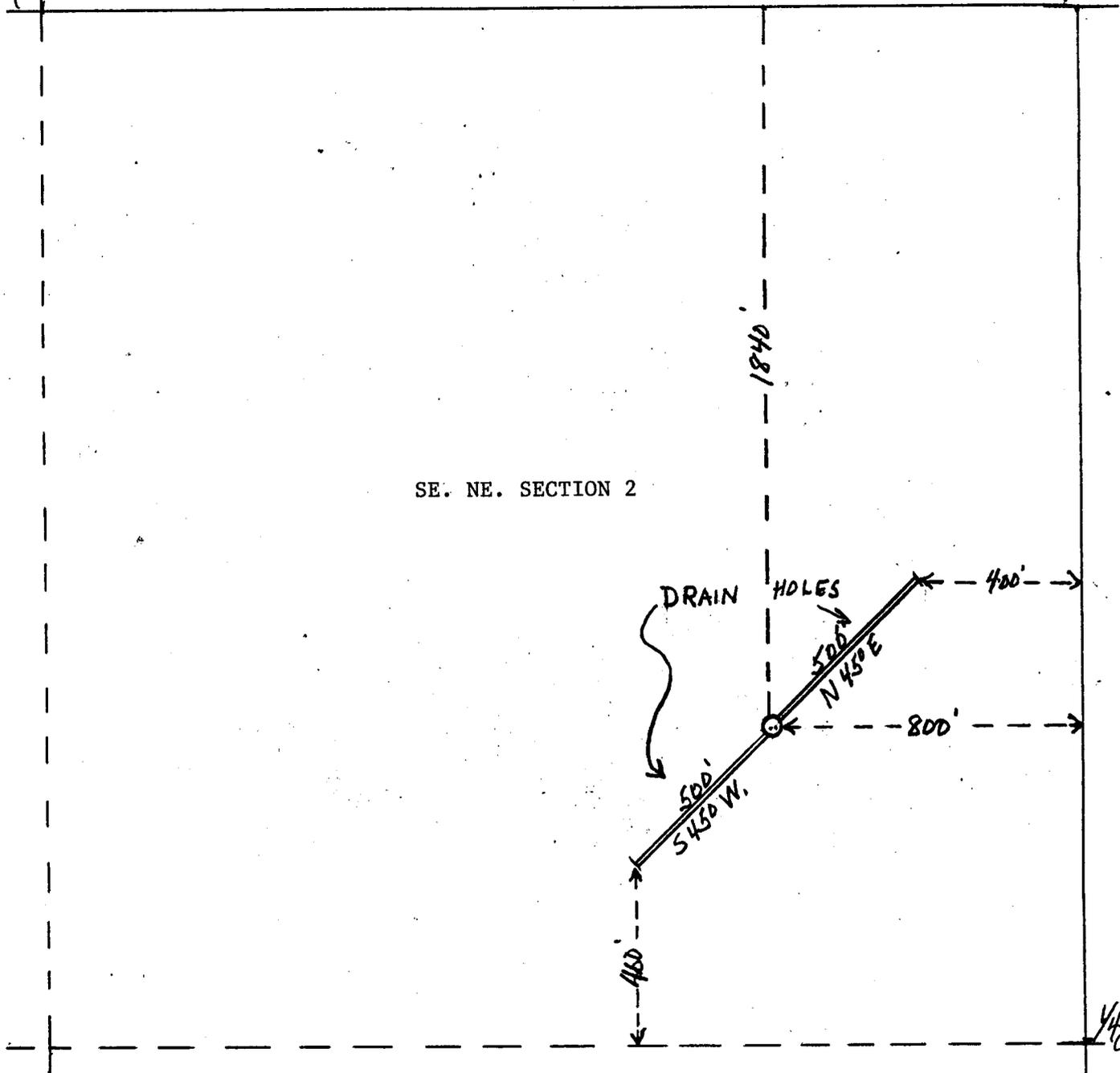
(This space for Federal or State office use)

APPROVED BY _____ TITLE _____ DATE _____
CONDITIONS OF APPROVAL, IF ANY:

MEGADON ENTERPRISES INC.
BOLINDER #2-2 WELL
SE. NE. SECTION 2, T 16S, R 12E.
EMERY COUNTY, UTAH

HORIZONTAL SKETCH OF DRAIN HOLES

YHcon.

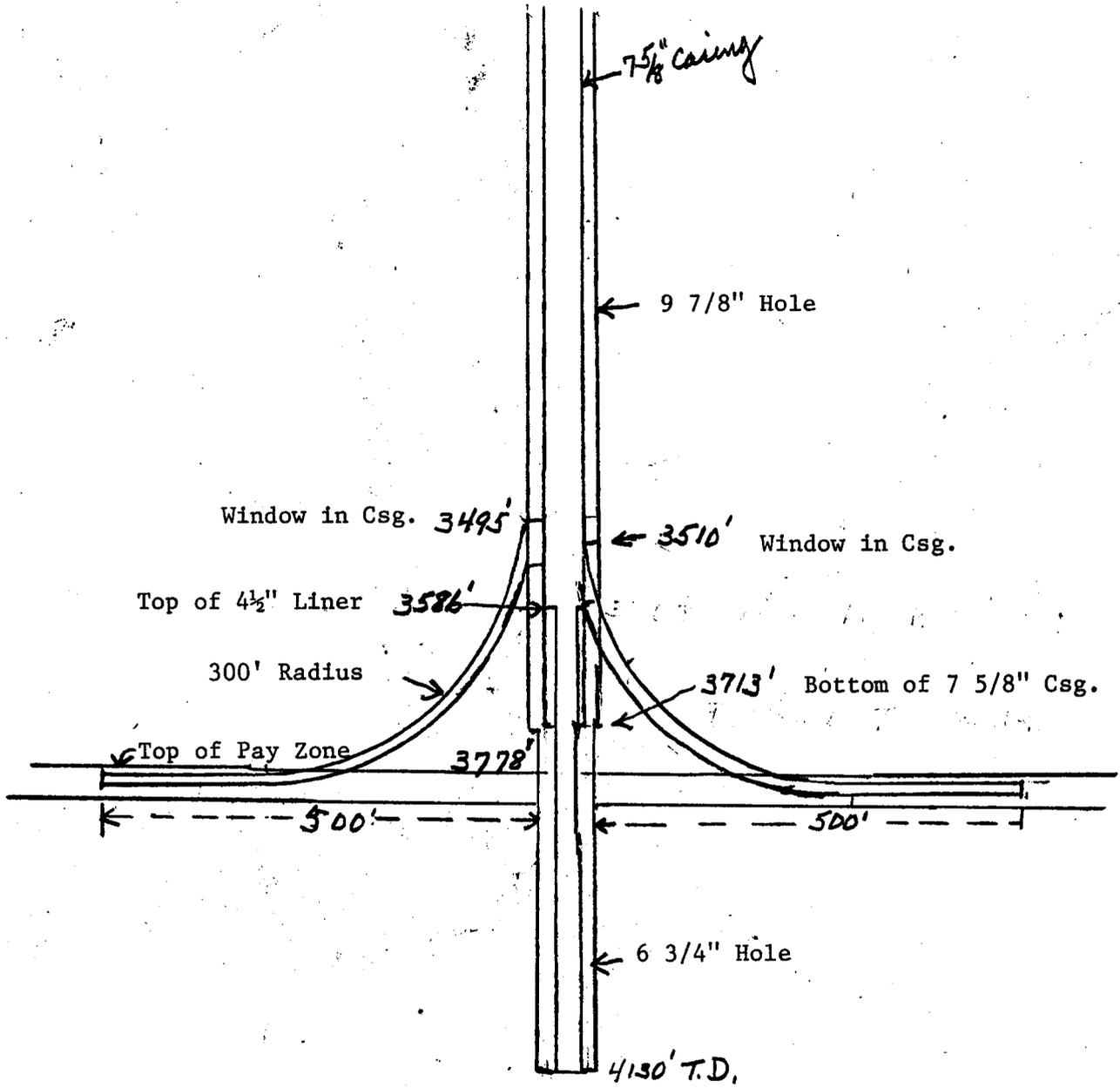


YHcon

Date: September 19, 1985
Scale: 1" = 400 ft.

MEGADON ENTERPRISES INC.
BOLINDER #2-2 WELL
SE. NE. SECTION 2-16S-12E.
EMERY COUNTY, UTAH

VERTICAL SKETCH OF DRAIN HOLES



Date: September 19, 1985
Vertical Scale: 1" = 200 ft.

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

5. LEASE DESIGNATION AND SERIAL NO.
ML-4386-A

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

SUNDRY NOTICES AND REPORTS ON WELLS

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

RECEIVED

7. UNIT AGREEMENT NAME

8. FARM OR LEASE NAME

State

9. WELL NO.

Bolinder #2-2

10. FIELD AND POOL, OR WILDCAT

Grassy Trails

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

SE.NE. Section 2

T 16S, R 12E.

12. COUNTY OR PARISH

Emery

13. STATE

Utah

1. OIL WELL GAS WELL OTHER

2. NAME OF OPERATOR
Megadon Enterprises, Inc.

SEP 20 1985

3. ADDRESS OF OPERATOR
Suite 253, 57 West South Temple, SLC, Utah 84101

DIVISION OF OIL
GAS & MINING

4. LOCATION OF WELL (Report location clearly and in accordance with any state requirements. See also space 17 below.)
At surface

SE $\frac{1}{4}$ NE $\frac{1}{4}$ Section 2, T 16S, R 12E, SLM
1840' fr. N-line and 800' fr. E-line

14. PERMIT NO.

15. ELEVATIONS (Show whether DF, ST, GR, etc.)
5368' grd., 5369' Well head

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

NOTICE OF INTENTION TO:

SUBSEQUENT REPORT OF:

TEST WATER SHUT-OFF
FRACTURE TREAT
SHOOT OR ACIDISE
REPAIR WELL
(Other)

PULL OR ALTER CASING
MULTIPLE COMPLETE
ABANDON*
CHANGE PLANS

WATER SHUT-OFF
FRACTURE TREATMENT
SHOOTING OR ACIDIZING
(Other) Drill Drain hole

REPAIRING WELL
ALTERING CASING
ABANDONMENT*

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

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

It is planned to drill one or two drain holes (6 $\frac{1}{4}$ "") horizontally from the well bore, approximately 500' in length, in a NE and SW direction in the pay zone interval to intersect additional vertical fracture systems and thus improve the production. The attached drawing shows the approximate positions of the drain holes. The work will be done with rotary tools, with blowout preventer and rotating head installed on top of the casing head. It is planned to start the work around October 15, 1985.

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

DATE: 10/3/85
BY: John R. Dwyer

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

SIGNED W. Row Gingles TITLE President

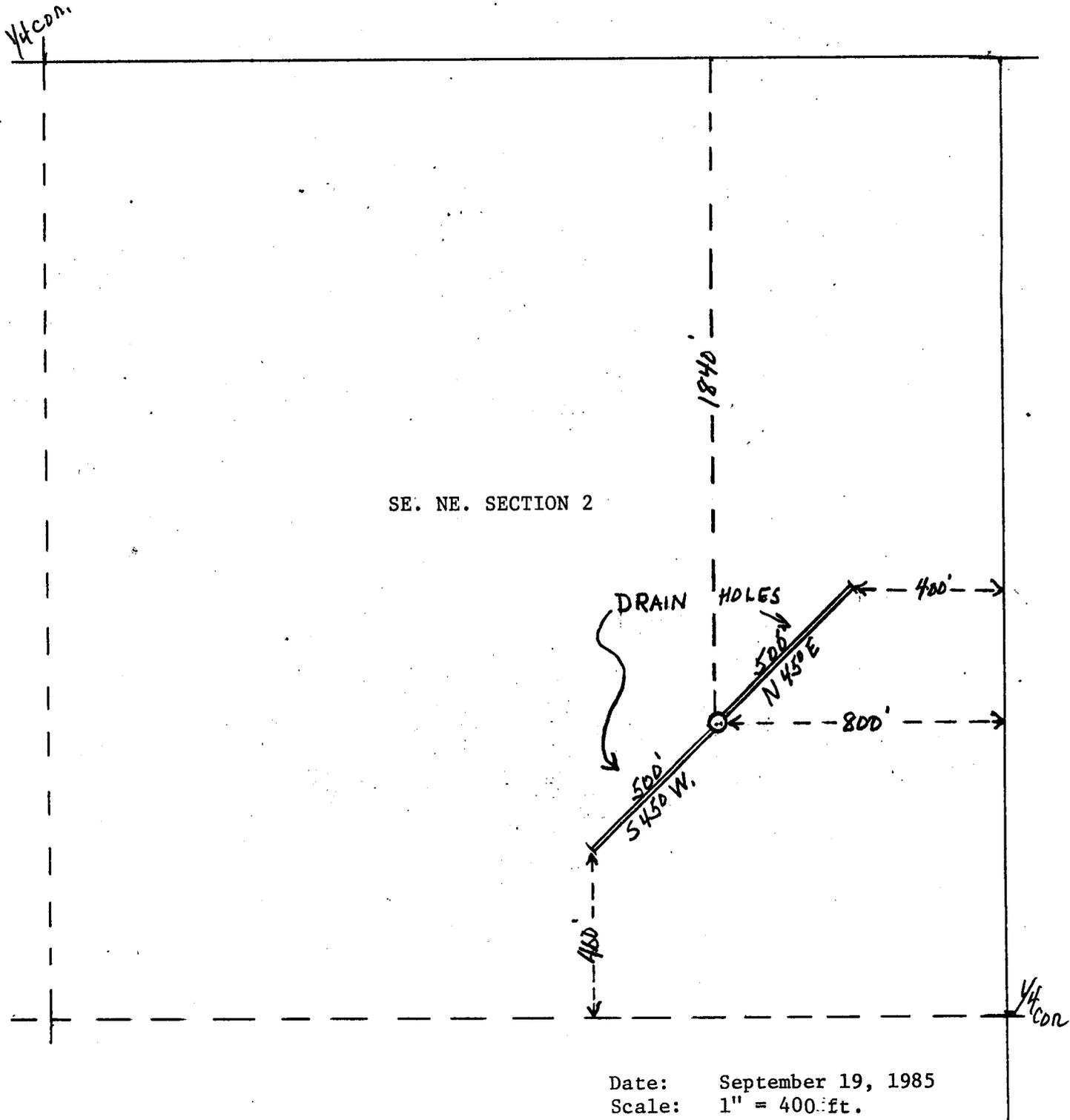
DATE 9/19/85

(This space for Federal or State office use)

APPROVED BY _____ TITLE _____ DATE _____
CONDITIONS OF APPROVAL, IF ANY:

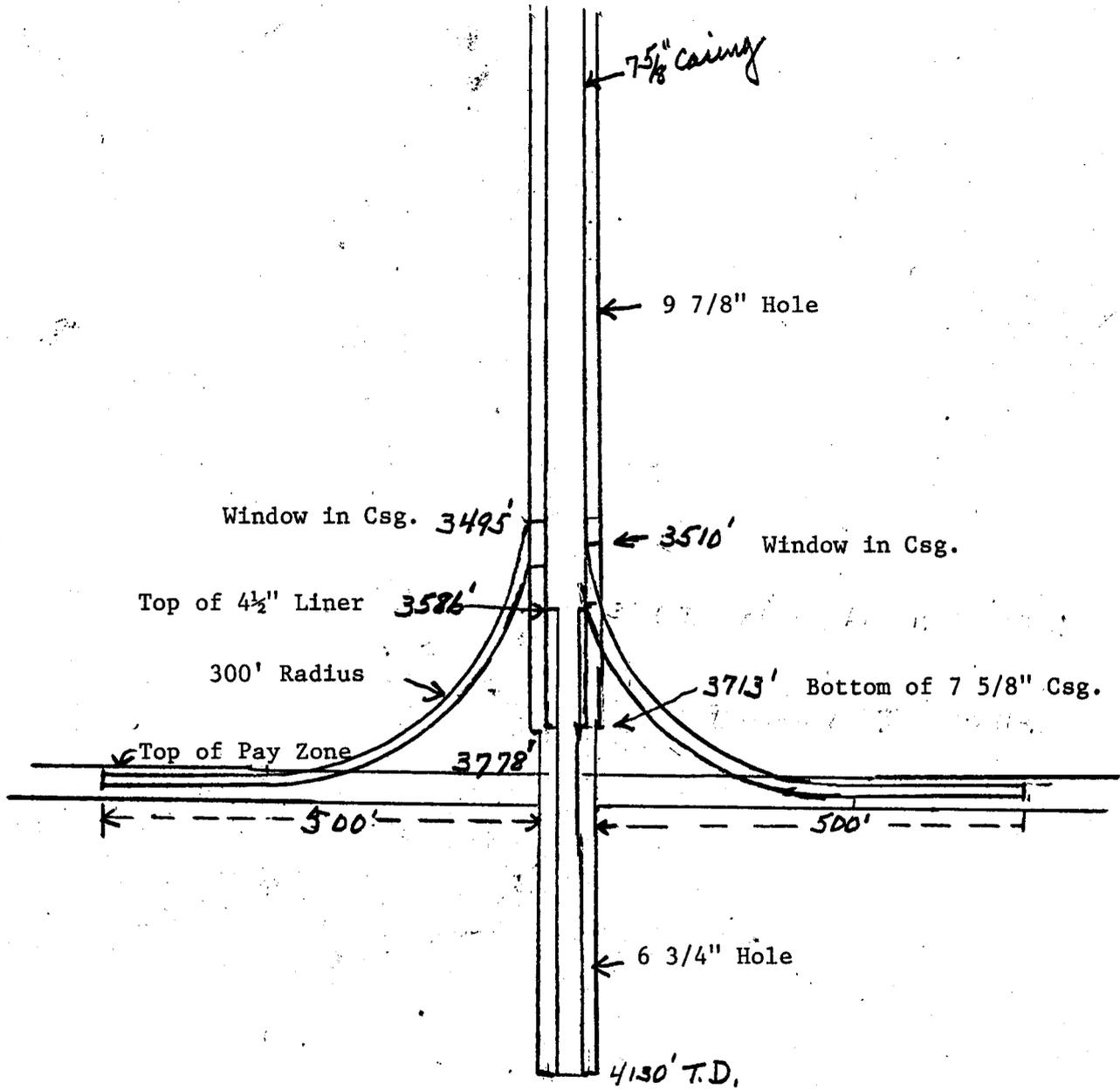
MEGADON ENTERPRISES INC.
BOLINDER #2-2 WELL
SE. NE. SECTION 2, T 16S, R 12E.
EMERY COUNTY, UTAH

HORIZONTAL SKETCH OF DRAIN HOLES



MEGADON ENTERPRISES INC.
BOLINDER #2-2 WELL
SE. NE. SECTION 2-16S-12E.
EMERY COUNTY, UTAH

VERTICAL SKETCH OF DRAIN HOLES



Date: September 19, 1985
Vertical Scale: 1" = 200 ft.

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

SUNDRY NOTICES AND REPORTS

(Do not use this form for proposals to drill or to deepen...
Use "APPLICATION FOR PERMIT..." for proposals.)

RECEIVED
APR 08 1986

1. OIL WELL <input checked="" type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER <input type="checkbox"/>		5. LEASE DESIGNATION AND SERIAL NO. ML-4386A
2. NAME OF OPERATOR MEGADON ENTERPRISES INC.		6. IF INDIAN, ALLOTTEE OR TRIBE NAME
3. ADDRESS OF OPERATOR SUITE 360, 57 WEST SOUTH TEMPLE, SALT LAKE CITY, UTAH 84101		7. UNIT AGREEMENT NAME
4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements. See also space 17 below.) At surface SE 1/4 NE 1/4 SECTION 2, T 16S, R 12E, SLM 1840' FROM N-LINE AND 80' FROM E-LINE		8. FARM OR LEASE NAME STATE
14. PERMIT NO.		9. WELL NO. BOLINDER #2-2
15. ELEVATIONS (Show whether DF, RT, GR, etc.) 5368' GRD; 5369' Well Head		10. FIELD AND POOL, OR WILDCAT GRASSY TRAILS
		11. SEC., T., R., N., OR S.W. AND SURVEY OR AREA SENE SEC. 2, T 16S, R 12E.
		12. COUNTY OR PARISH EMERY
		13. STATE UTAH

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

NOTICE OF INTENTION TO:		SUBSEQUENT REPORT OF:	
TEST WATER SHUT-OFF <input type="checkbox"/>	FULL OR ALTER CASING <input type="checkbox"/>	WATER SHUT-OFF <input type="checkbox"/>	REPAIRING WELL <input type="checkbox"/>
FRACTURE TREAT <input type="checkbox"/>	MULTIPLE COMPLETE <input type="checkbox"/>	FRACTURE TREATMENT <input type="checkbox"/>	ALTERING CASING <input type="checkbox"/>
SHOOT OR ACIDISE <input type="checkbox"/>	ABANDON* <input type="checkbox"/>	SHOOTING OR ACIDIZING <input type="checkbox"/>	ABANDONMENT* <input type="checkbox"/>
REPAIR WELL <input type="checkbox"/>	CHANGE PLANS <input type="checkbox"/>	(Other) DRILLING RESULTS <input checked="" type="checkbox"/>	

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

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

As per Sundry Notice dated 9-19-85, it was planned to drill 2 drain holes horizontally 250' long from the well bore in a NE and SW direction. This work was attempted between Jan. 22 to Feb. 24, 1986 using Norton-Christensen tools. However, they were not successful in accomplishing the work as planned due to the inadequacy of the tools. They only were able to drill a new hole on a total slant of 51° in a S. 71° E. direction from the vertical well bore starting at a depth of 3470' and drilling to 3946' (3900' vertical). The bottom of the new hole is about 273' S 71° E. from the vertical well bore or 542' from the E-line and 1929' from the N-line. The well was put back on pump on April 5, 1986 and made 66 bbls. oil in 20 hrs.

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

SIGNED *W. Don Gungley*

TITLE PRESIDENT

DATE APRIL 7, 1986

(This space for Federal or State office use)

APPROVED BY
CONDITIONS OF APPROVAL, IF ANY:

TITLE

DATE

- 1000-1330 hrs: Going in hole with retrieving tool to pick up packer.
- 1330-1630 hrs: Retrieved packer and came out of hole.
- 1630-1730 hrs: Dressed second packer.
- 1730-1900 hrs: Going in hole with second packer. Positioned packer at 3492' - top.
- 1900-2200 hrs: Pumped on packer and pressure set packer without success.
- 2200-2400 hrs: Came out of hole to pick-up retrieving tool. Sent first packer to Salt Lake to rebuild and to make machine sub on bottom of packer to fit drill pipe threads. (Picked up air compressors.)

Jan. 26, 1986:

- 0000-0100 hrs: Finished trip out.
- 0100-0200 hrs: Picked up retrieving tool.
- 0200-0600 hrs: Trip in hole. (Fixed air slips and sand line.) Retrieved packer.
- 0600-0900 hrs: Came out with packer.
- 0900-2000 hrs: Testing packers at surface. Rebuilt packer arrived at 1400 hrs. (Set compressors with Carmack truck. Picked up blewie line, tank, and gas separators from Texas Eastern yard. Fabricated bottom joint of drill pipe to set on line/below packer.) Tested new packer 3 times and worked okey - holding pressure for 1 hr. each time.
- 2000-2400 hrs: Picked up tested packer and went in hole. Released air hands at 1600 hrs. and sent them home to Grand Jct. until needed.

Jan. 27, 1986:

- 0000-0200 hrs: Finished trip in hole and setting packer. Set packer at 3481'.
- 0200-0300 hrs: Replaced kelly hose.
- 0300-0500 hrs: Test packer. Holds pressure and weight. Sheared pins at 15,000# over.
- 0500-0900 hrs: Trip out of hole.
- 0900-1400 hrs: Running directional survey (Sperry-Sun.). Packer oriented S 29° W.
- 1400-1600 hrs: Pickup whipstock tools and orient to N 44° E.
- 1600-1800 hrs: Trip in with whipstock.
- 1800-1900 hrs: Relevel rig.
- 1900-2000 hrs: Set whipstock and shear pin at 20,000# wt.

Drain Hole Work - #2-2

2000-2300 hrs: Rigged to pump oil out of hole (Spent 1 hr. changing rams in BOP.) Pumped in 125 bbls. to get circulation. Estimate pumped 25 bbl. oil in tank.

2300-2400 hrs: Picked up power swivel.

Jan. 28, 1986:

0000-0830 hrs: Cut off lug on whipstock and cut hole in casing. Cut 2½ ft. with whipstock sub.

0830-0900 hrs: Circulate for trip.

0900-1130 hrs: Trip out.

1130-1200 hrs: Pick up diamond mill and watermellon reamer.

1200-1530 hrs: Drill mouse hole.

1530-1800 hrs: Trip in with mill.

1800-1830 hrs: Circulate.

1830-2400 hrs: Cutting window - 2000-2500# torque at 100 RPM and 4000# wt.

Jan. 29, 1986:

0000-0800 hrs: Cutting window in casing - 2000# torque at 100 RPM and 10,000# wt. Cut 6½' of window.

0800-1530 hrs: Power swivel froze up. Called Grayco for another swivel. Waiting on second swivel.

1530-2000 hrs: Second swivel (Gibson Well Service) arrived and rigged up. Wouldn't rotate tools at 2000# torque. Had to call for another swivel.

2000-2400 hrs: Waiting on 3rd swivel.

Jan. 30, 1986:

0000-0200 hrs: Waiting on swivel. Swivel (3.5 from Blu H Drlg. Co., Rangely) arrived at 0200 hrs.

0200-0230 hrs: Rigged up third swivel.

0230-1300 hrs: Cutting window.

1300-1500 hrs: Trip out.

1500-1600 hrs: Lay down speed mill and reamer. Pick up mill shoe and new reamer.

1600-1815 hrs: Trip in.

1815-1845 hrs: Pick up swivel.

1845-2400 hrs: Mill and ream window.

Jan. 31, 1986:

0000-0500 hrs: Mill window. Drilled 10 ft. of new hole below whipstock.
0500-0530 hrs: Circulate
0530-0630 hrs: Laid down swivel.
0630-0800 hrs: Laid down 21 jts. of drill pipe. Strap out.
0800-0900 hrs: Trip out of hole.
0900-0930 hrs: Writing on Norton-Christensen engineer.
0930-1600 hrs: Pick up 14 jts. of 3½" limber pipe (N.C), 2 monel collars
and 6 drill collars and down hole motor.
1600-1800 hrs: Trip in hole.
1800-1930 hrs: Rig up special head and stiff arms.
1930-2400 hrs: Survey to orient tools.

Feb. 1, 1986:

0000-0415 hrs: Orient steering tool. Pick up stiff arm assembly.
0415-1500 hrs: Drilling new hole to 3505'. Drilling at rate of 30 ft/hr.
with 800# pump pressure, 16,000# wt. on motor.
0500-0545 hrs: Circulate for survey.
0545-0945 hrs: Survey and orient tools.
0945-1100 hrs: Drilling new hole with downhole motor. Drilling at rate of
30 ft/hr. with 800# pump pressure and 16,000# wt.
1100-1145 hrs: Circulate.
1145-1730 hrs: Survey with multi-shot gyro.
1730-1815 hrs: Circulate.
1815-2300 hrs: Trip out - power slips broke. Tighten all joints in string.
2300-2400 hrs: Running survey (multi-shot gyro).

Feb. 2, 1986:

0000-0530 hrs: Running gyro survey tool in open hole. Tried several times
and tool wouldn't go to bottom. Hung up on whipstock. Came out
with survey tool.
0530-0830 hrs: Went in hole with bit on bottom of monel collars (without
the motor). Hit fill at 40 ft. off bottom.
0830-1900 hrs: Picked up power swivel.
0900-1230 hrs: Rotated and circulated to bottom and circulated for 1 hr.
1230-1700 hrs: Ran gyro survey and took 25 or more shots.
1700-2000 hrs: Trip out of hole.

2000-2100 hrs: Waiting on Norton-Christensen. Surveys showed whipstock facing S 16° E and bottom of hole at 3538' heading N 50° W.

2100-2400 hrs: Trip in hole with bit and motor.

Feb. 3, 1986:

0000-0010 hrs: Finished trip in hole.

0010-0500 hrs: At empt to orient tools and picked up circulating swedge.

0500-0900 hrs: Ran multi-shot gyro - tried unsuccessfully to sting into orienting sub.

0900-1100 hrs: Circulated hole - both normal and reverse.

1100-1300 hrs: Tried to sting into orienting sub.

1300-1400 hrs: Came out with Sperry-Sun tools and laid down same.

1400-1800 hrs: Trip out.

1800-1900 hrs: Broke out orienting sub and found inside orienting sleeve scored badly and jimmied on top indicating that the mule shoe was not sliding into sleeve due to poor alignment. Put on spacer guide above the mule shoe.

1900-2400 hrs: Trip in.

Feb. 4, 1986:

0000-0300 hrs: Went in hole with multi-shot gyro to determine hole direction. Laid down gyro.

0300-0430 hrs: Went in hole with steering tool and set in mule shoe.

0430-1500 hrs: Work on pump. PTO shaft pin broke.

0500-1200 hrs: Drilling ahead with down hole motor. Hole ran into casing at 3527'. Hole had not kicked away from well bore.

1400-1800 hrs: Ran in gyro and tried to re-orient hole without success. Decided to abandon hole and drill new hole off whipstock by using a tapered mill and drill collar to prevent sliding down along the side of the casing.

1800-1900 hrs: Laid down gyro.

1900-2215 hrs: Trip out.

2215-2300 hrs: Laid down mud motor. Picked up tapered mill and drill collar.

2300-2400 hrs: Trip in.

Feb. 5, 1986:

0000-0230 hrs: Finished trip in with tapered mill.

0230-0300 hrs: Picked up power swivel.

0300-0400 hrs: Start power swivel motor and thaw out air line.
0400-1000 hrs: Drilling with tapered mill to 3527'.
1000-1100 hrs: Circulate and rig up Sperry-Sun to check direction.
1100-1400 hrs: Running gyro survey. Found that hole was spiraling down beside casing.
1400-1800 hrs: Trip out. Decided to cement hole back up into casing.
1900-2400 hrs: Trip in hole with only 3½" drill pipe to cement thru.

Feb. 6, 1986:

0000-0100 hrs: Finished trip in to 3525' and worked on pump.
0100-0200 hrs: Circulate hole.
0200-0230 hrs: Cemented with 40 sks Class G cement, 10% sand, 3% CaCl and friction additive. Plug down at 0230 hrs.
0230-0500 hrs: Trip out. Laid down 22 jts. of drill pipe.
0500-2400 hrs: Wait on cement.

Feb. 7, 1986:

0000-0400 hrs: Going in hole with 6 3/4" bit.
0400-0600 hrs: Drilling cement. Encountered top of cement at 3338'.
Drilled at rate of 50 ft/hr. with 4000# wt. at 60 RPM.
0600-1300 hrs: Waited 2 more hrs. and drilled ahead at rate of 30 ft/hr. with 4000# wt. Cement is hard. Drilled to 3468' (top of whipstock).
1300-1400 hrs: Circulate hole.
1400-1700 hrs: Trip out.
1700-1800 hrs: Pick up mud motor and 6 1/8" bit.
1800-2200 hrs: Trip in hole.
2200-2400 hrs: Wait on Sperry-Sun surveyors.

Feb. 8, 1986:

0000-0100 hrs: Rig up gyro survey tool.
0100-0600 hrs: Ran survey and orient drill motor.
0600-0730 hrs: Drilled cement out of whipstock to 3480'.
0730-1130 hrs: Run gyro to check orientation.
1130-1800 hrs: Time drlg. beyond face of whipstock (1"/5 min.).
1800-2400 hrs: Drilled to 3523'. Drilling at rate of 10 ft/hr. with 6000# on motor. Pump pressure = 850# at 75 SPM.

Feb. 9, 1986:

- 0000-0215 hrs: Drilling at rate of 8 min/ft. to 3531' decided to trip for new bit.
- 0215-0315 hrs: Circulate, rig down surveying tools, drain mud lines.
- 0315-0645 hrs: Trip out.
- ✓ 0645-1200 hrs: Trip in.
- 1200-1400 hrs: Tried to run gyro survey tool without success. Couldn't get tool below 3478'.
- 1400-1600 hrs: Circulate and wash to bottom.
- 1600-1900 hrs: Ran gyro survey tool.
- 1900-2045 hrs: Ran steering tool.
- 2045-2230 hrs: Drilled ahead to 3542' at rate of 4 min/ft.
- 2230-2400 hrs: Made connection and then couldn't seat steering tool. Finally bent guide shoe and body of tool and it slid into the seat.

Feb. 10, 1986:

- 0000-0300 hrs: Seating steering tool.
- 0300-0335 hrs: Drilled to 3551' at rate of 4 min/ft. and mud motor quit.
- 0335-0700 hrs: Tried to get motor to work. Made short trip into casing and motor still wouldn't work. Had a 400# decrease in pump pressure so by-pass valve at top of motor probably washed out.
- 0700-1200 hrs: Trip out.
- 1200-1400 hrs: Laid down mud motor and picked up second motor. Waited on by-pass valve for second motor.
- 1400-1800 hrs: Trip in.
- 1800-1930 hrs: Ran steering tool and oriented motor.
- 1930-2100 hrs: Drilling. Drld. at rate of 15 ft/hr with 850# pump pressure at 75 SPM and 12,000# wt.
- 2100-2230 hrs: Pulled out of hole with steering tool and made a connection.
- 2230-2400 hrs: Drilled to 3585'. Had tight hole and difficulty in keeping motor from turning right too fast.

Feb. 11, 1986:

- 0000-0300 hrs: Drilling and washing hole. Hole getting tighter. Can only make 5 ft. and then have to wash up and down to free stabilizers. Drilled to 3605' and couldn't wash free.

0300-0800 hrs: Circulated and washed hole. Tried to drill ahead and only got 3 more feet to 3608'. Hole is too tight. Must have larger hole for tools. (Norton-Christensen had same problem on last two wells in Texas and had to increase hole size.) Decided to trip out and pick up 6 $\frac{1}{4}$ " bit.

0800-1200 hrs: Trip out.

1200-1500 hrs: Clean mud pits.

1500-1800 hrs: Trip in with 6 $\frac{1}{4}$ " bit.

1800-2400 hrs: Reaming hole.

Feb. 12, 1986:

0000-1430 hrs: Reaming hole out to 6 $\frac{1}{4}$ ".

1430-1600 hrs: Drilling at rate of 14 ft. per hr. Drilled to 3636'.

1600-1800 hrs: Making connection and change out steering tool.

1800-2015 hrs: Drilling at rate of 14 ft/hr. with 13,000# wt. and 750# pump pressure. Drilled to 3665'.

2015-2400 hrs: Run gyro and steering tool. Hole direction is S 20° E and deviation is 29°.

Feb. 13, 1986:

0000-0200 hrs: Finishing gyro run.

0200-0415 hrs: Drilling at rate of 15 ft/hr. Drilled to 3698' to connection pt.

0415-0545 hrs: Make connection and rd-trip steering tool.

0545-0830 hrs: Drilling ahead at 12 ft/hr. Drld to 3728 ft. Losing circulation. Must convert to air. Deviation is 35° and hole direction is S 56° E.

0830-1230 hrs: Trip out to convert to air.

1230-1500 hrs: Rig up Blewie line.

1500-1900 hrs: Trip in with drill pipe to unload hole. Had gas to surface after hole was unloaded.

1900-2100 hrs: Trip out.

2100-2400 hrs: Rig up down hole motor for air drilling. Weld on Blewie line.

Feb. 14, 1986:

0000-0600 hrs: Trip in. Had to rotate to get thru window.

0600-0800 hrs: Run steering tool and orient motor face.

0800-1100 hrs: Unload hole - took 1050# air pressure to move fluid. Water from prior drilling returned out of fractures. Had about 3 bbl.

of oil on top of water.

1100-1300 hrs: Drilled down a joint at 15 ft/hr. Air pressure = 300#; had 10,000# on bit.

1300-1430 hrs: Made a connection and had plugged bit. Pressure built to 1350# in 5 min.

1430-1800 hrs: Trip out. Bit and motor plugged. Laid down motor.

1800-2400 hrs: Wait on Norton-Christensen to arrange for a float on top of bit instead of on top of motor.

Feb. 15, 1986:

0000-0800 hrs: Wait on Norton-Christensen to return from Salt Lake with bit float.

0800-1130 hrs: Trip in.

1130-1730 hrs: Trying to seat Sperry-Sun steering tool into orienting sub.

1730-1930 hrs: Drilling ahead (1 jt.) to 3792' at rate of 15 ft/hr. 300# air pressure. Had 5 bbl. of oil when first unloaded.

1930-2300 hrs: Run survey and working pipe loose - tight hole. Circulated.

2300-2400 hrs: Drilling at rate of 22 ft/hr. Drilled to 3815'. (More pay section at 3815').

Feb. 16, 1986:

0000-0330 hrs: Drilling from 3815' to 3845' at rate of 12 ft/hr. Down hole motor quit (N.C.) so had to trip out, but ran survey tool first.

0330-0700 hrs: Running survey tool. Made 3 runs to get tool to seat in orienting sub. Hole is inclined 45° and is head S 68° E.

1700-1100 hrs: Trip out.

1100-1700 hrs: Norton-Christensen decided they would try their short radius motor since they had been unable to get the long radius motor to build angle fast enough. This meant the hole had to be reamed to 6 3/4" to accommodate the short radius motor so had to arrange for a hole opener or 6 3/4" bits. Couldn't locate a hole opener anywhere near, so arranged with Moab Bit & Tool Co. to meet in Green River to pick up bits. In the meantime, N.C. engineer (Bob Lenhart) contacted his boss who refused to try the short radius motor and also said they did not want to spend anymore money.

1700-1900 hrs: Picked up remaining long radius motor to build as much angle as possible before reaching the Sinbad section at 3900' (vertical).

1900-2330 hrs: Trip in. Had to wash and ream 60' to bottom.

2330-2400 hrs: Drilling 6 ft. to 3851' and made a connection.

Feb. 17, 1986:

- 0000-0100 hrs: Drilled to 3857' and N.C.'s motor gave up.
- 0100-0200 hrs: Trying to get motor to drill without success.
- 0200-0530 hrs: Trip out.
- 0530-0700 hrs: Laid down motor and picked up stabilizer and limber joint to drill ahead with rotary drilling.
- 0700-1130 hrs: Trip in and pick up power swivel.
- 1130-1315 hrs: Ream and circulate to bottom - 60 feet - Using power swivel.
- 1315-2400 hrs: Drilling ahead. Ran surveys between connections. Hole deviation is 51° and direction is nearly east. Obtained additional oil in mist at 3850' to 3864'; and at 3875' to 3890'.

Feb. 18, 1986:

- 0000-0400 hrs: Drilling to 3946'. Had more oil show at 3900' (This is total depth and about 35 feet above Sinbad, 3946')
- 0400-0500 hrs: Ran survey. Hole deviation is 53° and direction is probably due east (Survey tool is not reading direction right due to magnetic influence).
- 0500-0900 hrs: Trip out. Laid down N.C. drill pipe and stabilizer.
- 0900-1030 hrs: Slip drilling line.
- 1030-1100 hrs: Pick up whipstock spear and jars to retrieve whipstock.
- 1100-1400 hrs: Trip in. Strap pipe.
- 1400-2030 hrs: Fishing for whipstock. Couldn't get retrieving tool to engage whipstock.
- 2030-2400 hrs: Trip out.

Feb. 19, 1986:

- 0000-0430 hrs: Trip in with notched collar on end of probe to drill out possible cement inside hole in whipstock for the retrieving tool.
- 0430-0945 hrs: Trying to wash out and engage hole in whipstock without success.
- 0945-1100 hrs: Trip out.
- 1100-1700 hrs: Wait on Norton-Christensen to send mill to location to drill cement off face of whipstock.
- 1700-2000 hrs: Trip in with mill (6 3/4").
- 2000-2300 hrs: Mill off cement and circulate.
- 2300-2400 hrs: Trip out.

Feb. 20, 1986:

- 0000-0100 hrs: Trip out.
- 0100-0300 hrs: Trip in with probe and notched collar.
- 0300-0500 hrs: Trying to engage 2 3/4" hole in whipstock to clean out cement and cuttings. No success.
- ✓0500-0745 hrs: Trip out to pick up retrieving pin. Probably won't work but need to try while waiting on washover pipe and overshot from Vernal.
- 0745-1100 hrs: Set vice rig and trip in.
- 1100-1300 hrs: Fishing without success.
- 1300-1600 hrs: Trip out and laid down 6 drill collars.
- 1600-1900 hrs: Wait on fishing tools.
- 1900-2200 hrs: Trip in with 8 ft. of 6 5/8" washover pipe.
- 2200-2400 hrs: Washing over and milling off top of whipstock for overshot.

Feb. 21, 1986:

- 0000-0615 hrs: Washing over whipstock (?).
- 0615-0930 hrs: Trip out. Examination of washover pipe suggest that we didn't get over the whipstock but washed down the face of it. Decided to try running overshot while waiting on other larger tools.
- 0930-1000 hrs: Service rig.
- 1000-1130 hrs: Pick up overshot and 6 3/4" stabilizer (Randy's).
- 1130-1400 hrs: Trip in and pick up power swivel.
- 1400-1500 hrs: Trying to get over whipstock with overshot; no success.
- 1500-1800 hrs: Trip out.
- 1600-2400 hrs: Wait on tools from Graco.

Feb. 22, 1986:

- 0000-0100 hrs: Pick up flat mill (6 7/8") and 2 stabilizers (6 13/16") plus 1-6 3/4" stabilizer and jars.
- 0100-0500 hrs: Ream thru surface spool and flange.
- 0500-0700 hrs: Trip in.
- 0700-1300 hrs: Mill on whipstock. Mill would take full weight and then slip off. Doubted that a ledge had been cut. Mill kept slipping down hole. However, mill showed at least one inch of wear around outside edge.
- 1300-1530 hrs: Trip out.

- 1530-1645 hrs: Pick up washover pipe and ream thru spool.
- 1645-1900 hrs: Trip in.
- 1900-2200 hrs: Washing over, but couldn't get washover shoe to take any weight, without slipping off.
- 2200-2400 hrs: Trip out. Found that washover pipe had been left in hole.

Feb. 23, 1986:

- 0000-0600 hrs: Had to call Graco for more fishing tools (inside spear) to recover wash pipe. Waited on tools to arrive.
- 0600-0800 hrs: Pick up spear and bumper sub and went in hole. Stacked out with 12 stands in; so thought washpipe might have dropped off at that point, so came out to check. No spear.
- 0800-1000 hrs: Trip in with spear.
- 1000-1045 hrs: Tagged washover pipe at 3480'. Fished and stacked about 10,000# weight on fish as well as left turn for 1 round. Fish dragged for 1 stand.
- 1045-1300 hrs: Trip out with fish.
- 1300-1400 hrs: Laid down tools and loaded Graco out.
- 1400-1500 hrs: Rigged down power swivel.
- 1500-1900 hrs: Went in hole with drill pipe and collars; came out laying down.
- 1900-2100 hrs: Rigged down floor, picked up air slips, changed tong dies, rigged up to run tubing.
- 2100-2300 hrs: Ran 2 7/8" tubing (113 joints). Landed perforated nipple at 3640'. Bottom of tubing at 3679'. Seating nipple is at 3477'.
- 2300-2400 hrs: Strip off rotating head and BOP.

Feb. 24, 1986:

- 0000-0100 hrs: Installed tubing head on well.
- 0100-0600 hrs: Ran 3/4" rods with pump.
- 0600-0700 hrs: Seated pump and installed polish rod and stuffing box. Spaced out pump.
- 0700-1200 hrs: Began rigging down. Released rig at 1200 hrs. (noon) this day.

SUNDRY NOTICES AND REPORTS ON WELLS

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

5. Lease Designation and Serial Number:

ML-4386 B

6. If Indian, Allottee or Tribe Name:

7. Unit Agreement Name:

1. Type of Well: OIL GAS OTHER:

8. Well Name and Number:

BOLINDER # 2-2

2. Name of Operator:

MEGADON ENERGY CORPORATION

9. API Well Number:

43-01530143

3. Address and Telephone Number:

STE. 20, 175 SOUTH WEST TEMPLE, S.L.C., UT 84101 (801-359-3575)

10. Field and Pool, or Wildcat:

GRASSY TRAILS

4. Location of Well

Footage: SENE SECTION 2-165-12E, SLM

County: EMERY

OO, Sec., T., R., M.: 1840' FR. N-LINE & 800' FR. E-LINE

State: UTAH

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

NOTICE OF INTENT

(Submit in Duplicate)

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

Approximate date work will start

SUBSEQUENT REPORT

(Submit Original Form Only)

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

Date of work completion

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

* Must be accompanied by a cement verification report.

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

This well is in suspension due to the large volume of water it produces. We plan to squeeze this water off, and drill horizontally inside the 5 1/2" casing, as soon as we have this technique perfected.

13.

Name & Signature:

Sherrill Bateman

Title:

Deputy

Date:

2/16/93

(This space for State use only)

RECEIVED

FEB 19 1993

DIVISION OF
OIL GAS & MINING

RECORDED
DEC 20 1995

5. Lease Designation and Serial Number:

ML-4386-B

6. If Indian, Allottee or Tribe Name:

7. Unit Agreement Name:

8. Well Name and Number:

Bolinder #2-2

9. API Well Number:

4301530143

10. Field and Pool, or Wildcat:

Grassy Trails

SUNDRY NOTICES AND REPORTS ON WELLS OIL & GAS & MINING

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

1. Type of Well: OIL GAS OTHER:

2. Name of Operator:
MEGADON ENERGY CORPORATION

3. Address and Telephone Number:
Suite 20; 175 South West Temple, Salt Lake City, Ut 84101

4. Location of Well SE.NE. Section 2; 16S, R 12E.
Footages: 1840' fr. N-line and 800' fr. E-line
QQ, Sec.,T.,R.,M.:

County: Emery
State: Utah

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

NOTICE OF INTENT
(Submit in Duplicate)

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

Approximate date work will start 12-22-95

SUBSEQUENT REPORT
(Submit Original Form Only)

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

Date of work completion 12-23-95

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

* Must be accompanied by a cement verification report.

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

It is planned to move a work-over rig onto the well site on or about 12-22-95 to pull rods, pump, and tubing. It has been ascertained from previous work that there is probably a hole in the tubing. If such is the case, the damaged joint will be replaced. The work should be completed in one day.

13.

Name & Signature:

Title: President

Date: 12-19-95

(This space for State use only)



State of Utah

Department of
Natural Resources

Division of
Oil, Gas & Mining

ROBERT L. MORGAN
Executive Director

LOWELL P. BRAXTON
Division Director

MICHAEL O. LEAVITT
Governor

OLENE S. WALKER
Lieutenant Governor

April 16, 2004

CERTIFIED MAIL NO. 7002 0510 0003 8602 6297

Sherrill Bateman
Megadon Enterprises, Inc.
3522 Country Manor Road
Salt Lake City, Utah 84121

Re: Extended Shut-in and Temporary Abandoned Well Requirements for Fee or State Leases.

Dear Ms. Bateman:

Megadon Enterprises Inc., as of April 2004, has one (1) State Lease Well (see attachment A) that is currently in non-compliance for extended shut-in or temporary abandonment status. Wells SI/TA beyond twelve (12) consecutive months requires filing a Sundry Notice (R649-3-36-1). Wells with five (5) years non-activity or non-productivity shall be plugged, unless the Division grants approval for extended shut-in time upon a showing of good cause by the operator (649-3-36-1.3.3). For extended SI/TA consideration the operator shall provide the Utah Division of Oil, Gas & Mining with the following:

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

Page 2
April 16, 2004
Sherrill Bateman

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

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

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

Sincerely,



Dustin K. Doucet
Petroleum Engineer

jc
cc: John Baza
Well File
SITLA

Megadon Enterprises, Inc.

	Well Name	API	Lease Type	Years Inactive
1	Bolinder 2-2	43-015-30143	State	7 Years 5 months

Attachment A

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

FORM 9

SUNDRY NOTICES AND REPORTS ON WELLS

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

1. TYPE OF WELL OIL WELL <input checked="" type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER _____		5. LEASE DESIGNATION AND SERIAL NUMBER: ML 48002
2. NAME OF OPERATOR: Megadon Energy Corporation		6. # INDIAN, ALLOTTEE OR TRIBE NAME: NA
3. ADDRESS OF OPERATOR: 3522 Country Manor Rd, Salt Lake City, UT 84121		7. UNIT or CA AGREEMENT NAME: NA
4. LOCATION OF WELL: FOOTAGES AT SURFACE: 1,840' FNL 800' FEL COUNTY: Emery		8. WELL NAME and NUMBER: Bollinder 2-2
QTR/QR, SECTION, TOWNSHIP, RANGE, MERIDIAN: SENE 2 16S 12E S STATE: UTAH		9. API NUMBER: 4301530143
		10. FIELD AND POOL, OR WRLDCAT: Grassy Trail

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"/> COMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input checked="" type="checkbox"/> OTHER: <u>Request for extension of shut-in status</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.

The reservoir in Grassy Trail field is best completed using horizontal laterals. This well already has a whipstock set to kick off drilling the lateral. Megadon is currently working with Fellows Energy Ltd. to take over operations on this well. In order for a lateral to be drilled of a sufficient length to be economical the acreage from this well and surrounding leases need to be unitized to meet State spacing requirements. This process is underway. Megadon requests that shut-in status be approved until November 30, 2004.

Attached you will find a fluid level shot strip and invoice/interpretation that show fluid level to be @ 793'. Casing and tubing pressure are both 0#.

10 3/4" 40.5# surface casing is set at 242' in 14 1/2" hole and cemented with 175 sacks. 7 5/8" 26.4# production casing is set at 3,710' in 9 7/8" hole and cemented with 550 sacks Procester 8 cement and 150 sacks thbatic. 4 1/2" 13.5# liner is set from 3,586'-4,115' and cemented with 75 sacks thbatic. 113 jts of 2 7/8 tubing is in hole with the end of tubing @ 3,579'.

NAME (PLEASE PRINT) Sherrill Bateman TITLE _____
SIGNATURE Sherrill Bateman DATE 6/25/2004

(This space for State use only)

COPY SENT TO OPERATOR
Date: 7-28-04
Initials: CHD

(5/2000)

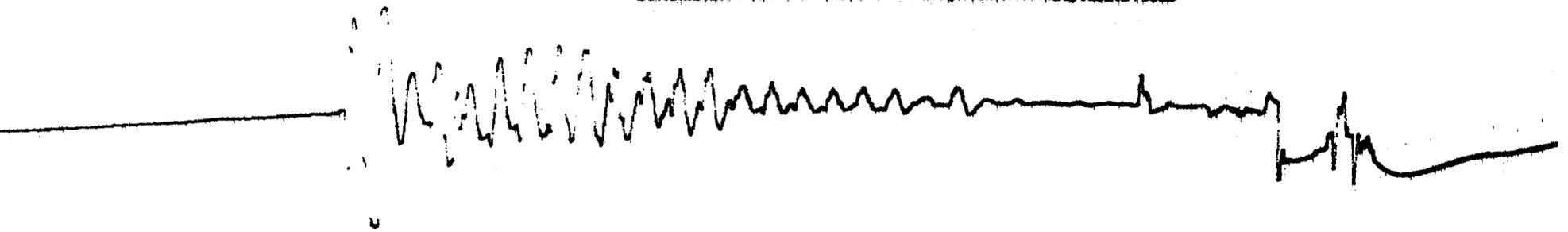
(See Instructions on Reverse Side)

DIVISION OF OIL, GAS AND MINING
DATE: 7/21/04
BY: Districk
* See attached letter dated 7/21/04

RECEIVED
JUN 28 2004

DIV. OF OIL, GAS & MINING

SONOMETER COMPANY 4801 BITTO LANE, WICHITA FALLS, TEXAS 76798



SERVICE AGREEMENT AND OPERATOR'S REPORT

We have requested DELSCO NORTHWEST, INC., to come to the location of Fellows Energy Ltd. (Client)

Bolinder (Lesse) 2-2 (Well No.) Well in the _____ (Name of Field)

UTAH (State) Field and Hereby Agree That Its Work Shall Be Performed Under the Following Terms and Conditions:

DELSCO NORTHWEST, INC.,

(Hereafter referred to as Delsco or its employees, or its personnel do not warrant or guarantee satisfactory results of the work performed, however, Delsco, or its employees, or its personnel will perform work requested to the best of their ability. Delsco reserves the right to move off the well or location at any time if, in its opinion, such or location conditions render such action advisable. If, for any reason, Delsco is forced to leave its equipment on the well or location and it unable to recover its equipment, the customer utilizing the work and equipment will be billed for same at the regular rental price. However, if the equipment is eventually recovered and delivered to Delsco, the customer being previously billed for the equipment will be issued full credit for same less any costs for repairs or reconditioning, if the equipment is of the same type in general use by Delsco. If Delsco is to be transported by means other than its own power, Delsco charges at regular location rates commencing upon arrival at place where transportation is to begin. Mileage charges shall be billed to customer round trip from Delsco office to location or back at regular current rates. Delsco shall not be liable or responsible for any loss or damage to property or bodily injury occurring either below or above the surface of the ground caused by any equipment furnished by Delsco or operated by Delsco personnel or employees. Delsco shall not be responsible nor have any liability for any such property damage or loss or for any bodily injury if not directly caused by willful misconduct. Unless caused by willful misconduct, customer shall indemnify, absolve and hold harmless Delsco from all responsibility for any and all such loss, damage and/or injury incurred or sustained by customer or any other party. All charges covered by this service agreement are due within 30 days after invoice without discount. A 9% per annum interest charge on the unpaid balance shall begin one day after the aforesaid 30-day period.

BILLING ADDRESS: _____ Signed Fellows Energy Ltd. (Company)

By CLIFF (Company Representative)

DELSCO REPS. Kew S.

Customer's Order No. _____

Unit No. Well Press. Tbg. End. Well Depth. Tbg. Size Tree Connection

Date	Mileage Charge	From	To	Miles	Rate	Amount
10-17-04	To-Location	Shop	Loc.	110	1.00	
	From-Location	Loc.	Shop	110	1.00	220.00

On Location Charges:	Description of Operation	Arrival	Departure	Hrs.	Rate	Amount
	Big up gun & shoot Fluid Level					
	CASING PSI.					
	0				50'	50.00
	Fluid Level					
	793'					

*Paid
OK #146*

Other Charges: _____

Quan.	Size	Mfg.	Part No.	DESCRIPTION OF MATERIAL	Unit Price

PARISH TAX _____
SALES TAX _____

TOTAL 270.00

REMARKS: _____

Approved: Fellows Energy Ltd. (Company)

By: _____ (Company Representative)



State of Utah

Department of
Natural Resources

ROBERT L. MORGAN
Executive Director

Division of
Oil, Gas & Mining

LOWELL P. BRAXTON
Division Director

OLENE S. WALKER
Governor

GAYLE F. McKEACHNIE
Lieutenant Governor

July 21, 2004

CERTIFIED MAIL NO. 7002 0510 0003 8602 5153

Ms. Sheril Bateman
Megadon Enterprises, Inc.
3522 County Manor Road
Salt Lake City, Utah 84121

Re: Extended Shut-in and Temporary Abandoned Well Requirements for Fee or State Leases dated April 16, 2004.

Dear Ms Bateman:

The Division of Oil, Gas and Mining (the "Division") is in receipt of your sundry dated June 25, 2004 (received by the Division on 6/28/2004) in regards to the Bolinder 2-2 well operated by Megadon Enterprises Inc. ("Megadon"). It is the Division's understanding Megadon is currently trying to unitize leases to meet State requirements and is also in negotiations with Fellows Energy Inc. to take over operations of this well for horizontal drilling.

Based on the submitted information and active negotiations the Division grants an extension for the Bolinder 2-2 well. This shut-in/temporary abandonment extension is valid through November 30, 2004 as requested in your sundry. The approved sundry is enclosed with this letter.

If you have any questions or need additional assistance in regards to the above matters please contact me at (801) 538-5281.

Sincerely,

Dustin Doucet
Petroleum Engineer

CLD:jc

Enclosure

cc: Well file
SITLA

SUNDRY NOTICES AND REPORTS ON WELLS

5. LEASE DESIGNATION AND SERIAL NUMBER:

ML 48002

6. IF INDIAN, ALLOTTEE OR TRIBE NAME:

NA

7. UNIT or CA AGREEMENT NAME:

NA

8. WELL NAME and NUMBER:

Bolinder 2-2

9. API NUMBER:

4301530143

10. FIELD AND POOL, OR WILDCAT:

Grassy Trail

1. TYPE OF WELL

OIL WELL

GAS WELL

OTHER _____

2. NAME OF OPERATOR:

Megadon Energy Corporation

3. ADDRESS OF OPERATOR:

3522 Country Manor R_{oad} Salt Lake City STATE Ut ZIP 84121

PHONE NUMBER:

(801) 947-0482

4. LOCATION OF WELL

FOOTAGES AT SURFACE: 1,840' FNL 800' FEL

COUNTY: Emery

QTR/CTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: SENE 2 16S 12E S

STATE:

UTAH

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

TYPE OF SUBMISSION	TYPE OF ACTION		
<input type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: _____	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> REPERFORATE CURRENT FORMATION
	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> SIDETRACK TO REPAIR WELL
	<input type="checkbox"/> CASING REPAIR	<input type="checkbox"/> NEW CONSTRUCTION	<input type="checkbox"/> TEMPORARILY ABANDON
	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> TUBING REPAIR
	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> VENT OR FLARE
<input 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"/> COMMENCE PRODUCING FORMATIONS	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input checked="" type="checkbox"/> OTHER: Request for extension of shut-in status
	<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.

Megadon is continuing to work with Fellows Energy Ltd. to take over operations on this well. Getting approval from working interest owners is taking longer than anticipated. The plan is to utilize this State lease with Federal acreage and drill a horizontal lateral. State spacing requirements are 640 acres for a horizontal well. This lease contains 160 acres. Horizontal laterals are the preferred completion method in Grassy Trail Field. Once the agreements are signed permitting will begin. Because the lease will be utilized with Federal acreage their may be raptor issues (this well is located near a steep, rocky hillside) preventing drilling until after July 15th.

There is currently no pressure on the tubing or annulus of this well. A fluid level shot was taken June 17, 2004 indicating a fluid level of 793'. The location is too muddy to access currently but as conditions dry up and warm up another fluid level can be shot.

10 3/4" 40.5# surface casing is set @ 242' in 14 1/2" hole and cemented with 175 sacks. 7 5/8" 26.4" production casing is set @ 3,710' in 9 7/8" hole and cemented with 550 sacks Pacemaker 8 cement and 150 sacks thixotropic. 4 1/2" 13.5# liner is set from 3,586'-4,115' and cemented with 75 sacks thixotropic. 113 Jts. of 2 7/8" tubing is in the hole with the end @ 3,570'.

Megadon requests an extension of shut-in status until September 30, 2005

COPY SENT TO OPERATOR

Date: 7-22-05
Initials: CHD

NAME (PLEASE PRINT) Sherrill Bateman

TITLE

SIGNATURE

Sherrill Bateman

DATE

2/23/2005

(This space for State use only)

RECEIVED

THIS SUNDRY IS BEING RETURNED; INSUFFICIENT DATA WAS SUBMITTED TO OBTAIN THE REQUESTED ACTION (see R649-3-36 - need integrity information).

DIV. OF OIL, GAS & MINING

D. K. De A
Utah Division of Oil, Gas and Mining

July 21, 2005

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

RECEIVED
MAY 24 2005

FORM 9

SUNDRY NOTICES AND REPORTS ON WELLS, OIL, GAS & MINING

5. LEASE DESIGNATION AND SERIAL NUMBER:
ML 48002

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

7. UNIT or CA AGREEMENT NAME:
N/A

8. WELL NAME and NUMBER:
Bolinder 2-2

9. API NUMBER:
4301530143

10. FIELD AND POOL, OR WILDCAT:
Grassy Trail

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

1. TYPE OF WELL: OIL WELL GAS WELL OTHER _____

2. NAME OF OPERATOR:
Megadon Enterprises, Inc. **N0620**

3. ADDRESS OF OPERATOR: **3522 Country Manor Rd.** **Salt Lake City** **UT** **84121** PHONE NUMBER: **(801) 943-1861**

4. LOCATION OF WELL

FOOTAGES AT SURFACE: **1840 FNL 800 FEL** COUNTY: **Emery**

QTR/CTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: **SENE 2 16S 12E 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)	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> REPERFORATE CURRENT FORMATION
Approximate date work will start: 5/12/2005	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> SIDETRACK TO REPAIR WELL
<input type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only)	<input type="checkbox"/> CASING REPAIR	<input type="checkbox"/> NEW CONSTRUCTION	<input type="checkbox"/> TEMPORARILY ABANDON
Date of work completion:	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input checked="" type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> TUBING REPAIR
	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> VENT OR FLARE
	<input type="checkbox"/> CHANGE WELL NAME	<input type="checkbox"/> PLUG BACK	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> PRODUCTION (START/RESUME)	<input type="checkbox"/> WATER SHUT-OFF
	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input type="checkbox"/> OTHER: _____
	<input type="checkbox"/> CONVERT WELL TYPE	<input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION	

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

Fellows Energy Ltd. will assume responsibilities as operator commencing May 13, 2005.

APPROVED 5/25/05
Earlene Russell
Division of Oil, Gas and Mining
Earlene Russell, Engineering Technician

NAME (PLEASE PRINT) **Sherrill Bateman**

SIGNATURE *Sherrill Bateman*

TITLE *Pres.*

DATE **5/13/2005**

(This space for State use only)

RECEIVED FORM 5
MAY 24 2005
DIV. OF OIL, GAS & MINING

DESIGNATION OF AGENT OR OPERATOR

The undersigned is, on record, the holder of oil and gas lease

LEASE NAME: ML
LEASE NUMBER: 48002

and hereby designates

NAME: Fellows Energy Ltd.
ADDRESS: 370 Interlocken Blvd., Suite 400
city Broomfield state CO zip 80021

as his (check one) agent / operator , with full authority to act in his behalf in complying with the terms of the lease and regulations applicable thereto and on whom the Division Director or Authorized Agent may serve written or oral instructions in securing compliance with the Oil and Gas Conservation General Rules and Procedural Rules of the Board of Oil, Gas and Mining of the State of Utah with respect to:

(Describe acreage to which this designation is applicable. Identify each oil and gas well by API number and name. Attach additional pages as needed.)
LOTS 1 (39.07 ACRES), 2 (39.09 ACRES), S2NE4 [AKA N2NE4] (80.00 ACRES) of SECTION 2, T16.0S, R12.0E
SLB&M, EMERY COUNTY, TOTAL: 158.16 ACRES

It is understood that this designation of agent/operator does not relieve the lessee of responsibility for compliance with the terms of the lease and the Oil and Gas Conservation General Rules and Procedural Rules of the Board of Oil, Gas and Mining of the State of Utah. It is also understood that this designation of agent or operator does not constitute an assignment of any interest in the lease.

In case of default on the part of the designated agent/operator, the lessee will make full and prompt compliance with all rules, lease terms or orders of the Board of Oil, Gas and Mining of the State of Utah or its authorized representative.

The lessee agrees to promptly notify the Division Director or Authorized Agent of any change in this designation.

Effective Date of Designation: 05/12/2005

BY: (Name) Sherrill Bateman
(Signature) *Sherrill Bateman*
(Title) Pres.
(Phone) (801) 943-1861

OF: (Company) Megadon Enterprises, Inc.
(Address) 3522 Country Manor Road
city Salt Lake City
state UT zip 84121

RECEIVED

MAY 24 2005

DEPT. OF OIL, GAS & MINING

DESIGNATION OF OPERATOR

The undersigned is, on the records of the School and Institutional Trust Lands Administration, holder of lease, ML 48002 _____:

And hereby designates:

NAME: Fellows Energy Limited

ADDRESS: 370 Interlocken Boulevard, Suite 400
Broomfield, CO 80021

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

LOTS 1 (39.07 ACRES), 2 (39.09 ACRES), S2NE4 [AKA N2NE4] (80.00 ACRES) of SECTION 2, T16.0S, R12.0E SLB&M, EMERY COUNTY, TOTAL: 158.16 ACRES

Operator agrees to comply with all lease provisions, statutes, rules, and regulations, whether federal, state, or local, in its operations on the subject lease.

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

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

The lessee agrees promptly to notify the Trust Lands Administration of any change in the designated operator.

Date
5/13/2005

Date

Signature of Lessee
3522 Country Manor Rd.,
Salt Lake City, UT 84121

Address
Steven L. Prince

Signature of Operator

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

FORM 9

RECEIVED
MAY 24 2005

DIV. OF OIL, GAS & MINING

SUNDRY NOTICES AND REPORTS ON WELLS

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

1. TYPE OF WELL OIL WELL <input checked="" type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER _____		5. LEASE DESIGNATION AND SERIAL NUMBER: WL 48002
2. NAME OF OPERATOR: Fellows Energy Ltd. <i>N2560</i>		6. IF INDIAN, ALLOTTEE OR TRIBE NAME: N/A
3. ADDRESS OF OPERATOR: 370 Interlocken Blvd., Suite 400, Broomfield STATE CO ZIP 80021		7. UNIT or CA AGREEMENT NAME:
4. LOCATION OF WELL FOOTAGES AT SURFACE: 1840 FNL 800 FEL COUNTY: Emery		8. WELL NAME and NUMBER: Bolinder 2-2
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: SENE 2 16S 12E S STATE: UTAH		9. API NUMBER: 4301530143
		10. FIELD AND POOL, OR WILDCAT: Grassy Trail
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: <u>5/12/2005</u>	<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 checked="" type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> TUBING REPAIR
	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> VENT OR FLARE
	<input type="checkbox"/> CHANGE WELL NAME	<input type="checkbox"/> PLUG BACK	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> PRODUCTION (START/RESUME)	<input type="checkbox"/> WATER SHUT-OFF
	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input type="checkbox"/> OTHER: _____
	<input type="checkbox"/> CONVERT WELL TYPE	<input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION	

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

APPROVED 5/25/05
Earlene Russell
Division of Oil, Gas and Mining
Earlene Russell, Engineering Technician

NAME (PLEASE PRINT) <u>Steven L. Prince</u>	TITLE <u>VP Operations</u>
SIGNATURE <i>Steven L. Prince</i>	DATE <u>5/13/2005</u>

(This space for State use only)

7. **Federal and Indian Lease Wells:** The BLM and or the BIA has approved the merger, name change, or operator change for all wells listed on Federal or Indian leases on: BLM BIA

8. **Federal and Indian Units:**

The BLM or BIA has approved the successor of unit operator for wells listed on: _____

9. **Federal and Indian Communization Agreements ("CA"):**

The BLM or BIA has approved the operator for all wells listed within a CA on: _____

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

DATA ENTRY:

- 1. Changes entered in the **Oil and Gas Database** on: 5/25/2005
- 2. Changes have been entered on the **Monthly Operator Change Spread Sheet** on: 5/25/2005
- 3. Bond information entered in RBDMS on: 5/25/2005
- 4. Fee/State wells attached to bond in RBDMS on: 5/25/2005
- 5. Injection Projects to new operator in RBDMS on: _____
- 6. Receipt of Acceptance of Drilling Procedures for APD/New on: _____

FEDERAL WELL(S) BOND VERIFICATION:

1. Federal well(s) covered by Bond Number: _____

INDIAN WELL(S) BOND VERIFICATION:

1. Indian well(s) covered by Bond Number: _____

FEE & STATE WELL(S) BOND VERIFICATION:

1. (R649-3-1) The **NEW** operator of any fee well(s) listed covered by Bond Number 04-006

2. The **FORMER** operator has requested a release of liability from their bond on: n/a

The Division sent response by letter on: _____

LEASE INTEREST OWNER NOTIFICATION:

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

COMMENTS:

From: Ed Bonner
To: Russell, Earlene
Date: 5/26/05 10:09AM
Subject: Re: Valid Lease?

ML 4386-A expired December 31, 1994. The new lease covering the same land, also with Megadon is ML 48002

>>> Earlene Russell 05/25/05 5:29 PM >>>

Is ML-4386-A still a current lease to Megadon Enterprises, Inc.? I have a pending operator change to Fellows Energy, LTD.

I sent Designation of Operator form/letter to you via state mail today.

Earlene.

43-015-30143 16S 12E 02
Bolinder 2-2



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

October 20, 2005

GARY R. HERBERT
Lieutenant Governor

16512E 02

CERTIFIED MAIL NO. 7099 3400 0016 8894 4365

Stephen L. Prince
VP Operations
Fellows Energy Ltd
370 Interlocken Blvd., Suite 400
Broomfield, Colorado 80021

Re: Second Notice of Extended Shut-in and Temporarily Abandoned Well Requirements for Wells on Fee or State Leases.

Dear Mr. Prince:

Fellows Energy Ltd ("Fellows") was sent a first notice of Extended Shut-in and Temporarily Abandoned ("SI/TA") requirements certified mail on July 22, 2005 in regards to the Bolinder 2-2 well (API # 43-015-30143). The letter was signed for by an A. Sinclair on July 28, 2005. Fellows had thirty (30) days to address the requirements of the letter. To date, the Division has not received a response to the letter. By rule R649-3-36, Fellows is required to address wells SI/TA longer than 1 year in accordance with this rule.

If the required information is not received within 30 days of the date of this notice, a Notice of Violation will be issued and further actions may be initiated. For your convenience, I am attaching a copy of the first notice dated July 22, 2005. If you have any questions concerning this matter, please contact me at (801) 538-5281.

Sincerely,

Dustin K. Doucet
Petroleum Engineer

DKD:mf
Attachment
cc: SITLA
Well File

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

FORM 9

SUNDRY NOTICES AND REPORTS ON WELLS

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

1. TYPE OF WELL OIL WELL <input checked="" type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER _____		5. LEASE DESIGNATION AND SERIAL NUMBER: ML-48002
2. NAME OF OPERATOR: Fellows Energy <i>N2560</i>		6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
3. ADDRESS OF OPERATOR: 370 Interlocken Blvd. Ste.40C CITY Broomfield STATE CO ZIP 80021		7. UNIT or CA AGREEMENT NAME:
4. LOCATION OF WELL FOOTAGES AT SURFACE: 1840' FNL 800' FEL		8. WELL NAME and NUMBER: Bolinder #2-2
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: S2NE 12 16S 12E		9. API NUMBER: 4301530143
COUNTY: Emery		10. FIELD AND POOL, OR WILDCAT: Grassy Trail
STATE: UTAH		

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

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

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

As of October 26, 2007, Pride Ventures, LLC is requesting it be listed as operator of the following;

Township 16 South, Range 12 East, SLM

Section 2: Lots 1,2, S1/2NE1/4:

Contact Information:

Pride Ventures, LLC
P.O. Box 328
Bloomfield, NM 87413
(505) 325-7707

N2845

BOND # RLB0009735

NAME (PLEASE PRINT) <u>James D. Woosley</u>	TITLE <u>Managing Member</u>
SIGNATURE <i>James D. Woosley</i>	DATE <u>11/16/07</u>

(This space for State use only)

APPROVED 11/3/108
Earlene Russell
Division of Oil, Gas and Mining (See Instructions on Reverse Side)
Earlene Russell, Engineering Technician

RECEIVED

NOV 20 2007

DIV. OF OIL, GAS & MINING

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

FORM 9

SUNDRY NOTICES AND REPORTS ON WELLS

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

1. TYPE OF WELL OIL WELL <input checked="" type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER _____			5. LEASE DESIGNATION AND SERIAL NUMBER: ML-4386-A
2. NAME OF OPERATOR: Fellows Energy Ltd. N2500			6. IF INDIAN, ALLOTTEE OR TRIBE NAME: NA
3. ADDRESS OF OPERATOR: 807 N. Pinewood Circle Price		PHONE NUMBER: (435) 650-4492	7. UNIT or CA AGREEMENT NAME: NA
4. LOCATION OF WELL FOOTAGES AT SURFACE: 1840' FNL, 800' FEL		STATE: UT ZIP: 84501	8. WELL NAME and NUMBER: Bolinder 2-2
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: SENE 2 16S 12E S		COUNTY: Emery	9. API NUMBER: 4301530143
		STATE: UTAH	10. FIELD AND POOL, OR WILDCAT: Grassy Trail

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

TYPE OF SUBMISSION	TYPE OF ACTION		
<input type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: _____	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> REPERFORATE CURRENT FORMATION
	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> SIDETRACK TO REPAIR WELL
<input checked="" type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion: 10/31/2007	<input type="checkbox"/> CASING REPAIR	<input type="checkbox"/> NEW CONSTRUCTION	<input type="checkbox"/> TEMPORARILY ABANDON
	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input checked="" type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> TUBING REPAIR
	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> VENT OR FLARE
	<input type="checkbox"/> CHANGE WELL NAME	<input type="checkbox"/> PLUG BACK	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> PRODUCTION (START/RESUME)	<input type="checkbox"/> WATER SHUT-OFF
	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input type="checkbox"/> OTHER: _____
	<input type="checkbox"/> CONVERT WELL TYPE	<input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION	

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.
Pride Ventures LLC has purchased Megadon's interest in the Grassy Trail field and subsequently, Fellows Energy has been replaced as operator of the Bolinder 2-2 well by Pride Ventures. N2845

NAME (PLEASE PRINT) <u>Steven L. Prince</u>	TITLE <u>VP Operations, Fellows Energy Ltd.</u>
SIGNATURE <u><i>Steven L. Prince</i></u>	DATE <u>1/2/2008</u>

(This space for State use only)

APPROVED 1131108

(5/2000)

Earlene Russell
Division of Oil, Gas and Mining
Earlene Russell, Engineering Technician

(See Instructions on Reverse Side)

RECEIVED

JAN 02 2008

DIV. OF OIL, GAS & MINING

Division of Oil, Gas and Mining
OPERATOR CHANGE WORKSHEET

ROUTING

1. DJJ
2. CDW

X - Change of Operator (Well Sold)

Operator Name Change/Merger

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

10/26/2007

FROM: (Old Operator): N2560-Fellows Energy, Ltd. 807 N Pinewood Cir Price, UT 84501 Phone: 1 (435) 650-4492	TO: (New Operator): N2845-Pride Ventures, LLC PO Box 328 Bloomfield, NM 87413 Phone: 1 (505) 325-7707
--	--

CA No.			Unit:					
WELL NAME	SEC	TWN	RNG	API NO	ENTITY NO	LEASE TYPE	WELL TYPE	WELL STATUS
BOLINDER 2-2	02	160S	120E	4301530143	2825	State	OW	S

OPERATOR CHANGES DOCUMENTATION

Enter date after each listed item is completed

- (R649-8-10) Sundry or legal documentation was received from the **FORMER** operator on: 1/2/2008
- (R649-8-10) Sundry or legal documentation was received from the **NEW** operator on: 11/20/2007
- The new company was checked on the **Department of Commerce, Division of Corporations Database** on: 1/28/2008
- Is the new operator registered in the State of Utah: yes Business Number: 5942629-0161
- 5a. (R649-9-2)Waste Management Plan has been received on: IN PLACE
- 5b. Inspections of LA PA state/fee well sites complete on: _____
- 5c. Reports current for Production/Disposition & Sundries on: _____
- Federal and Indian Lease Wells:** The BLM and or the BIA has approved the merger, name change, or operator change for all wells listed on Federal or Indian leases on: BLM BIA
- Federal and Indian Units:**
The BLM or BIA has approved the successor of unit operator for wells listed on: _____
- Federal and Indian Communization Agreements ("CA"):**
The BLM or BIA has approved the operator for all wells listed within a CA on: _____
- Underground Injection Control ("UIC")** The Division has approved UIC Form 5, **Transfer of Authority to Inject**, for the enhanced/secondary recovery unit/project for the water disposal well(s) listed on: _____

DATA ENTRY:

- Changes entered in the **Oil and Gas Database** on: 1/31/2008
- Changes have been entered on the **Monthly Operator Change Spread Sheet** on: 1/31/2008
- Bond information entered in RBDMS on: 1/31/2008
- Fee/State wells attached to bond in RBDMS on: 1/31/2008
- Injection Projects to new operator in RBDMS on: _____
- Receipt of Acceptance of Drilling Procedures for APD/New on: _____

BOND VERIFICATION:

- Federal well(s) covered by Bond Number: _____
- Indian well(s) covered by Bond Number: _____
- 3a. (R649-3-1) The **NEW** operator of any fee well(s) listed covered by Bond Number RLB0009735
- 3b. The **FORMER** operator has requested a release of liability from their bond on: not yet
The Division sent response by letter on: _____

LEASE INTEREST OWNER NOTIFICATION:

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

COMMENTS:

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

FORM 9

SUNDRY NOTICES AND REPORTS ON WELLS

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

1. TYPE OF WELL OIL WELL <input checked="" type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER _____			5. LEASE DESIGNATION AND SERIAL NUMBER: ML-48002
2. NAME OF OPERATOR: Pride Ventures, LLC			6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
3. ADDRESS OF OPERATOR: P.O. Box 328 CITY Bloomfield STATE NM ZIP 87413			7. UNIT or CA AGREEMENT NAME:
4. LOCATION OF WELL FOOTAGES AT SURFACE: 1840' FNL 800' FEL QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: S2NE ⁰² / ₁₂ 16S 12E			8. WELL NAME and NUMBER: Bolinder #2-2
			9. API NUMBER: 4301530143
			10. FIELD AND POOL, OR WILDCAT: Grassy Trail
			COUNTY: Emery
			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>Return to Production</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.

Plan to return this well to production. Intend to repair existing road, move service rig in to pull rods and tubing. Replace tubing with 2 7/8" tubing, run rods, replace bottom hole pump and put back in hole. Realign pumping unit, repair or replace pumping unit engine. Haul and set (2) 300 bbl. tanks with stairs and landing. Set new 4x8 three-phase separator. Return the well to production and submit completion report when well returns to production.

BOND # RL8009735

COPY SENT TO OPERATOR

Date: 5-6-2008

Initials: KS

NAME (PLEASE PRINT) <u>ROBERT G. CHENAULT</u>	TITLE <u>Registered Agent</u>
SIGNATURE <u>[Signature]</u>	DATE <u>4-11-08</u>

(This space for State use only) APPROVED BY THE STATE
OF UTAH DIVISION OF
OIL, GAS, AND MINING
DATE: 5/2/08
BY: [Signature]
(See Instructions on Reverse Side)

RECEIVED

APR 14 2008

DIV. OF OIL, GAS & MINING



State of Utah
DEPARTMENT OF NATURAL RESOURCES

43-015-30143

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA
Division Director

JON M. HUNTSMAN, JR.
Governor

GARY R. HERBERT
Lieutenant Governor

August 12, 2008

CERTIFIED MAIL NO. 7004 2510 0004 1824 5841

Mr. Jim Woosley
Pride Ventures, LLC
P.O. Box 328
Bloomfield, NM 87413

43 015 30143
Bolinder 2-2
16S 12E 2

Re: Second Notice of Extended Shut-in and Temporarily Abandoned Well Requirements for Wells on Fee or State Leases

Dear Mr. Woosley:

As of July 2008, Pride Ventures has two (2) State Mineral Lease Wells (see attachment A) that are in non-compliance with the requirements for extended shut-in or temporarily abandoned (SI/TA) status. Wells SI/TA beyond twelve (12) consecutive months require the filing of a Sundry Notice in accordance with R649-3-36-1 for Utah Division of Oil, Gas & Mining ("Division") approval. Wells with five (5) years non-activity or non-productivity shall be plugged, unless the Division grants approval for extended shut-in time upon a showing of good cause by the operator (R649-3-36-1.3.3).

Fellows Energy Ltd ("Fellows") was sent a first notice of Extended Shut-in and Temporarily Abandoned ("SI/TA") requirements certified mail on July 22, 2005, in regards to the **Bolinder 2-2** Well (API # 43-015-30143). Fellows was in non-compliance with Rule R649-3-36 when ownership of the well was transferred. When Pride Ventures assumed ownership of the Bolinder 2-2, responsibility to comply with R649-3-36 in regard to this well was also assumed. The Division feels that sufficient time has passed to make a decision on this well. Please submit your plans to produce or plug this well.

Most recently in a sundry for **State 16-3** Well (API# 43-019-30675) dated February 18, 2008, Pride Ventures stated plans to Plug and Abandon (PA) "as soon as a rig is available and weather conditions allow." Conditions of Approval to PA, dated March 7, 2008, were sent to you in response. The Division feels sufficient time has passed for work to begin and has not seen any reports of progress concerning this matter.



Page 2
August 12, 2008
Mr. Jim Woosley

For extended SI/TA consideration the operator shall provide the Utah Division of Oil, Gas & Mining with the following:

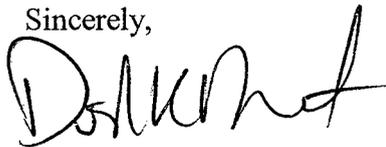
1. Reasons for SI/TA of the well (R649-3-36-1.1)
2. The length of time the well is expected to be SI/TA (R649-3-36-1.2), and
3. An explanation and supporting data if necessary, for showing the well has integrity, meaning that the casing, cement, equipment condition, static fluid level, pressure, existence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

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

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

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

Sincerely,



Dustin K. Doucet
Petroleum Engineer

JP:js
Enclosure

cc: Jim Davis, SITLA
Compliance File
Well Files

Attachment A

	Well Name	API	Lease Type	Years Inactive
1	Bolinder 2-2	43-015-30143	State	11 Years 8 Months
2	STATE 16-3	43-019-30675	ML-44324	26 Years 8 Months

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

FORM 9

5. LEASE DESIGNATION AND SERIAL NUMBER:
ML-48002

SUNDRY NOTICES AND REPORTS ON WELLS

6. IF INDIAN, ALLOTTEE OR TRIBE NAME:

7. UNIT or CA AGREEMENT 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.

1. TYPE OF WELL
OIL WELL GAS WELL OTHER _____

8. WELL NAME and NUMBER:
Bolinder 2-2

2. NAME OF OPERATOR:
Pride Ventures, LLC

9. API NUMBER:
4301530143

3. ADDRESS OF OPERATOR:
P.O. Box 328 CITY **Bloomfield** STATE **NM** ZIP **87413**

PHONE NUMBER:
(505) 325-7707

10. FIELD AND POOL, OR WILDCAT:
Grassy Trail

4. LOCATION OF WELL
FOOTAGES AT SURFACE: **1840' FNL 800' FEL**

COUNTY: **Emery**

QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: **SENE 2 16S 12E**

STATE: **UTAH**

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

TYPE OF SUBMISSION	TYPE OF ACTION		
<input type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: _____	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> REPERFORATE CURRENT FORMATION
	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> SIDETRACK TO REPAIR WELL
	<input type="checkbox"/> CASING REPAIR	<input type="checkbox"/> NEW CONSTRUCTION	<input type="checkbox"/> TEMPORARILY ABANDON
	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> TUBING REPAIR
	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> VENT OR FLARE
<input checked="" type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion: 7/17/2008	<input type="checkbox"/> CHANGE WELL NAME	<input type="checkbox"/> PLUG BACK	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> CHANGE WELL STATUS	<input checked="" type="checkbox"/> PRODUCTION (START/RESUME)	<input type="checkbox"/> WATER SHUT-OFF
	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input type="checkbox"/> OTHER: _____
	<input type="checkbox"/> CONVERT WELL TYPE	<input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION	

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

As of July 17, 2008, the Bolinder 2-2 Well was returned to Production. Please see attached rig report.

RLB 0009735

NAME (PLEASE PRINT) **Robert G. Chenault**

TITLE **Registered Agent**

SIGNATURE _____

DATE **7/25/2008**

(This space for State use only)

RECEIVED

AUG 25 2008

DIV. OF OIL, GAS & MINING

**BOLINDER 2-2
RETURN TO PRODUCTION
RIG REPORT**

Well: Bolinder 2-2
SENE Sec: 2, T16S, R12E
Emery County, Utah

Lease: ML-48002

- 3/17/08 Repaired existing road to the Bolinder 2-2 location.
- 3/21/08 Moved in service rig an rigged up, could not pull rods.
- 3/24/08 Backed off rods and pulled out of hole with rods, picked up (2) joints
of 2 7/8" tubing, did not tag bottom, pulled out of hole with 2 7/8" tubing.
Unloaded 85 joints of new yellow band 2 7/8" tubing.
- 3/25/08 Ran in hole with 85 joints of new yellow band 2 7/8" tubing – 2661.76'
Ran in hole with 26 joints old 2 7/8" tubing -845'
Total 111 joints 2 7/8" EUE upset, new seat nipple 1', perforated pup 4'
Set mud anchor at 32.50'
Ran in hole with 129 3/4" sucker rods and unloaded 10 new 3/4" sucker rods
- 3/26/08 Finish running 3/4" sucker rods, added 10 new 3/4" rods
139 – 3/4" x 8' rods
New 1 1/2" x 12' bottom hole down, bottom hole pump
1 – 3/4" x 8' pony rod
1 – 3/4" x 4' pony rod
Rigged down and moved rig.
- Total Pipe:
111 joints of 2 7/8" EUE upset tubing
139 joints of 3/4" x 25' sucker rods
1- 3/4" x 4' pony rod
1-3/4"x 8' pony rod
1- 1 1/2" x 12' Bottom hole down bottom hole pump
Nipple seat at 3506.76'
1 – new seating nipple
1 – 4' perforated pup
1 – 32.50' mud anchor
- 3/27/08 Waiting on storage tanks and separator, working on engine and pumping
unit.
- 7/8/08 Hauled in separator and (1) 300 bbl. tank.

Bolinder 2-2
Rig Report
Page 2

- 7/9/08 Began hook up and fabrication from well head to 4' x 20' three phase separator.
- 7/10/08 Set 1st 300 bbl. tank and began hookup from separator to tank.
- 7/14/08 Moved and re-align pumping unit and changed out polish rod.
- 7/15/08 Started unit and filled separator with fluid from well (water/oil).
- 7/16/08 Got separator balanced out and began pumping to 300 bbl. tank.
- 7/17/08 First production – 24 hour test = 26 bbl. Water – 4 bbl. Oil.
Estimated production is 4 to 5 bbl./day of oil.

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

FORM 9

SUNDRY NOTICES AND REPORTS ON WELLS		5. LEASE DESIGNATION AND SERIAL NUMBER: ML-51498 OBA
Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.		6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
1. TYPE OF WELL OIL WELL <input checked="" type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER _____		7. UNIT or CA AGREEMENT NAME: N/A
2. NAME OF OPERATOR: Pride Ventures, LLC		8. WELL NAME and NUMBER: Bolinder 2-2
3. ADDRESS OF OPERATOR: P.O. Box 328 CITY Bloomfield STATE NM ZIP 87413		9. API NUMBER: 4301530143
		10. FIELD AND POOL, OR WILDCAT: Grassy Trail
4. LOCATION OF WELL 1840 FNL 800 FEL FOOTAGES AT SURFACE: 1780' FNL 775' FEL		COUNTY: Emery
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: SENE 2 16S 12E		STATE: UTAH

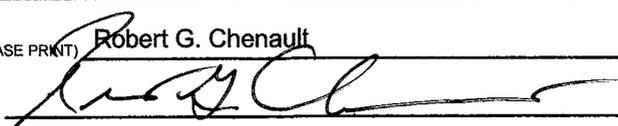
11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA			
TYPE OF SUBMISSION	TYPE OF ACTION		
<input type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: _____	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> DEEPEN	<input type="checkbox"/>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

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

Pulled well and replaced 18 - 2 7/8" couplings in tube string. Found 5 holes in 2 joints of tubing, replaced 3 joints total of tubing and returned well to production on September 3, 2009.

BOND: RLB 0009735

NAME (PLEASE PRINT) **Robert G. Chenault** TITLE **Registered Agent**

SIGNATURE  DATE **9/8/2009**

(This space for State use only)

RECEIVED
SEP 10 2009

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

FORM 3

AMENDED REPORT
(highlight changes)

APPLICATION FOR PERMIT TO DRILL		5. MINERAL LEASE NO: ML-52057 OBA	6. SURFACE: State
1A. TYPE OF WORK: DRILL <input type="checkbox"/> REENTER <input type="checkbox"/> DEEPEN <input checked="" type="checkbox"/>		7. IF INDIAN, ALLOTTEE OR TRIBE NAME:	
B. TYPE OF WELL: OIL <input checked="" type="checkbox"/> GAS <input type="checkbox"/> OTHER _____ SINGLE ZONE <input checked="" type="checkbox"/> MULTIPLE ZONE <input type="checkbox"/>		8. UNIT or CA AGREEMENT NAME: N/A	
2. NAME OF OPERATOR: Pride Ventures, LLC		9. WELL NAME and NUMBER: Bolinder #2-2	
3. ADDRESS OF OPERATOR: P.O. Box 328 CITY Bloomfield STATE NM ZIP 87413		PHONE NUMBER: (505) 325-7707	10. FIELD AND POOL, OR WILDCAT: Grassy Trail
4. LOCATION OF WELL (FOOTAGES) AT SURFACE: 1788' FNL 793' FEL 540255X 4368248Y 39.464750 -110.532049 AT PROPOSED PRODUCING ZONE: 1671' FNL 1966' FEL 539898X 4368282Y 39.465071 -110.536207		11. QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: SENE 2 16S 12E	
14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE: 13 miles east from Wellington (driving instructions attached)		12. COUNTY: Emery	13. STATE: UTAH
15. DISTANCE TO NEAREST PROPERTY OR LEASE LINE (FEET) 520'	16. NUMBER OF ACRES IN LEASE: 120	17. NUMBER OF ACRES ASSIGNED TO THIS WELL: 40	
18. DISTANCE TO NEAREST WELL (DRILLING, COMPLETED, OR APPLIED FOR) ON THIS LEASE (FEET) 1200'	19. PROPOSED DEPTH: MD 4793' TVD 3780'	20. BOND DESCRIPTION: RLB0009735	
21. ELEVATIONS (SHOW WHETHER OF, RT, GR, ETC.): 5368' GRD; 5378' K.B.	22. APPROXIMATE DATE WORK WILL START: 10/1/2011	23. ESTIMATED DURATION: 30 Days	

24. **PROPOSED CASING AND CEMENTING PROGRAM**

SIZE OF HOLE	CASING SIZE, GRADE, AND WEIGHT PER FOOT	SETTING DEPTH	CEMENT TYPE, QUANTITY, YIELD, AND SLURRY WEIGHT
			OPEN HOLE - N/A

25. **ATTACHMENTS**

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

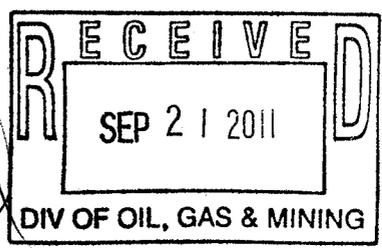
<input checked="" type="checkbox"/> WELL PLAT OR MAP PREPARED BY LICENSED SURVEYOR OR ENGINEER	<input checked="" type="checkbox"/> COMPLETE DRILLING PLAN
<input type="checkbox"/> EVIDENCE OF DIVISION OF WATER RIGHTS APPROVAL FOR USE OF WATER	<input type="checkbox"/> FORM 5, IF OPERATOR IS PERSON OR COMPANY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

NAME (PLEASE PRINT) Robert G. Chenault TITLE Registered Agent
SIGNATURE [Signature] DATE 9-20-11

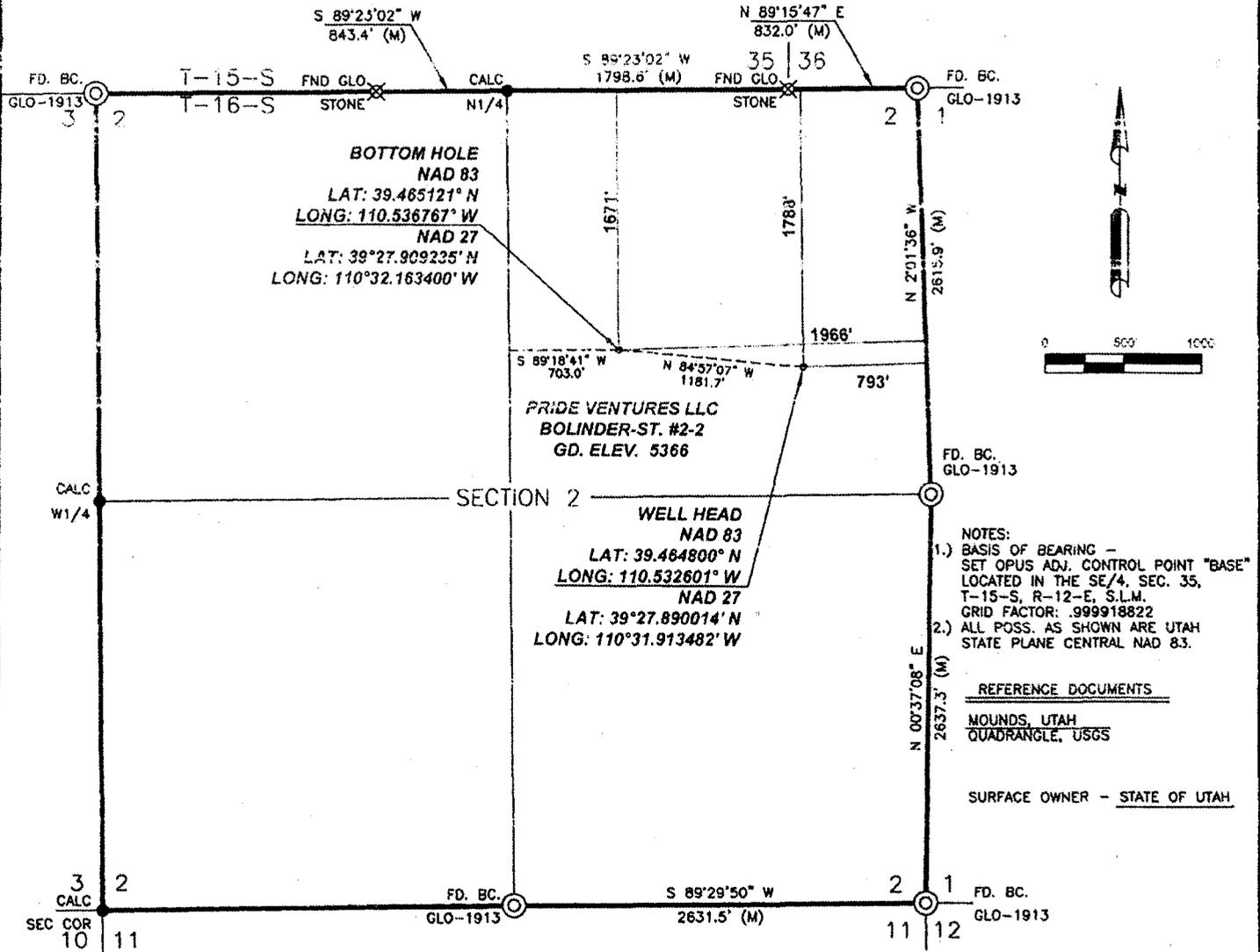
(This space for State use only)
API NUMBER ASSIGNED: 43-015-30143

Approved by the
Utah Division of
Oil, Gas and Mining

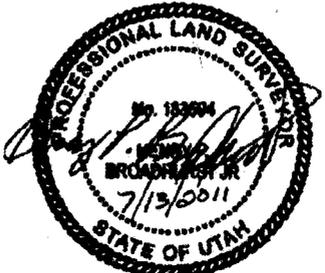
APPROVAL:
Date: 09-21-11
By: [Signature]
(See Instructions on Reverse Side)



WELL PLAT
BOLINDER-ST.#2-2
 SECTION 2, TOWNSHIP 16 SOUTH, RANGE 12 EAST OF THE S.L.M.
 EMERY COUNTY, UTAH



- 1) THIS WELL PLAT OF THE BOLINDER-ST.#2-2 WAS PREPARED FOR PRIDE VENTURES, LLC. IT HAS A SURFACE LOCATION OF 1788' F.N.L. & 793' F.E.L. IN THE SE1/4NE1/4 AND A BOTTOM HOLE LOCATION OF 1671' F.N.L. & 1966' F.E.L. IN THE SW1/4NE1/4 OF SECTION 2, T-16-S, R-12-E, S.L.M. EMERY COUNTY, UTAH.
- 2) BASIS OF BEARING IS GRID NORTH UTAH STATE PLANE COORDINATE SYSTEM, CENTRAL ZONE, NAD 83, DERIVED BY GPS OBSERVATION AND NGS/OPUS SOLUTION WITH ALL LINEWORK DEPICTED HEREIN RELATIVE THERETO.
- 3) GRID FACTOR IS .999918822



SURVEYOR'S CERTIFICATE

I, HENRY P. BROADHURST, JR., BEING A DULY LICENSED LAND SURVEYOR IN THE STATE OF UTAH HEREBY CERTIFY THAT THIS PLAT AND THE ACTUAL SURVEY UPON WHICH IT IS BASED WERE PERFORMED BY ME OR UNDER MY DIRECT SUPERVISION AND THAT THIS SURVEY MEETS THE MINIMUM STANDARDS FOR SURVEYING IN THE STATE OF UTAH; AND THAT IT IS TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF.

SURVEYED	8/7/08
DRAWN	8/12/08
CHECKED	8/12/08
REVISED	7/13/11

HENRY P. BROADHURST, JR.
 UTAH P.L.S. No. 183694

DATE

CCI
CHENAULT CONSULTING INC.

P.O. BOX 328
 BLOOMFIELD NM 87413
 PHONE: (505) 325-7707

**WORKSHEET
APPLICATION FOR PERMIT TO DRILL**

APD RECEIVED: 07/21/2011

API NO. ASSIGNED: 43-015-30143

WELL NAME: BOLINDER 2-2
 OPERATOR: PRIDE VENTURES LLC (N2845)
 CONTACT: ROBERT CHENAULT

PHONE NUMBER: 505-325-7707

PROPOSED LOCATION:

SENE 02 160S 120E
 SURFACE: 1788 FNL 0793 FEL
 BOTTOM: 1671 FNL 1966 FEL
 COUNTY: EMERY
 LATITUDE: 39.46475 LONGITUDE: -110.53205
 UTM SURF EASTINGS: 540255 NORTHINGS: 4368248
 FIELD NAME: GRASSY TRAIL (25)

INSPECT LOCATN BY: / /		
Tech Review	Initials	Date
Engineering	DRC	8/2/2011
Geology		
Surface		

LEASE TYPE: 3 - State
 LEASE NUMBER: ML-52057 OBA
 SURFACE OWNER: 3 - State

PROPOSED FORMATION: MNKP
 COALBED METHANE WELL? NO

RECEIVED AND/OR REVIEWED:

Plat
 Bond: Fed[] Ind[] Sta[] Fee[]
 (No. RLB0009735)
 Potash (Y/N)
 Oil Shale 190-5 (B) or 190-3 or 190-13
 Water Permit
 (No. Dril Air)
 RDCC Review (Y/N)
 (Date: _____)
 Fee Surf Agreement (Y/N)
 Intent to Commingle (Y/N)

LOCATION AND SITING:

___ R649-2-3. * Horizontal
 Unit: _____
 ___ R649-3-2. General
 Siting: 460 From Qtr/Qtr & 920' Between Wells
 ___ R649-3-3. Exception
 Drilling Unit
 Board Cause No: 264-03
 Eff Date: 2-17-2008
 Siting: 660' fr outer drl. w bars E 1320' fr other wells.
 ___ R649-3-11. Directional Drill

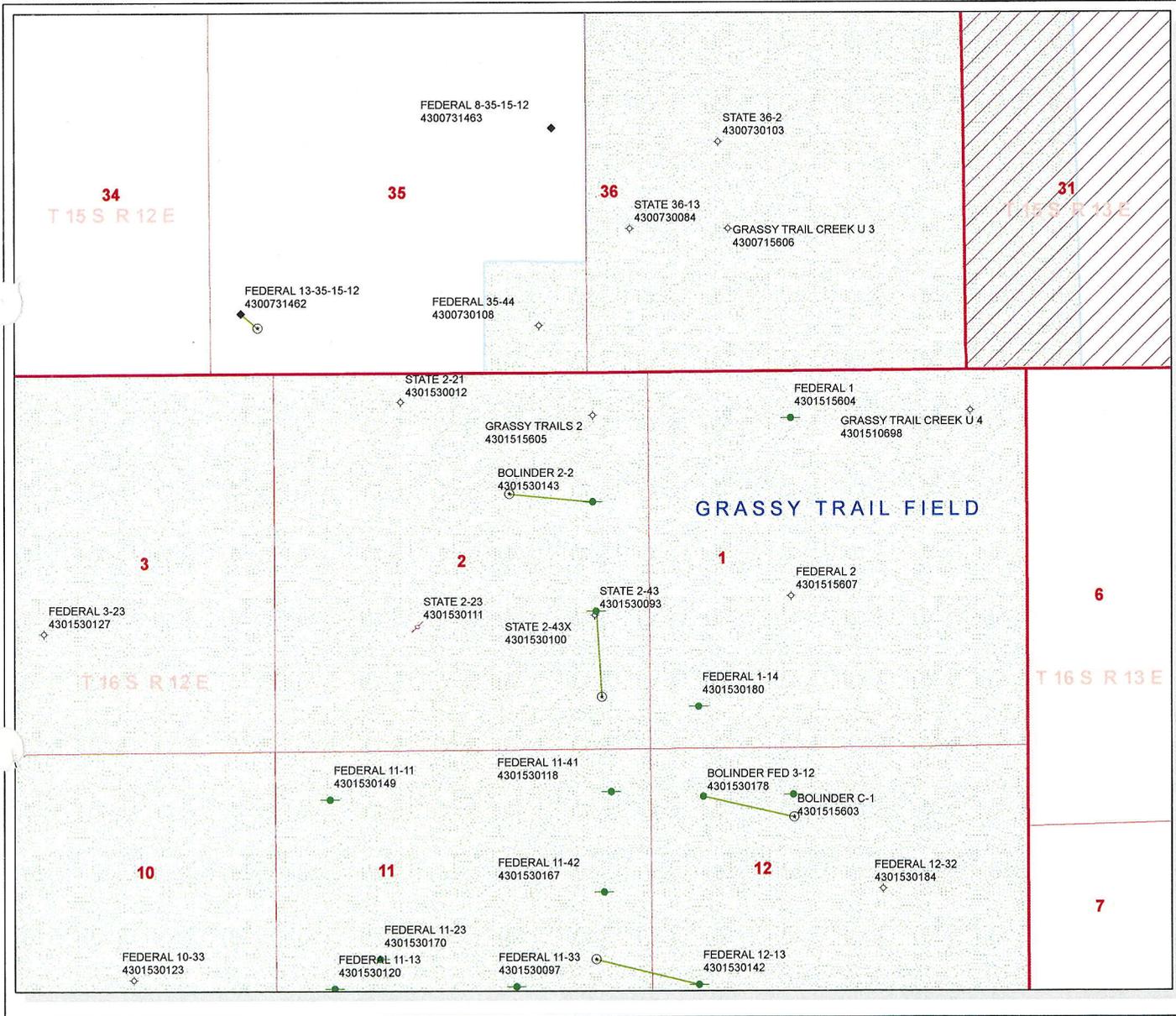
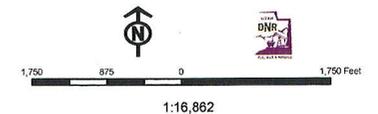
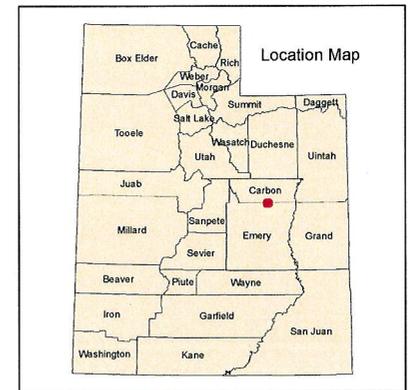
COMMENTS: Needs Permit

STIPULATIONS: ① STATEMENT OF BASIS

API Number: 4301530143
Well Name: BOLINDER 2-2
 Township T1.6 . Range R1.2 . Section 02
Meridian: SLBM
 Operator: PRIDE VENTURES LLC

Map Prepared:
 Map Produced by Diana Mason

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



Application for Permit to Drill

Statement of Basis

8/9/2011

Utah Division of Oil, Gas and Mining

Page 1

APD No	API WellNo	Status	Well Type	Surf Ownr	CBM
4301	43-015-30143-00-00		OW	S	No
Operator	PRIDE VENTURES LLC	Surface Owner-APD			
Well Name	BOLINDER 2-2	Unit			
Field	GRASSY TRAIL	Type of Work			
Location	SENE 2 16S 12E S 1788 FNL 793 FEL	GPS Coord (UTM) 540255E 4368248N			

Geologic Statement of Basis

This is a proposed deepening of a well originally drilled in 1983 by Megadon Enterprises. & 5/8" casing was set at a depth of 3,710 feet and cemented to surface.

Brad Hill
APD Evaluator

8/9/2011
Date / Time

Surface Statement of Basis

Bart Kettle-Division of Oil, Gas and Mining (DOGM), Jim Davis- Trustlands Administration (SITLA), Nicole Nielson-Utah Division of Wildlife (UDOW), Jim Woosley-Pride Ventures, LLC. Invited and choosing not to attend: Ray Peterson-Emery County, Mike McCandless-Emery County.

Proposed horizontal leg off Bolinder #2-2 is located in the established Grassy Trails field. As such access road and well pad are existing. New construction associated with access road or well pad will require submission of paleo and cultural surveys for review by Trustlands Administration (SITLA).

Proposed drilling program includes the use of produced water. Produced water is expected to contain TDS values in excess of 15,000 mg/L. As such the Division of Oil, Gas and Mining (DOGM) will require precautions for reserve pit and fluid management. Slopes of pit walls should not exceed 2:1. The geomembrane shall consist of 20 mil string reinforced LDPE or equivalent liner. The geomembrane liner should be composed of an impervious synthetic material resistant to hydrocarbons, salts and alkaline solutions.

Liner edges should be secured in a key trench. Liner should be protected from fluid force or mechanical damage at points of discharge or suction. Weekly inspection of liner should be conducted. Surface water runoff should not be allowed to enter pits.

While drilling three sides of pit shall be fenced. Fencing should include reinforced corner braces, 42" woven net wire on the bottom and two strands of barbed wire on top spaced at 6" apart. Following completion of drilling activities pits will require fencing on the fourth side, removal of free standing oil and netting to prevent entry by water fowl.

Immediately following completion of drilling 1200' horizontal leg in the Moenkopi formation reserve pit contents shall be sampled using a five point composite method. Plans for reclamation of reserve pit, including results from sampling shall be submitted to the Division within 45 days. Reserve pit reclamation shall be completed within 120 days

Bart Kettle
Onsite Evaluator

8/1/2011
Date / Time

Application for Permit to Drill

Statement of Basis

8/9/2011

Utah Division of Oil, Gas and Mining

Page 2

Conditions of Approval / Application for Permit to Drill

Category	Condition
Pits	A synthetic liner with a minimum thickness of 20 mils shall be properly installed and maintained in the reserve pit.
Pits	The reserve pit should be located on the east side of well pad.
Surface	The reserve pit shall be fenced upon completion of drilling operations.
Surface	The reserve pit shall be reclaimed within 120 days following drilling.

ON-SITE PREDRILL EVALUATION

Utah Division of Oil, Gas and Mining

Operator PRIDE VENTURES LLC
Well Name BOLINDER 2-2
API Number 43-015-30143-0 **APD No** 4301 **Field/Unit** GRASSY TRAIL
Location: 1/4,1/4 SENE **Sec** 2 **Tw** 16S **Rng** 12E 1788 FNL 793 FEL
GPS Coord (UTM) **Surface Owner**

Participants

Bart Kettle-Division of Oil, Gas and Mining (DOGM), Jim Davis- Trustlands Administration (SITLA), Nicole Nielson-Utah Division of Wildlife (UDOW), Jim Woosley-Pride Ventures, LLC.

Regional/Local Setting & Topography

The horizontal leg is proposed in the existing well bore of the Bolinder 2-2, located in the Grassy Trails Field, Emery County Utah. The closest community is Wellington located ~15 miles north west in Carbon County Utah. Locally topography is a series of small reefs and medium sized wash bottoms. Soils are dominated by poorly developed clays and clay loams. Vegetation is sparse due to poorly developed soils contain high concentrations of salts, and relatively marginal precipitation below 10" a year. Surrounding rangelands are used for oil and gas production, rangeland cattle grazing and wildlife habitat.

On a regionally setting the project area is located within in the Castle Valley. The Castle Valley is largely composed of arid sites with poorly developed soils and sparse vegetation. Topography rises sharply to the east and west reaching elevations in excess of 10,000 atop the Wasatch Plateau and Range Valley Mountain. Montane forest and high elevation grass/forb communities dominate vegetation. To the south a series of reefs rise to the San Rafael Swell. Vegetation is a mixture of salt desert scrub and Pinyon/Juniper forest. Drainage flows into an ephemeral wash within 200' and Grassy Trails Creek, a perennial stream, within 1.5 miles, and eventually to the Green River 60 miles away.

Surface Use Plan

Current Surface Use

Existing Well Pad

New Road

Miles	Well Pad	Src Const Material	Surface Formation
0	Width 300	Length 375	MNCS

Ancillary Facilities N

Upgrade of existing access road will be required, however no new road construction will occur.

Waste Management Plan Adequate?

Environmental Parameters

Affected Floodplains and/or Wetland Y

Ephemeral wash located 200' west of well pad.

Flora / Fauna

Limited flora due to existing well pad. Indian rice gras, desert trumpet, halogeton and Nuttles salt brush.

Soil Type and Characteristics

Light gray clays derived from recently decomposed Mancos shale's.

Erosion Issues Y

Soils prone to wind erosion when disturbed. Wetting of disturbed soils with fresh water recommended.

Sedimentation Issues N

Site Stability Issues N

Site appears suitable for proposed drilling program.

Drainage Diversion Required N

Drainage diversion has been completed in prior drilling activity. Drainage diversions should be maintained.

Berm Required? N

Erosion Sedimentation Control Required? N

Wetting of disturbed soils with fresh water recommended.

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

Reserve Pit

Site-Specific Factors		Site Ranking
Distance to Groundwater (feet)	>200	0
Distance to Surface Water (feet)	>1000	0
Dist. Nearest Municipal Well (ft)	>5280	0
Distance to Other Wells (feet)	>1320	0
Native Soil Type	Low permeability	0
Fluid Type	TDS>10000	15
Drill Cuttings	Normal Rock	0
Annual Precipitation (inches)	10 to 20	5
Affected Populations	<10	0
Presence Nearby Utility Conduits	Not Present	0
Final Score		20
		1 Sensitivity Level

Characteristics / Requirements

At the time of the presite evaluation details regarding reserve pit had not been provided in the submitted Sundry Notice. Per conversation at the presite a 40'x100' reserve pit is desired 40' west of the well bore. Construction of a pit at this location would be deemed "New" construction, as such submission of Paleo and Ach surveys is required. Mr. Woosley determined that Pride Ventures would review other options for reserve pit setting and submit a drawing to DOGM and SITLA for review. Reserve pit corners will be staked on the ground for visual review as well.

Proposed drilling fluids include produced water. Produced water from this location is thought to contain TDS values in excess of 15,000 mg/L. Given this information stringent requirements regarding pit liner material and reserve pit management are deemed necessary. Reserve pit will not be permitted to accept produced fluids for evaporation, it's sole propose will be capture of drilling related fluids. Immediately following completion of drilling the 1200' horizontal leg into the Moenkopi formation reserve pit materials shall be tested. Analytical testing results a proposal for reclamation shall be submitted to the Division within 45 days. Reclamation shall be completed within 120 days.

Following presite visit information submitted to the Division requesting a reserve pit in the northeast corner of the well pad. Pit dimensions are 160'x25'. As proposed pit would be built in cut portions of the well pad. Construction of a pit at this location is not deemed new construction and would not require surveys.

Closed Loop Mud Required N **Liner Required?** Y **Liner Thickness** 20 **Pit Underlayment Required?** N

Other Observations / Comments

Other Info:

SITLA reviewing OBA lease agreement to determine if valid lease is held by Pride Ventures LLC. Pride Ventures LLC submitting documentation demonstrating they have fulfilled requirements set for in OBA lease agreement. DOGM requested updates regarding status of OBA lease determination. DOGM will complete surface evaluation.

All new disturbances require paleo and cultural inventories to be submitted to SITLA for review. Any activity off the current well pad and access road is considered new disturbance.

Mr. Jim Woosley with Pride Ventures will submit new plans regarding reserve pit. No specific plans are included in Sundry Notice regarding reserve pit. Per discussion at the presite evaluation Mr. Woosley presented plans that would include new disturbance for reserve pit. DOGM informed Mr. Woosley such plans would require paleo and cultural surveys be submitted for review prior to approval. Mr. Woosley determined that Pride Ventures LLC would relocate the reserve pit on the existing well pad. A diagram showing location and dimension of the reserve pit would be presented to DOGM and SITLA along with placement of stakes at the well site.

Due to proposal to use produced water for drilling medium additional precautions are being recommended. TDS values of produced fluids are expected to exceed 15,000 mg/l. Some oil is anticipated as an emulsion in returns to the reserve pit. Therefore it is recommended that reserve pit contain bird netting. Reserve pit reclamation should be completed within 120 days.

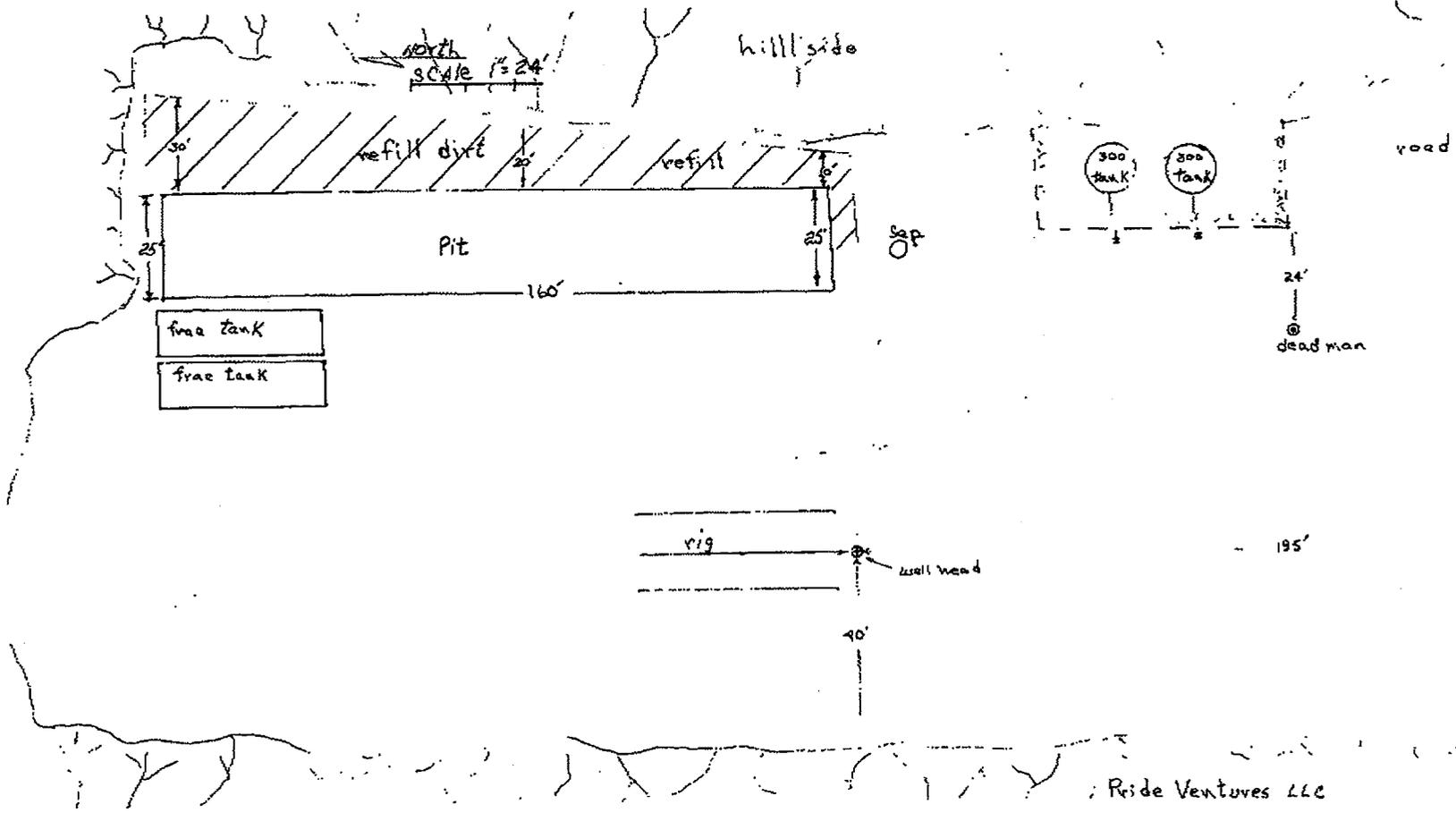
UDWR provided no comments for drilling of a horizontal leg at this location.

Bart Kettle
Evaluator

8/1/2011
Date / Time

REVISED LOCATION DIAGRAM FOR THE BOLINDER 2-2 HORIZONTAL PROJECT

The pit will be lined and fenced with bird flagging. The existing small pit on the Northeast of the location will become a part of the new drilling pit and will be restored with and at the same time as the drilling pit. All soil for reclamation will be stacked on the East side of the pit with a small amount on the South end near the separator, all of which is noted on the drawing as (refill dirt) and it is marked with hash marks. The pit will be approximately 7' deep.



From: Jim Davis
To: Hill, Brad; Mason, Diana
CC: Bonner, Ed; Garrison, LaVonne; JulieF@ccinm.com
Date: 9/20/2011 10:28 AM
Subject: Bolinder 2-2 Horizontal approval

All,

SITLA has reviewed the layout sheet and the location for this proposed horizontal well which will kick off from an existing wellbore. ML-52057-OBA has been approved. Pride's bond with SITLA is intact. Arch and paleo are not required as no new surface disturbance will occur with the drilling of the horizontal leg. Therefore, SITLA approves the proposed horizontal on the existing Bolinder 2-2 wellbore (4301530143). Thanks.

-Jim

Jim Davis
Utah Trust Lands Administration
jimdavis1@utah.gov
Phone: (801) 538-5156

From: "Julie Flaniken" <JulieF@ccinm.com>
To: <dianawhitney@utah.gov>
Date: 9/20/2011 10:06 AM
Subject: Bolinder 2-2 Lease New OBA and Revised Form 3
Attachments: 2-2 OBA and Revised Form 3 9-20-11.pdf

Dear Diana,

Attached is the new Lease ML-52057 OBA and the revised Form 3 reflecting the new lease number and new drilling date of 10-1-11. The OBA has been signed and sent back to SITLA, I am waiting for our copy from SITLA. I attached the email from Lavonne Garrison of SITLA stating their Board approved the new lease. The form 3 is not signed by Mr. Chenault yet, he is out in the field and will sign it tonight. I will send you a signed version tomorrow for your file. Please let me know if you need anything else and I will get it to you. I sent Mr. Jim Davis of SITLA the new OBA and revised Form 3 for his files also.

Thank you for all your help, I greatly appreciate it!

Respectfully,

Julie Flaniken

Office Manager

Pride Ventures, LLC

Julie Flaniken

From: LaVonne Garrison <lavonnegarrison@utah.gov>
Sent: Monday, September 12, 2011 10:22 AM
To: Julie Flaniken
Subject: Re: NEW OBA LEASE

The OBA was approved by the Board of Trustees at its September 8th meeting. The paperwork will be filled out and mailed to you this week. Please execute the documents and return both of them to me together with your check.

LaVonne J. Garrison
Assistant Director/Oil & Gas
Utah Trust Lands Administration
675 East 500 South, Suite 500
Salt Lake City, UT 84102
801.538.5197 - office
801.201.8634 - cell phone
801.355.0922 - fax

>>> "Julie Flaniken" <JulieF@ccinm.com> 9/9/2011 7:44 AM >>>

Dear Ms. Garrison,

We were wondering if the Board granted the new OBA for Pride Ventures after your September 8th meeting. I did not hear back from you after the meeting and we are hoping the new OBA was granted. Could you please let me know when you get a moment so I can inform the members and investors of the Board's decision.

Respectfully,

Julie Flaniken
Office Manager
Pride Ventures, LLC
(505) 436-2045 ofc
(505) 716-1718 cell
JulieF@ccinm.com

PV

Pride Ventures, LLC.
P.O. Box 328
Bloomfield, NM 87413
(505) 325-7707

June 22, 2011

Ms. Diana Mason
State of Utah
Division of Oil, Gas and Mining
P.O. Box 145801
Salt Lake City, Utah 84114-5801

Re: Horizontal Drilling
Bolinder #2-2 Well
API # 4301530143
Entity# 02825
1788' FNL 793' FEL (surface)
1671' FNL 1966' FEL (bottom hole)
Emery County, Utah

Dear Ms. Mason:

Attached is Pride Ventures Application for Permit to Drill regarding the above reference well, we are hereby submitting this letter in accordance with Oil & Gas Conservation Rule R649-3-3 pertaining to the Exception to Location and Sitting of Wells.

- The Bolinder #2-2 Well is located within the Unit Area and is an existing well.
- Pride Ventures is permitting this well as a horizontal well in order to minimize surface disturbance. By using the current well location and horizontally drilling from this location, we will be able to utilize the existing road and pipelines in the area.
- Pride Ventures hereby certifies that it is the sole working interest owner in the Bolinder #2-2 Well located on State Lease ML-51498 OBA.

Therefore, based on the above stated information, Pride Ventures requests the permit be granted pursuant to R649-3-3.

Respectfully Submitted,



Robert G. Chenault
Registered Agent
Pride Ventures, LLC

Attachment – APD Package

Drilling Plan for the Bolinder #2-2 Well

Operator: Pride Ventures, LLC

Location: SENE Section 2, T16S, R12E, SLM
(1788' FNL 793' FEL)

Elevations: 5368' GRD; 5378' K.B.

Drilling: Horizontal

1 Estimated Formation Tops:

<u>Formation</u>	<u>Depth to Top</u>	<u>Thickness</u>	<u>Datum</u>
Mancos (Tununk)	Surface	228'	5,378'
Dakota	228'	40'	5,150'
Cedar Mountain	268'	267'	5,110'
Morrison	535'	695'	4,843'
Summerville	1,230'	175'	4,148'
Curtis	1,405'	165'	3,973'
Entrada	1,570'	320'	3,808'
Carmel	1,890'	265'	3,488'
Navajo	2,155'	435'	3,223'
Kayenta	2,590'	45'	2,788'
Wingate	2,635'	390'	2,743'
Chinle	3,025'	185'	2,353'
Shinarump	3,210'	120'	2,168'
Moenkopi	3,330'	445'	2,048'
(Production Zone)*	3,775'	123'	1,603'
(Sinbad)	3,898'	100'	1,480'
TOTAL DEPTH	4,130'		

*The oil producing zones in the Moenkopi should appear in the section between 3740' and 3870'. The Sinbad could have some possibilities also.

2 Estimated Depths:

<u>Formation</u>	<u>Top</u>	<u>Bottom</u>	<u>Description, Contents, Etc.</u>
Mancos (Tununk)	Surface	228'	Shale & Siltstone
Dakota (Cedar Mountain)	268'	535'	Sand, Shale & Siltstone
Morrison	535'	1,230'	Sand Shale & Siltstone
Summerville	1,230'	1,405'	Red Shale & Siltstone
Curtis	1,405'	1,570'	Green & Gray Shale, Siltstone
Entrada	1,570'	1,890'	Sandstone
Carmel	1,890'	2,155'	Gray Shale, Siltstone & Sandstone
Navajo	2,155'	2,590'	Hard QTZTC & Sandstone
Kayenta	2,590'	2,635'	Tan to Red Siltstone & Sandstone
Wingate	2,635'	3,025'	Red Rounded MG & Sandstone
Chinle	3,025'	3,210'	Red, Gray, Pur., Grn. Shale & Sandstone
Shinarump	3,210'	3,330'	Red Shale & Siltstone & some CONGL. Sandstone
Moenkopi	3,330'		Red Shale, Siltstone & some LMS & Dolomitic Sandstone
(Production Zone)*			
(Sinbad)			
Production Zones	3,740'	3,870'	Brown Dolomitic Sand

3 BOP:

See attached Drilling Plan Exhibit A

4 Casing/Cementing Program:

None - Open Hole

5 Mud Program:

Air/Mist

6 Logging Program:

None - Open Hole

7 Abnormal Pressures & Temperatures or Hazards Zone:

No abnormal conditions are anticipated. The area does not have a history of high pressure natural gas or any toxic gases. We expect bottom pressure of 1400 psi.

8 Other Facts of the Proposed Operation:

This will be an Under Balance Drilling Operation

Bolinder #2-2
1788' FNL, 793' FEL
SE NE, Section 2, T16S, R12E
Emery County, UT

LATITUDE: 39.4648 LONGITUDE: -110.532601
 GL: 5,368' KB: 5,378'

Current Wellbore

Surface Casing:

Hole Size - 14-1/2"
 CSG - 40.5# 40.5# J-55
 Set @ 242'
 CMT Top @ Surface

Intermediate Casing:

Hole Size - 9-7/8"
 CSG - 7-5/8" 26.4# J-55
 Set @ 3710'
 CMT Top @ Surface

Liner:

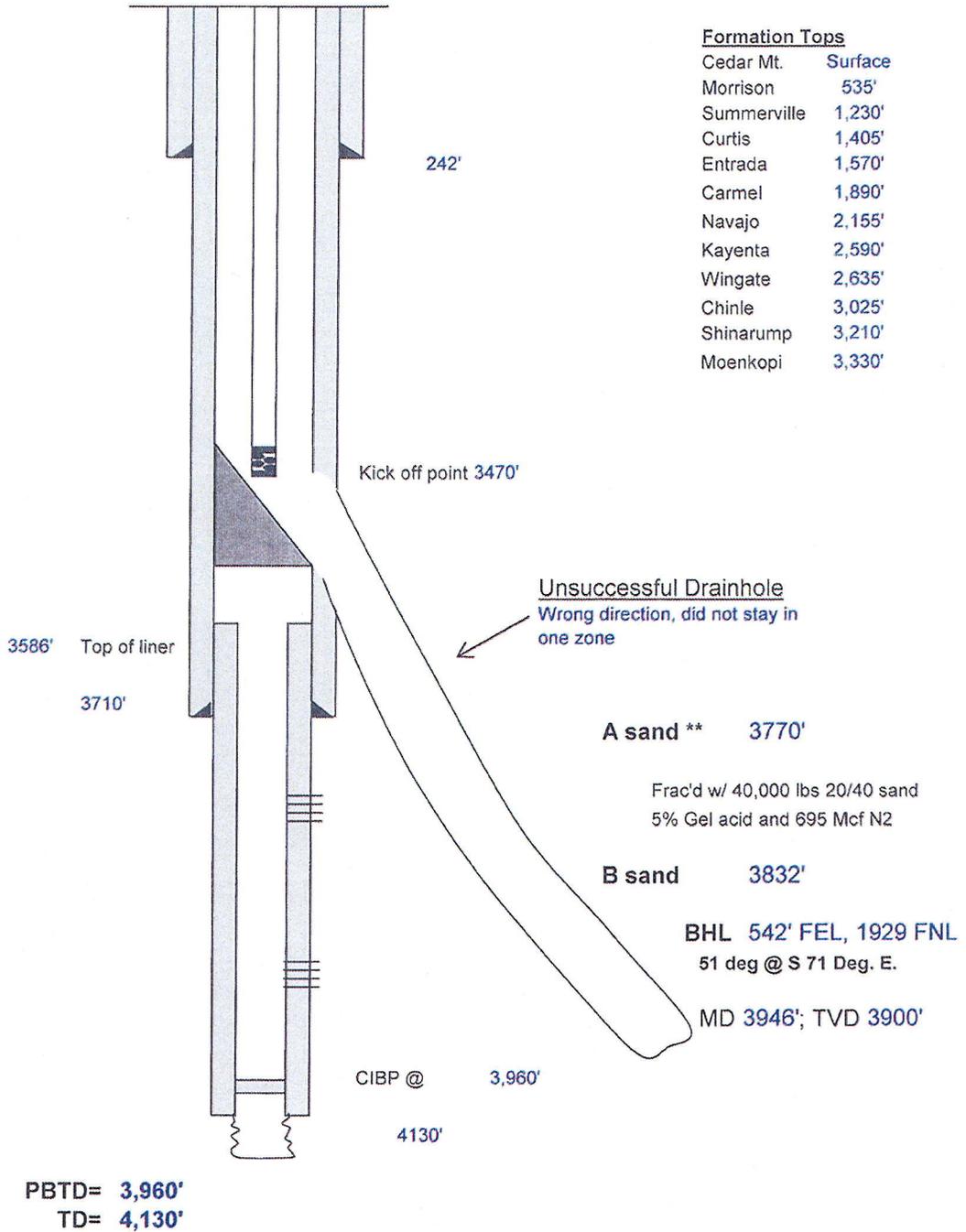
Hole Size - 6-3/4"
 CSG - 4-1/2"
 Set @ 4130'
 CMT Top @ Circulated

Tubing

2-7/8" 4.7 # J-55
 Set @ 3,511'
 BHA:
 1' SN @ 3506', 4'
 perforated pup, mud anchor
 32.5'

Formation Tops

Formation	Depth
Cedar Mt.	Surface
Morrison	535'
Summerville	1,230'
Curtis	1,405'
Entrada	1,570'
Carmel	1,890'
Navajo	2,155'
Kayenta	2,590'
Wingate	2,635'
Chinle	3,025'
Shinarump	3,210'
Moenkopi	3,330'



Bolinder #2-2
 1788' FNL, 793' FEL
 SE NE, Section 2, T16S, R12E
 Emery County, UT

LATITUDE: 39.4648 LONGITUDE: -110.532601
 GL: 5,368' KB: 5,378'

Proposed Wellbore

Surface Casing:

Hole Size - 14-1/2"
 CSG - 40.5# 40.5# J-55
 Set @ 242'
 CMT Top @ Surface

Intermediate Casing:

Hole Size - 9-7/8"
 CSG - 7-5/8# 26.4# J-55
 Set @ 3710'
 CMT Top @ Surface

Liner:

Hole Size - 6-3/4"
 CSG - 4-1/2" Old Kick off point @ 3470'
 Set @ 4130'
 CMT Top @ Circulated

Tubing

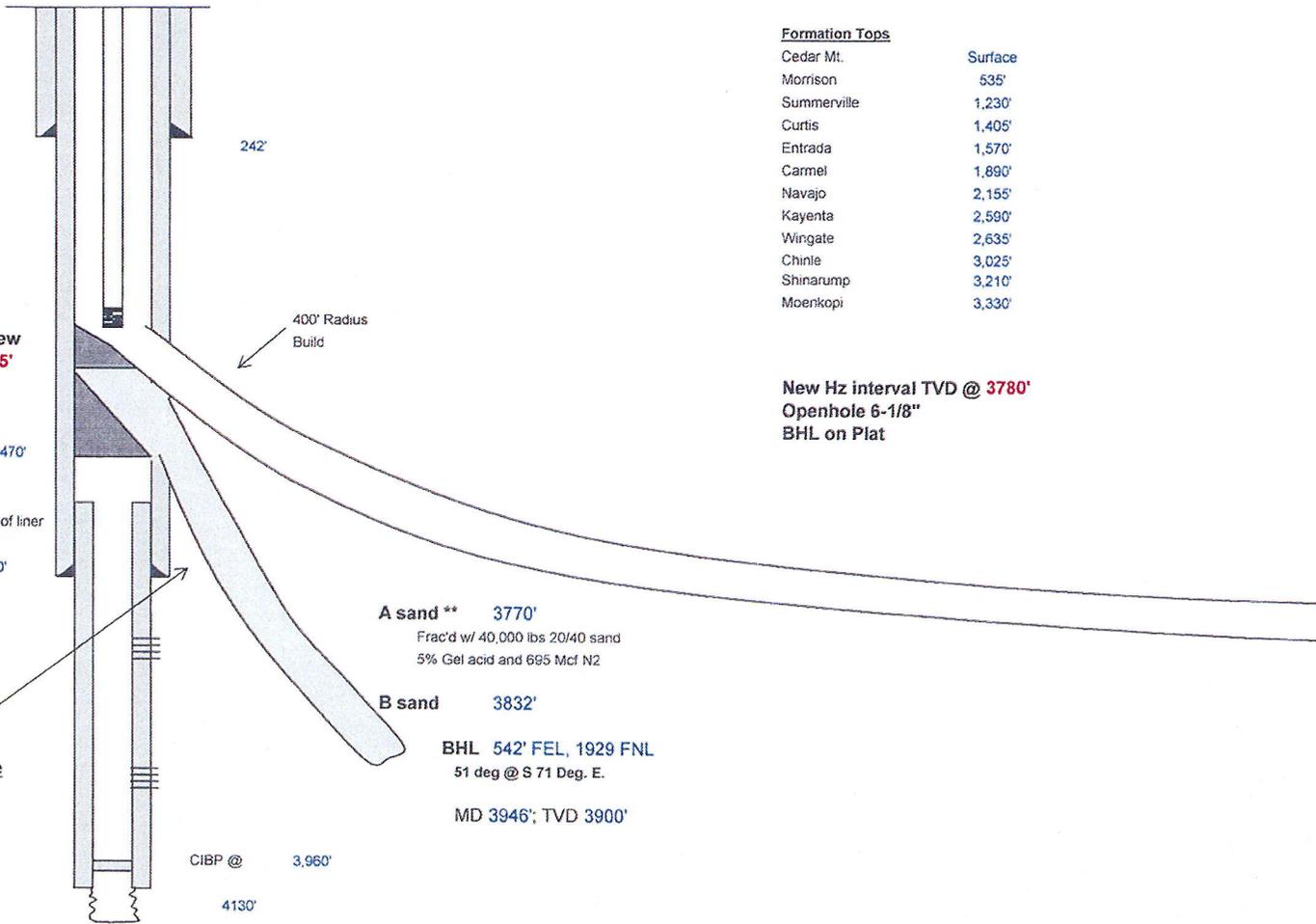
2-7/8" 4.7 # J-55
 Set @ 3,385' Proposed
 BHA:
 1' SN @ 3505', 4' perforated
 pup, mud anchor 32.5'

Unsuccessful Drainhole

Wrong direction, did not
 stay in one zone. Will
 attempt to squeeze with
 cement (117 sxs)

Formation Tops

Formation	Depth
Cedar Mt.	Surface
Morrison	535'
Summerville	1,230'
Curtis	1,405'
Entrada	1,570'
Carmel	1,890'
Navajo	2,155'
Kayenta	2,590'
Wingate	2,635'
Chinle	3,025'
Shinarump	3,210'
Moenkopi	3,330'



PBTD= 3,960'
 TD= 4,130'

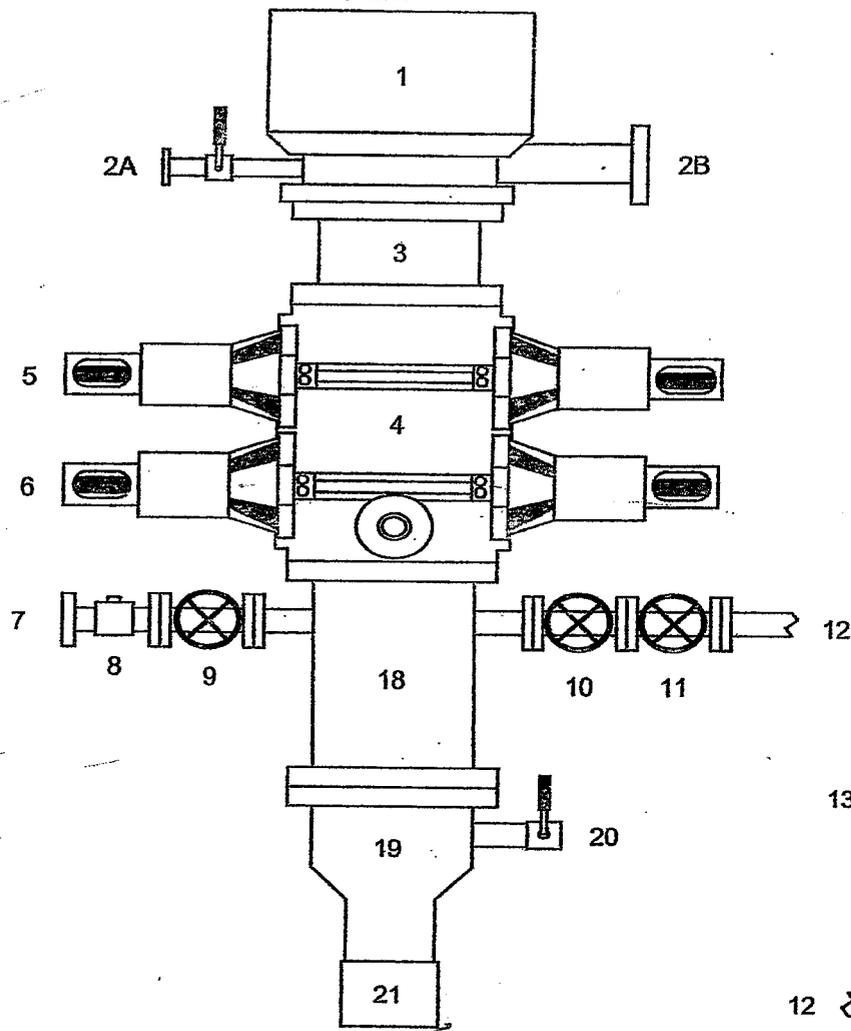
A sand ** 3770'
 Frac'd w/ 40,000 lbs 20/40 sand
 5% Gel acid and 695 Mcf N2

B sand 3832'

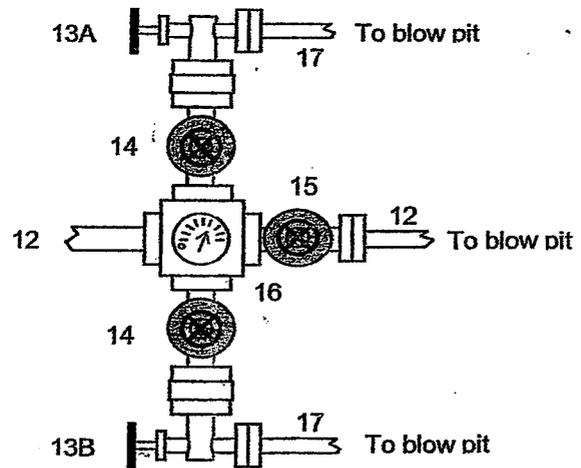
BHL 542' FEL, 1929 FNL
 51 deg @ S 71 Deg. E.

MD 3946'; TVD 3900'

BLOWOUT PREVENTER ARRANGEMENT & PROGRAM
Figure 4A For Drilling to Production Casing Point & Setting Production Casing



1. Rotating Head
- 2A. Fill-up Line & valve
- 2B. Flowline
3. Spacer Spool
4. Double Ram BOP (11", 2000 psi)
5. Pipe Rams
6. Blind Rams
7. Kill Line Connection
8. Kill Line Check Valve or Gate Valve
9. Kill Line Valve
10. Inner Choke Line Valve (3")
11. Outer Choke Line Valve (3")
12. Choke Line (3")
- 13A Variable Choke
- 13B Fixed or Variable Choke
14. Choke Line Valve (2")
15. Panic Line Valve (3")
16. Choke Manifold Pressure Gauge
17. Choke Line (2")
18. Mud Cross Spacer Spool
19. Casing Head "A" Section
20. Casing Head "A" Section 2" Valve
21. 8-5/8" Casing Collar



The Casing Head "A" Section will be screwed onto the surface casing stub. The BOP will be installed on the Casing Head "A" Section. A test plug will be set in the wellhead and the pipe rams and choke manifold will be tested to 200 psi to 300 psi (low pressure test) for 10 minutes and to 2000 psi (high pressure test) for 10 minutes. In addition to the equipment in the above diagram the following equipment will comprise the BOP system:

1. Upper Kelly cock Valve with handle
2. Stab-in TIW valve for all drillstrings in use

HORIZONTAL WELL BORE PATH



Weatherford

Drilling Services

Proposal

PRIDE VENTURES, LLC

BOLINDER 2-2

EMERY CO., UTAH

WELL FILE: **PLAN 4**

MAY 18, 2011

Weatherford International, Ltd.

P.O. Box 61028

Midland, TX 79711 USA

+1.432.561.8892 Main

+1.432.561.8895 Fax

www.weatherford.com

Pride Ventures, LLC.
Bolinder 2-2
Emery Co., Utah

SECTION DETAILS										
Sec	MD	Inc	Azi	TVD	+N/-S	+E/-W	DLeg	TFace	VSec	Target
1	0.00	0.00	274.99	0.00	0.00	0.00	0.00	0.00	0.00	
2	3380.00	0.00	274.99	3380.00	0.00	0.00	0.00	0.00	0.00	
3	4008.32	90.00	274.99	3780.00	34.78	-398.49	14.32	274.99	400.00	
4	4792.80	90.00	274.99	3780.00	103.00	-1180.00	0.00	0.00	1184.49	PBHL

WELL DETAILS							
Name	+N/-S	+E/-W	Northing	Easting	Latitude	Longitude	Slot
2-2	0.00	0.00	6975276.34	1913526.73	39°27'53.280N	110°31'57.363W	N/A

TARGET DETAILS						
Name	TVD	+N/-S	+E/-W	Northing	Easting	Shape
PBHL	3780.00	103.00	-1180.00	6975366.58	1912345.68	Point

FIELD DETAILS	
Emery Co., Utah	
Geodetic System:	US State Plane Coordinate System 1983
Ellipsoid:	GRS 1980
Zone:	Utah, Central Zone
Magnetic Model:	IGRF2010
System Datum:	Mean Sea Level
Local North:	True North

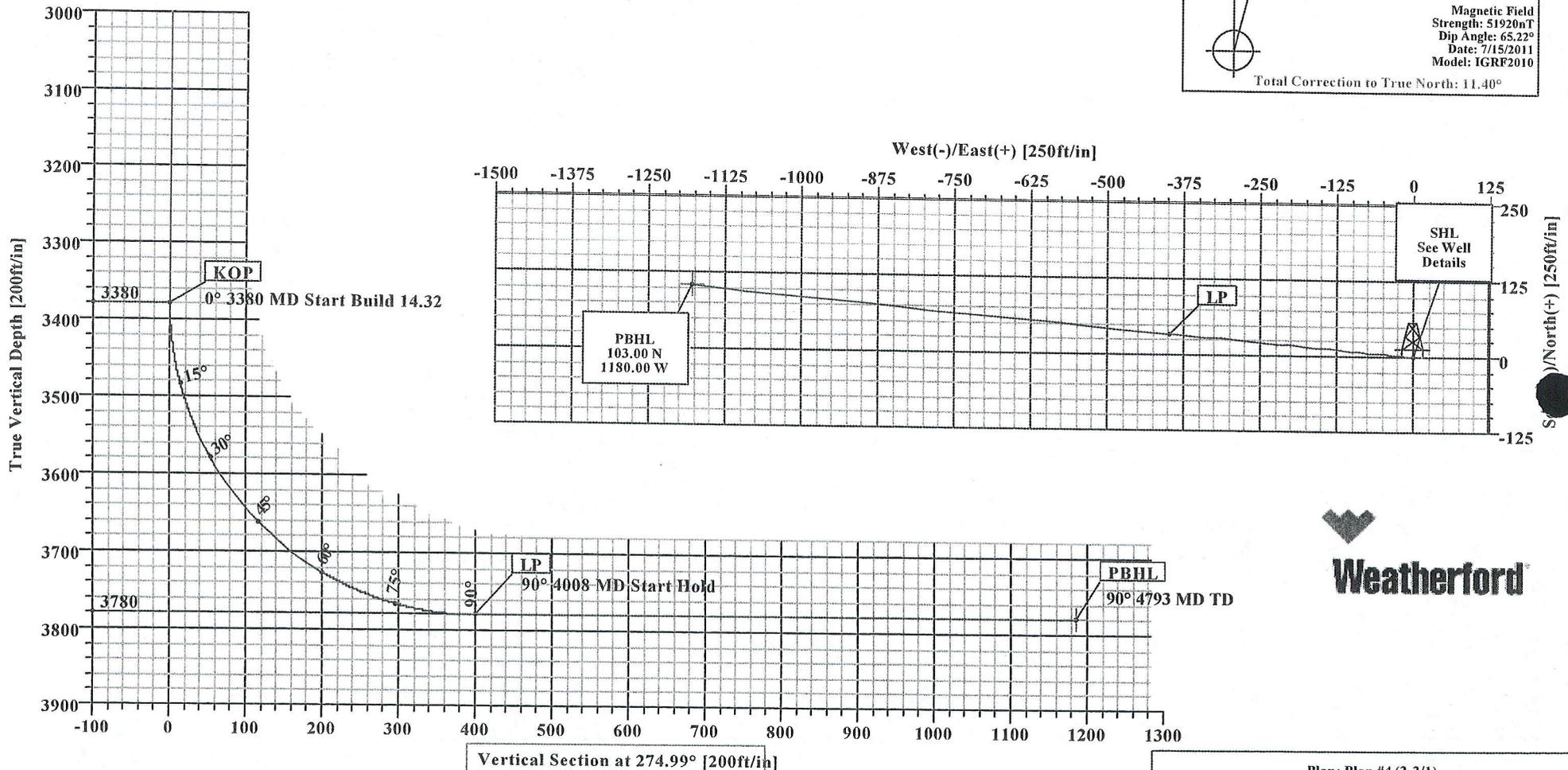
SITE DETAILS	
Bolinder 2-2	
Site Centre Latitude:	39°27'53.280N
Longitude:	110°31'57.363W
Ground Level:	5366.00
Positional Uncertainty:	0.00
Convergence:	0.62

Azimuths to True North
Magnetic North: 11.40°

Magnetic Field
Strength: 51920nT
Dip Angle: 65.22°
Date: 7/15/2011
Model: IGRF2010

Total Correction to True North: 11.40°

KB ELEV: 5376
GL ELEV: 5366



Weatherford International Ltd.

WFT Plan Report Lat, Long



Company: Pride Ventures, LLC.	Date: 5/18/2011	Time: 12:17:44	Page: 1
Field: Emery Co., Utah	Co-ordinate(NE) Reference: Well: 2-2, True North		
Site: Bolinder 2-2	Vertical (TVD) Reference: SITE 5376.0		
Well: 2-2	Section (VS) Reference: Well (0.00N,0.00E,274.99Azi)		
Wellpath: 1	Survey Calculation Method: Minimum Curvature	Db: Sybase	

Plan: Plan #4	Date Composed: 5/17/2011
Principal: Yes	Version: 1
	Tied-to: From Surface

Field: Emery Co., Utah

Map System: US State Plane Coordinate System 1983	Map Zone: Utah, Central Zone
Geo Datum: GRS 1980	Coordinate System: Well Centre
Sys Datum: Mean Sea Level	Geomagnetic Model: IGRF2010

Site: Bolinder 2-2

Site Position:	Northing:	6975276.34 ft	Latitude:	39 27 53.280 N
From: Geographic	Easting:	1913526.73 ft	Longitude:	110 31 57.363 W
Position Uncertainty:		0.00 ft	North Reference:	True
Ground Level:		5366.00 ft	Grid Convergence:	0.62 deg

Well: 2-2

Well Position:	Northing:	6975276.34 ft	Latitude:	39 27 53.280 N
Position Uncertainty:	Easting:	1913526.73 ft	Longitude:	110 31 57.363 W
		0.00 ft		

Slot Name:

Wellpath: 1

Current Datum: SITE	Height: 5376.00 ft	Drilled From: Surface	Tie-on Depth: 0.00 ft
Magnetic Data: 7/15/2011		Above System Datum: Mean Sea Level	
Field Strength: 51920 nT		Declination: 11.40 deg	
Vertical Section: Depth From (TVD)	+N/-S	+E/-W	Direction
ft	ft	ft	deg
0.00	0.00	0.00	274.99

Plan Section Information

MD ft	Incl deg	Azim deg	TVD ft	+N/-S ft	+E/-W ft	DLS deg/100ft	Build deg/100ft	Turn deg/100ft	TFO deg	Target
0.00	0.00	274.99	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
3380.00	0.00	274.99	3380.00	0.00	0.00	0.00	0.00	0.00	0.00	
4008.32	90.00	274.99	3780.00	34.78	-398.49	14.32	14.32	0.00	274.99	
4792.80	90.00	274.99	3780.00	103.00	-1180.00	0.00	0.00	0.00	0.00	PBHL

Survey

MD ft	Incl deg	Azim deg	TVD ft	N/S ft	E/W ft	VS ft	DLS deg/100ft	Lat Min	Sec	Long Min	Sec	Comment
3300.00	0.00	274.99	3300.00	0.00	0.00	0.00	0.00	39 27	53.280	110 31	57.363	
3380.00	0.00	274.99	3380.00	0.00	0.00	0.00	0.00	39 27	53.280	110 31	57.363	KOP
3400.00	2.86	274.99	3399.99	0.04	-0.50	0.50	14.32	39 27	53.280	110 31	57.369	
3500.00	17.19	274.99	3498.21	1.55	-17.80	17.87	14.32	39 27	53.295	110 31	57.590	
3600.00	31.51	274.99	3589.07	5.13	-58.77	58.99	14.32	39 27	53.331	110 31	58.112	
3700.00	45.84	274.99	3666.94	10.55	-120.86	121.32	14.32	39 27	53.384	110 31	58.904	
3800.00	60.16	274.99	3726.97	17.48	-200.21	200.97	14.32	39 27	53.453	110 31	59.916	
3900.00	74.48	274.99	3765.42	25.48	-291.89	293.00	14.32	39 27	53.532	110 32	1.085	
4000.00	88.81	274.99	3779.91	34.06	-390.20	391.68	14.32	39 27	53.617	110 32	2.339	
4008.32	90.00	274.99	3780.00	34.78	-398.49	400.00	14.32	39 27	53.624	110 32	2.444	LP
4100.00	90.00	274.99	3780.00	42.76	-489.82	491.68	0.00	39 27	53.703	110 32	3.609	
4200.00	90.00	274.99	3780.00	51.45	-589.44	591.68	0.00	39 27	53.788	110 32	4.879	
4300.00	90.00	274.99	3780.00	60.15	-689.06	691.68	0.00	39 27	53.874	110 32	6.150	
4400.00	90.00	274.99	3780.00	68.84	-788.68	791.68	0.00	39 27	53.960	110 32	7.420	
4500.00	90.00	274.99	3780.00	77.54	-888.30	891.68	0.00	39 27	54.046	110 32	8.690	
4600.00	90.00	274.99	3780.00	86.23	-987.93	991.68	0.00	39 27	54.132	110 32	9.961	
4700.00	90.00	274.99	3780.00	94.93	-1087.55	1091.68	0.00	39 27	54.218	110 32	11.231	

Weatherford International Ltd.

WFT Plan Report Lat, Long



Company: Pride Ventures, LLC. Field: Emery Co., Utah Site: Bolinder 2-2 Well: 2-2 Wellpath: 1	Date: 5/18/2011 Time: 12:17:44 Page: 2 Co-ordinate(NE) Reference: Well: 2-2, True North Vertical (TVD) Reference: SITE 5376.0 Section (VS) Reference: Well (0.00N,0.00E,274.99Azi) Survey Calculation Method: Minimum Curvature Db: Sybase
--	--

Survey

MD ft	Incl deg	Azim deg	TVD ft	N/S ft	E/W ft	VS ft	DLS deg/100ft	Lat Min	Sec	Long Min	Sec	Comment		
4792.80	90.00	274.99	3780.00	103.00	-1180.00	1184.49	0.00	39	27	54.298	110	32	12.410	PBHL

Targets

Name	Description Dip.	Dir.	TVD ft	+N/-S ft	+E/-W ft	Map Northing ft	Map Easting ft	<--- Latitude --->			<--- Longitude --->				
								Deg	Min	Sec	Deg	Min	Sec		
PBHL			3780.00	103.00	-1180.00	6975366.58	1912345.68	39	27	54.298	N	110	32	12.410	W

Casing Points

MD	TVD	Diameter	Hole Size	Name

Formations

MD	TVD	Formations	Lithology	Dip Angle	Dip Direction

Annotation

MD ft	TVD ft	
3380.00	3380.00	KOP
4008.32	3780.00	LP
4792.80	3780.00	PBHL

Operator Certification

Operator Information:

Pride Ventures, LLC
P.O. Box 328
Bloomfield, NM 87413
505-325-7707

Certification

I hereby certify that I, or someone under my direct supervision, have inspected the drill site and access route proposed herein; that I am familiar with the conditions which currently exist; that I have full knowledge of state and Federal laws applicable to this operation; 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 in conformity with this APD package and the terms and conditions under which it is approved. I also certify that I, or the company I represent, am responsible for the operations conducted under this application. These statements are subject to the provisions of 18 U.S.C. 1001 for the filing of false statements.

Executed this 23 day of JUNE, 2011.

Robert G. Chenault, Registered Agent
Pride Ventures, LLC

The person who can be contacted concerning compliance of the APD is:

Robert G. Chenault, Registered Agent
Pride Ventures, LLC
P.O. Box 328
Bloomfield, NM 87413
505-325-7707

Field Representative Information:

Jim Woosley
P.O. Box 1034
Moab, UT 84532
435-260-2635

Bond Coverage

State Bond: RLB0009735

Surface Use Plan for the Bolinder #2-2 Well

Operator: Pride Ventures, LLC

Location: SENE Section 2, T16S, R12E, SLM

Elevations: 5368' GRD; 5378' K.B.

Drilling: Horizontal

1 Existing Roads:

See Surface Use Plan - Exhibit A

2 Any Roads to be Constructed or Reconstructed:

None Expected

3 Location of Existing Well within 1 Mile:

See Surface Use Plan - Exhibit A

4 Location of Existing and/or Proposed Facilities:

See Surface Use Plan - Exhibit B

5 Location and type of Water Supply:

Produced water from the Bolinder #2-2 Well Location will be used on site.

6 Construction Materials:

None - Existing Location

7 Waste Disposal Handling:

A. The drill cuttings, drill water and completion fluids will be placed in a lined reserve pit, if required. The reserve pit will be fenced on three sides away from the pad during drilling and the fourth side fenced as soon as the rig moves out. The reserve pit will be allowed to dry or the free fluids will be removed or the free fluids may be trucked and reused in drilling operations or trucked to an approved disposal facility.

B. All garbage and trash will be hauled away by Pride Ventures to an approved landfill.

C. Chemical toilets will be provided and maintained during drilling operations and construction activity.

8 Ancillary Facilities:

None

9 Well Site Layout:

See Surface Use Plan - Exhibit C

10 Surface Reclamation Plans:

After drilling operations are completed areas that need reclaimed will be levelled, contoured and reseeded with approved seed mixture.

11 Surface Ownership:
State

12 Other Information:
None at this time.

Surface Use Plan - Exhibit A

H
LOGICAL SURVEY

MOUNDS QUADRANGLE
UTAH

7.5 MINUTE SERIES (TOPOGRAPHIC)

2 280 000

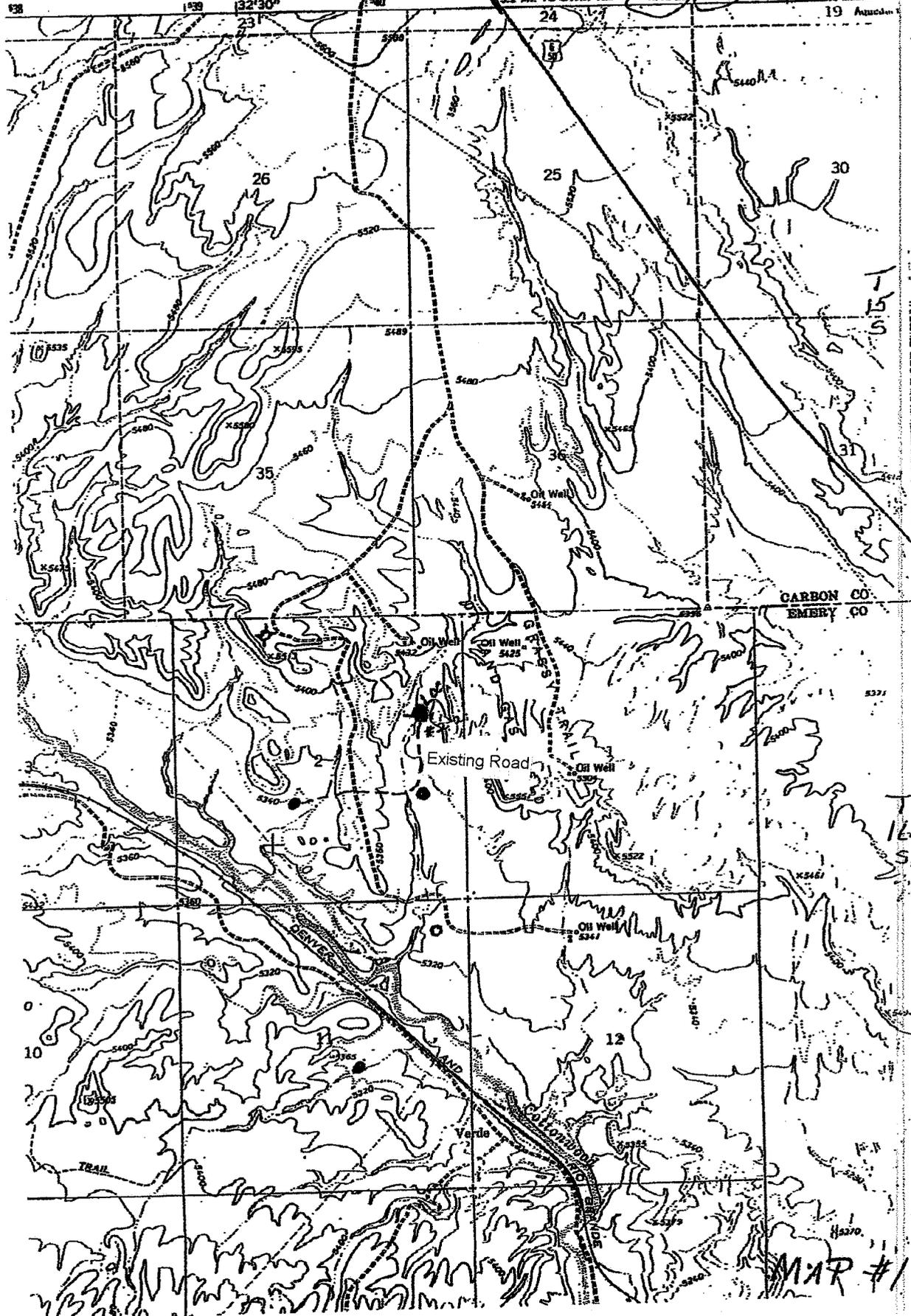
FEET

WELLINGTON 12 MI.
3.2 MI. TO UTAH 123

R. 12 E.

R. 13 E.

19

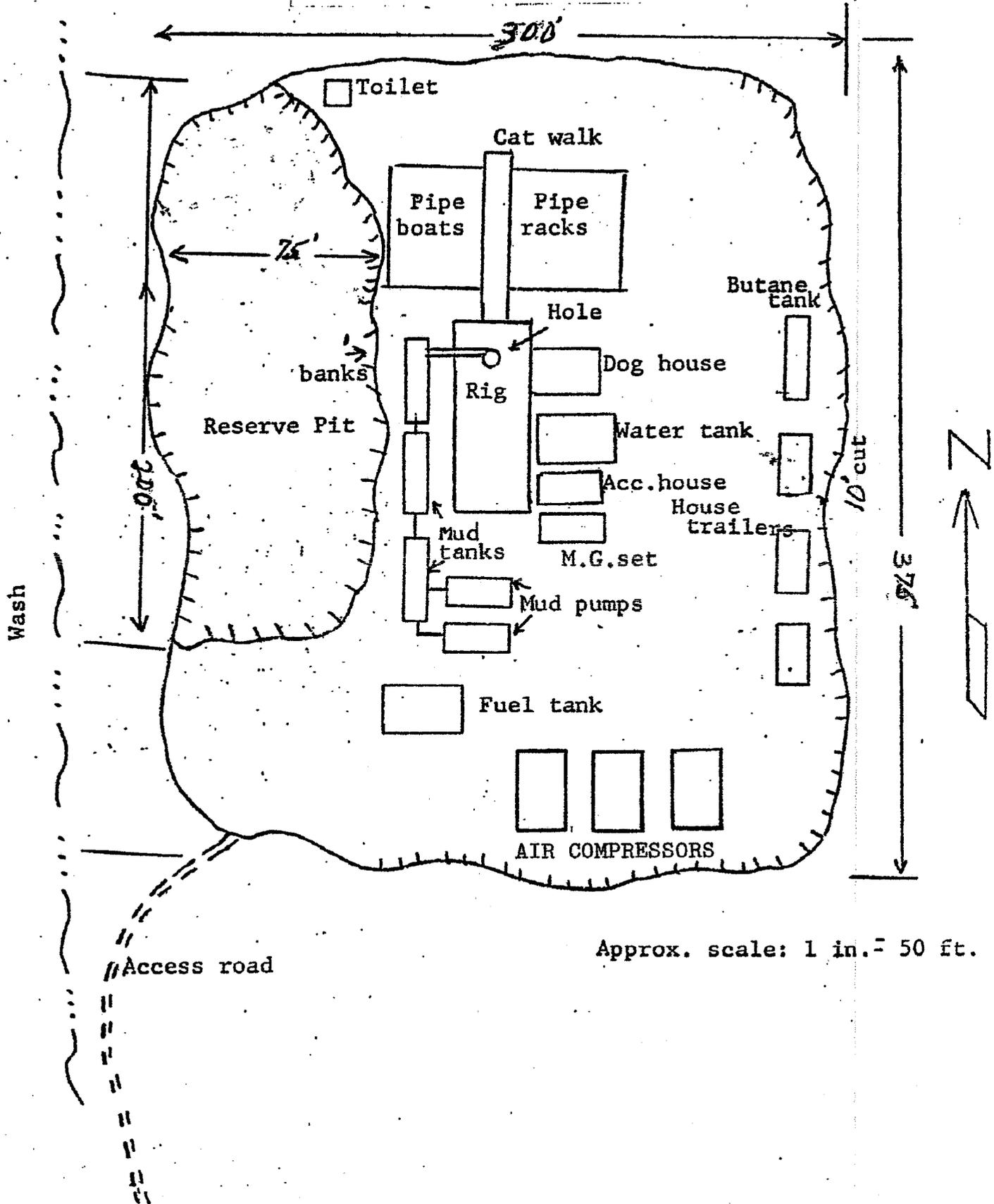


CARBON CO.
EMBURY CO.

MAR #1

Surface Use Plan - Exhibit C

ILLING EQUIPMENT LAYOUT
THE BOLINDER ST. #2-2 WELL
EMERY COUNTY, UTAH



**Driving Directions
for the
Bolinder #2-2 Well**

From Wellington, Utah, go East on Hwy 6 approximately nine (9) miles until you see the Cleveland Lloyd Dinosaur sign. At this sign turn right (South) on gravel road and go 3.5 miles. Turn Northeast on gravel road and go .5 miles to location.

BOPE REVIEW

Pride Ventures Bolinder 2-2 API 43-015-30143

INPUT

Well Name

Pride Ventures Bolinder 2-2 API 43-015-30143			
String 1	String 2		
Casing Size (")	7 5/8	6 1/8	
Setting Depth (TVD)	3470	3780	
Previous Shoe Setting Depth (TVD)	242	3470	
Max Mud Weight (ppg)	8.4	8.4	
BOPE Proposed (psi)	2000	2000	
Casing Internal Yield (psi)	4140	4140	
Operators Max Anticipated Pressure (psi)	1400	7.1 ppg	

Calculations

String 1 **7 5/8 "**

Max BHP [psi]	$.052 \times \text{Setting Depth} \times \text{MW} =$	1516	
			BOPE Adequate For Drilling And Setting Casing at Depth?
MASP (Gas) [psi]	$\text{Max BHP} - (0.12 \times \text{Setting Depth}) =$	1099	YES Air drill
MASP (Gas/Mud) [psi]	$\text{Max BHP} - (0.22 \times \text{Setting Depth}) =$	752	YES
			*Can Full Expected Pressure Be Held At Previous Shoe?
Pressure At Previous Shoe	$\text{Max BHP} - .22 \times (\text{Setting Depth} - \text{Previous Shoe Depth}) =$	806	NO
Required Casing/BOPE Test Pressure		2000 psi	
*Max Pressure Allowed @ Previous Casing Shoe =		242 psi	*Assumes 1psi/ft frac gradient

Calculations

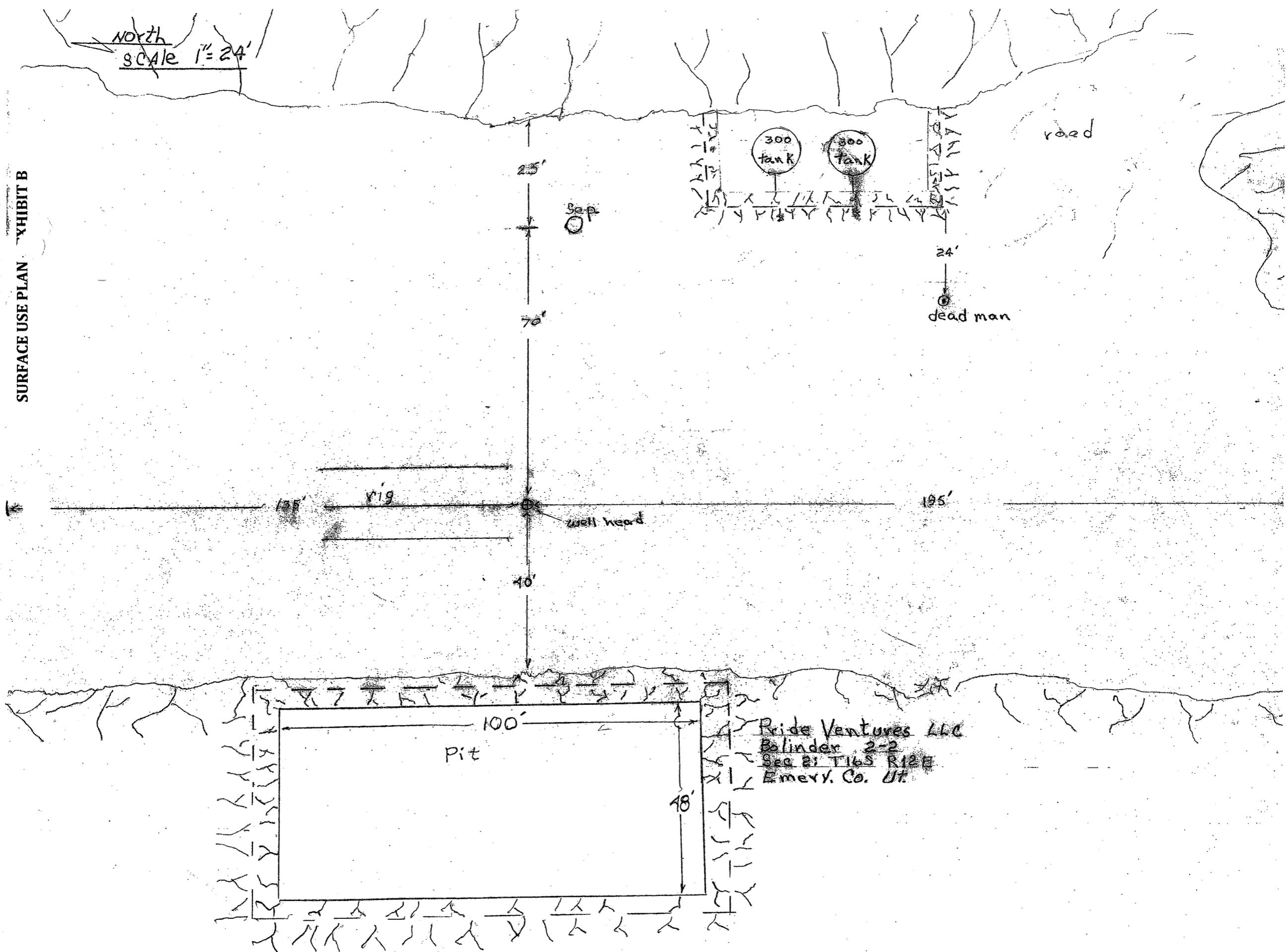
String 2 **6 1/8 "**

Max BHP [psi]	$.052 \times \text{Setting Depth} \times \text{MW} =$	1651	
			BOPE Adequate For Drilling And Setting Casing at Depth?
MASP (Gas) [psi]	$\text{Max BHP} - (0.12 \times \text{Setting Depth}) =$	1198	YES
MASP (Gas/Mud) [psi]	$\text{Max BHP} - (0.22 \times \text{Setting Depth}) =$	820	YES Air drill w/2MBOPE
			*Can Full Expected Pressure Be Held At Previous Shoe?
Pressure At Previous Shoe	$\text{Max BHP} - .22 \times (\text{Setting Depth} - \text{Previous Shoe Depth}) =$	1583	YES OK
Required Casing/BOPE Test Pressure		2000 psi	
*Max Pressure Allowed @ Previous Casing Shoe =		3470 psi	*Assumes 1psi/ft frac gradient

BHL
 for Survey 1685 'FWL 1973' FEL ✓
 Proposed 1671' FWL, 1906' FEL ✓ O.K.
 TD 4793' MD, 3780' TVD

SURFACE USE PLAN EXHIBIT B

North
Scale 1" = 24'



Director's Agenda Date (Office use only): 9/19/11

MINERAL LEASE NO. ML 52057-OBA

GRANT: SCH

**UTAH STATE LEASE FOR
OIL, GAS AND ASSOCIATED HYDROCARBONS**

THIS OIL, GAS AND ASSOCIATED HYDROCARBONS LEASE AND AGREEMENT (the "Lease") is entered into effective the 1ST day of SEPTEMBER, 20 11, (the "Effective Date"), by and between the STATE OF UTAH, acting by and through the SCHOOL AND INSTITUTIONAL TRUST LANDS ADMINISTRATION, 675 East 500 South, Suite 500, Salt Lake City, Utah 84102, (hereinafter "Lessor"), and

PRIDE VENTURES, LLC
P.O. BOX 328
BLOOMFIELD, NM 87413

having a business address as shown above (hereinafter "Lessee", whether one or more).

WITNESSETH:

That the State of Utah, as Lessor, in consideration of the rentals, royalties, and other financial consideration required to be paid by Lessee, and the covenants of Lessee set forth below, does hereby GRANT AND LEASE to Lessee the exclusive right and privilege to explore for, drill for, produce, save and sell or otherwise dispose of oil, gas and hydrocarbons (the "Leased Substances" as hereinafter defined) located within the boundaries of the following-described tract of land (the "Leased Premises") located in EMERY County, State of Utah:

*****SURFACE TO 4,000 FEET ONLY*****

T16S, R12E, SLB&M
SEC. 2: LOTS 1(39.07), 2(39.09), S½NE¼

*****SEE PAGE 12 FOR ADDENDUM*****

containing 158.16 acres, more or less,

together with the right and privilege, as conditioned herein, to construct and maintain on the Leased Premises roads, buildings, communication lines, gathering lines, pipelines, reservoirs, tanks, equipment, pumping and compression stations, and any other structures or improvements to the extent necessary to explore for, produce, save, dispose of and sell the Leased Substances.

This Lease is subject to, and Lessee hereby agrees to and accepts, the following covenants, terms, and conditions:

1. **LEASED SUBSTANCES.** Leased Substances include: (i) oil, including all naturally occurring crude petroleum, oil and other hydrocarbons regardless of gravity if produced at the wellhead in liquid form; (ii) natural gas, including normal hydrocarbon gases, casinghead gas, coalbed methane, and other commercial gases, including but not limited to helium, carbon dioxide, and gaseous sulfur compounds; and (iii) liquid hydrocarbons such as distillate or condensate recovered or extracted from gas. This Lease expressly excludes non associated hydrocarbons defined herein as coal, bitumen, asphaltum and other associated heavy hydrocarbons occurring in tar sands, oil shale and gilsonite, all of which must be separately leased from Lessor.

2. **TERM OF LEASE; RELINQUISHMENT.**

Revised See Amendment

- 2.1 **Primary Term.** This Lease, unless terminated at an earlier date as hereinafter provided, is granted for a primary term of ~~five (5)~~ years commencing on the Effective Date.
- 2.2 **Extension Beyond Primary Term.** Subject to Lessee's compliance with the other provisions of this Lease, this Lease shall remain in effect beyond the primary term for so long thereafter as: (i) Leased Substances are being produced in paying quantities from the Leased Premises or lands pooled or unitized therewith; or (ii) Lessee is engaged in diligent operations which at Lessor's sole discretion, and when approved in writing, are reasonably calculated to advance production in paying quantities of the Leased Substances from the Leased Premises or lands pooled or unitized therewith, and Lessee pays an annual minimum royalty equal to twice the highest annual delay rental provided for in paragraph 3 of this lease. Minimum royalties which are due hereunder are payable to Lessor no later than the end of the second month after the end of such lease year, or the lease will terminate by its own terms. Minimum royalty will be calculated using the highest rental per acre set out in paragraph 3 below.
- 2.3 **Diligent Operations.** Upon and after expiration of the primary term, where Lessee holds the lease by approved diligent operations, Lessor may review and determine as of each anniversary of the Effective Date whether Lessee is engaged in diligent operations sufficient to maintain this Lease in effect. Lessee shall be considered to be engaged in diligent operations notwithstanding any temporary cessation of operations for a period of no more than ninety (90) consecutive days or a cumulative period of 180 days in one calendar year.
- 2.4 **Paying Quantities.** For purposes of this Lease "produced in paying quantities" shall mean the production of Leased Substances sufficient to yield royalties in an amount at least equal to twice the highest annual delay rental provided for in paragraph 3 of this lease during a lease year. In the event that the Lease is in production, but production royalties generated and paid to the Lessor during the lease year do not total an amount equal to at least twice the highest annual delay rental provided for in paragraph 3 of this lease during such lease year, Lessee may maintain this lease in force by tendering the difference in cash to Lessor before the end of the second month after the end of such lease year, or the lease will terminate by its own terms.
- 2.5 **Shut-In Wells; Lease Extension.** If Lessee has completed a natural gas well on the Leased Premises that is capable of producing natural gas in paying quantities, but is prevented from producing natural gas by market conditions or lack of a pipeline connection for disposition of the natural gas, Lessee shall be deemed to be engaged in diligent operations for the purposes of extending this Lease beyond the primary term, subject to payment of annual minimum royalties pursuant to paragraph 2.2 of this Lease. The determination of whether a shut-in well is capable of producing in paying quantities, or whether market conditions or lack of pipeline connections prevent production, shall be vested in Lessor in its sole discretion. Lessee shall pay minimum royalties for a properly shut-in natural gas well for so long as the Lease is in effect. Any natural gas well that remains shut-in for five (5) consecutive years beyond the end of the primary term of this Lease shall be plugged and abandoned in accordance with the applicable regulations of the Utah State Division of Oil Gas and Mining, and this lease shall terminate, unless Lessee

requests a further extension at least 90 days prior to the end of such five (5) year period, and Lessor, in its sole discretion, elects to grant an extension.

- 2.6 Relinquishment. Lessee may relinquish all or portions of this Lease at any time by filing a written notice of relinquishment with Lessor, subject to Lessor's right to disapprove any relinquishment if Lessee has failed to pay all rentals, royalties, and other amounts due and owing to Lessor, if the Lease is otherwise not in good standing, or if any un-reclaimed surface disturbance or an abandoned and unplugged well exists on the Leased Premises. Lessee may not relinquish parcels smaller than a quarter-quarter section or surveyed lot. Relinquishment shall relieve Lessee of all future rental obligations as to the relinquished lands, but shall not relieve Lessee from any continuing obligations to the extent provided in Paragraph 10.2 of this Lease.
3. DELAY RENTAL PAYMENT. If before the first anniversary date hereof operations for the drilling of a well for oil or gas or other leased substances have not been commenced on the Leased Premises or lands pooled or unitized therewith, or if there is no production in paying quantities from the Leased Premises or lands pooled or unitized therewith, then subject to Paragraph 2 above, this lease shall terminate as to both parties unless Lessee before that date pays to the Lessor at its principal place of business, a minimum rental payment of FORTY Dollars (\$40.00) or the sum of TWO Dollars (\$2.00) per acre or fractional part thereof contained within the Leased Premises as rental during the first five years of this Lease or thereafter, where the computation of minimum royalties or other lease payments are calculated based on this paragraph, whichever is greater. Said rental payment shall support the privilege of deferring the commencement of operations for the drilling of a well for a period of 12 months from said anniversary date. In like manner and upon like payments, the commencement of operations for the drilling of a well may be further deferred for one or more twelve-month periods during the primary term of this lease.
4. ROYALTIES.
- 4.1 Production Royalty - Oil. Lessee shall pay Lessor a production royalty, free of all costs and expense, of sixteen and two-thirds per cent (16 2/3%) of the gross proceeds received by Lessee for oil produced and saved from the Leased Premises. For all oil sold pursuant to an arm's length contract, value shall be determined on the basis of the gross proceeds received by Lessee from the sale or disposition of such oil. Gross proceeds shall include all bonuses, premiums, allowances or other consideration of any nature received by Lessee for oil produced or contracted from the Leased Premises. For any oil that is sold or disposed of other than by arm's length contract, including any oil sold or transferred by Lessee to itself or an affiliate, royalties shall be calculated on the basis of the highest market price, including any premium associated therewith, then prevailing on the dates the same is sold or disposed of, in the same field for production of similar grade and gravity (or if there is no such price then prevailing in the same field, then in the nearest field in which there is such a prevailing price).
- 4.2 Production Royalty - Gas. Lessee shall pay Lessor a production royalty, free of all costs and expense, of sixteen and two-thirds per cent (16 2/3%) of the gross proceeds received by Lessee for all gas (including condensate and constituent substances) produced from the Leased Premises, including residue gas and constituent substances at the tailgate of any plant through which gas produced from said lands may be processed, or gas used or sold off the Leased Premises. For all gas sold pursuant to an arm's-length contract, value shall be determined on the basis of the gross proceeds received by Lessee from the sale or disposition of such gas. Gross proceeds shall include all bonuses, premiums, allowances or other consideration of any nature received by Lessee for gas actually produced. For any gas that is sold or disposed of other than by arm's length contract, including any gas sold or transferred by Lessee to itself or an affiliate, royalties shall be calculated on the basis of the highest market price, including any premium associated therewith, then prevailing on the dates the same is sold or disposed of, in the same field for production of similar grade (or if there is no such price then prevailing in the same field, then in the nearest field in which there is such a prevailing price).

- 4.3 Production Royalty - Other Substances. Lessee shall pay Lessor a production royalty of six and one quarter percent (6¼%) of the market value of all other hydrocarbon substances produced or saved from the Leased Premises. The value of other hydrocarbon substances shall be based upon the gross proceeds received by Lessee at the point of sale by arm's-length contract, without deduction of extraction or processing costs. In the event that Lessee sells production to an affiliate, or otherwise sells or transfers such substances by non-arms-length contract, valuation shall be based upon reasonable fair market value of the substances, to be determined by the Lessor after consultation with Lessee. After Lessee has produced other hydrocarbons from the Leased Premises in paying quantities for ten years, Lessor may in its discretion escalate the royalty rate for such materials by one per cent (1%) per annum to a maximum of sixteen and two-thirds percent (16 2/3%). In the event that Lessee produces sulfur from the Leased Premises, Lessee shall pay Lessor a production royalty of sixteen and two-thirds percent (16 2/3%) of the reasonable market value of such product produced from the Leased Premises.
- 4.4 Reference to Federal Regulations. It is the intent of Lessor and Lessee that the calculation of the value of oil and gas for royalty purposes under this Lease be consistent with federal regulations governing the valuation of federally owned oil and gas and associated hydrocarbons (including but not limited to federal law and regulations with respect to the Lessee's obligation to place oil and gas into marketable condition prior to royalty settlement), except where this Lease expressly provides otherwise. In no event shall the value of oil or gas used for calculation of royalties under this Lease be less than the value which would be obtained were federal royalty valuation regulations in existence at the time of production applied in the calculation of royalties and applicable deductions under this Lease.
- 4.5 Reporting and Payment. For all oil and substances other than gas produced and sold or transported from the Leased Premises during a particular month, Lessee shall pay royalties to Lessor on or before the end of the next month of production. For all gas and condensate produced and sold or transported from the Leased Premises during a particular month, Lessee shall pay royalties to Lessor on or before the end of the second month after the month of production. Royalty payments shall be accompanied by a verified statement, in a form approved by Lessor, stating the amount of Leased Substances sold or otherwise disposed of, the gross proceeds accruing to Lessee, the calculation of any deductions, and any other information reasonably required by Lessor to verify production and disposition of the Leased Substances.
- 4.6 Royalty-In-Kind. Lessor expressly reserves the right but not the obligation to take its royalty share of production of any or all of the Leased Substances in kind after not less than thirty (30) days written notice to Lessee. For gas, Lessee shall deliver Lessor's royalty share of production, free of costs or deductions, into the pipeline or transmission system to which the wells of Lessee are connected. For oil, Lessee shall deliver Lessor's royalty share of production, free of costs or deductions, into Lessor's storage tanks. In the event that Lessor's royalty oil must be delivered into Lessee's tanks, Lessee shall not be required to furnish storage for Lessor's royalty oil for more than thirty (30) days following the month of production.
- 4.7 Royalty Reduction. Lessor may, in its sole discretion, reduce the royalty rate payable under this Lease for any Leased Substances if Lessee demonstrates that it is otherwise uneconomic to operate the Leased Premises. As a condition of any such reduction, Lessor reserves the right to proportionately reduce all overriding royalty interests existing under this Lease.
- 4.8 Settlements. Lessor shall own and/or be paid a undivided sixteen and two-thirds percent (16 2/3%) of all gas contract settlements, take or pay settlements, awards, payments and/or benefits (Settlements) which arise out of, relate to or concern gas produced from or attributable to the Leased Premises. In no event shall the royalty provided for herein for royalty purposes ever bear, directly or indirectly, any deduction for gas contract, take or pay credit, amelioration, allocation, deduction, recoupment or makeup which is not a direct result of take or pay settlement and/or benefit in which Lessor has fully participated to the extent of its undivided sixteen and two-thirds percent (16 2/3%) royalty share. However, it is agreed that if there were actual costs and expenses paid by Lessee directly in connection with attaining such Settlements, Lessee may deduct Lessor's sixteen and two-thirds percent (16 2/3%) proportionate share of

such costs and expenses out of Lessor's sixteen and two-thirds percent (16 2/3%) share of such Settlements.

5. RESERVATIONS TO LESSOR. Lessor hereby excepts and reserves from the operation of this Lease the following rights and privileges:

- 5.1 Rights-of-Way and Easements. Lessor reserves the right to establish rights-of-way and easements upon, through, and across the Leased Premises, under terms and conditions that will not unreasonably interfere with operations under this Lease, for roads, pipelines, electric transmission lines, transportation and utility corridors, and any other purposes deemed reasonably necessary by Lessor.
- 5.2 Other Mineral Leases; Multiple Mineral Development. Lessor reserves the right to enter into mineral leases and agreements with third parties covering minerals other than the Leased Substances, under terms and conditions that will not unreasonably interfere with operations under this Lease. Lessor further reserves the right to impose reasonable stipulations upon operations under this Lease to permit multiple mineral development of the Leased Premises.
- 5.3 Use and Disposal of Surface. To the extent that Lessor owns the surface estate of the Leased Premises and subject to the rights granted to the Lessee pursuant to this Lease in paragraph 7.1, Lessor reserves the right to use, lease, sell, or otherwise dispose of the surface estate or any part thereof. Lessor reserves the right to charge for, negotiate and coordinate with other surface owners, land management agencies or governmental agencies regarding mitigation or impact fees and shall coordinate the collection and expenditure of such fees, if any, that are imposed or collected. Notwithstanding any other provision of this Lease, Lessor reserves the right to permit third parties to undertake surface activities associated with seismic, geophysical, and geochemical exploration for oil and gas (such activities being considered by Lessor to be a surface use) without compensation or other obligation to Lessee so long as such activities do not unreasonably interfere with Lessee's operations.
- 5.4 Rights Not Expressly Granted. Lessor further reserves all rights and privileges of every kind and nature, except as specifically granted in this Lease.

6. LEASE OPERATIONS.

- 6.1 Plan of Operations/Applications for Permit to Drill. Lessee does not have the right to conduct surface disturbing operations, or any operations that have the potential to affect historic properties, without first obtaining Lessor's approval pursuant to *Utah Administrative Code* R850-21-700. Lessee, no less than sixty (60) days prior to commencing such activities on the lease, shall submit a plan of operations and reclamation. Prior to commencing any drilling operations on the Leased Premises, Lessee shall file and receive approval of an Application for Permit to Drill ("APD") with the Utah Division of Oil, Gas & Mining ("UDOGM"), or any successor regulatory agency. Lessee shall file a copy of the APD with Lessor at the time it files the original APD with UDOGM. Lessor may condition its consent to the approval of the APD by UDOGM upon Lessee's agreement to comply with reasonable measures for the prevention of waste, protection of mineral and surface resources, protection of cultural resources, reclamation, and other measures deemed necessary by Lessor.
- 6.2 Compliance With Applicable Law. Lessee, shall comply with all applicable federal, state and local statutes, regulations, and ordinances, whether now in effect or enacted in the future, including without limitation the rules and regulations of UDOGM, statutes and regulations governing the management of school and institutional trust lands, applicable statutes and regulations relating to safety and health, and applicable statutes, regulations and ordinances relating to public health, pollution control, management of hazardous substances, cultural resources, and environmental protection.
- 6.3 Prudent Operator. After discovery, and subject to the right of relinquishment provided by this Lease, Lessee shall exercise reasonable diligence in drilling, operating, producing and marketing oil and gas

from the Leased Premises. Lessee shall conduct drilling and production operations as a prudent operator in accordance with standard industry methods and practices, having due regard for the prevention of waste of oil and gas, the protection of Lessor's interest with respect to the Leased Premises and the production of oil and gas therefrom; the preservation and conservation of the property and productive strata therein for future operations, the health and safety of workers and employees and such other practices that are recognized within the industry.

- 6.4 Unitization. Upon written consent by Lessor, Lessee may commit the Leased Premises to a unit, cooperative or other plan of development with other lands. With the consent of Lessee, Lessor may alter or change the drilling, production and royalty requirements and terms of this Lease to conform to any such plan.
- 6.5 Measurement. All production shall be accurately measured using standards approved by Lessor and in compliance with UDOGM rules set out at *Utah Administrative Code R649-2-8*. All measuring devices shall be tamper-proof.
- 6.6 Disposal Wells. No well on the Leased Premises shall be used as a disposal or injection well without the prior written consent of Lessor.
- 6.7 Offset Wells. Lessee agrees to protect the Leased Premises from drainage by offset wells located on adjoining lands not owned by Lessor by: (i) drilling to completion on the Leased Premises all wells that would be deemed necessary by a prudent operator to protect the Lessor from drainage by offset wells; or (ii) paying Lessor compensatory royalties in an amount sufficient to compensate Lessor for production royalties that would have accrued had such drainage not occurred; or (iii) provide sufficient documentation to Lessor, upon Lessor's request, which will allow Lessor to determine that drainage from offset wells is not occurring.
- 6.8 Completion of Operations; Reclamation. Upon completion of operations, Lessee shall plug all wellbores located on the Leased Premises in accordance with UDOGM rules and standard industry practice, and reclaim all surface disturbances as prescribed by Lessor and UDOGM. At a minimum, Lessee shall return any disturbed areas to their approximate original contour, fill all reserve pits, remove all equipment and debris, redistribute any stockpiled topsoil, and revegetate the site with grasses and/or native plants as specified by Lessor. Lessee's right to remove casing shall be subject to the provisions of paragraph 9 of this Lease. All equipment and material not removed from the Leased Premises within ninety (90) days of completion of operations shall be deemed abandoned, and Lessor may remove or cause to be removed said equipment and material and sold to Lessor's account.
- 6.9 Cultural Resources. Prior to commencing any surface disturbing operations or any operations that have the potential to affect historic properties, Lessee shall complete a cultural resource inventory prepared in accordance with applicable laws and regulations, or otherwise provide evidence of compliance with *Utah Administrative Code R850-60*. Lessee shall provide such cultural resource compliance materials to Lessor prior to the approval of the APD. Lessor will review all cultural resource compliance materials provided by Lessee, and may approve, condition or deny its consent to the APD based upon impacts to cultural resources. Lessor may require Lessee to complete appropriate cultural resources mitigation measures as a condition of APD approval.

7. USE OF SURFACE ESTATE.

- 7.1 Lessor-Owned Surface. If Lessor owns the surface estate of all or some portion of the Leased Premises, by issuance of this Lease, Lessee may use such lands to the extent reasonably necessary and expedient for the economic operation of the leasehold, subject to paragraph 6.1. Lessee may not use the surface estate of the Leased Premises prior to complying with the requirements of paragraph 6.1. Such surface uses shall be exercised subject to the rights reserved to Lessor as provided in Paragraph 5, and without unreasonable interference with the rights of any prior or subsequent lessee of Lessor.

- 7.2 Split-Estate Lands. If Lessor does not own the surface estate of any portion of the Leased Premises, Lessee's access to and use of the surface of such lands shall be governed by §53C-2-409 Utah Code Ann. (1953) as amended, governing access by mineral owners to split estate lands, and reclamation and bonding requirements. Lessee shall provide evidence of its right to access the surface of split-estate lands prior to approval of any APD, unless this condition is waived by Lessor. Lessee shall indemnify, defend and hold Lessor harmless for all claims, causes of action, damages, costs and expenses (including attorney's fees and costs) arising out of or related to damage caused by Lessee's operations to surface lands or improvements owned by third parties.
8. BONDING. Before commencing operations on the Leased Premises, Lessee shall execute and post with UDOGM a surety bond or other financial guarantee in an amount and form as set forth in *Utah Administrative Code R649-3-1 et seq.* in order to guarantee Lessee's performance of all covenants and obligations under this Lease, including but not limited to, Lessee's obligations to plug any abandoned well(s) and reclaim the Leased Premises. A separate bond shall be posted with the Lessor as required by *Utah Administrative Code R850-21-800* to assure compliance with the payment of royalties and all remaining terms of the Lease not covered by the bond posted with UDOGM. Lessor may in its reasonable discretion require Lessee to furnish additional bonding for assuring compliance with the terms of this Lease upon thirty (30) days written notice.
9. WATER. In drilling any wells on the Leased Premises, Lessee shall note all water-bearing strata in the well log, and shall promptly give notice to Lessor. Such notice shall include an estimate of the flow and quality of said water. Lessor reserves the right to require that all or any part of the casing shall be left in any nonproductive well to maintain the well or wells for water production. Lessor shall pay Lessee the reasonable salvage value of casing required to be left in any well pursuant to this paragraph. If Lessee initiates any water right on the Leased Premises, such water right shall be filed in the name of Lessor, shall become an appurtenance to the Leased Premises, and shall become the sole property of Lessor on termination of this Lease. In drilling, operating and plugging any well on the Leased Premises, Lessee shall take reasonable precautions to prevent contamination of any water-bearing strata by migration of petroleum, brines or other substances from other strata.
10. DEFAULT.
- 10.1 Notice of Default; Termination. Upon Lessee's violation of or failure to comply with any of the terms, conditions or covenants set forth in this Lease, Lessor shall notify the then current Lessee of such default by registered or certified mail, return receipt requested, at the last address for Lessee set forth in Lessor's files. Lessee shall then have thirty (30) days, or such longer period as may be granted in writing by Lessor, to either cure the default or request a hearing pursuant to the Lessor's administrative adjudication rules. In the event Lessee fails to cure the default or request a hearing within the specified time period, Lessor may cancel this Lease without further notice to or appeal by Lessee. Failure to pay delay rentals or minimum royalties is not a breach of covenants but rather a failure of condition and shall cause the Lease to expire pursuant to its own terms.
- 10.2 Effect of Termination. The termination of this Lease for any reason, whether through expiration, cancellation or relinquishment, shall not limit the rights of the State of Utah to recover any royalties and/or damages for which Lessee may be liable, to recover on any bond on file, or to seek injunctive relief to enjoin continuing violations of the Lease terms. No remedy or election under this Lease shall be deemed exclusive, but shall, whenever possible, be cumulative with all other remedies available under this Lease, at law, or in equity. Lessee shall surrender the Leased Premised upon termination; however, the obligations of Lessee with respect to plugging of abandoned wells, reclamation, indemnification and other continuing covenants imposed by this Lease shall survive the termination.
11. RIGHT OF ACCESS; RECORDS.
- 11.1 Production Reporting; Records. Lessee shall promptly report all production from the Leased Premises to UDOGM in accordance with UDOGM rules, and shall maintain all records pertaining to production, marketing, transportation and disposition of the Leased Substances; all contracts for transportation,

processing, sale or other disposition of the Leased Substances; and all documents pertaining to the calculation of royalties, for a period of at least seven years after the date of production to which the documents pertain.

- 11.2 Inspection; Audit. Lessor's employees and authorized agents shall have the right to enter the Leased Premises to examine, inspect, survey and take measurements for the purposes of verifying production amounts and proper lease operations. Upon reasonable notice to Lessee, Lessor's employees and authorized agents shall further have the right to audit, examine and copy (at Lessor's expense) all documents described in paragraph 11.1, whether such documents are located on the Leased Premises or elsewhere. Lessee shall furnish all conveniences necessary for any inspections or audits; provided, however, that such inspections or audits shall be conducted in a manner that is in conformance with all applicable safety regulations and does not unreasonably interfere with Lessee's operations.
- 11.3 Geologic Information. Upon reasonable notice to Lessee, Lessor may inspect seismic and geophysical information, core samples, well logs, and proprietary geologic data and evaluations concerning the Leased Premises. Any such documents and geologic data and evaluations may be declared confidential information by Lessee, in which event Lessor and its authorized agents shall maintain such documents and geologic data as protected records under the Utah Governmental Records Access Management Act or other applicable privacy statute, and shall not disclose the same to any third party without the written consent of Lessee, the order of a court of competent jurisdiction requiring such disclosure, or upon termination of this Lease.

12. ASSIGNMENT OR SUBLEASE; OVERRIDING ROYALTIES; OTHER AGREEMENTS .

- 12.1 Consent Required. Lessee shall not assign or sublease this Lease in whole or in part, or otherwise assign or convey any rights or privileges granted by this Lease, including, without limitation, assignments of record title interests or transfer of operating rights, but not overriding royalties or payments out of production, without the prior written consent of Lessor. Any assignment, sublease or other conveyance made without prior written consent of Lessor shall be void and have no legal effect unless and until approved in writing by Lessor. Exercise of any right with respect to the Leased Premises in violation of this provision shall constitute a default under this Lease.
- 12.2 Limitation on Overriding Royalties. Lessor reserves the right to disallow the creation of an overriding royalty or payment out of production that would have the effect of reducing the net revenue interest under this Lease by more than twenty percent (20%), including any production royalty set out in this Lease.
- 12.3 Limitation on Other Agreements. Lessee shall not enter into any agreement limiting, restricting, prorating, or otherwise affecting the natural production from the Leased Premises in any way or in any event without the prior written consent of Lessor.

13. MISCELLANEOUS PROVISIONS.

- 13.1 Previously Authorized Improvements. If authorized improvements have been placed upon the Leased Premises by a third party prior to the commencement of this Lease, Lessee shall allow the owner of such improvements to remove them within ninety (90) days after the Lease term commences.
- 13.2 No Warranty of Title. Lessor claims title to the mineral estate covered by this Lease. Lessor does not warrant title nor represent that no one will dispute the title asserted by Lessor. It is expressly agreed that Lessor shall not be liable to Lessee for any alleged deficiency in title to the mineral estate, nor shall Lessee become entitled to any refund for any rentals, bonuses, or royalties paid under this Lease in the event of title failure. If Lessor owns an interest less than the whole and undivided fee estate in the underlying Leased Substances, the royalties provided herein shall be paid to Lessor in the proportion which Lessor's interest bears to the whole and undivided fee estate.

- 13.3 Notices. All notices herein provided to be given or which may be given by either party to the other, except as otherwise provided by law, shall be deemed to have been fully given when made in writing and deposited in the United States mail, postage prepaid, and addressed to the last known address of the parties. Less ee's address set forth above shall be conclusively deemed to be correct unless Lessor has received written notice of change of address from Lessee.
- 13.4 Indemnity. Lessee shall indemnify and hold Lessor harmless for, from and against each and every claim, demand, liability, loss, cost, damage and expense, including, without limitation, attorneys' fees and court costs, arising in any way out of Lessee's occupation and use of the Leased Premises, including without limitation claims for death, personal injury, property damage, environmental damage or remediation, and unpaid wages and benefits. Lessee further agrees to indemnify and hold Lessor harmless for, from and against all claims, demands, liabilities, damages and penalties arising out of any failure of Lessee to comply with any of Lessee's obligations under this Lease, including without limitation attorneys' fees and court costs.
- 13.5 Interest. Interest shall accrue and be payable on all obligations arising under this Lease at such rate as may be set from time to time by rule enacted by Lessor. Interest shall accrue and be payable, without necessity of demand, from the date each such obligation shall arise. The accrual and payment of interest does not constitute a waiver or satisfaction of any penalty that may apply under the Lessor's Rules.
- 13.6 Governing Law: Consent to Suit: Jurisdiction. This Lease shall be governed by the laws of the State of Utah. Lessor and Lessee agree that all disputes arising out of this Lease shall be litigated only in the Third Judicial District Court for Salt Lake County, Utah. Lessee shall not bring any action against Lessor without exhaustion of available administrative remedies and compliance with applicable requirements of the Utah Governmental Immunity Act. Service of process in any such action is hereby agreed to be sufficient if sent by certified mail to Lessee at the last known address appearing in Lessor's records.
- 13.7 No Waiver. No waiver of the breach of any provision of this Lease shall be construed as a waiver of any preceding or succeeding breach of the same or any other provision of this Lease, nor shall the acceptance of rentals or royalties by Lessor during any period of time in which Lessee is in default be deemed to be a waiver of such breach.
- 13.8 Severability. The invalidity of any provision of this Lease, as determined by a court of competent jurisdiction, shall in no way affect the validity of any other provision hereof.
- 13.9 Special Stipulations . The special stipulations, if any, set forth in Exhibit "A" to this Lease are hereby incorporated into and made an integral part of this Lease.
- 13.10 Entire Lease. This Lease, together with any attached stipulations, sets forth the entire agreement between Lessor and Lessee with respect to the subject matter of this Lease. No subsequent alteration or amendment to this Lease shall be binding upon Lessor and Lessee unless in writing and signed by both parties.
- 13.11 Binding Effect. This Lease shall be binding upon, and shall inure to the benefit of the parties to it and their respective legal representative, successors, and assigns.
- 13.12 Certification. Lessee certifies that by signing this Lease, it is qualified to do business in the State of Utah and is not in default under the laws of the state of Utah relative to qualification to do business within the state or not in default of any previous obligation with the Lessor.

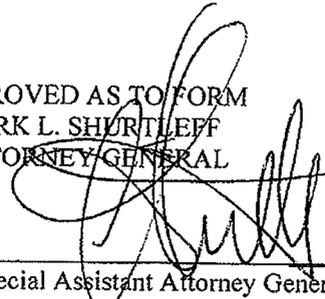
IN WITNESS WHEREOF, the parties have hereunto subscribed their names the day and year first above written.

THE STATE OF UTAH, acting by and through the
SCHOOL AND INSTITUTIONAL TRUST LANDS
ADMINISTRATION ("LESSOR")

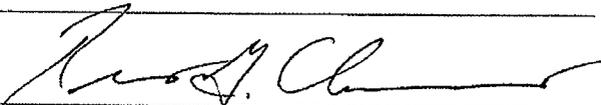
KEVIN S. CARTER, DIRECTOR

BY _____
LAVONNE J. GARRISON
ASSISTANT DIRECTOR/OIL & GAS

APPROVED AS TO FORM
MARK L. SHURTLEFF
ATTORNEY GENERAL

By  _____
Special Assistant Attorney General

Form Approved: November 29, 2010

BY:  _____
LESSEE

ITS: AUTHORIZED AGENT

STATE OF UTAH)
:
COUNTY OF SALT LAKE)

On the _____ day of _____, 20____, personally appeared before me LAVONNE J. GARRISON, the ASSISTANT DIRECTOR of Oil and Gas of the School and Institutional Trust Lands Administration of the State of Utah (SITLA), who, her identity and position having been satisfactorily established to me, affirmed to me upon oath that the governing body of SITLA, has authorized her to execute the foregoing instrument, and did duly acknowledge in my presence having executed the same for the purpose stated therein.

Given under my hand and seal this _____ day of _____, 20____.

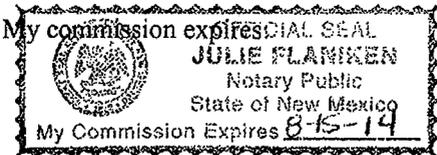
My commission expires:

Notary Public

STATE OF New Mexico)
:
COUNTY OF SAN JUAN)

On the 13th day of SEPTEMBER, 2011, personally appeared before me Robert G. Chenault, signer(s) of the above instrument, personally known to me, or whose identity has been satisfactorily established to me, who did duly acknowledge to me that (he) (she) (they) voluntarily executed the foregoing instrument for the purpose stated therein.

Given under my hand and seal this 13th day of SEPTEMBER, 2011.



Julie Plankin
Notary Public

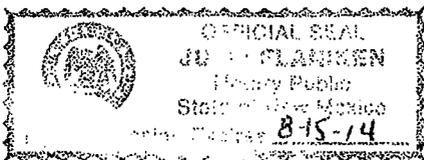
STATE OF New Mexico)
:
COUNTY OF SAN JUAN)

On the 13th day of SEPTEMBER, 2011, personally appeared before me (name) Robert G. Chenault the (title) AUTHORIZED AGENT of (entity) PRIDE VENTURES, LLC and vesting, who, his/her identity and position having been satisfactorily established to me, affirmed to me upon oath that the governing body of said entity, has authorized him/her to execute the foregoing instrument, and did duly acknowledge in my presence having executed the same for the purpose stated therein.

Given under my hand and seal this 13th day of SEPTEMBER, 2011.

My commission expires:

Julie Plankin
Notary Public



ADDENDUM

1. Lease is for a one-year term from the effective date of the lease.
2. As this is a depth-limited lease, upon completion of the well, Pride will provide TLA with directional surveys or other data indicating that the wellbore on the leased premises remained shallower than 4,000 feet at all times during drilling and/or production operations. Depths deeper than 4000 feet are not leased under this OBA.
3. TLA will be provided daily drilling reports from the operator from rig up to completion. Said reports should be emailed to lavonnegarrison@utah.gov and marked "confidential".
4. If the well is completed as a dry hole, Pride will promptly plug and abandon the wellbore in accordance with the rules and regulations from the Division of Oil, Gas, and Mining (DOG M). The obligation to properly plug and abandon the well and reclaim the surface to TLA's satisfaction will survive the termination of the lease and remain an obligation to Pride until the work has been completed and the company released by both DOGM and TLA.



GARY R. HERBERT
Governor

GREGORY S. BELL
Lieutenant Governor

State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA
Division Director

September 21, 2011

Pride Ventures LLC
PO Box 328
Bloomfield, NM 87413

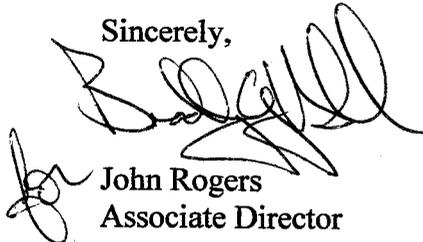
Subject: Bolinder #2-2 Well, Surface Location 1788' FNL, 793' FEL, SE NE, Sec. 2,
T. 16 South, R. 12 East, Bottom Location 1671' FNL, 1966' FEL, SE NE Sec. 2,
T. 16 South, R. 12 East, Emery County, Utah

Ladies and Gentlemen:

Pursuant to Utah Code Ann. §40-6-1 et seq., and Utah Administrative Code R649-3-1 et seq., the Utah Division of Oil, Gas and Mining issues conditions of approval, and permit to drill the listed well. This permit is issued in accordance with the requirements of Cause: 264-03. The expected producing formation or pool is the Moenkopi Formation(s), completion into any other zones will require filing a Sundry Notice (Form 9). Completion and commingling of more than one pool will require approval in accordance with R649-3-22.

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 43-015-30143.

Sincerely,



John Rogers
Associate Director

JR/bgh/js
Enclosures

cc: Emery County Assessor
SITLA

3. **Reporting Requirements:**

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

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

4. Compliance with the State of Utah Antiquities Act forbids disturbance of archeological, historical, or paleontological remains. Should archeological, historical or paleontological remains be encountered during your operations, you are required to immediately suspend all operations and immediately inform the Trust Lands Administration and the Division of State History of the discovery of such remains.
5. Compliance with the Conditions of Approval/Application for Permit to Drill outlined in the Statement of Basis. (Copy Attached)
6. In accordance with Utah Admin. R.649-3-11, Directional Drilling, the operator shall submit a complete angular deviation and directional survey report to the Division within 30 days following completion of the well.

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

AMENDED REPORT [] FORM 8
(highlight changes)

5. LEASE DESIGNATION AND SERIAL NUMBER:
ML-52057-OBA

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

7. UNIT or CA AGREEMENT NAME

8. WELL NAME and NUMBER:
BOLINDER 2-2

9. API NUMBER:
4301530143

10. FIELD AND POOL, OR WILDCAT
GRASSY TRAIL

11. QTR/QTR, SECTION, TOWNSHIP, RANGE,
MERIDIAN:
SENE 2 16S 12E

12. COUNTY EMERY 13. STATE UTAH

WELL COMPLETION OR RECOMPLETION REPORT AND LOG

1a. TYPE OF WELL: OIL WELL [x] GAS WELL [] DRY [] OTHER CONFIDENTIAL

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

2. NAME OF OPERATOR:
PRIDE VENTURES, LLC

3. ADDRESS OF OPERATOR:
POB 328 CITY BLOOMFIELD STATE NM ZIP 87413 PHONE NUMBER: (505) 436-2045

4. LOCATION OF WELL (FOOTAGES)
AT SURFACE: 1788' FNL 793' FEL
AT TOP PRODUCING INTERVAL REPORTED BELOW:
AT TOTAL DEPTH: 1612 fnl 1919 fel bnl by HSM

14. DATE SPUDDED: 10/3/2011 15. DATE T.D. REACHED: 10/14/2011 16. DATE COMPLETED: 10/16/2011
ABANDONED [] READY TO PRODUCE [x]

17. ELEVATIONS (DF, RKB, RT, GL):
(5368' GL) (5378' KB)

18. TOTAL DEPTH: MD 4,753 TVD 3,779.80 19. PLUG BACK T.D.: MD 4,753 TVD 3,779.80 20. IF MULTIPLE COMPLETIONS, HOW MANY? * N/A 21. DEPTH BRIDGE PLUG SET: MD 3,400 TVD 3,400

22. TYPE ELECTRIC AND OTHER MECHANICAL LOGS RUN (Submit copy of each)
N/A

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

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

Table with 10 columns: HOLE SIZE, SIZE/GRADE, WEIGHT (#/ft.), TOP (MD), BOTTOM (MD), STAGE CEMENTER DEPTH, CEMENT TYPE & NO. OF SACKS, SLURRY VOLUME (BBL), CEMENT TOP **, AMOUNT PULLED. Rows include 14 1/2", 9 7/8", and 6 3/4" hole sizes.

25. TUBING RECORD

Table with 10 columns: SIZE, DEPTH SET (MD), PACKER SET (MD), SIZE, DEPTH SET (MD), PACKER SET (MD), SIZE, DEPTH SET (MD), PACKER SET (MD). Row includes 2 3/8 size, 3,600 depth set.

26. PRODUCING INTERVALS

Table with 5 columns: FORMATION NAME, TOP (MD), BOTTOM (MD), TOP (TVD), BOTTOM (TVD). Row (A) MOENKOPI with TOP (MD) 3,885 and BOTTOM (MD) 4,753.

27. PERFORATION RECORD

Table with 4 columns: INTERVAL (Top/Bot - MD), SIZE, NO. HOLES, PERFORATION STATUS. Rows (A) through (D) with status options Open and Squeezed.

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

Table with 2 columns: DEPTH INTERVAL, AMOUNT AND TYPE OF MATERIAL.

29. ENCLOSED ATTACHMENTS:

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

30. WELL STATUS:

Producing

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31. INITIAL PRODUCTION

INTERVAL A (As shown in item #26)

DATE FIRST PRODUCED: 10/19/2011		TEST DATE: 10/19/2011		HOURS TESTED: 12		TEST PRODUCTION RATES: →	OIL - BBL: 5	GAS - MCF: 2	WATER - BBL: 40	PROD. METHOD: Pumping
CHOKE SIZE:	TBG. PRESS. 15	CSG. PRESS. 0	API GRAVITY 41.00	BTU - GAS	GAS/OIL RATIO 9	24 HR PRODUCTION RATES: →	OIL - BBL: 10	GAS - MCF: 4	WATER - BBL: 80	INTERVAL STATUS: Open Hole

INTERVAL B (As shown in item #26)

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

INTERVAL C (As shown in item #26)

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

INTERVAL D (As shown in item #26)

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

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

Vented

33. SUMMARY OF POROUS ZONES (Include Aquifers):

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

34. FORMATION (Log) MARKERS:

Formation	Top (MD)	Bottom (MD)	Descriptions, Contents, etc.	Name	Top (Measured Depth)
Moenkopi	3,885	4,753	Torrey A Member TVD 3772-3790		

35. ADDITIONAL REMARKS (Include plugging procedure)

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

NAME (PLEASE PRINT) Robert G. Chenault TITLE Authorized Agent
 SIGNATURE  DATE 11-1-11

This report must be submitted within 30 days of

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

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

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

Send to: Utah Division of Oil, Gas and Mining
 1594 West North Temple, Suite 1210
 Box 145801
 Salt Lake City, Utah 84114-5801

Phone: 801-538-5340
 Fax: 801-359-3940

CONFIDENTIAL

A Gyrodata Directional Survey

PRICE VENTURES

Lease: BOLINDER Well: BOLINDER 2-2, 2 7/8 DRILL PIPE

Location: PROFESSIONAL #4, EMERY COUNTY

Job Number: RM1011G00662

MEASURED DEPTH feet	INCL deg.	AZIMUTH deg.	DOGLEG SEVERITY deg./ 100 ft.	VERTICAL DEPTH feet	CLOSURE DIST. AZIMUTH feet deg.	HORIZONTAL COORDINATES feet
0.00	0.00	0.00	0.00	0.00	0.0 0.0	0.00 N 0.00 E

RATE GYROSCOPIC WHIPSTOCK ORIENTATION RUN INSIDE 2 7/8 DRILL PIPE
ALL MEASURED DEPTHS AND COORDINATES REFERENCED TO RIG FLOOR RKB OF 10 FEET.
GYRO TOOLFACE EQUALS DIRECTION OF KEYWAY INSIDE UBHO SUB.

3314.00	0.82	253.69	0.02	3313.89	23.8 253.7	6.69 S 22.87 W
3314.00	0.82	253.58	0.00	3313.89	23.8 253.7	6.69 S 22.87 W
3314.00	0.82	253.49	0.00	3313.89	23.8 253.7	6.69 S 22.87 W
3314.00	0.81	248.47	0.00	3313.89	23.8 253.7	6.69 S 22.87 W
3319.00	0.83	247.81	0.45	3318.89	23.9 253.7	6.72 S 22.94 W
3324.00	0.85	246.79	0.47	3323.88	24.0 253.7	6.75 S 23.01 W
3324.00	0.85	246.86	0.00	3323.88	24.0 253.7	6.75 S 23.01 W
3324.00	0.86	247.31	0.00	3323.88	24.0 253.7	6.75 S 23.01 W
3338.00	0.89	245.19	0.31	3337.88	24.2 253.6	6.83 S 23.20 W



**DRILLING SERVICES
END OF WELL REPORT**

CONFIDENTIAL

**FOR
Erick Estrada and Jim Woosley
Pride Ventures LLC
Bolinder 2-2
Emery Co., UT**

Weatherford Drilling Services job start date : 10-1-2011

Weatherford Drilling Services job end date : 10-14-2011

Presented By:

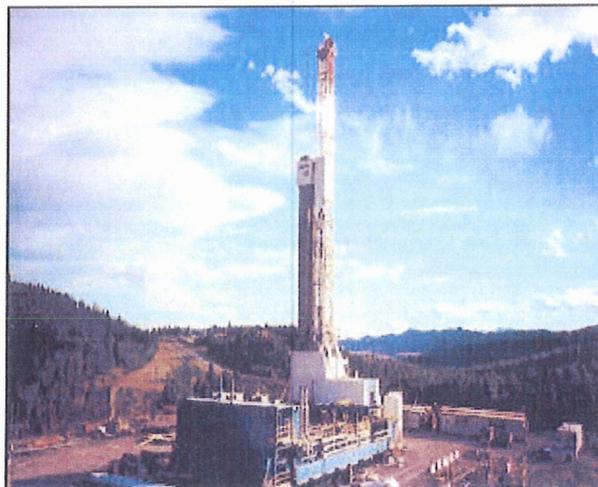
Damien Tarpley
Area Manager

Ryan Davis
Account Manager

Orry Armendariz
Directional Drilling Coordinator

Jesse Aguilar
MWD Coordinator

Pro 4





CONFIDENTIAL

10000 West County Road 116
P.O. Box 61028
Midland, Texas 79711
Phone (432) 561-8892

October 18, 2011

Erick Estrada and Jim Woosley
4800 College Drive
Farmington, New Mexico 87417

Reference Well Name : Bolinder 2-2
Location : Emery Co., UT
Wft Job # : 4024114
Rig : Pro 4

Dear Mr. Estrada and Mr. Woosley

Thank you for allowing us the opportunity to provide our services on your Bolinder 2-2 in Emery Co., UT.

Please find the final End Of Well (EOW) report enclosed behind this coverletter.

The EOW report contains the following information :

Section 1 - Weatherford (Wft) Final Definitive Survey & 8.5" x 11".

* Note: This survey contains the Directional Survey's obtained by Weatherford Drilling Services via Weatherford MWD Services, and any gyro survey needed for Tie On (if required).

Section 2- Days vs. Feet Drilled (24 hrs) and Days vs. Depth Graphs

Section 3 - Wft Final BHA reports (BHA Graphic Reports, BHA Detail Reports, Motor Evaluation Reports, and BHA Slide Reports).

Section 4- Wft Final Daily Drilling reports.

Section 5 - Wft Personnel list with contact numbers.

We at *Weatherford Drilling Services'* understand the importance of this project to you and hope that you were satisfied with our Directional Drilling and MWD services provided.

Please feel free to contact me if you have any questions.

Sincerely,

Damien Tarpley
Area Manager
Weatherford Drilling Services

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Weatherford

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Pride Ventures LLC
Bolinder 2-2
Emery Co., UT

Section 1

Weatherford (Wft) Final Definitive

Plot & Survey

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DIV. OF OIL, GAS & MINING

Pride Ventures, LLC.
Bolinder 2-2
Emery Co., Utah

SECTION DETAILS										
Sec	MD	Inc	Azi	TVD	+N/-S	+E/-W	DLeg	TFace	VSec	Target
1	0.00	0.00	274.99	0.00	0.00	0.00	0.00	0.00	0.00	
2	3380.00	0.00	274.99	3380.00	0.00	0.00	0.00	0.00	0.00	
3	4008.32	90.00	274.99	3780.00	34.78	-398.49	14.32	274.99	400.00	
4	4792.80	90.00	274.99	3780.00	103.00	-1180.00	0.00	0.00	1184.49	PBHL

FIELD DETAILS	
Emery Co., Utah	
Geodetic System:	US State Plane Coordinate System 1983
Ellipsoid:	GRS 1980
Zone:	Utah, Central Zone
Magnetic Model:	IGRF2010
System Datum:	Mean Sea Level
Local North:	True North

WELL DETAILS							
Name	+N/-S	+E/-W	Northing	Easting	Latitude	Longitude	Slot
2-2	0.00	0.00	6975276.34	1913526.73	39°27'53.280N	110°31'57.363W	N/A

SITE DETAILS	
Bolinder 2-2	
Site Centre Latitude:	39°27'53.280N
Longitude:	110°31'57.363W
Ground Level:	5366.00
Positional Uncertainty:	0.00
Convergence:	0.62

TARGET DETAILS						
Name	TVD	+N/-S	+E/-W	Northing	Easting	Shape
PBHL	3780.00	103.00	-1180.00	6975366.58	1912345.68	Point

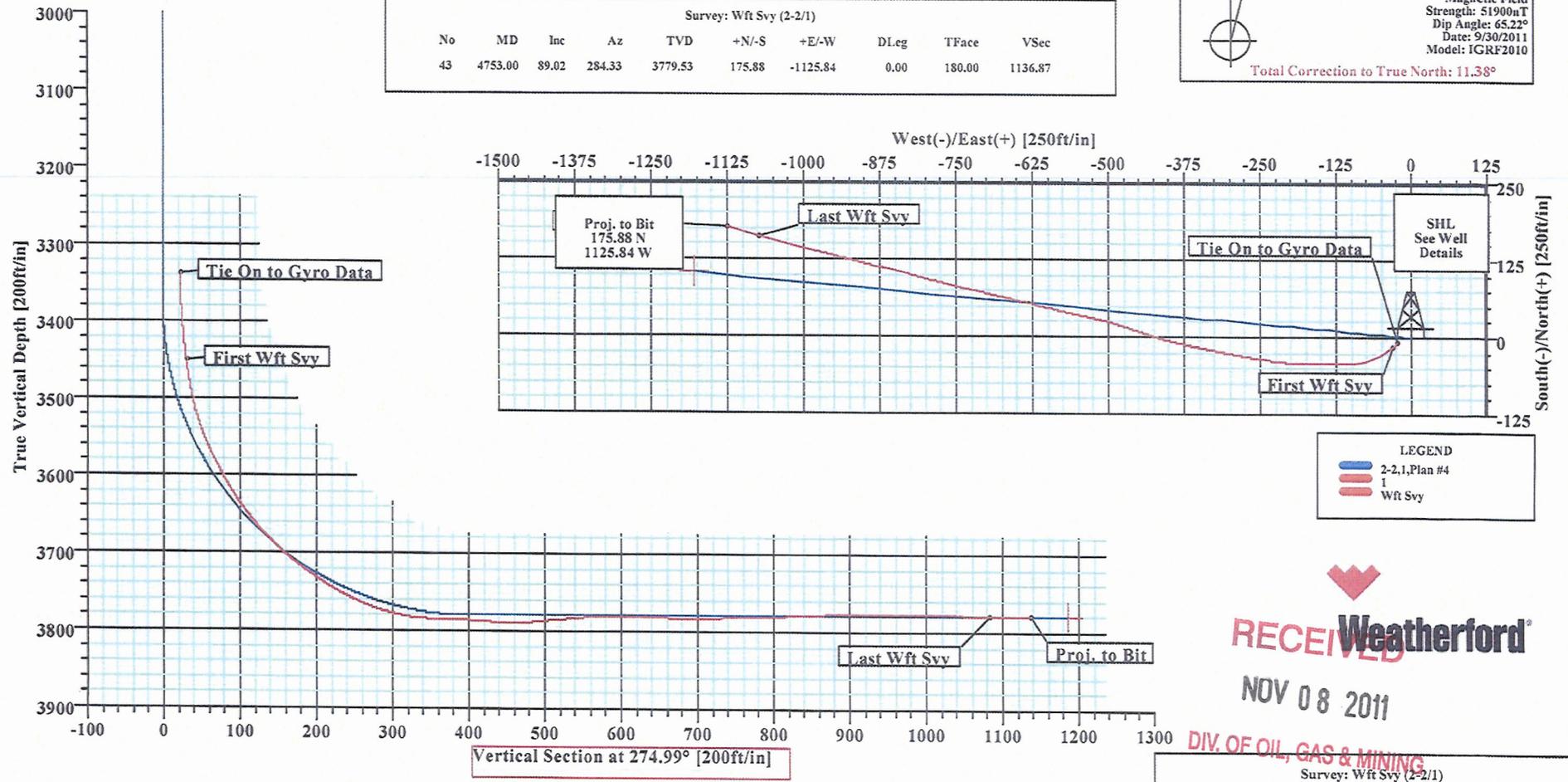
Azimuths to True North
Magnetic North: 11.38°

Magnetic Field
Strength: 51900nT
Dip Angle: 65.22°
Date: 9/30/2011
Model: IGRF2010

Total Correction to True North: 11.38°

Survey: Wft Svy (2-2/1)										
No	MD	Inc	Az	TVD	+N/-S	+E/-W	DLeg	TFace	VSec	
43	4753.00	89.02	284.33	3779.53	175.88	-1125.84	0.00	180.00	1136.87	

KB ELEV: 5376
GL ELEV: 5366



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Weatherford
NOV 08 2011

Weatherford International Ltd.

WFT Survey Report X & Y's



Company: Pride Ventures, LLC.	Date: 10/18/2011	Time: 08:29:01	Page: 1
Field: Emery Co., Utah	Co-ordinate(NE) Reference: Well: 2-2, True North		
Site: Bolinder 2-2	Vertical (TVD) Reference: SITE 5376.0		
Well: 2-2	Section (VS) Reference: Well (0.00N,0.00E,274.99Azi)		
Wellpath: 1	Survey Calculation Method: Minimum Curvature	Db: Sybase	

Survey: Wft Svy	Start Date: 10/10/2011	
Company: Weatherford International Ltd.	Engineer: Patrick Rudolph	
Tool: MWD;MWD - Standard	Tied-to: User Defined	

Field: Emery Co., Utah		
Map System: US State Plane Coordinate System 1983	Map Zone: Utah, Central Zone	
Geo Datum: GRS 1980	Coordinate System: Well Centre	
Sys Datum: Mean Sea Level	Geomagnetic Model: IGRF2010	

Site: Bolinder 2-2		
Site Position:	Northing: 6975276.34 ft	Latitude: 39 27 53.280 N
From: Geographic	Easting: 1913526.73 ft	Longitude: 110 31 57.363 W
Position Uncertainty: 0.00 ft		North Reference: True
Ground Level: 5366.00 ft		Grid Convergence: 0.62 deg

Well: 2-2			Slot Name:		
Well Position:	+N/-S 0.00 ft	Northing: 6975276.34 ft	Latitude: 39 27 53.280 N	+E/-W 0.00 ft	Easting: 1913526.73 ft
			Longitude: 110 31 57.363 W		
Position Uncertainty:	0.00 ft				

Wellpath: 1			Drilled From: Surface		
Current Datum: SITE	Height 5376.00 ft	Tie-on Depth: 0.00 ft			
Magnetic Data: 9/30/2011		Above System Datum: Mean Sea Level			
Field Strength: 51900 nT		Declination: 11.38 deg			
Vertical Section: Depth From (TVD)	+N/-S	Mag Dip Angle: 65.22 deg			
ft	ft	ft			
0.00	0.00	0.00			
		274.99			
		deg			

Survey										
MD	Incl	Azim	TVD	N/S	E/W	DLS	VS	MapN	MapE	Comment
ft	deg	deg	ft	ft	ft	deg/100ft	ft	ft	ft	
3338.00	0.89	245.19	3337.88	-6.83	-23.20	0.00	22.52	6975269.26	1913503.60	Tie On to Gyro
3450.00	10.92	227.15	3449.15	-14.43	-31.79	9.00	30.41	6975261.57	1913495.10	First Wft Svy
3482.00	13.12	230.30	3480.44	-18.81	-36.81	7.17	35.03	6975257.14	1913490.13	
3513.00	17.38	238.51	3510.35	-23.48	-43.47	15.37	41.26	6975252.40	1913483.52	
3544.00	23.19	242.51	3539.41	-28.72	-52.84	19.26	50.14	6975247.05	1913474.21	
3576.00	27.38	249.01	3568.35	-34.27	-65.30	15.69	62.08	6975241.37	1913461.80	
3607.00	29.56	257.13	3595.61	-38.53	-79.42	14.32	75.77	6975236.96	1913447.73	
3639.00	33.41	265.31	3622.90	-41.01	-95.91	17.95	91.98	6975234.30	1913431.27	
3671.00	37.61	268.64	3648.95	-41.96	-114.46	14.45	110.38	6975233.15	1913412.73	
3702.00	42.21	270.48	3672.72	-42.10	-134.34	15.32	130.17	6975232.80	1913392.85	
3734.00	47.63	270.62	3695.37	-41.88	-156.93	16.94	152.69	6975232.77	1913370.26	
3765.00	53.55	270.72	3715.04	-41.60	-180.87	19.10	176.57	6975232.79	1913346.32	
3797.00	56.06	274.03	3733.49	-40.50	-206.99	11.53	202.68	6975233.60	1913320.19	
3828.00	61.20	277.81	3749.63	-37.75	-233.30	19.57	229.13	6975236.07	1913293.85	
3854.00	65.71	279.69	3761.24	-34.21	-256.28	18.51	252.33	6975239.37	1913270.84	
3885.00	72.21	279.96	3772.37	-29.27	-284.77	20.98	281.15	6975244.00	1913242.29	
3916.00	78.84	280.26	3780.11	-24.00	-314.30	21.41	311.03	6975248.94	1913212.70	
3947.00	86.03	280.84	3784.19	-18.38	-344.49	23.27	341.59	6975254.24	1913182.45	
3977.00	89.81	282.71	3785.28	-12.26	-373.84	14.06	371.35	6975260.04	1913153.05	
4009.00	85.55	284.47	3786.57	-4.75	-404.91	14.40	402.96	6975267.21	1913121.90	
4040.00	86.21	287.26	3788.80	3.70	-434.65	9.23	433.32	6975275.34	1913092.07	
4072.00	91.31	288.13	3789.49	13.42	-465.11	16.17	464.52	6975284.73	1913061.50	
4103.00	95.94	286.00	3787.53	22.50	-494.68	16.43	494.76	6975293.49	1913031.83	
4135.00	95.27	282.52	3784.41	30.34	-525.54	11.02	526.19	6975301.00	1913000.89	

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Weatherford International Ltd.

WFT Survey Report X & Y's



Weatherford

Company: Pride Ventures, LLC.	Date: 10/18/2011	Time: 08:29:01	Page: 2
Field: Emery Co., Utah	Co-ordinate(NE) Reference:	Well: 2-2, True North	
Site: Bolinder 2-2	Vertical (TVD) Reference:	SITE 5376.0	
Well: 2-2	Section (VS) Reference:	Well (0.00N,0.00E,274.99Azi)	
Wellpath: 1	Survey Calculation Method:	Minimum Curvature	Db: Sybase

Survey

MD ft	Incl deg	Azim deg	TVD ft	N/S ft	E/W ft	DLS deg/100ft	VS ft	MapN ft	MapE ft	Comment
4164.00	94.26	282.11	3782.00	36.50	-553.77	3.76	554.85	6975306.86	1912972.59	
4195.00	89.54	283.05	3780.97	43.25	-584.01	15.52	585.55	6975313.28	1912942.29	
4227.00	88.94	283.63	3781.40	50.63	-615.14	2.61	617.21	6975320.32	1912911.08	
4258.00	88.78	283.24	3782.01	57.84	-645.28	1.36	647.87	6975327.20	1912880.86	
4289.00	89.25	283.01	3782.55	64.87	-675.47	1.89	678.55	6975333.91	1912850.60	
4320.00	90.56	283.26	3782.60	71.92	-705.66	4.30	709.24	6975340.63	1912820.33	
4352.00	90.88	282.88	3782.19	79.15	-736.83	1.55	740.92	6975347.52	1912789.09	
4383.00	91.06	282.76	3781.67	86.03	-767.05	0.70	771.63	6975354.07	1912758.79	
4415.00	92.39	283.36	3780.71	93.26	-798.21	4.56	803.29	6975360.97	1912727.56	
4446.00	92.13	283.83	3779.48	100.54	-828.31	1.73	833.92	6975367.92	1912697.38	
4478.00	92.69	283.88	3778.14	108.20	-859.36	1.76	865.51	6975375.24	1912666.25	
4509.00	91.66	283.96	3776.96	115.65	-889.42	3.33	896.11	6975382.37	1912636.11	
4541.00	89.94	284.26	3776.52	123.45	-920.45	5.46	927.70	6975389.83	1912604.99	
4572.00	88.63	284.13	3776.90	131.05	-950.50	4.25	958.30	6975397.11	1912574.86	
4604.00	89.50	284.38	3777.42	138.93	-981.51	2.83	989.88	6975404.65	1912543.77	
4636.00	89.25	284.38	3777.77	146.87	-1012.51	0.78	1021.45	6975412.26	1912512.69	
4667.00	89.35	284.40	3778.15	154.58	-1042.54	0.33	1052.03	6975419.64	1912482.58	
4699.00	89.02	284.33	3778.61	162.52	-1073.53	1.05	1083.60	6975427.24	1912451.50	Last Wft Svy
4753.00	89.02	284.33	3779.53	175.88	-1125.84	0.00	1136.87	6975440.04	1912399.05	Proj. to Bit

Annotation

MD ft	TVD ft	
3338.00	3337.88	Tie On to Gyro Data
3450.00	3449.15	First Wft Svy
4699.00	3778.61	Last Wft Svy
4753.00	3779.53	Proj. to Bit

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DIV. OF OIL, GAS & MINING

A Gyrodata Directional Survey

PRICE VENTURES

Lease: BOLINDER Well: BOLINDER 2-2, 2 7/8 DRILL PIPE

Location: PROFESSIONAL #4, EMERY COUNTY

Job Number: RM1011GOO662

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DIV. OF OIL, GAS & MINING

MEASURED DEPTH feet	INCL deg.	AZIMUTH deg.	DOGLEG SEVERITY deg./ 100 ft.	VERTICAL DEPTH feet	CLOSURE DIST. AZIMUTH feet deg.	HORIZONTAL COORDINATES feet
0.00	0.00	0.00	0.00	0.00	0.0 0.0	0.00 N 0.00 E

**RATE GYROSCOPIC WHIPSTOCK ORIENTATION RUN INSIDE 2 7/8 DRILL PIPE
ALL MEASURED DEPTHS AND COORDINATES REFERENCED TO RIG FLOOR RKB OF 10 FEET.
GYRO TOOLFACE EQUALS DIRECTION OF KEYWAY INSIDE UBHO SUB.**

3314.00	0.82	253.69	0.02	3313.89	23.8 253.7	6.69 S 22.87 W
3314.00	0.82	253.58	0.00	3313.89	23.8 253.7	6.69 S 22.87 W
3314.00	0.82	253.49	0.00	3313.89	23.8 253.7	6.69 S 22.87 W
3314.00	0.81	248.47	0.00	3313.89	23.8 253.7	6.69 S 22.87 W
3319.00	0.83	247.81	0.45	3318.89	23.9 253.7	6.72 S 22.94 W
3324.00	0.85	246.79	0.47	3323.88	24.0 253.7	6.75 S 23.01 W
3324.00	0.85	246.86	0.00	3323.88	24.0 253.7	6.75 S 23.01 W
3324.00	0.86	247.31	0.00	3323.88	24.0 253.7	6.75 S 23.01 W
3338.00	0.89	245.19	0.31	3337.88	24.2 253.6	6.83 S 23.20 W

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

SUNDRY NOTICES AND REPORTS ON WELLS		5. LEASE DESIGNATION AND SERIAL NUMBER: ML-52057-OBA
Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.		6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
1. TYPE OF WELL OIL WELL <input checked="" type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER <u>CONFIDENTIAL</u>		7. UNIT or CA AGREEMENT NAME: N/A
2. NAME OF OPERATOR: Pride Ventures, LLC		8. WELL NAME and NUMBER: Bolinder 2-2
3. ADDRESS OF OPERATOR: P.O. Box 328 CITY <u>Bloomfield</u> STATE <u>NM</u> ZIP <u>87413</u>		9. API NUMBER: 4301530143
		10. FIELD AND POOL, OR WILDCAT: Grassy Trail
4. LOCATION OF WELL FOOTAGES AT SURFACE: 1788' FNL 793' FEL		COUNTY: Emery
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: SENE 2 16S 12E		STATE: UTAH

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA			
TYPE OF SUBMISSION	TYPE OF ACTION		
<input type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: 	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> REPERFORATE CURRENT FORMATION
	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> SIDETRACK TO REPAIR WELL
<input checked="" type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion: 10/19/2011	<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>Horizontal Lateral</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.

9-28-11 Tag into 6 1/8" open hole @ 3652'. 9-29-11 Shut-down. 9-30-11 Cement previous drain hole 5.5 bbls cement, 27 sacks of Class G cement. Cement used as balance plug from 3617'. 10-1 to 10-3-11 Drilled cement to 3455', set 7 5/8" bridge plug at 3400'. Orient and set whipstock. 10-4 to 10-5-11 Drill window and rathole. 10-6 to 10-7-11 Drilled in 10' segments orienting motor with gyro 6 1/8" hole to 3485' MD. 10-8-11 Drilled to 3902' MD. 10-9-11 Drilled to 3976' MD. 10-10-11 Drilled to 4066' MD. 10-11-11 Drilled to 4160' MD. 10-12-11 Drilled to 4312' MD. 10-13-11 Change bit and motor. 10-14-11 Drilled to 4626' MD. 10-15-11 Reached TD @ 4753' MD. Circulate. 10-16 to 10-17-11 Trip out with BHA and swab well. Trip in hole with 2 3/8" tubing and 3/4" rods, set intake at 3600' MD.

NAME (PLEASE PRINT) <u>Robert G. Chenault</u>	TITLE <u>Registered Agent</u>
SIGNATURE	DATE <u>11-1-11</u>

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DIV. OF OIL, GAS & MINING

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

FORM 9

5. LEASE DESIGNATION AND SERIAL NUMBER:
ML-52057-OBA

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:
N/A

1. TYPE OF WELL OIL WELL GAS WELL OTHER _____

8. WELL NAME and NUMBER:
Bolinder 2-2

2. NAME OF OPERATOR:
Pride Ventures, LLC

9. API NUMBER:
4301530143

3. ADDRESS OF OPERATOR:
PO Box 328 CITY **Bloomfield** STATE **NM** ZIP **87413**

PHONE NUMBER:
(505) 436-2045

10. FIELD AND POOL, OR WILDCAT:
Grassy Trail

4. LOCATION OF WELL
FOOTAGES AT SURFACE: **1788' FNL 793' FEL**

COUNTY: **Emery**

QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: **SENE 2 16S 12E**

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"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion: _____	<input type="checkbox"/> CASING REPAIR	<input type="checkbox"/> NEW CONSTRUCTION	<input type="checkbox"/> TEMPORARILY ABANDON
	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> TUBING REPAIR
	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> VENT OR FLARE
	<input type="checkbox"/> CHANGE WELL NAME	<input type="checkbox"/> PLUG BACK	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> PRODUCTION (START/RESUME)	<input type="checkbox"/> WATER SHUT-OFF
	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input checked="" type="checkbox"/> OTHER: Extension for reclaiming pit
	<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.

Pride Ventures is currently working on oil separation from the reserve pit. Due to the cold weather, separation can not be done. We respectfully request a 60 day extension for reclaiming the pit. Pride plans on pumping the pit to a holding tank which has chemical (reverser) in it which will separate the majority of the oil and water, then spin the tank. Once that is done we will then pump the oil from the holding tank to the separator. The separator will remove any water that might still be in the oil. The oil from the separator will be sent to our sales tank and any excess water to our water tank for disposal.

There is an estimated 200 to 300 bbls of oil in the reserve pit which we would like to make a sales load with. We are also exploring avenues to address the water issues with this well to make it an economical producing well.

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

COPY SENT TO OPERATOR

Date: 3-13-2012

Initials: KS

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MAR 07 2012

DIV. OF OIL, GAS & MINING

Date: 3-9-12

By: D. Chenault

NAME (PLEASE PRINT) Robert G. Chenault

TITLE Authorized Agent

SIGNATURE [Signature]

DATE 3/6/2012

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

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MAY 14 2012

FORM 9

DIV. OF OIL, GAS & MINING

SUNDRY NOTICES AND REPORTS ON WELLS

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

1. TYPE OF WELL OIL WELL <input checked="" type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER _____		5. LEASE DESIGNATION AND SERIAL NUMBER: ML-52057-OBA
2. NAME OF OPERATOR: Pride Ventures, LLC		6. IF INDIAN, ALLOTTEE OR TRIBE NAME: N/A
3. ADDRESS OF OPERATOR: PO Box 328 CITY Bloomfield STATE NM ZIP 87413		7. UNIT or CA AGREEMENT NAME: N/A
4. LOCATION OF WELL FOOTAGES AT SURFACE: 1788' FNL 793' FEL		8. WELL NAME and NUMBER: Bolinder 2-2
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: SENE 2 16S 12E		9. API NUMBER: 4301530143
COUNTY: Emery		10. FIELD AND POOL, OR WILDCAT: Grassy Trail
STATE: UTAH		

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

TYPE OF SUBMISSION	TYPE OF ACTION		
<input type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: _____	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> REPERFORATE CURRENT FORMATION
	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> SIDETRACK TO REPAIR WELL
	<input type="checkbox"/> CASING REPAIR	<input type="checkbox"/> NEW CONSTRUCTION	<input type="checkbox"/> TEMPORARILY ABANDON
	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> TUBING REPAIR
	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> VENT OR FLARE
<input checked="" type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion: 5/1/2012	<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: Pit Reclaimed
	<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.

As of May 1, 2012 Pride Ventures reclaimed the water reserve pit by backfilling and re-contouring any surface disturbance. Pictures are attached of the completed work.

NAME (PLEASE PRINT) Robert G. Chenault	TITLE Authorized Agent
SIGNATURE 	DATE 5/4/2012

(This space for State use only)





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

FORM 9

SUNDRY NOTICES AND REPORTS ON WELLS		5. LEASE DESIGNATION AND SERIAL NUMBER: ML-52057OBA
Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.		6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
1. TYPE OF WELL OIL WELL <input checked="" type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER _____		7. UNIT or CA AGREEMENT NAME:
2. NAME OF OPERATOR: Pride Ventures, LLC		8. WELL NAME and NUMBER: Bolinder 2-2
3. ADDRESS OF OPERATOR: PO Box 328 CITY Bloomfield STATE NM ZIP 87413		9. API NUMBER: 4301530143
		10. FIELD AND POOL, OR WILDCAT: Grassy Trail
4. LOCATION OF WELL FOOTAGES AT SURFACE: 1788' FNL 793' FEL COUNTY: Emery		
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: SENE 2 16s 12E STATE: UTAH		

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA			
TYPE OF SUBMISSION	TYPE OF ACTION		
<input type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: _____	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> REPERFORATE CURRENT FORMATION
	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> SIDETRACK TO REPAIR WELL
<input type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion: _____	<input type="checkbox"/> CASING REPAIR	<input type="checkbox"/> NEW CONSTRUCTION	<input type="checkbox"/> TEMPORARILY ABANDON
	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> TUBING REPAIR
	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> VENT OR FLARE
	<input type="checkbox"/> CHANGE WELL NAME	<input type="checkbox"/> PLUG BACK	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> PRODUCTION (START/RESUME)	<input type="checkbox"/> WATER SHUT-OFF
	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input checked="" type="checkbox"/> OTHER: <u>Remove 1 1/2 yards contaminated soil</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.

The separator froze while the well was pumping which caused the separator to overbalance and the relief valve to break. Water and oil ran down the side of the separator onto the ground around the separator. As of 4/1/13 we have laid down bisqueen as a barrier, steamed off the separator onto the barrier, racked and shoveled the contaminated soil onto the bisqueen and mixed it with fertilizer and peat moss

We have put a temporary fence around the farming area and plan to farm with fertilizer and peat moss until we can get the estimated 1 1/2 yards of contaminated soil hauled to ECDC.

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APR 09 2013
DIV. OF OIL, GAS & MINING

NAME (PLEASE PRINT) <u>Robert G. Chenault</u>	TITLE <u>Authorized Agent</u>
SIGNATURE	DATE <u>4-3-13</u>

(This space for State use only)

Accepted by the
Utah Division of
Oil, Gas and Mining
For Record Only
PRIDE VENTURES LLC
P O Box 159
Moab, UT. 84532

RECEIVED

NOV 09 2015

DIV. OF OIL, GAS & MINING

Department of Natural Resources
Division of Oil Gas, and Mining
1594 West Temple, Suite 1210
Salt Lake City, UT. 84114-5801

November 4, 2015

RE: Bonding requirements

Dear Mr. Doucet:

Per our recent phone conversation I have enclosed two estimates for the plugging of well Bolinder 2-2 in section 2: T16S, R12E, Emery, county UT. in the Grassy Trails field.

I am also sending the plugging information for plugging the 3-16 well in section 16: 20S 21E Grand, county UT. This well was released on final inspection August 28, 2012. The price and procedure should be comparable to plugging the remaining two wells St-16-1 and Baxter 16-2. These two wells can be P & A for much less than the \$30,000.00 original bonding requirement. Bolinder 2-2 can be P & A for \$30,000.00 which was the original bonding requirement.

Pride has no plans to plug any of our wells. If the wells are not producing at this time, we intend to return them to production.

Pride Ventures has administrative approval from the Division of Oil Gas, and Mining to proceed with converting Bolinder C-1 well NE/4, SW/4 Sec 12: T16S, R12E, Emery, County to a commercial disposal well. When this is done, and we are moving on this project as fast as we can, we intend to return Bolinder 2-2 to production.

Pride Ventures is at this time trying to individualize bonding on the three State wells that we operate in order to have the \$120,000.00 Blanket bond [RLB0009735] released. This information enclosed and above should clearly demonstrate that each well can be P & A for the \$30,000.00.

Any information I can help with, please let me know.

Sincerely:


Jim Woosley

PRIDE VENTURES, LLC.
P. O. BOX 328
BLOOMFIELD, NM 87413-0328
(505) 325-7707

WELLS FARGO BANK, NA
95-218/1070

1655

3/31/2009

PAY TO THE ORDER OF Well Pluggers, Inc.

\$ **18,227.50

Eighteen Thousand Two Hundred Twenty-Seven and 50/100***** DOLLARS

Well Pluggers, Inc.
P.O. Box 304
Loma, CO 81524

COPY NOT NEGOTIABLE

MEMO P&A on State 16-3 Well

⑈001655⑈ ⑆107002192⑆ 8021035897⑈

PRIDE VENTURES, LLC.

1655

Well Pluggers, Inc.

Date	Type	Reference	Original Amt.	Balance Due	3/31/2009 Discount	Payment
3/26/2009	Bill	20719	18,227.50	18,227.50		18,227.50
				Check Amount		18,227.50

Well Fargo P&A on State 16-3 Well 18,227.50

PRIDE VENTURES, LLC.

1655

Well Pluggers, Inc.

Date	Type	Reference	Original Amt.	Balance Due	3/31/2009 Discount	Payment
3/26/2009	Bill	20719	18,227.50	18,227.50		18,227.50
				Check Amount		18,227.50

PAYMENT RECORD

Well Fargo P&A on State 16-3 Well 18,227.50

DAILY WORK REPORT

WELL PLUGGERS, INC.
(970) 250-4118
(970) 250-8770

Well Pluggers, Inc.

NO.

1360 HWY 6 & 90
LOMA, CO 81524

Customer Pride Ventures Date 3-11-09
 Well / Lease State 16-3 State Utah
 Work Order No. _____ Time _____ To _____ Area _____ Field Cusca
 START FINISH Rig No. #1

HOURS	DESCRIPTION
	1 st Plug 30sks Cement 2900' to 2350
	2 nd Plug 20sks Cement 670' (hole in 4 1/2 casing)
	3 rd Plug 20sks Cement 100' to Surface.
	4 th Plug 25sks Cement 670' to 50' 4 1/2" X 8 5/8" ANNULUS
	5 th Plug 12 sKs Cement 50' to Surface, 4 1/2" X 8 5/8" Annul
	Cut Well head off 4' Below Ground Level.
	Weld on Dry hole marker on casing & Cover.
	Bart Kettle with State of Utah OKed Plugs.
	Cement mixed & Pumped by Well Pluggers
	Class G neat mixed at 15.6 ^{1/2} gal to 15.8 ^{1/2} gal
	1.15 yield
	5 ^{1/2} gal mix water

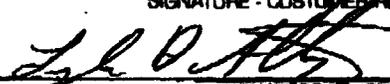
TOOL BOX SAFETY MEETING TOPIC:

CHARGE RECORD

Rig Time _____ Hrs. @ _____ Per Hr. _____ \$ _____	Fishing Tool x _____ \$ _____
Crow Travel x _____ \$ _____	Light Plant x _____ \$ _____
Mud Pump x Tank _____ \$ _____	Swab Cups * @ \$ _____ \$ _____
Power Swivel x _____ \$ _____	Swab Cups * @ \$ _____ \$ _____
J.J. Head x _____ \$ _____	Oil Sw: Rbr: * @ \$ _____ \$ _____
Blow-out Preventer x _____ \$ _____	TBG Wiper Rubber * @ \$ _____ \$ _____
Ranges x _____ \$ _____	Red Wiper Rubber * @ \$ _____ \$ _____
Tool Pusher _____ \$ _____	Permit (# _____) @ \$ _____ \$ _____
Mud Tank x _____ \$ _____	Other _____ \$ _____
Power Rod Tongs x _____ \$ _____	Other _____ \$ _____
Fuel _____ Gal. @ _____ Per Gal. _____ \$ _____	Other _____ \$ _____
Pipe Dope @ _____ Per Trip _____ \$ _____	Other _____ \$ _____
Paint @ _____ Per Trip _____ \$ _____	Other _____ \$ _____
Stripper Rubber * @ \$ _____ \$ _____	Colorado Sales Tax x _____ % _____ \$ _____
	Total Charges _____ \$ _____

CHARGE RECORD

Type Well Head _____ Mud Anchor _____ No. & Size Rods _____
 Packer Settings _____ Size Tubing _____ No. & Size Subs _____
 Type Packer _____ Subs _____ Pump Description (out) _____
 No. Jct. Tubing _____ Perf. Nppl. _____ (in) _____

SIGNATURE - CUSTOMER REPRESENTATIVE

 SIGNATURE - SUPERVISOR

	RIG	TRAVEL	TOTAL
OPERATOR: <u>Kelly</u>			
DERRICKMAN: <u>Jeremiah</u>			
FLOOR HAND: <u>Jessy</u>			
FLOOR HAND:			

Wellbore Diagram

API Well No: 43-019-30675-00-00 Permit No:

Well Name/No: STATE 16-3

Company Name: PRIDE VENTURES LLC

Location: Sec: 16 T: 20S R: 21E Spot: NESE

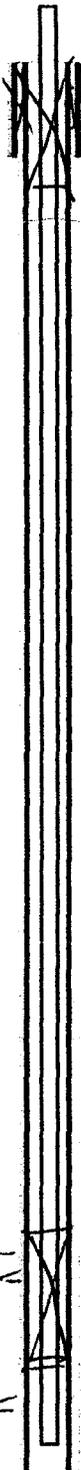
Coordinates: X: 621683 Y: 4324632

Field Name: GREATER CISCO

County Name: GRAND

String Information

String	Bottom (ft sub)	Diameter (inches)	Weight (lb/ft)	Length (ft)	Capacity (ft/ct)
HOL1	170	10.75			
SURF	170	8.625	24		2.797
HOL2	3309	6.875			
PROD	3300	4.5	116		11.459
TI	3237	2.375			
$6\frac{7}{8} \times 4\frac{1}{2} \text{ (208)}$					38348
$8\frac{7}{8} \times 4\frac{1}{2}$					4046



Cement from 170 ft. to surface

Surface: 8.635 in. @ 170 ft.

Hole: 10.75 in. @ 170 ft.

Plug #2

Propose 100' to surface
require 200' to surface

$200' / (1.18) (11.459) = 15 \times \text{reqd.}$

* Annulus 100' toward min.

Cement Information

String	BOC (ft sub)	TOC (ft sub)	Class	Sacks
PROD	3300	2169	H	250
SURF	170	0	H	200

Perforation Information

Top (ft sub)	Bottom (ft sub)	Shts/Ft	No Shts	Dt Squeeze
2633	3055			

Formation Information

Formation	Depth
MNCS	0
DKTA	2655
CDMTN	2725
SLTW	2845

Plug #1

Propose TOC @ 2533 (377' plug)

$377' / (1.18) (11.459) = 285 \times \text{reqd.}$

Cement from 3300 ft. to 2169 ft.

Tubing: 2.375 in. @ 3237 ft.

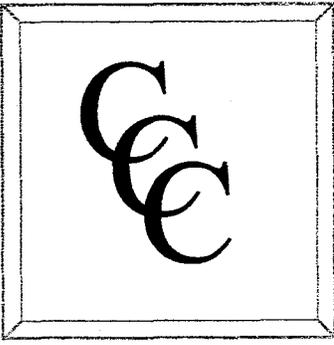
Production: 4.5 in. @ 3300 ft.

Hole: Unknown

Hole: 6.875 in. @ 3309 ft.

Tag @ 2533' minimum

TD: 3309 TVD: PBD:



COMPLETE CONSULTING COMPANY

**Complete Consulting Company
Cost estimate for plugging the
Bolinder #2-2**

**For Pride Ventures LLC
P.O. Box 159
Moab, UT 84532**

This bid consists of furnishing workover rig package with pump, pit, tubing, BOPs and all necessary tools.

Plugging as follows:

- 1. Furnish and run bridge plug and set @ 3382'**
- 2. Spot 140' cement plug from 3382' -3242' on top of BP 35 sks
15.50#**
- 3. Spot 140' plug from 2775'-2635' across Wingate FM
35 sks 15.50#**
- 4. Spot 140' cement plug from 2295'-2155' across
Navajo FM 35 sks 15.50#**
- 5. Spot 245' plug from 245' - surface 62 sks 15.50#**

Total sks = 167

Bid price \$28,500. Would consider taking all equipment for the restoration of location and access road.

Wellbore schematic

Bolinder #2-2
1840'FNL,800'FEL
Sec. 2, T16S,R12E.
Emery Conunty UT
LAT 39.4647 LNG 110.53212

GL 5378'
KB 5378'

Surface Casing
Hole Size 14-1/2"
CSG-40.5# J55
Set @ 242'
CMT top@ Surface

Formation Tops
Cedar MT. Surface
Morrison 535'
Summervil 1230'
Curtis 1405'
Entrada 1570'
Carmel 1890'
Navajo 2155'
Kayenta 2590'
Wingate 2635'
Chinle 3025'
Shinarump 3210'
Moenkopi 3330'

Intermediate Casing

Hole Size 9-7/8"
CSG 7-5/8' 26.4# J55
Ste @ 3710'
CMT Top Surface

Cemented from PBTD 3960'
back to 3375'. Drilled out cement to 3413'
and set wihpstock @ 3395'.

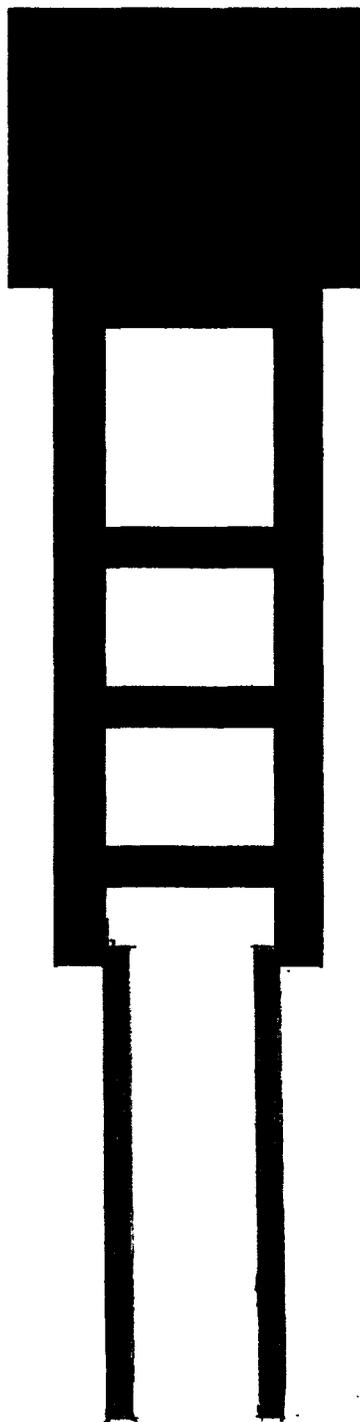
Liner

Hole Size 6-3/4"
CSG 4-1/2"
Set from 4130'-3586'
Cement Circulated

PBTD 3960'
TD 4130'

Bolinder #2-2
1840'FNL,800'FEL
Sec. 2, T16S,R12E.
Emery Conunty UT
LAT 39.4647 LNG 110.53212

GL 5378'
KB 5378'



Intermediate Casing

Hole Size 9-7/8"
CSG 7-5/8' 26.4# J55
Ste @ 3710'
CMT Top Surface

Surface Casing
Hole Size 14-1/2"
CSG-40.5# J55
Set @ 242'
CMT top@ Surface

Formation Tops

Cedar MT. Surface
Morrison 535'
Summervil 1230'
Curtis 1405'
Entrada 1570'
Carmel 1890'
Navajo 2155'
Kayenta 2590'
Wingate 2635'
Chinle 3025'
Shinarump 3210'
Moenkopi 3330'

Surface plug form 245'-
surface

140' plug across Navajo
from 2295'-2155'

140' plug across Wingate
from 2775'-2635'

BP and 140' cement plug
from 3382'-3242'

Liner

Hole Size 6-3/4"
CSG 4-1/2"
Set from 4130'-3586'
Cement Circulated

PBTD 3960'
TD 4130'

Pride Ventures LLC
 Box 159
 Moab, UT 84532

Bolinder #2-2
 1840' FNL, 800' FEL
 SE NE, Section 2, T16S, R12E
 Emery County, UT

LATITUDE: 39.4647 LONGITUDE: -110.53212
 GL: 5,368' KB: 5,378'

Current Wellbore

Surface Casing:

Hole Size - 14-1/2"
 CSG - 40.5# 40.5# J-55
 Set @ 242'
 CMT Top @ Surface

Intermediate Casing:

Hole Size - 9-7/8"
 CSG - 7-5/8" 26.4# J-55
 Set @ 3710'
 CMT Top @ Surface

Liner:

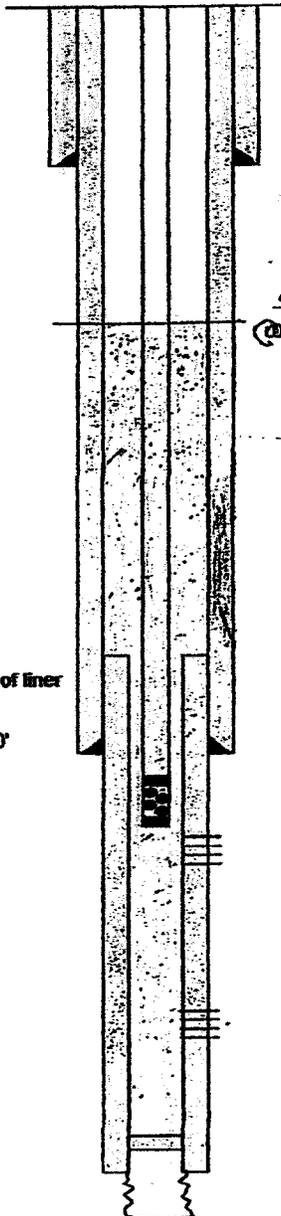
Hole Size - 6-3/4"
 CSG - 4-1/2"
 Set @ 4130'
 CMT Top @ Circulated

Tubing

2-7/8" 4.7# J-55
 Set @ 3,679'
 BHA:
 Tbg, perf'd nipple @ 3640'.
 SN @ 3477', 3/4" rods

Formation Tops

Formation	Top
Cedar Mt.	Surface
Morrison	535'
Summerville	1,230'
Curtis	1,405'
Entrada	1,570'
Camel	1,890'
Navajo	2,155'
Kayenta	2,590'
Wingate	2,635'
Chinle	3,025'
Shinarump	3,210'
Moenkopi	3,330'



242'

3395'

set whipstock @ 3395' retainer

cemented from PBD 3960' back to 3375': drilled out cement to 3413' & set whipstock @ 3395'

3586' Top of liner

3710'

PBD= 3,960'
 TD= 4,130'



Pride Ventures LLC

Plug and Abandonment Proposal 4 day bid

P&A proposal for the Bolinder #2-2
Emery County, Utah

Prepared for **Pride Ventures LLC**
10/22/2015

Date 10/22/2015
Version #1

10/22/2015
Submitted by
Tyler Lamb
Peak Well Service LLC
2927 West Highway 40
Roosevelt, Utah 84066
435-722-1282



Pride Ventures LLC

Re: Bolinder #2-2

Peak Well Service LLC would P&A the well for the following, per the procedure provided.

Bolinder #2-2 \$29,000.00 (Peak keeps all rods, tubing and casing and all surface production equipment).

Bid Includes

- 145 total sacks of 16.4# cement – 30 sxs at 3395', 30 sxs at 2680', 30 sxs at 2205', 55 sxs at surface.
- Casing Equipment
- Corrosion Inhibitor
- 2 3/8" N 80 work string if needed
- Winch Truck to haul our own equipment

This bid does not include

- 400 bbl tank to circulate oil into
- Disposal of fluid
- Dirt work beyond filling the wellbore
- Road access/Catting in equipment

This bid would also include the well servicing rig, cementing equipment, pump, welder, 7 1/16" 5000# BOP, tools (retainers, bits, etc), wireline, a backhoe, trucking of our own pump, and supervision. This bid does not include the hot oiling, "cating" in equipment, removing tank batteries, any dirt work beyond filling in the wellbore, disposal of fluids, or the water to circulate the well. Pride Ventures LLC will provide a tank to circulate oil into and blow down the well prior to the rig moving in. Peak Well Service LLC will circulate oil and returns to this tank.



If down hole problems are encountered (hunting casing leaks, cannot get plugs to set depths, extra squeezes, need to fish, etc) and/or the State or the BLM changes the procedure on location, extra rig time is at going rates, extra cement at \$30.00/sack pumped, and outside services are at cost.

EQUIPMENT LIST ABANDONMENT SERVICES

- Well Servicing Rig
(Includes operator and two hands and supervisor)
- 7 1/16" 5,000# BOPE
(Includes accumulator, pipe rams, and rubber goods)
- Hoses, lines, and connections to rig up all equipment
- Handling equipment for rods and tubing and casing
- Casing tongs
- 2 3/8" and 2 7/8" Swab equipment with lubricator
- Cementing equipment
- Triplex pump
- Water truck
- Backhoe and trailer
- Welder
- Wireline as required per the procedures provided
- 2 3/8" N80 work string required
- Winch truck to move our own equipment

Thank You.



Conditions:

This cost in this analysis is good for the materials and/or services outlined within. These prices are based on Peak being awarded the work on a first call basis. Prices will be reviewed for adjustments if awarded on the 2nd or 3rd call basis and/or after 30 days of this written analysis. This is in an effort to schedule our work to maintain a high quality of performance for our customers.

The unit prices stated in this proposal are based on current published prices. The projected equipment, personnel, and material needs are only estimates based on the information about the work presently available to us. At the time the work is actually performed, conditions then existing may require an increase or decrease in the equipment, personnel, and/or material needs. Charges will be based upon unit process in effect at the time the work is performed and the amount of equipment, personnel, and/or material is actually utilized in the work. Taxes, if any are not included. Applicable taxes, if any, will be added to the actual invoice.

It is understood and agreed between the parties that exception of subject discounts, all services performed and equipment and materials sold are provided subject to Peaks General Terms and Conditions (which include LIMITATION OF LIABILITY and WARRENTY provisions), and pursuant to the applicable MSA or sales contract between your company and Peak Well Service LLC. If customer does not have an approved open account with Peak Well Service or a mutually executed written contract with Peak, which dictates payment terms different than those set forth in this clause, all sums due are payable in cash at the time of performance of services or delivery of equipment, products or materials. If customer has an approved open account, invoices are payable on the 30th day after date of the invoice.

Customer agrees to pay interest on any unpaid balance from the date payable until paid at the highest lawful contract rate applicable, but never to exceed 18% per annum. In the event Peak employs an attorney for collection of any account, customer agrees to pay attorney fees of 20% of the unpaid account, plus all collection and court costs.

Accepted by the
Utah Division of
Oil, Gas and Mining
For Record Only

PRIDE VENTURES LLC
P O Box 159
Moab, UT. 84532

RECEIVED
JAN 13 2016

DIV. OF OIL, GAS & MINING

Department of Natural Resources
Division of Oil Gas and Mining
1594 West Temple, Suite 1210
SLC, UT. 84114-5801

December 28, 2015

Dear Mr. Doucet:

Pride Ventures LLC. has three remaining wells on Utah State and or SITLA leases. I will out-line the conditions of each well and the plan for each well plus the approximated dates work will be done on each well.

Well 16-1, Sec 16: NENE 20S 21E Grand co. UT. API-4301930546

On the 6-28-2007 Pride Ventures ran a CBL/GR/CCL and found good cement behind the 5.5" casing up to at least 1700'. Ran a gage-ring to 2800'. Set CIBP at 2754' and ran two dump bailers of cement on top of the CIBP. Pressure tested the 5.5" casing to 1000 PSI and held for 15 minutes.

Perforated: 2709'-2713'; 2718'-2723' w 4 shots /ft. in the Dakota SS B zone
2670'-2676'; 2680'-2688' w 4 shots / ft. in the Dakota SS A zone

On 7/2/2007 we did a formation acid break-down using 1000 gals. of HCl 12-5%-18.0% per gal. Swab and put well on production.

We have no MIT information on this well, however we did pressure up to 1000 PSI on the 5.5" casing during plug back procedures and up 1800 PSI on acid break-down. This well will build up to 245 PSI on the well head (on the 5.5" casing) with no leaks and 0 PSI around the surface casing. At this time the well has a hole in the tubing, and will, therefore, require a service rig for repairs.

This well, along with Baxter 2, are impossible to get to with rigs during winter months or after rains because of road conditions. Depending on weather conditions, well 16-1 will be returned to production on approximately April, 2016.

Well Baxter 16-2, Sec 16: SENE 20S 21E Grand Co. UT. API-4301930590

We built all new facilities, tank battery, flow lines, separator and hook-up, manifold, etc., and set pumping unit, and new engine. Then swobbed, ran bottom hole pump, and put well on pump.

Although the well is still pumping a small amount of fluid, the bottom-hole pump is slipping and needs a new pump, this will also require a service rig.

This well also has a large shut-in PSI with no leaks around the casing and well-head nor surface casing.

The bottom-hole pump will be change out as soon as the rig is finished on well 16-1, approximately April 7th. 2016.

Both the 16-1 well and the Baxter-2 where assigned to Pride Ventures along with the operating rights as Orphan Wells only. Since Pride Ventures has only the well bores, we have been

somewhat concerned as to how much time and revenue should be spent on wells. We do not have control of the lease acres itself. However it appears that Pride Ventures is getting the assignments from Cabot Oil and Gas, to Patara O & G, to CCI and finally to Pride Ventures.

Well Bolinder 2-2 Sec 2: SENE 16S 12E Emery Co. UT, API-4301530143

Pride Ventures does not have any MIT information on this well bore. We did however, run a scrapper and gage-ring in the 7 5/8" casing and cemented over the old perforations back to 3413'. We set a CIBP on the cement and pressured up to 1000 PSI on the 7 5/8" casing for 15 mins. with no leak off before we sit a whip-stock to began the horizontal project. The original CBL showed good cement to the surface. I am reasonably sure that the 7 5/8" casing has integrity.

This well has a hole in the 2 3/8" tubing and will require a service rig for repairs. The work on Bolinder 2-2 will be done as soon as the Bolinder C-1 well in Sec12: 16S 12E conversion work is finished. (mentioned in paragraph four in the letter to you dated November 4, 2015).

Estimated date is in May 2016. If the C-1 well is not converted to a water disposal well we will then PA the Bolinder 2-2 well.

Any other information that I can help with let me know.

Sincerely;



Jim Woosley

Phone # 435-259-1763

435-260-2635 cell

e-mail woosleyj35@yahoo.com