

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

FORM 3

AMENDED REPORT   
(highlight changes)

<b>APPLICATION FOR PERMIT TO DRILL</b>			5. MINERAL LEASE NO: FREE	6. SURFACE: FREE
1A. TYPE OF WORK: DRILL <input checked="" type="checkbox"/> REENTER <input type="checkbox"/> DEEPEN <input 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:	
2. NAME OF OPERATOR: TITAN ENERGY CORP. 33601 Hunt 43, Box 37			9. WELL NAME and NUMBER: McDonald # 1	
3. ADDRESS OF OPERATOR: Thomasville CITY AL. STATE AL. ZIP 36784			10. FIELD AND POOL, OR WILDCAT: Wildcat	
4. LOCATION OF WELL (FOOTAGES) west line AT SURFACE: 501768X AT PROPOSED PRODUCING ZONE: 43481244			11. QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: N 1/4 S 1/4 Sec. 1 T18S, R8E	
14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE: 2 North State 10 Huntington, Ut.			12. COUNTY: Emery	13. STATE: UTAH
15. DISTANCE TO NEAREST PROPERTY OR LEASE LINE (FEET)	16. NUMBER OF ACRES IN LEASE: 55	17. NUMBER OF ACRES ASSIGNED TO THIS WELL: 40		
18. DISTANCE TO NEAREST WELL (DRILLING, COMPLETED, OR APPLIED FOR) ON THIS LEASE (FEET) NONE	19. PROPOSED DEPTH: 2500 ft.	20. BOND DESCRIPTION: Irrevocable letter of Credit		
21. ELEVATIONS (SHOW WHETHER DF, RT, GR, ETC.): 5769.8'	22. APPROXIMATE DATE WORK WILL START: Nov, 20 - 08	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
9 5/8	7" J55 17.00	180'	Class A 75 sks 85 Co ft. 14.2
6 1/4	4 1/2 PAd 11.6	2500'	Class A 158 sks 165 Co ft. 14.2
	Coal Seam Gas		Class A 65 sks 71 Co ft. 14.2

25. ATTACHMENTS

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

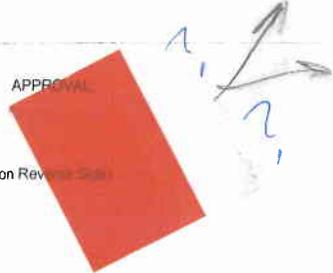
<input checked="" type="checkbox"/> WELL PLAT OR MAP PREPARED BY LICENSED SURVEYOR OR ENGINEER	<input checked="" type="checkbox"/> COMPLETE DRILLING PLAN
<input checked="" type="checkbox"/> EVIDENCE OF DIVISION OF WATER RIGHTS APPROVAL FOR USE OF WATER	<input checked="" type="checkbox"/> FORM 5, IF OPERATOR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

NAME (PLEASE PRINT) Cecil Gustafson TITLE Operator

SIGNATURE [Signature] DATE Nov. 30/08

(This space for State use only)

API NUMBER ASSIGNED 43015-30762



RECEIVED  
OCT 30 2008  
DIV. OF OIL, GAS & MINING

**WORKSHEET  
APPLICATION FOR PERMIT TO DRILL**

APD RECEIVED: 10/30/2008

API NO. ASSIGNED: 43-015-30762

WELL NAME: MCDONALD 1  
 OPERATOR: TITAN ENERGY CORP ( N3560 )  
 CONTACT: CECIL GUSTIN

PHONE NUMBER: 334-636-5836

PROPOSED LOCATION:

INSPECT LOCATN BY: / /		
Tech Review	Initials	Date
Engineering	DVG	2/2/09
Geology		
Surface		

NWSW 01 180S 080E  
 SURFACE: 2002 FSL 0721 FWL  
 BOTTOM: 2002 FSL 0721 FWL  
 COUNTY: EMERY  
 LATITUDE: 39.28440 LONGITUDE: -110.9795  
 UTM SURF EASTINGS: 501768 NORTHINGS: 4348129  
 FIELD NAME: WILDCAT ( 1 )

LEASE TYPE: 4 - Fee  
 LEASE NUMBER: FEE  
 SURFACE OWNER: 4 - Fee

PROPOSED FORMATION: DKTA  
 COALBED METHANE WELL? NO

RECEIVED AND/OR REVIEWED:

- Plat
- Bond: Fed[] Ind[] Sta[] Fee[]  
(No. 25B802293 )
- Potash (Y/N)
- Oil Shale 190-5 (B) or 190-3 or 190-13
- Water Permit  
(No. MUNICIPAL )
- RDCC Review (Y/N)  
(Date: 11/18/2008 )
- Fee Surf Agreement (Y/N)
- Intent to Commingle (Y/N)

LOCATION AND SITING:

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

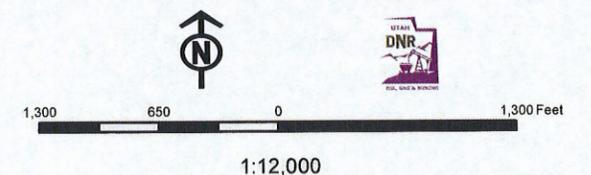
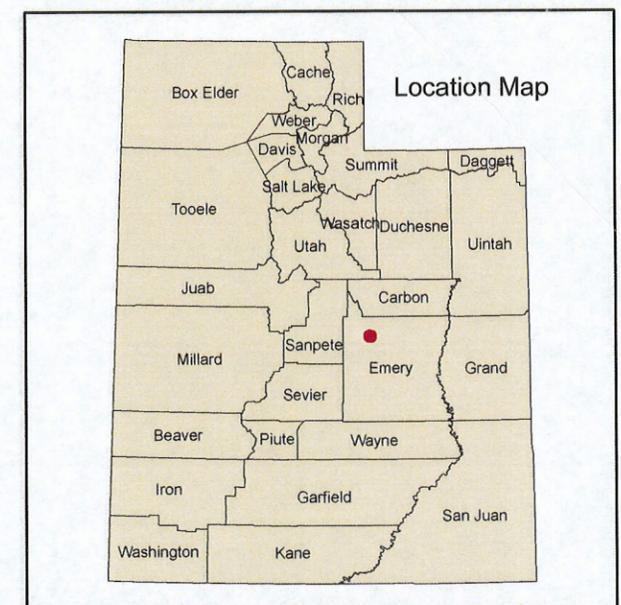
COMMENTS: Need Presite (12-01-08)

STIPULATIONS: 1- Spacing Strip  
2- STATEMENT OF BASIS  
3- Cont strip #3 (4 1/2" production, 1000' mvd)

**API Number: 4301530762**  
**Well Name: MCDONALD 1**  
 Township 18.0 S Range 08.0 E Section 01  
**Meridian: SLBM**  
 Operator: TITAN ENERGY CORP

Map Prepared:  
 Map Produced by Diana Mason

- |               |                           |
|---------------|---------------------------|
| <b>Units</b>  | <b>Wells Query Events</b> |
| <b>STATUS</b> | ✕ <all other values>      |
| ACTIVE        | <Null>                    |
| EXPLORATORY   | APD                       |
| GAS STORAGE   | DRL                       |
| NF PP OIL     | GI                        |
| NF SECONDARY  | GS                        |
| PI OIL        | LA                        |
| PP GAS        | NEW                       |
| PP GEOTHERML  | OPS                       |
| PP OIL        | PA                        |
| SECONDARY     | PGW                       |
| TERMINATED    | POW                       |
| <b>Fields</b> | RET                       |
| <b>STATUS</b> | SGW                       |
| ACTIVE        | SOW                       |
| COMBINED      | TA                        |
| Sections      | TW                        |
| Township      | WD                        |
|               | WI                        |
|               | WS                        |



# Application for Permit to Drill

## Statement of Basis

12/11/2008

Utah Division of Oil, Gas and Mining

Page 1

APD No	API WellNo	Status	Well Type	Surf Ownr	CBM
1178	43-015-30762-00-00		OW	P	No
<b>Operator</b>	TITAN ENERGY CORP	<b>Surface Owner-APD</b>			
<b>Well Name</b>	MCDONALD 1	<b>Unit</b>			
<b>Field</b>	WILDCAT	<b>Type of Work</b>			
<b>Location</b>	NWSW 1 18S 8E S 2002 FSL 721 FWL GPS Coord (UTM) 501768E 4348129N				

### Geologic Statement of Basis

The well will spud into a poorly to moderately permeable soil that is developed on the Blue Gate Member of the Mancos Shale. Local outcrops dip into the Wasatch Plateau at about 5 degrees to the northwest. No aquifers with high quality ground water are likely to be encountered. The proposed surface casing and cementing program should ensure the protection of any unknown near surface ground water resources. A search of the Division of Water Rights records indicates that no water rights have been filed on subsurface water within a mile of the location

Chris Kierst  
APD Evaluator

12/9/2008  
Date / Time

### Surface Statement of Basis

On-site evaluation conducted December 1, 2008. In attendance: Bart Kettle-Division of Oil, Gas and Mining (DOGM), Cecil Gustin-Titan Energy Corp, Steven McDonald-surface and mineral owner. Mike McCandless contacted via phone while on-site for input from Emery County.

Chosen site appears adequate for the proposed drilling program. It is expected the proposed closed loop mud system will contain all drilling fluids. In the event a pit for drilling activity is deemed necessary the Division shall be contacted prior to construction.

Questar shall be consulted for specifications for access road crossing across their existing pipeline.

Emery County request that comments and concerns of the surface owner be addressed. Any damage caused to the county roads system from drilling activity associated with this well shall be repaired by Titan Energy Corp. UDOT should be consulted due to exit from Hwy 10 onto county road being a difficult turn to make.

Bart Kettle  
Onsite Evaluator

12/1/2008  
Date / Time

### Conditions of Approval / Application for Permit to Drill

Category	Condition
Pits	A closed loop mud circulation system is required for this location

# ON-SITE PREDRILL EVALUATION

## Utah Division of Oil, Gas and Mining

**Operator** TITAN ENERGY CORP  
**Well Name** MCDONALD 1  
**API Number** 43-015-30762-0      **APD No** 1178      **Field/Unit** WILDCAT  
**Location:** 1/4,1/4 NWSW      **Sec** 1      **Tw** 18S      **Rng** 8E      2002 FSL 721 FWL  
**GPS Coord (UTM)**      **Surface Owner**

### Participants

Bart Kettle-Division of Oil, Gas and Mining (DOGGM), Cecil Gustin-Titan Energy Corp, Steven McDonald-surface and mineral owner.

### Regional/Local Setting & Topography

Proposed project area is located ~5 miles south of Huntington, in Emery County Utah. Regionally the project area is within in the Castle Valley. The Castle Valley is largely composed of dry sites with poorly developed soils and limited vegetation. Locally the well is located at mid slope of a small set of rolling hills within the Mancos formation. Soils are shallow and saline, vegetation is sparse. Precipitation at the project site is considered a 8-10" zone. Drainage flows into Cottonwood Creek within a 5 miles and eventually to the Green River 60 miles away.

### Surface Use Plan

#### **Current Surface Use**

Wildlife Habitat

#### **New Road**

Miles	Well Pad	Src Const Material	Surface Formation
0.1	Width 150      Length 150	Onsite	MNCS

#### **Ancillary Facilities**

### Waste Management Plan Adequate? N

### Environmental Parameters

**Affected Floodplains and/or Wetland** N

#### **Flora / Fauna**

##### Flora

Grass: Bottle brush squirrel tail

Forbs: Halogeton

Shrubs: Black greasewood, shadscale salt brush, broom snakeweed, spiny gray horse brush, Nuttles salt brush

Trees: None

Fauna: Potential prairie dog habitat. Seasonal use by raptors and migratory song birds.

#### **Soil Type and Characteristics**

Heavy gray clays

#### **Erosion Issues** Y

Soils prone to wind erosion once disturbed, no mitigation recommended.

#### **Sedimentation Issues** N

Site Stability Issues N

Drainage Diversion Required N

Berm Required? N

Erosion Sedimentation Control Required? N

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

**Reserve Pit**

<b>Site-Specific Factors</b>		<b>Site Ranking</b>
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	Fresh Water	5
Drill Cuttings	Normal Rock	0
Annual Precipitation (inches)	<10	0
Affected Populations	<10	0
Presence Nearby Utility Conduits	Present	15
<b>Final Score</b>		<b>20</b>
		<b>1 Sensitivity Level</b>

**Characteristics / Requirements**

Closed loop mud system is being proposed for the drilling of this well. No reserve pit is being requested.

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

**Other Observations / Comments**

Failed to invite Emery County to initial on-site evaluation. Mike McCandless contacted while at the site. Emery County not requesting attendance at present time but did express several concerns: UDOT should be consulted due to exit from Hwy 10 onto county road being a difficult turn to make. County roads should be left in the same condition following drilling as found prior to drilling, in other words any drilling induced damage will require repair. Landowner comments and concerns should be addressed.

Bart Kettle  
Evaluator

12/1/2008  
Date / Time

# Utah Division of Water Rights



**There are no features in the query area.**

**Click on the back button to try again**

Please direct questions and comments regarding the map server to: [leeschler@utah.gov](mailto:leeschler@utah.gov).

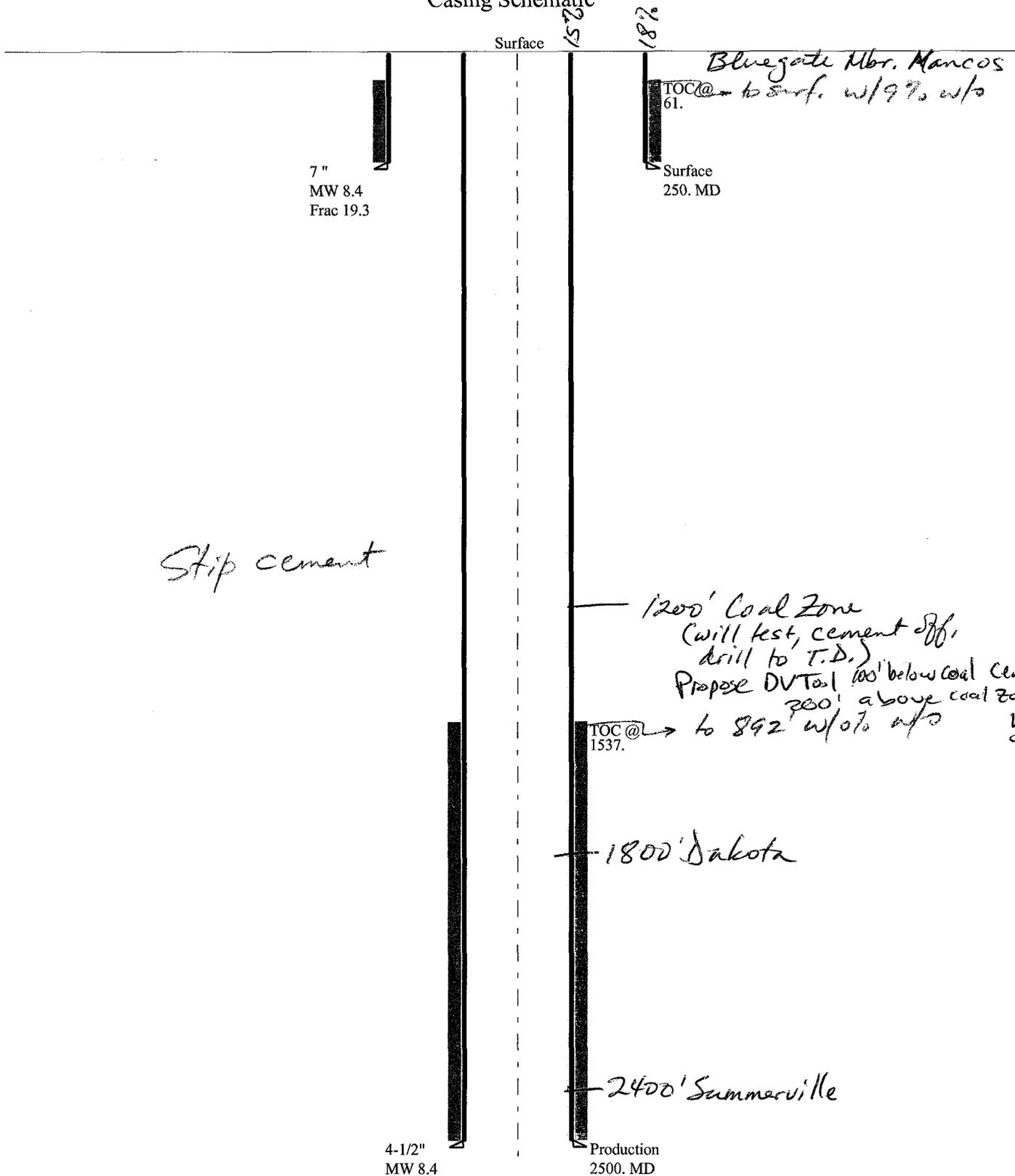
**back**

**close**

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

43015307620000 Titan McDonald 1

Casing Schematic



Well name:	<b>4301530762000 Titan McDonald 1</b>	
Operator:	<b>Titan Energy Corporation</b>	
String type:	Surface	Project ID: 43-015-30762-0000
Location:	Emery County	

<b>Design parameters:</b>	<b>Minimum design factors:</b>	<b>Environment:</b>
<u><b>Collapse</b></u>	<u><b>Collapse:</b></u>	H2S considered? No
Mud weight: 8.400 ppg	Design factor 1.125	Surface temperature: 65 °F
Design is based on evacuated pipe.		Bottom hole temperature: 68 °F
		Temperature gradient: 1.40 °F/100ft
		Minimum section length: 150 ft
	<u><b>Burst:</b></u>	
	Design factor 1.00	Cement top: 61 ft
<u><b>Burst</b></u>		
Max anticipated surface pressure: 220 psi		
Internal gradient: 0.120 psi/ft	<u><b>Tension:</b></u>	<b>Non-directional string.</b>
Calculated BHP 250 psi	8 Round STC: 1.80 (J)	
	8 Round LTC: 1.80 (J)	
	Buttress: 1.60 (J)	
	Premium: 1.50 (J)	
	Body yield: 1.50 (B)	<b>Re subsequent strings:</b>
No backup mud specified.		Next setting depth: 2,500 ft
	Tension is based on air weight.	Next mud weight: 8.400 ppg
	Neutral point: 218 ft	Next setting BHP: 1,091 psi
		Fracture mud wt: 19.250 ppg
		Fracture depth: 250 ft
		Injection pressure: 250 psi

Run Seq	Segment Length (ft)	Size (in)	Nominal Weight (lbs/ft)	Grade	End Finish	True Vert Depth (ft)	Measured Depth (ft)	Drift Diameter (in)	Internal Capacity (ft³)
1	250	7	23.00	J-55	LT&C	250	250	6.25	55.3
Run Seq	Collapse Load (psi)	Collapse Strength (psi)	Collapse Design Factor	Burst Load (psi)	Burst Strength (psi)	Burst Design Factor	Tension Load (Kips)	Tension Strength (Kips)	Tension Design Factor
1	109	3270	29.975	250	4360	17.44	6	313	54.43 J

Prepared by: Helen Sadik-Macdonald Div of Oil, Gas & Mining	Phone: 801-538-5357 FAX: 801-359-3940	Date: January 21, 2009 Salt Lake City, Utah
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**ENGINEERING STIPULATIONS:**  
Collapse strength is based on the Westcott, Dunlop & Kemler method of biaxial correction for tension.  
Burst strength is not adjusted for tension.

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

Well name:	<b>4301530762000 Titan McDonald 1</b>		
Operator:	<b>Titan Energy Corporation</b>		
String type:	Production	Project ID:	43-015-30762-0000
Location:	Emery County		

<b>Design parameters:</b>	<b>Minimum design factors:</b>	<b>Environment:</b>
<b>Collapse</b>	<b>Collapse:</b>	H2S considered? No
Mud weight: 8,400 ppg	Design factor 1.125	Surface temperature: 65 °F
Design is based on evacuated pipe.		Bottom hole temperature: 100 °F
		Temperature gradient: 1.40 °F/100ft
		Minimum section length: 368 ft
	<b>Burst:</b>	Cement top: 1,537 ft
	Design factor 1.00	
<b>Burst</b>		
Max anticipated surface pressure: 791 psi		
Internal gradient: 0.120 psi/ft	<b>Tension:</b>	<b>Non-directional string.</b>
Calculated BHP 1,091 psi	8 Round STC: 1.80 (J)	
No backup mud specified.	8 Round LTC: 1.80 (J)	
	Buttress: 1.60 (J)	
	Premium: 1.50 (J)	
	Body yield: 1.50 (B)	
	Tension is based on air weight.	
	Neutral point: 2,186 ft	

Run Seq	Segment Length (ft)	Size (in)	Nominal Weight (lbs/ft)	Grade	End Finish	True Vert Depth (ft)	Measured Depth (ft)	Drift Diameter (in)	Internal Capacity (ft³)
1	2500	4.5	11.60	J-55	LT&C	2500	2500	3.875	218.2

Run Seq	Collapse Load (psi)	Collapse Strength (psi)	Collapse Design Factor	Burst Load (psi)	Burst Strength (psi)	Burst Design Factor	Tension Load (Kips)	Tension Strength (Kips)	Tension Design Factor
1	1091	4960	4.547	1091	5350	4.90	29	162	5.59 J

Prepared by: Helen Sadik-Macdonald Div of Oil, Gas & Mining	Phone: 801-538-5357 FAX: 801-359-3940	Date: January 21, 2009 Salt Lake City, Utah
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ENGINEERING STIPULATIONS:  
Collapse strength is based on the Westcott, Dunlop & Kemler method of biaxial correction for tension.  
Burst strength is not adjusted for tension.

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

**BOPE REVIEW**

**Titan Energy**

**McDonald 1**

**43-015-30762-0000**

**INPUT**

Well Name

Titan Energy	McDonald 1	43-015-30762-0000
String 1	String 2	
7	4 1/2	
250	2500	
0	250	
8.4	8.4	
0	3000	
4360	5350	
500	3.8 ppg	

Casing Size (")

Setting Depth (TVD)

Previous Shoe Setting Depth (TVD)

Max Mud Weight (ppg)

BOPE Proposed (psi)

Casing Internal Yield (psi)

Operators Max Anticipated Pressure (psi)

**Calculations**

**String 1 7 "**

Max BHP [psi]	$.052 * \text{Setting Depth} * \text{MW} =$	109	
			<b>BOPE Adequate For Drilling And Setting Casing at Depth?</b>
MASP (Gas) [psi]	$\text{Max BHP} - (0.12 * \text{Setting Depth}) =$	79	NO
MASP (Gas/Mud) [psi]	$\text{Max BHP} - (0.22 * \text{Setting Depth}) =$	54	NO
			<b>*Can Full Expected Pressure Be Held At Previous Shoe?</b>
Pressure At Previous Shoe	$\text{Max BHP} - .22 * (\text{Setting Depth} - \text{Previous Shoe Depth}) =$	54	NO <i>Reasonable depth - no expected pressures</i>
Required Casing/BOPE Test Pressure		250 psi	
*Max Pressure Allowed @ Previous Casing Shoe =		0 psi	*Assumes 1psi/ft frac gradient

**Calculations**

**String 2 4 1/2 "**

Max BHP [psi]	$.052 * \text{Setting Depth} * \text{MW} =$	1092	
			<b>BOPE Adequate For Drilling And Setting Casing at Depth?</b>
MASP (Gas) [psi]	$\text{Max BHP} - (0.12 * \text{Setting Depth}) =$	792	YES ✓ Closed loop air drill
MASP (Gas/Mud) [psi]	$\text{Max BHP} - (0.22 * \text{Setting Depth}) =$	542	YES
			<b>*Can Full Expected Pressure Be Held At Previous Shoe?</b>
Pressure At Previous Shoe	$\text{Max BHP} - .22 * (\text{Setting Depth} - \text{Previous Shoe Depth}) =$	597	← NO <i>Reasonable</i>
Required Casing/BOPE Test Pressure		2500 psi	
*Max Pressure Allowed @ Previous Casing Shoe =		250 psi	← *Assumes 1psi/ft frac gradient



JON M. HUNTSMAN, JR.  
Governor

GARY R. HERBERT  
Lieutenant Governor

## State of Utah

### DEPARTMENT OF NATURAL RESOURCES

Division of Oil, Gas & Mining

MICHAEL R. STYLER      JOHN R. BAZA  
Executive Director      Division Director

## MEMORANDUM

**To:** Cecil Gustin, Titan Energy Corp.

**Date:** January 6, 2009

**Subj:** Engineering Review of Well: McDonald #1

**From:** Helen Sadik-Macdonald, CPG    PH 801.538-5357    Fax 801.359-3940

The above-cited Application for Permit to Drill (APD) in Emery County, Utah does not have adequate design information to pass Engineering Review. Please note the attached APD Checklist on page 2. Some of the items on the list are marked with a red "X". These items are missing from or are incomplete on your APD. Processing your APD is on hold until the deficient information is provided. You may send the information to me by e-mail if you like:

e-mail: [hmacdonald@utah.gov](mailto:hmacdonald@utah.gov)

The attached checklist, State of Utah Form 3, Rules for drilling (649-3-4), as well as various guidance documents, are found on our website link below. You may want to refer to some of the documents there to help you successfully complete the APD for your well.

[http://www.oilgas.ogm.utah.gov/Quick\\_Refs/qref\\_permits.htm](http://www.oilgas.ogm.utah.gov/Quick_Refs/qref_permits.htm)

The following items are necessary to complete the engineering review:

1. Casing grade and coupling.
2. Surface casing setting depth is recommended at 10% of total well depth.
3. Well control/blow-out preventer equipment (BOPE) is required. Please provide a description of your BOPE and a schematic of the one you will be using. (Rule R649-3-4, ¶2.6.3.)

*C. Gustin, Titan Energy Corp.*

*January 7, 2009*

*Needed information for APD*

*Page 2*

4. Details of drilling fluid. "Air" is insufficient. What additives will be on hand for controlling water inflow, lost circulation, etc.? Please provide a description of your "closed loop" system. (Rule R649-3-4, ¶2.6.5.)
5. Anticipated bottom hole pressures and mitigation plans. (Rule R649-3-4, ¶2.6.7.)
6. Environmental controls for water, cuttings, pits. (Rule R649-3-16.)

Failure to provide these items will result in further delays of your permit. Please call if you have questions.

**APD Checklist (all under Rule R649-3-4, except where noted)**  
**Items marked with X are deficient**

1. X A completed and signed Form 3 (application to drill, deepen or reenter).  
Make sure all blanks are filled and boxes are checked.
2. X Contact information and phone number for surface owner. (Rule R649-3-34.)
3. \_\_\_ Location plat.
4. \_\_\_ Water Rights approval.
5. \_\_\_ Estimated geologic markers.
6. X Estimated top and bottom of anticipated water, oil, gas, other mineral zones and plans for their protection. (Rule R649-3-4, ¶2.6.2.)
7. X Plan for pressure control (BOPE), including schematic and casing test. (Rule R649-3-4, ¶2.6.3.)
8. X Description of mud system, including mud weights, and monitoring system to be used. (Rule R649-3-4, ¶2.6.5.)
9. \_\_\_ Plans for testing, logging and coring.
10. X Expected bottom hole pressure, any anticipated abnormal pressures, temperatures, or hazards and plans for mitigation of them. (Rule R649-3-4, ¶2.6.7.)
11. X Casing design (size, grade, weight, coupling). (Rule R649-3-4, ¶2.6.4.)
12. X Cement design (type, weight, yield, estimated top, # sacks). (Rule R649-3-4, ¶2.6.2 & 4.)
13. \_\_\_ Diagram of horizontal or directional well bore path including directional survey plan.
14. \_\_\_ Designation of agent if necessary.
15. \_\_\_ Bond. (Rule R649-3-1.)
16. \_\_\_ Affidavit of Surface agreement. (Rule R649-3-34.)
17. \_\_\_ Exception location application (if needed). (Rule R649-3-3.)

**An application for directional drilling (Rule R649-3-11) or horizontal drilling (Rule R649-3-2) shall also include:**

18. \_\_\_ Plat showing surface location, section and lease lines, target location, points along the well bore where owner consent has been obtained.
19. \_\_\_ Reason for deviation.
20. \_\_\_ Directional survey plan (before drilling) and final survey.

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

<b>1. State Agency</b> Oil, Gas and Mining 1594 West North Temple, Suite 1210 Salt Lake City, UT 84114-5801	<b>2. Approximate date project will start:</b>  Upon Approval or November 17, 2008
<b>3. Title of proposed action:</b> Application for Permit to Drill	
<b>4. Description of Project:</b>  Titan Energy Corp. proposes to drill the McDonald #1 well (wildcat) on Fee lease, Emery County, Utah. This action is being presented to the RDCC for consideration of resource issues affecting state interests. The Division of Oil, Gas and Mining is the primary administrative agency in this action and must issue approval before operations commence.	
<b>5. Location and detailed map of land affected (site location map required, electronic GIS map preferred)</b> (include UTM coordinates where possible) (indicate county) 2002' FSL 721' FWL, NW/4 SW/4, Section 1, Township 18 South, Range 8 East, Emery County, Utah	
<b>6. Possible significant impacts likely to occur:</b> Surface impacts include up to five acres of surface disturbance during the drilling and completion phase (estimated for five weeks duration). If oil and gas in commercial quantities is discovered, the location will be reclaimed back to a net disturbance of between one and two acres – not including road, pipeline, or utility infrastructure. If no oil or gas is discovered, the location will be completely reclaimed.	
<b>7. Identify local government affected</b> a. <b>Has the government been contacted?</b> No. b. <b>When?</b> c. <b>What was the response?</b> d. <b>If no response, how is the local government(s) likely to be impacted?</b>	
<b>8. For acquisitions of land or interests in land by DWR or State Parks please identify state representative and state senator for the project area. Name and phone number of state representative, state senator near project site, if applicable:</b> a. <b>Has the representative and senator been contacted?</b> N/A	
<b>9. Areawide clearinghouse(s) receiving state action:</b> (to be sent out by agency in block 1) Southeastern Utah Association of Government	
<b>10. For further information, contact:</b>   <b>Diana Mason</b> <b>Phone:</b> (801) 538-5312	<b>11. Signature and title of authorized officer</b>   Gil Hunt, Associate Director <b>Date:</b> November 3, 2008

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

FORM 3

AMENDED REPORT   
(highlight changes)

APPLICATION FOR PERMIT TO DRILL			5. MINERAL LEASE NO: <u>FEF</u>	6. SURFACE: <u>FEF</u>
1A. TYPE OF WORK: DRILL <input checked="" type="checkbox"/> REENTER <input type="checkbox"/> DEEPEN <input 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:	
2. NAME OF OPERATOR: <u>TITAN ENERGY CORP. 83601 Hwy 43 Box 37</u>			9. WELL NAME and NUMBER: <u>McDonald #1</u>	
3. ADDRESS OF OPERATOR: <u>Thomasville</u> CITY <u>Al.</u> STATE <u>Al.</u> ZIP <u>36784</u> PHONE NUMBER:			10. FIELD AND POOL, OR WILDCAT: <u>Wildcat</u>	
4. LOCATION OF WELL (FOOTAGES) AT SURFACE: <u>West line 501768X</u> AT PROPOSED PRODUCING ZONE: <u>4348129Y</u>			11. QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: <u>North 2002.53 from South line East 721.10' from</u> <u>39.284401</u> <u>NW1/4 SW1/4 Sec. 1</u> <u>T18S, R8E</u>	
14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE: <u>2 North State 10 Huntington, Ut.</u>			12. COUNTY: <u>Emery</u>	13. STATE: <u>UTAH</u>
15. DISTANCE TO NEAREST PROPERTY OR LEASE LINE (FEET)	16. NUMBER OF ACRES IN LEASE: <u>55</u>	17. NUMBER OF ACRES ASSIGNED TO THIS WELL: <u>40</u>		
18. DISTANCE TO NEAREST WELL (DRILLING, COMPLETED, OR APPLIED FOR) ON THIS LEASE (FEET) <u>NONE</u>	19. PROPOSED DEPTH: <u>2500 ft.</u>	20. BOND DESCRIPTION: <u>Irrevocable letter of Credit</u>		
21. ELEVATIONS (SHOW WHETHER DF, RT, GR, ETC.): <u>5769.8'</u>	22. APPROXIMATE DATE WORK WILL START: <u>Nov, 20 - 08</u>	23. ESTIMATED DURATION: <u>50 days</u>		

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
<u>9 5/8</u>	<u>7" J55 17.00</u>	<u>180'</u>	<u>Class A 75 sks 85 Cu ft. 14.2</u>
<u>6 1/4</u>	<u>4 1/2 SAG 11.6</u>	<u>2500'</u>	<u>Class A 157 sks 165 Cu ft. 14.2</u>
	<u>Coal Seam Gas</u>		<u>Class A 65 sks 71 Cu ft. 14.2</u>

25. ATTACHMENTS

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

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

NAME (PLEASE PRINT) Cecil Gustaf TITLE Operator

SIGNATURE [Signature] DATE Nov. 30/08

(This space for State use only)

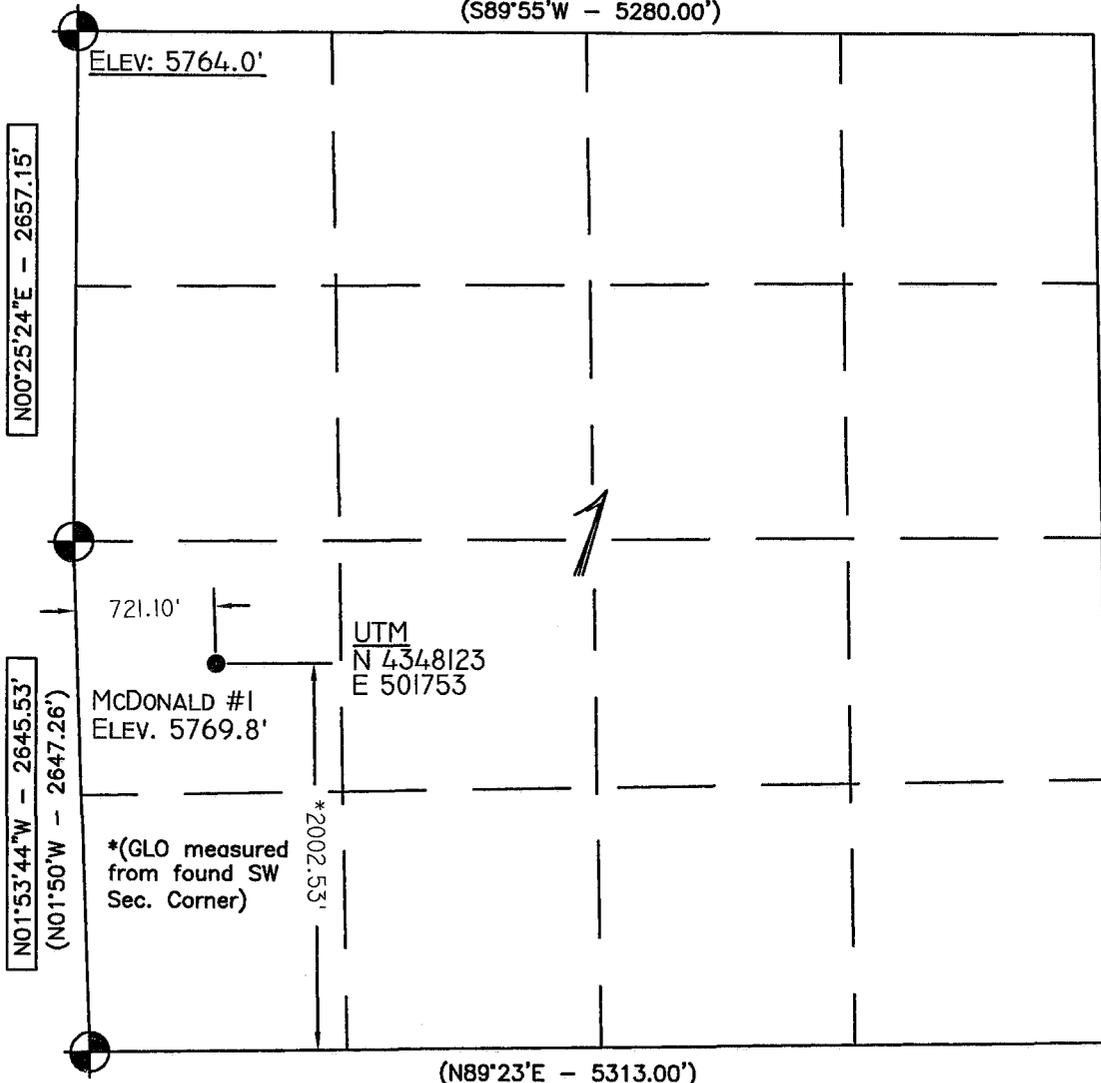
API NUMBER ASSIGNED: 43015-30762 APPROVAL:

RECEIVED  
OCT 30 2008  
DIV. OF OIL, GAS & MINING

# Range 8 East

(S89°55'W - 5280.00')

Township 18 South



### NOTES:

1. Dimensions are GPS measured unless noted otherwise.
2. UTM and Latitude / Longitude Coordinates are derived using a GPS Pathfinder and are shown in NAD 27 Datum.

LAT / LONG
39°17'03.640" N
111°58'46.828" W

### Legend

- Drill Hole Location
- ⊙ Brass Cap (Found)
- Brass Cap (Searched for, but not found)
- △ Calculated Corner
- ( ) GLO
- GPS Measured

### Location:

The well location was determined using a Trimble 5700 GPS survey grade unit.

### Basis of Bearing:

The Basis of Bearing is GPS Measured.

### GLO Bearing:

The Bearings indicated are per the recorded plat obtained from the U.S. Land Office.

### Basis of Elevation:

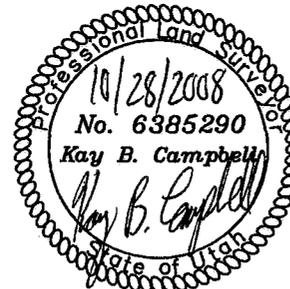
Basis of Elevation of 5764.0' being at the Northwest Section corner of Section 1, Township 18 South, Range 8 East, Salt Lake Base & Meridian, as shown on the Huntington Quadrangle 7.5 Minute Series Map.

### Description of Location:

Proposed Drill Hole located in the NW/4 SW/4 of Section 1, T18S, R8E, S.L.B.&M., being North 2002.53' from South Line and East 721.10' from West Line of Section 1, T18S, R8E, Salt Lake Base and Meridian.

### Surveyor's Certificate:

I, Kay B. Campbell, a Professional Land Surveyor, holding Certificate 6385290 State of Utah, do hereby certify that the information on this drawing is a true and accurate survey based on data of record and was conducted under my personal direction and supervision as shown hereon.



### TALON RESOURCES, INC.

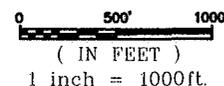
615 North 400 East P.O. Box 1230  
Huntington, Utah 84528  
Phone (435)687-5310 Fax (435)687-5311  
E-Mail taloneetv.net

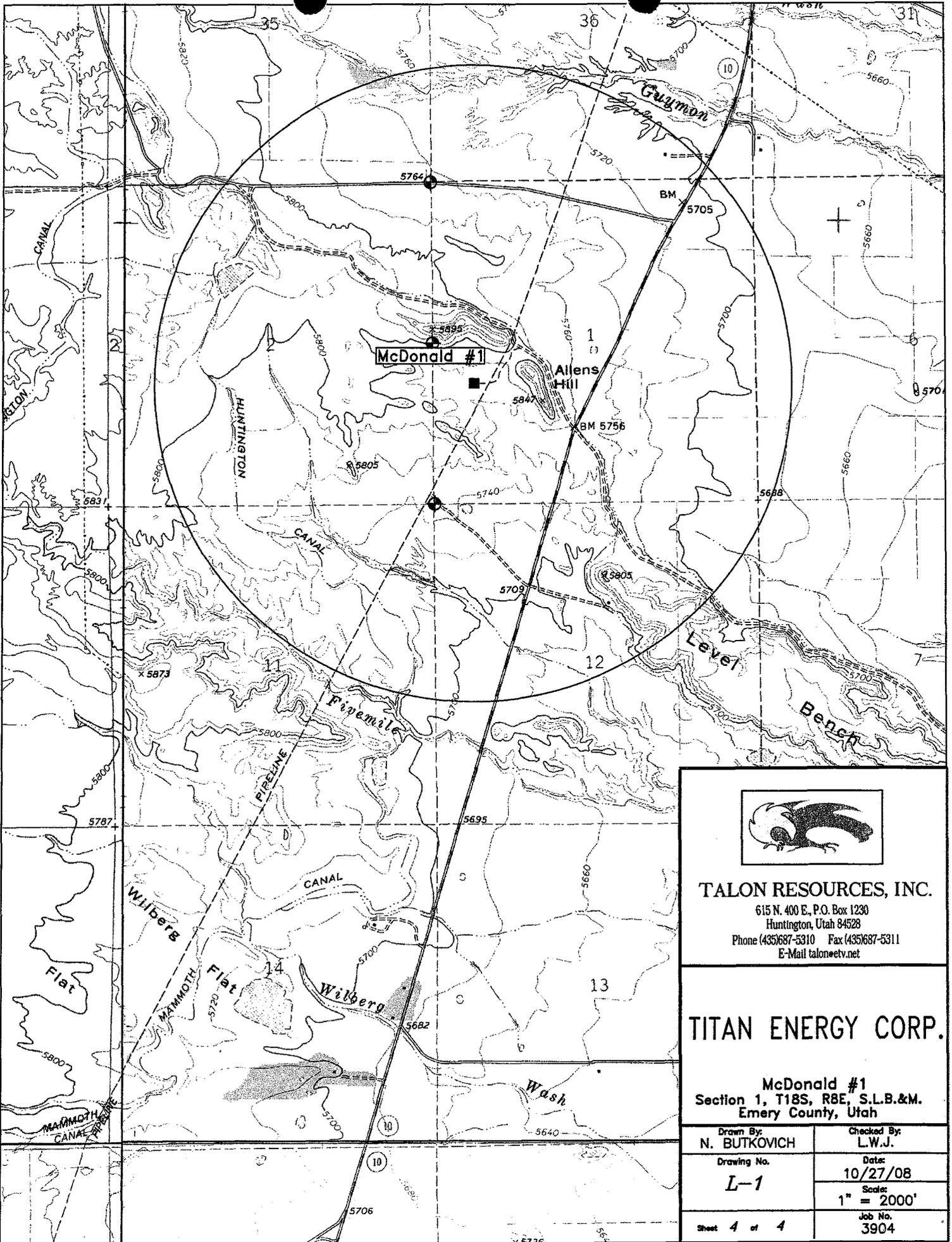
### TITAN ENERGY CORP.

McDonald #1  
Section 1, T18S, R8E, S.L.B.&M.  
Emery County, Utah

Drawn By: N. BUTKOVICH	Checked By: L.W.J./K.B.C.
Drawing No. A-1	Date: 10/27/08
	Scale: 1" = 1000'
Sheet 1 of 4	Job No. 3904

### GRAPHIC SCALE





**TALON RESOURCES, INC.**

615 N. 400 E., P.O. Box 1230  
 Huntington, Utah 84528  
 Phone (435)687-5310 Fax (435)687-5311  
 E-Mail talon@etv.net

**TITAN ENERGY CORP.**

**McDonald #1**  
 Section 1, T18S, R8E, S.L.B.&M.  
 Emery County, Utah

Drawn By: <b>N. BUTKOVICH</b>	Checked By: <b>L.W.J.</b>
Drawing No. <b>L-1</b>	Date: <b>10/27/08</b>
	Scale: <b>1" = 2000'</b>
Sheet <b>4</b> of <b>4</b>	Job No. <b>3904</b>

**From:** Robert Clark  
**To:** Mason, Diana  
**Date:** 11/5/2008 2:58 PM  
**Subject:** RDCC short turnaround comments

**CC:** Anderson, Tad; Mcneill, Dave; Wright, Carolyn  
The following comments are in response to RDCC short turn-around items **RDCC #9971 and 9972**.

**RDCC #9971, Comments begin:** The Titan Energy Corp proposal to drill the McDonald #1 wildcat well, in Emery County, may require a permit, known as an Approval Order, from the Executive Secretary of the Air Quality Board. If any compressor or pump stations are constructed at the site, a permit application, known as a Notice of Intent (NOI), should be submitted to the Executive Secretary at the Utah Division of Air Quality at 150 N. 1950 West, Salt Lake City, Utah, 84116 for review according to R307-401: Permit: Notice of Intent and Approval Order, of the Utah Air Quality Rules. A copy of the rules is found at [www.rules.utah.gov/publicat/code/r307/r307.htm](http://www.rules.utah.gov/publicat/code/r307/r307.htm) .

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

**Comments end.**

**RDCC #9972, Comments begin:** The Stephens Energy Company LLC proposal to drill the Two Horse Butte 42-32 wildcat well, in Daggett County, may require a permit, known as an Approval Order, from the Executive Secretary of the Air Quality Board. If any compressor or pump stations are constructed at the site, a permit application, known as a Notice of Intent (NOI), should be submitted to the Executive Secretary at the Utah Division of Air Quality at 150 N. 1950 West, Salt Lake City, Utah, 84116 for review according to R307-401: Permit: Notice of Intent and Approval Order, of the Utah Air Quality Rules. A copy of the rules is found at [www.rules.utah.gov/publicat/code/r307/r307.htm](http://www.rules.utah.gov/publicat/code/r307/r307.htm) .

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

**Comments end.**

Robert Clark  
Division of Air Quality  
801-536-4435

# SOUTHEASTERN UTAH ASSOCIATION OF LOCAL GOVERNMENTS

**DOUG ALLEN**  
CHAIRMAN

**William D. Howell**  
EXECUTIVE DIRECTOR



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

## AREA WIDE CLEARINGHOUSE REVIEW

Federal Action \_\_\_\_\_ State Action \_\_\_\_\_ Approved (x) Yes ( ) No  
Other (indicate) \_\_\_\_\_

### Applicant or State Agency Name/Address:

Oil, Gas & Mining  
1594 West North Temple #1210  
SLC, UT 84114

Name Diana Mason  
Phone 801-538-5312

11/18/08

Title/Project Description: Application for Permit to Drill  
Titan Energy proposes to drill the McDonald #1 wildcat well on Fee lease in Emery County. The  
locaton is T18S, R8E, Sec. 1. Location is south of the Lawrence Junction on the west side of

- No Comment
- See comment below

Comments: Favorable comment recommended.

Louanne Bengtson  
SEUALG

11/20/08  
DATE

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

FORM 3

AMENDED REPORT   
(highlight changes)

<b>APPLICATION FOR PERMIT TO DRILL</b>		5. MINERAL LEASE NO: <b>30762</b>	6. SURFACE: <b>FEE</b>
1A. TYPE OF WORK: DRILL <input checked="" type="checkbox"/> REENTER <input type="checkbox"/> DEEPEN <input type="checkbox"/>		7. IF INDIAN, ALLOTTEE OR TRIBE NAME: <b>None</b>	
8. 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 OF CA AGREEMENT NAME:	
2. NAME OF OPERATOR: <b>Titan Energy Corp. 33621 Hwy 43, P.O. Box 37</b>		9. WELL NAME and NUMBER: <b>McDonald #1</b>	
3. ADDRESS OF OPERATOR: <b>Thomasville</b> CITY <b>Ut.</b> STATE <b>Ut.</b> ZIP <b>36784</b> PHONE NUMBER: <b>334 636-8800</b>		10. FIELD AND POOL, OR WILDCAT: <b>Wildcat</b>	
4. LOCATION OF WELL (FOOTAGES): AT SURFACE: <b>To North 500s from line Southline</b> <b>To East 701 from Westline</b> AT PROPOSED PRODUCING ZONE: <b>NINE 501768X 39.284401</b> <b>4348129Y -110.979503</b>		11. QUAD, SECTION, TOWNSHIP, RANGE, MERIDIAN: <b>NW1/4 3W1/4 Sec 1 T18S. R8E</b>	
14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE: <b>3 1/2 miles North on State 10 to Huntington, Ut.</b>		12. COUNTY: <b>Emery</b>	13. STATE: <b>UTAH</b>
15. DISTANCE TO NEAREST PROPERTY OR LEASE LINE (FEET): <b>600 ft</b>	16. NUMBER OF ACRES IN LEASE: <b>55</b>	17. NUMBER OF ACRES ASSIGNED TO THIS WELL: <b>55</b>	
10. DISTANCE TO NEAREST WELL (DRILLING, COMPLETED, OR APPLIED FOR) ON THIS LEASE (FEET): <b>NONE</b>	19. PROPOSED DEPTH: <b>2500 ft</b>	20. BOND DESCRIPTION: <b>Favorable Letter Credit</b>	
21. ELEVATIONS (SHOW WHETHER OF, RT. GR, ETC.): <b>5769.8'</b>	22. APPROXIMATE DATE WORK WILL START: <b>As soon as you approve</b>	23. ESTIMATED DURATION: <b>20 days</b>	

PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	CASING SIZE, GRADE, AND WEIGHT PER FOOT	SETTING DEPTH	CEMENT TYPE, QUANTITY, YIELD, AND SLURRY WEIGHT
9 5/8	7" J55, 23 lb/ft, 1.125" Coupling	2500 ft	Class A, 150 sacks, 1.1, 15.2 lbs per gal.
6 1/2	4 1/2" J55, 11 lb/ft, 1.125" Coupling	2500 ft	Class A, 150 sacks, 1.1, 15.2 lbs per gal.

ATTACHMENTS

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

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

**Steven McDonald 435 687 9392**

NAME (PLEASE PRINT) Cecil Gustin 931 201 0897 TITLE Operator

SIGNATURE [Signature] DATE JAN 14 / 09

(This space for State use only)

API NUMBER ASSIGNED: 43 015 30762

Approved by the  
Utah Division of  
Oil, Gas and Mining

Date: 02-02-09  
By: [Signature]

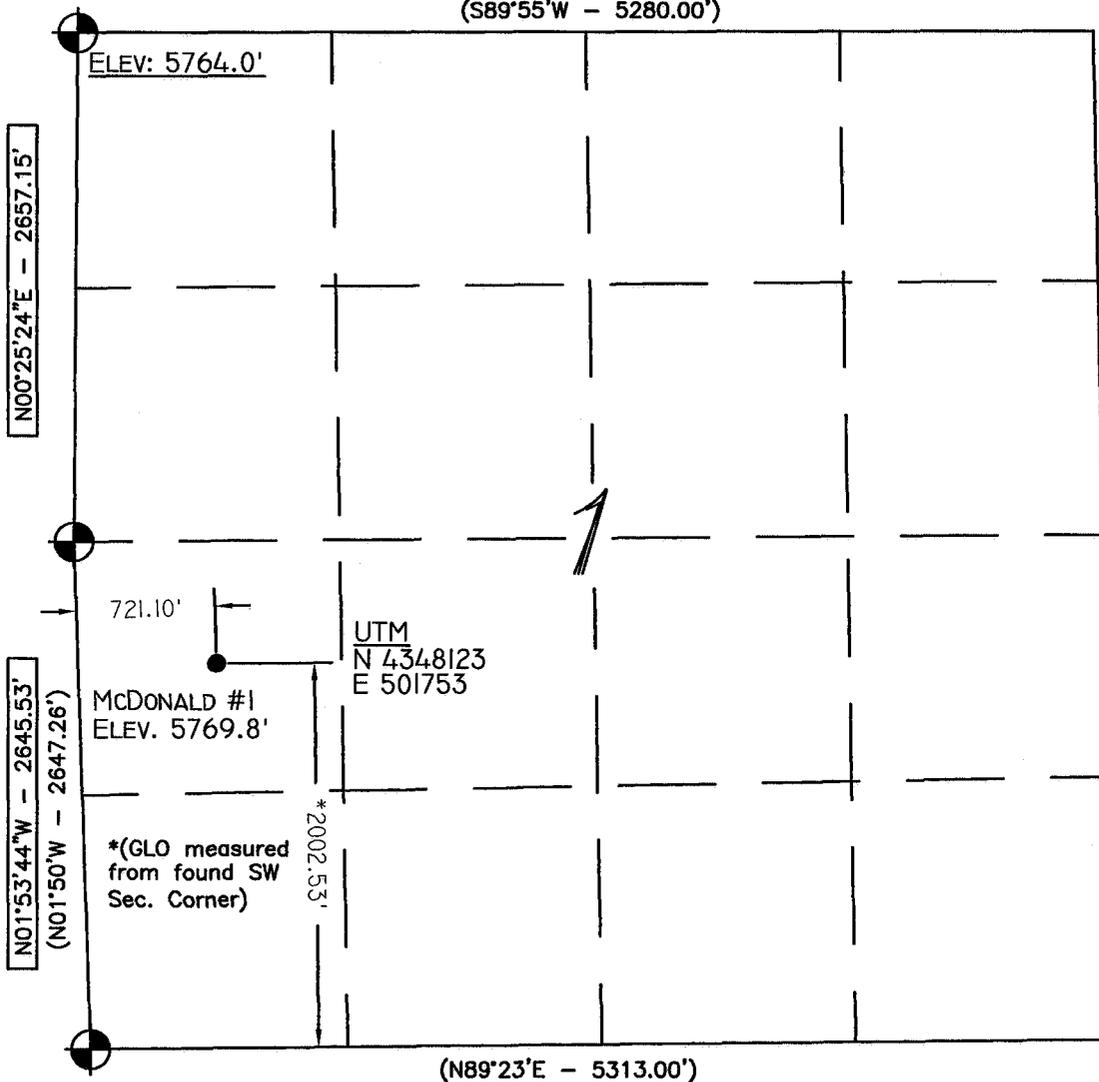
RECEIVED  
JAN 15 2009

DIV. OF OIL, GAS & MINING

# Range 8 East

(S89°55'W - 5280.00')

Township 18 South



### Location:

The well location was determined using a Trimble 5700 GPS survey grade unit.

### Basis of Bearing:

The Basis of Bearing is GPS Measured.

### GLO Bearing:

The Bearings indicated are per the recorded plat obtained from the U.S. Land Office.

### Basis of Elevation:

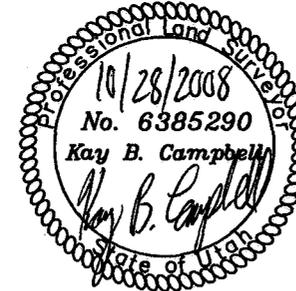
Basis of Elevation of 5764.0' being at the Northwest Section corner of Section 1, Township 18 South, Range 8 East, Salt Lake Base & Meridian, as shown on the Huntington Quadrangle 7.5 Minute Series Map.

### Description of Location:

Proposed Drill Hole located in the NW/4 SW/4 of Section 1, T18S, R8E, S.L.B.&M., being North 2002.53' from South Line and East 721.10' from West Line of Section 1, T18S, R8E, Salt Lake Base and Meridian.

### Surveyor's Certificate:

I, Kay B. Campbell, a Professional Land Surveyor, holding Certificate 6385290 State of Utah, do hereby certify that the information on this drawing is a true and accurate survey based on data of record and was conducted under my personal direction and supervision as shown hereon.



## TALON RESOURCES, INC.

615 North 400 East P.O. Box 1230  
Huntington, Utah 84528  
Phone (435)687-5310 Fax (435)687-5311  
E-Mail talonectv.net

## TITAN ENERGY CORP.

McDonald #1  
Section 1, T18S, R8E, S.L.B.&M.  
Emery County, Utah

Drawn By: <b>N. BUTKOVICH</b>	Checked By: <b>L.W.J./K.B.C.</b>
Drawing No. <b>A-1</b>	Date: <b>10/27/08</b>
	Scale: <b>1" = 1000'</b>
Sheet <b>1</b> of <b>4</b>	Job No. <b>3904</b>

### Legend

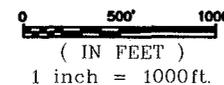
- Drill Hole Location
- ⊙ Brass Cap (Found)
- Brass Cap (Searched for, but not found)
- △ Calculated Corner
- ( ) GLO
- GPS Measured

### NOTES:

1. Dimensions are GPS measured unless noted otherwise.
2. UTM and Latitude / Longitude Coordinates are derived using a GPS Pathfinder and are shown in NAD 27 Datum.

LAT / LONG
39°17'03.640" N
111°58'46.828" W

### GRAPHIC SCALE



# Complimentary Self-Serve Fax Cover Sheet

To: Helen Sadik-Macdonald

From: Cecil Gustin

Fax #: 801-359-3940

Phone #: \_\_\_\_\_

Date: 1-15-09

Reply Fax #: \_\_\_\_\_

Number of Pages (Including Cover): \_\_\_\_\_

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**RECEIVED**

**JAN 15 2009**

**DIV. OF OIL, GAS & MINING**

October 20, 2008

To Whom It May Concern:

Steven G. McDonald and Gayle McDonald property owners of the said property, do as of today, and the next five years, lease the surface rights for drilling to Titan Energy.

Property location:

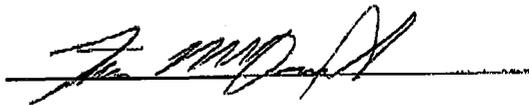
*Phone 435 687 9392*

S ½ of SW/4 of NW/4 15.16 acre  
N W/4 of SW/4 39.93 acre

of section 1 Township 18S Range 8E and containing 55.09 acres more or less.

Signed,

Steven G. McDonald



Gayle McDonald



*Lorrie D. Denison  
Emery County  
exp. 12-19-2009*

RECEIVED

JAN 15 2009

DIV. OF OIL, GAS & MINING

October 21, 2008

To Whom It May Concern:

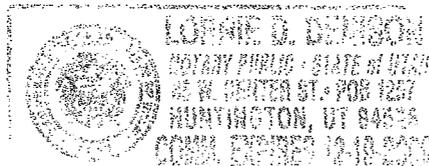
Steven McDonald and Gayle McDonald, owners of 17 shares of Huntington Cleveland Water, agree to lease these shares to Titan Energy, for drilling.

Steven McDonald

  
\_\_\_\_\_

Gayle McDonald

  
\_\_\_\_\_



Lorrie D. Denison  
Emery County  
exp. 12-19-2009

*Lease is for 5 years.*

October 20, 2008

To Whom It May Concern:

Steven G. McDonald and Gayle McDonald property owners of the said property, do as of today, and the next five years, lease the surface rights for drilling to Titan Energy.

Property location:

S ½ of SW/4 of NW/4 15.16 acre  
N W/4 of SW/4 39.93 acre

of section 1 Township 185 Range 8E and containing 55.09 acres more or less.

Signed,

Steven G. McDonald



Gayle McDonald



Lorrie D. Denison  
Emergy County  
exp. 12-19-2009

43 015 30702  
 Titan Energy Corporation  
 McDonald #1  
 Section 1, Township 185, Range 8E  
 API #  
 Emery County Utah

**DRILLING PRODECEDURE**

**GENERAL**

Surface Location: NW/4 Sec 14 T185 R8E, Sec 14  
 Bottomhole Location: Same  
 Proposed TD: 3500 ft.  
 Elevation: 5709.8'  
 Drilling Rig: Proper 2000, Inc Mack, Ut.  
435 260 8834

**ESTIMATED TOPS**

Dakota 1800 ft.  
Coal Gas 1200 ft. will test this  
zone and then cement off. then  
Drill through it to 3500 ft.  
Sumnerville, Top 2400 ft. Oil + Gas zone

**MECHANICAL**

Casing Design:

SIZE	INTERVAL	LENGTH	DESCRIPTION
<u>7"</u>	<u>0-150'</u>	<u>150'</u>	<u>J55, 23.00, Caspio htc 7.5 in</u>
<u>4 1/2"</u>	<u>0-3500'</u>	<u>3500'</u>	<u>J55, 11.00, Caspio htc, 5 in</u>

**CEMENT**

Casing/Hole Size

Cement Slurry

4 1/2"

6 1/2" hole

Production Strings:

1st & 2nd str. Cement Baskets  
DV Tool Third Collar off Pay zone  
DV tool 100 Below Coal Gas @ 1200'  
Cement 200 ft Above Coal Gas @ 1200', 1.1  
15.2 lbs per gal

Note: Drill out DV tools Run Gamma log  
Cement log bottom up to Dakota 1800 ft.  
Run log across Coal seam, 1200 ft.

**CEMENTING ACCESSORIES**

Surface Casing:

- 1) Class "A" Cement 75 Sk, 1.1, 15.2 lbs per gal.
- 2) \_\_\_\_\_
- 3) \_\_\_\_\_

**RECEIVED**  
 JAN 15 2009  
 DIV. OF OIL, GAS & MINING

Bottom psi if oil pay zone is there should be

- 4) 410 To 500 lbs.
- 5) \_\_\_\_\_
- 6) \_\_\_\_\_
- 7) \_\_\_\_\_

Production Casing:

- 1) 4 1/2" 2500 ft. J55-11.60 - Couplin etc 5' in
- 2) 7" 250 ft J55 - 23.00 Couplin etc 2.5' in
- 3) 4 1/2" CEMENT IS 150 S45 Class A. LL, 15.2 ppg. h.
- 4) \_\_\_\_\_
- 5) \_\_\_\_\_
- 6) \_\_\_\_\_
- 7) \_\_\_\_\_

WELL HEAD

Casing Head: 7" hookin

Production Head: 2 3/8 Tubing hookin

MUD PROGRAM Air and water if needed

INTERVAL	WEIGHT (PPG)	VISCOSITY
1200'	will drill with Air	
1200 - 2300	Air	water - waterless and Polymer

No earth pits - closed loop - 2 400 BBL tank for water control if needed.

DEVIATIONS

105°

BOP 7/8" Shaffer BOP 3000 Bolted

GEOLOGICAL

Geologist/Mud logger: Cecil Gustin - 930 201 0897  
 Dr. Ben Hill 400017, Thompson, Uti. 84540

Electric Logging: Gamma Ray a Cement Bond.

Samples: 10 ft. out of surface

RECEIVED

JAN 15 2009

DIV. OF OIL, GAS & MINING

---

---

**PERSONAL**

**OFFICE**

**HOME**

**CELL**

Buddy Bedwell, Chairman and CEO  
E-mail [bedco@bellsouth.net](mailto:bedco@bellsouth.net)

334-636-5836

334-636-8800

Cecil Gustin, Operator  
E-mail [newoilusa@live.com](mailto:newoilusa@live.com)

970-201-0897

NOTE:

---

---

Proposed by:

---

---

---

I do not anticipate any water - If we I'll cement water off. Th drill back through with Air.

Top o Coal line is 1200 with gas and maybe some water. will Test this zone Thwe will Cement off and drill back through it to T.D.

Description of Mud is a No. we will drill with Air. We will have two 400 BBH Tank on location if we need for Control if needed. Fire Pit to the North West corner of location.

Expected bottom hole pressure. The Summerville has NEVER had any great pressure in any holes in this Area. we will have Shafter  $1\frac{1}{2}$  BOP 3000 lb. test on the hole.

Any water will be Cemented off. This is my control. If you have BOP there is no uncontrol of water.

Any bottom hole pressure will be control by having BOP on well. this is control -

Cecil Gustin operator of Titan Energy Corp.  
MacDonald #1  
970 201 0897  
Jan 14/89

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JAN 15 2009

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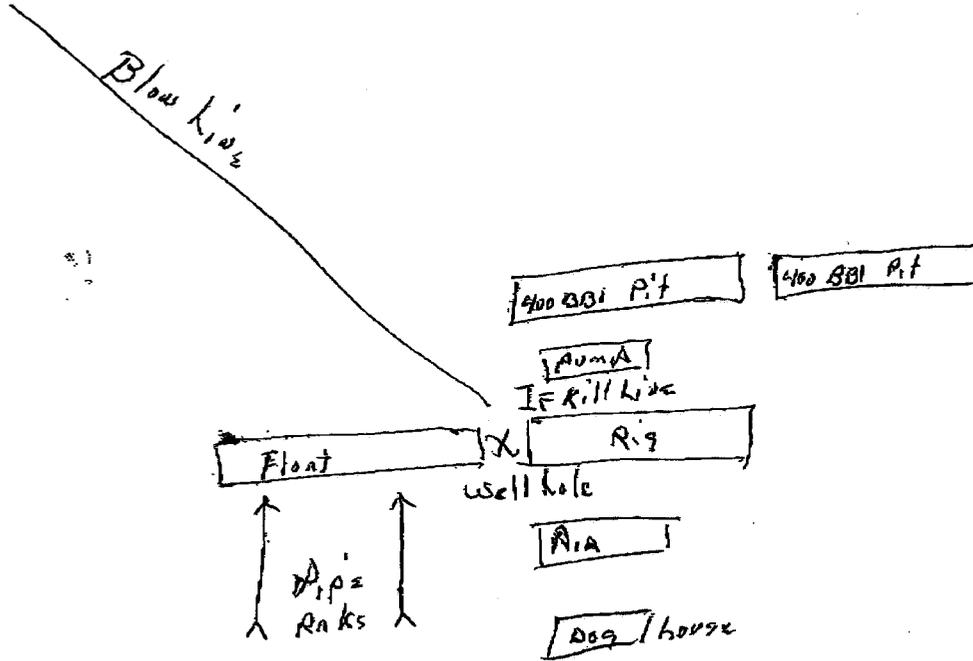
Noah

JAN 14 / 09

Titan Energy Corp.  
Well Site Plan

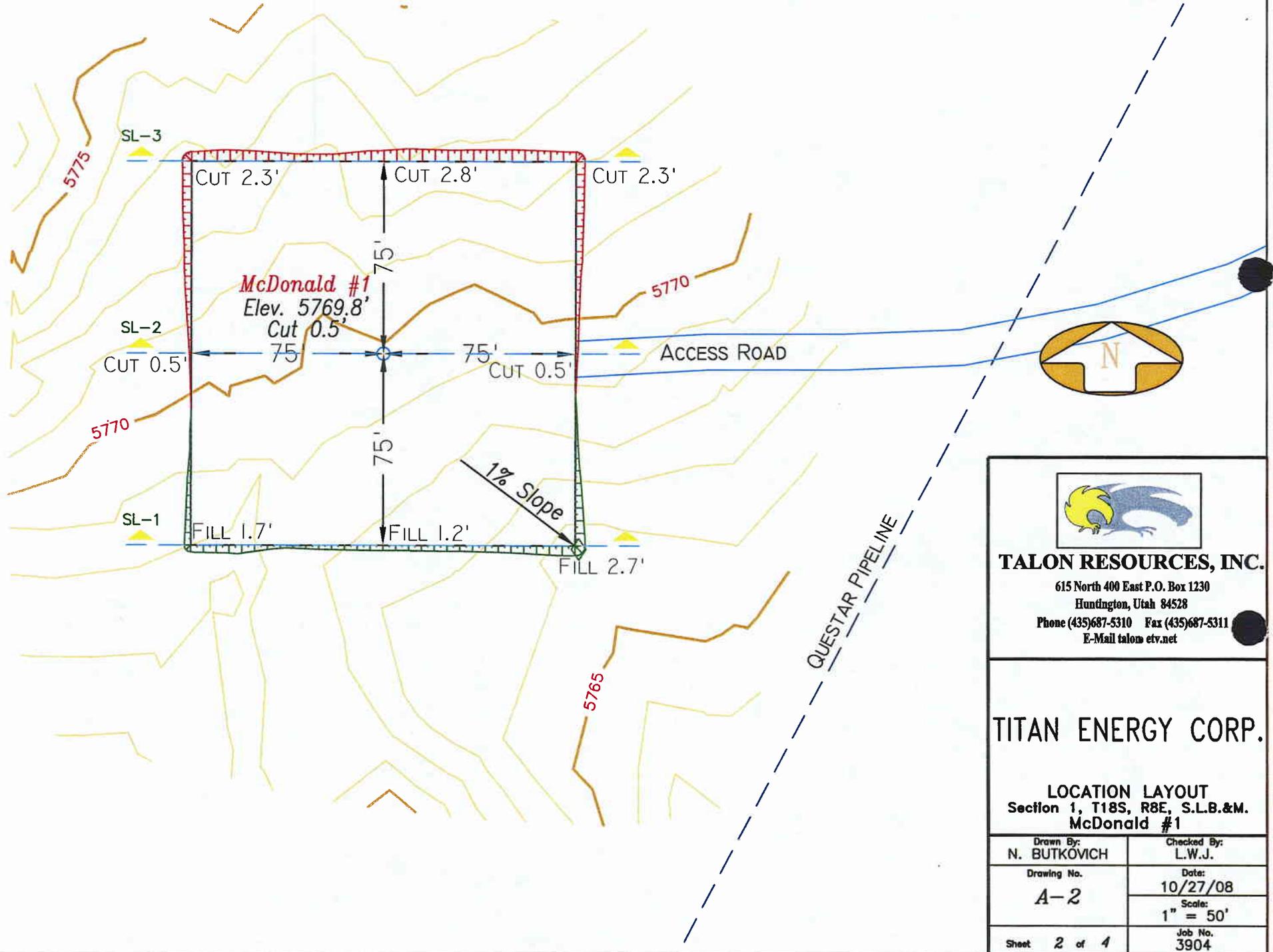
McDonald #1

Fire pit



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ELEVATION OF UNGRADED GROUND AT LOCATION STAKE = 5769.8'  
 ELEVATION OF GRADED GROUND AT LOCATION STAKE = 5769.3'



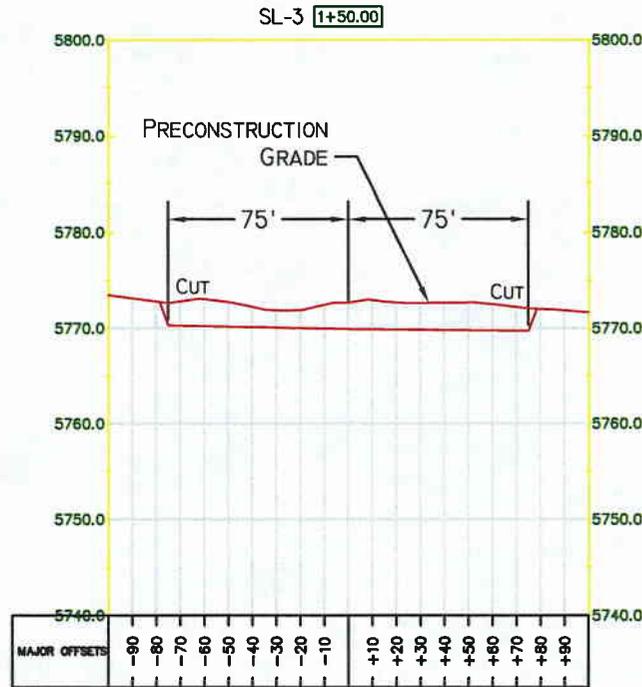
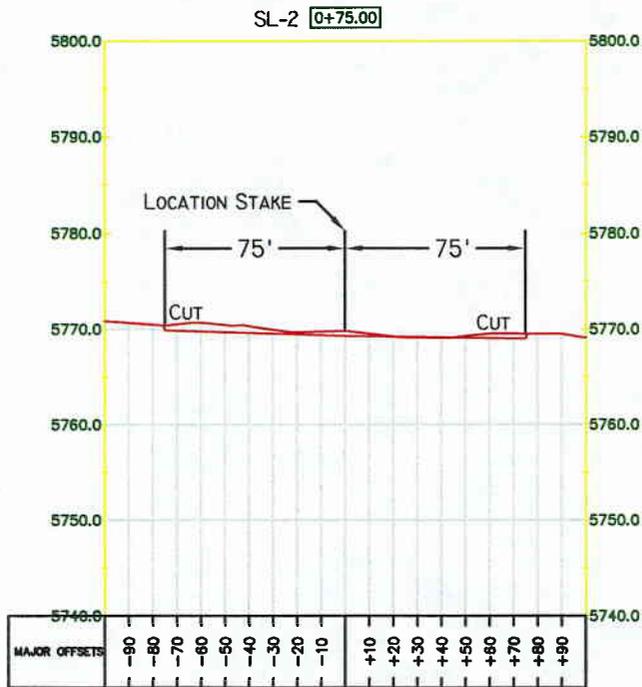
**TALON RESOURCES, INC.**

615 North 400 East P.O. Box 1230  
 Huntington, Utah 84528  
 Phone (435)687-5310 Fax (435)687-5311  
 E-Mail talon etv.net

**TITAN ENERGY CORP.**

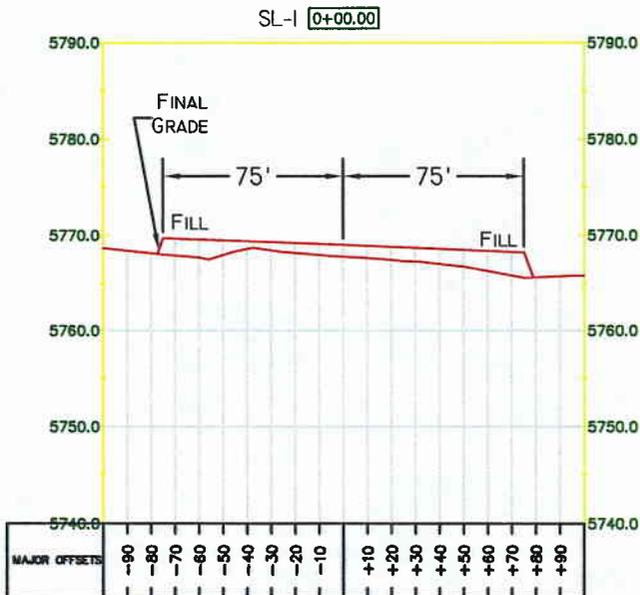
**LOCATION LAYOUT**  
 Section 1, T18S, R8E, S.L.B.&M.  
 McDonald #1

Drawn By: N. BUTKOVICH	Checked By: L.W.J.
Drawing No. A-2	Date: 10/27/08
	Scale: 1" = 50'
Sheet 2 of 4	Job No. 3904



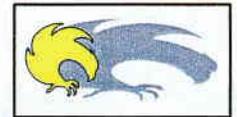
1" = 10'  
X-Section Scale  
1" = 40'

SLOPE = 1 1/2 : 1



APPROXIMATE YARDAGES

(6") TOPSOIL STRIPPING = 475 Cu. Yds.  
TOTAL CUT = 650 Cu. Yds.  
TOTAL FILL = 305 Cu. Yds.



**TALON RESOURCES, INC.**

615 North 400 East P.O. Box 1230  
Huntington, Utah 84528  
Phone (435)687-5310 Fax (435)687-5311  
E-Mail talon@etv.net

**TITAN ENERGY CORP.**

**TYPICAL CROSS SECTION**  
Section 1, T18S, R8E, S.L.B.&M.  
McDonald #1

Drawn By: <b>N. BUTKOVICH</b>	Checked By: <b>L.W.J.</b>
Drawing No. <b>C-1</b>	Date: <b>10/27/08</b>
	Scale: <b>1" = 80'</b>
Sheet <b>3</b> of <b>4</b>	Job No. <b>3904</b>



111°05'00" W 111°03'00" W 111°01'00" W 110°59'00" W 110°57'00" W 110°55'00" W WGS84 110°53'00" W

39°23'00" N  
39°21'00" N  
39°19'00" N  
39°17'00" N  
39°15'00" N  
39°13'00" N  
39°11'00" N

39°23'00" N  
39°21'00" N  
39°19'00" N  
39°17'00" N  
39°15'00" N  
39°13'00" N  
39°11'00" N

TITAN ENERGY CORP.

McDonald #1

TALON RESOURCES  
615 North 400 East PO BOX 1230  
Huntington, UT 84528  
(435) 687-5310

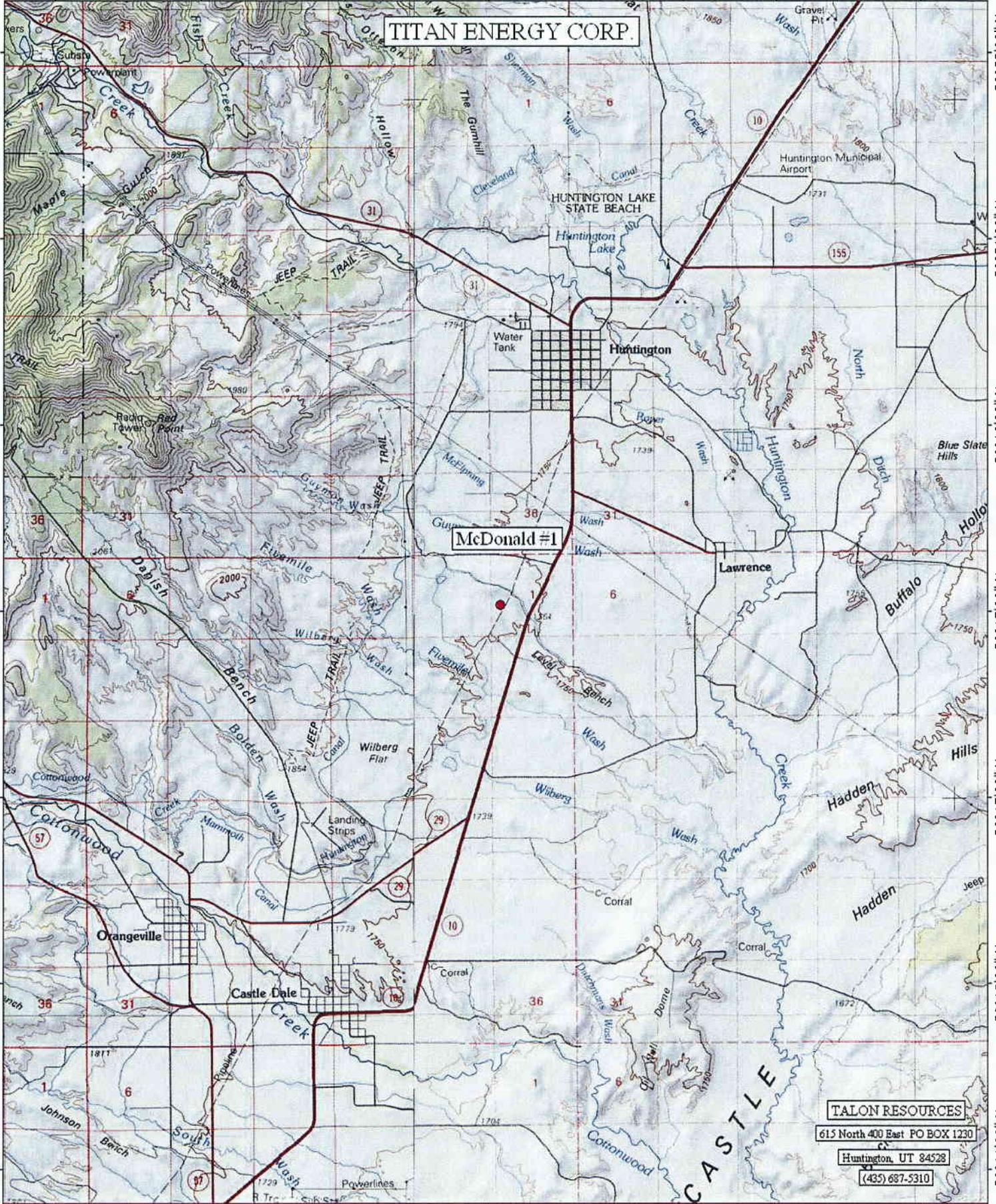
111°05'00" W 111°03'00" W 111°01'00" W 110°59'00" W 110°57'00" W 110°55'00" W WGS84 110°53'00" W

0.0 0.5 1.0 1.5 2.0 2.5 3.0 3.5 miles

0 1 2 3 4 5 km

Map created with TOPO!® ©2003 National Geographic (www.nationalgeographic.com/topo)

TN MN  
12%





McDonald #1



Image State of Utah

© 2007 Google™

Pointer 39°17'08.56" N 110°58'28.25" W elev 5766 ft

Streaming ||||| 100%

Eye alt 28646 ft



McDonald #1



Image State of Utah  
Image © 2008 DigitalGlobe

© 2007 Google™

Pointer 39°17'08.80" N 110°58'28.24" W elev 5756 ft

Streaming ||||| 100%

Eye alt 14352 ft

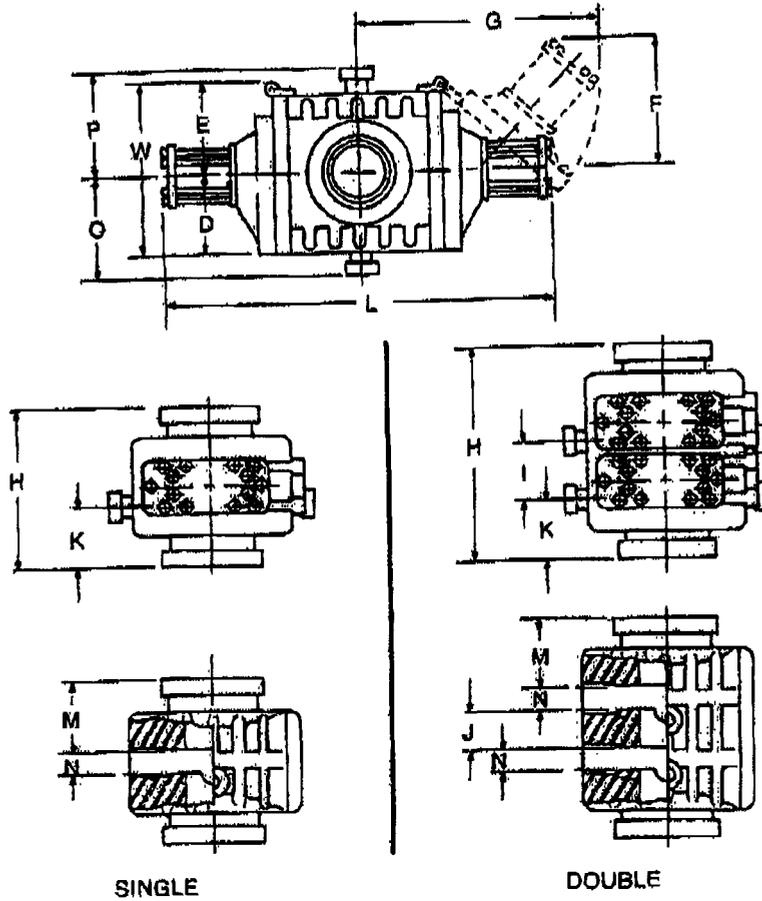


Figure 4-1  
Model LWS BOPs—Dimensions and Specifications

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**Table 4-2**  
**Rams for Model LWS Blowout Preventers**

BOP		Ram (Type or Model)							
Working Pressure	Bore	Assembly		Current Components			Discontinued Components		
		Regular Duty	Support Drill Pipe	Holder	Rubber	Block	Holder	Rubber	Block
10,000 psi (690 bar)	4 1/16" (103.19 mm)	77	None	77	77	77	76	76	76
5,000 psi (345 bar)	11" (279.40 mm)	70-H	73	70	70	70-H, 73	60*	60‡	60**
	9" (228.60 mm)	70-H	None	70	70	70-H	60*	60‡	60**
	7 1/16" (179.39 mm)	61	None	61	61	61	None	None	None
	4 1/16" (103.19 mm)	76	None	76	76	76	None	None	None
3,000 psi (207 bar)	20 3/4" (527.05 mm)	70-H	73	70	70	70-H, 73	50†	50†	50†
	11" (279.40 mm)	70-H	73	70	70	70-H, 73	60*	60‡	60**
	9" (228.60 mm)	70-H	None	70	70	70-H	60*	60‡	60**
2,000 psi (138 bar)	21 1/16" (539.75 mm)	70-H	73	70	70	70-H, 73	50†	50†	50†

\* Type 60 holder is interchangeable with Type 70 holder.

\*\* Type 60 block can be used in current assembly, but it must be placed opposite another Type 60 block. The self-centering angular guides are a different size on the later types.

† Type 70 rubbers available for these (requires Type 70 holder and block). Type 50 is obsolete and no longer available.

‡ Type 70 rubbers are interchangeable with these discontinued Type 60 rubbers and can be used on the discontinued Type 60 blocks.

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DIV. OF OIL, GAS &amp; MINING

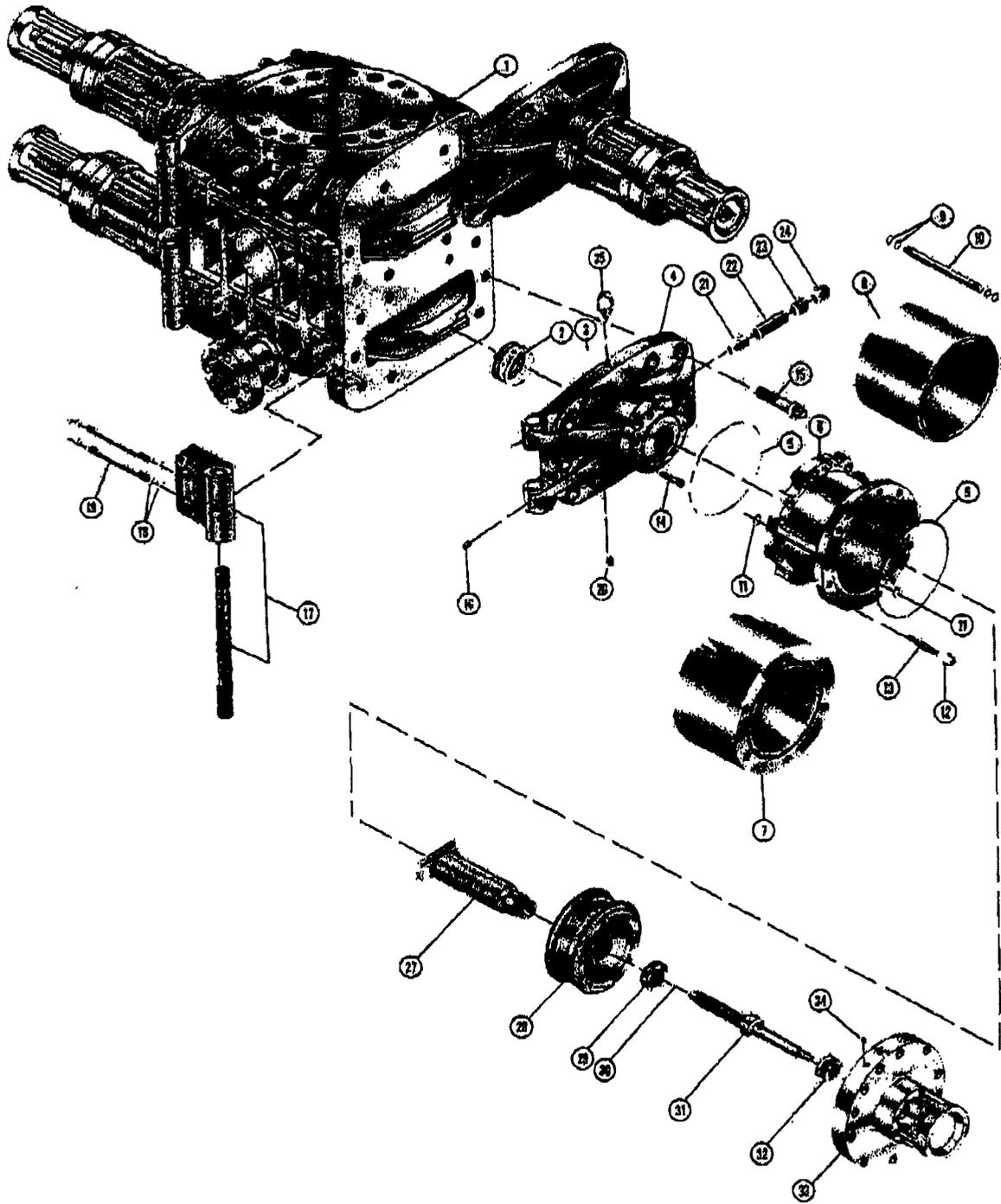


Figure 4-2  
LWS Manual-Lock BOP

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September, 1994

JAN 15 2009

DIV. OF OIL, GAS & MINING



JON M. HUNTSMAN, JR.  
Governor

GARY R. HERBERT  
Lieutenant Governor

# State of Utah

## DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER  
Executive Director

### Division of Oil, Gas and Mining

JOHN R. BAZA  
Division Director

February 2, 2009

Titan Energy Corp.  
33621 Hwy 43  
P O Box 37  
Thomasville, AL 36784

Re: McDonald 1 Well, 2002' FSL, 721' FWL, NW SW, Sec. 1, T. 18 South, R. 8 East,  
Emery County, Utah

Gentlemen:

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

This approval shall expire one year from the above date unless substantial and continuous operation is underway, or a request for extension is made prior to the expiration date. The API identification number assigned to this well is 43-015-30762.

Sincerely,

Gil Hunt  
Associate Director

pab  
Enclosures

cc: Emery County Assessor



Operator: Titan Energy Corp.

Well Name & Number McDonald 1

API Number: 43-015-30762

Lease: Fee

Location: NW SW                      Sec. 1                      T. 18 South                      R. 8 East

### Conditions of Approval

#### 1. General

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

#### 2. Notification Requirements

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

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

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

- Plugging and abandonment or significant plug back of this well – contact Dustin Doucet
- Any changes to the approved drilling plan – contact Dustin Doucet

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

- Dan Jarvis at:           (801) 538-5338 office           (801) 942-0871 home
- Carol Daniels at:       (801) 538-5284 office
- Dustin Doucet at:      (801) 538-5281 office           (801) 733-0983 home

#### 3. Reporting Requirements

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

#### 4. Compliance with the Conditions of Approval/Application for Permit to Drill outlined in the Statement of Basis. (Copy Attached)

5. The Application for Permit to Drill has been forwarded to the Resource Development Coordinating Committee for review of this action. You will be required to comply with any applicable recommendations resulting from this review.
6. This proposed well is located in an area for which drilling units (well spacing patterns) have not been established through an order of the Board of Oil, Gas and Mining (the "Board"). In order to avoid the possibility of waste or injury to correlative rights, the operator is requested, once the well has been drilled, completed, and has produced, to analyze geological and engineering data generated therefrom, as well as any similar data from surrounding areas if available. As soon as is practicable after completion of its analysis, and if the analysis suggests an area larger than the quarter-quarter section upon which the well is located is being drained, the operator is requested to seek an appropriate order from the Board establishing drilling and spacing units in conformance with such analysis by filing a Request for Agency Action with the Board.
7. Cement volume for the 4 1/2" production string shall be determined from actual hole diameter in order to place cement from the pipe setting depth back to 1000' MD as indicated in the submitted drilling plan.

# DIVISION OF OIL, GAS AND MINING

## **SPUDDING INFORMATION**

Name of Company: TITAN ENERGY INC

Well Name: MCDONALD 1

Api No: 43-015-30762 Lease Type: FEE

Section 01 Township 18S Range 08E County EMERY

Drilling Contractor STUART BROTHERS RIG # 48

## **SPUDDED:**

Date 04/22/09

Time 9:30 AM

How DRY

**Drilling will Commence:** \_\_\_\_\_

Reported by CECIL GUSTIN

Telephone # (970) 201-0897

Date 04/23/09 Signed CHD

43.015.30762

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

FORM 7

REPORT OF WATER ENCOUNTERED DURING DRILLING

Well name and number: McDonald #1

API number: 015-30762

Well Location: QQ NW4 Section 1 Township 16S Range 8E County Emery

Well operator: Cecil Gustin

Address: PO Box 37  
city Thomasville state AL zip 36784

Phone: (435) 820-6080

Drilling contractor: Stewart Brothers Drilling

Address: PO Box 2067 306 Airport Rd  
city Milan state NM zip 87021

Phone: (505) 287-2986

Water encountered (attach additional pages as needed):

DEPTH		VOLUME (FLOW RATE OR HEAD)	QUALITY (FRESH OR SALTY)
FROM	TO		

Formation tops: (Top to Bottom)

1	<u>NONE</u>	2	_____	3	_____
4	_____	5	_____	6	_____
7	_____	8	_____	9	_____
10	_____	11	_____	12	_____

If an analysis has been made of the water encountered, please attach a copy of the report to this form.

I hereby certify that this report is true and complete to the best of my knowledge.

NAME (PLEASE PRINT) Cecil Gustin

TITLE Operator

SIGNATURE Cecil Gustin

DATE 4/27/2009

(8/2000)

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APR 27 2009

DIV. OF OIL, GAS & MINING

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

FORM 6

ENTITY ACTION FORM

Operator: Titan Energy Corp. CecilGustin Operator Account Number: N 3560  
Address: PO Box 37  
city Thomasville  
state AL zip 36784 Phone Number: (435) 820-6080

Well 1

API Number	Well Name		QQ	Sec	Twp	Rng	County
015-30762	McDonald #1		NW4	1	18S	8E	Emery
Action Code	Current Entity Number	New Entity Number	Spud Date		Entity Assignment Effective Date		
	99999	17304	4/21/2009		4/29/09		
Comments: <u>DKTA</u>							

Well 2

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

Well 3

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

ACTION CODES:

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

Cecil Gustin

Name (Please Print)

*Cecil Gustin*

Signature

Operator

Title

4/27/2009

Date

(5/2000)

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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.

6. LEASE DESIGNATION AND SERIAL NUMBER	
8. IF INDIAN, ALLOTTEE OR TRIBE NAME:	
7. UNIT or CO-AGREEMENT NAME:	
9. WELL NAME AND NUMBER: McDonald #1	
9. API NUMBER: 015-30762	
1. TYPE OF WELL: OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER: _____	10. FIELD AND POOL, OR WILDCAT: Wildcat
2. NAME OF OPERATOR: Ceoil Gustin Titan Energy Corp.	
3. ADDRESS OF OPERATOR: PO Box 37 CITY: Thomasville STATE: AL ZIP: 36784	PHONE NUMBER: (435) 820-8080
4. LOCATION OF WELL: FOOTAGES AT SURFACE: 5769.8 COUNTY: Emery QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NW4 1 18S 8E 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: <u>4/12/2009</u>	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> REPERFORATE CURRENT FORMATION
	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> SIDETRACK TO REPAIR WELL
<input checked="" 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 checked="" 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>change well from oil to gas</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.

4-30-09 Run casing to 2010 ft, cemented with 150 sacks, bumped the plug at 230. Released the rig. Will start completion week of April 12, 2009.

NAME (PLEASE PRINT) Cecil Gustin

TITLE Operator

SIGNATURE Cecil Gustin

DATE 5/6/2009

(This space for state use only)

Accepted by the  
Utah Division of  
Oil, Gas and Mining  
For Record Only  
(See Instructions on Reverse Side)

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MAY 06 2009

DIV. OF OIL, GAS & MINING

(5/2000)

003/004

Ronald Adamson

05/08/2009 10 40 FAX +5059281481

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 intervals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.

1. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER _____		5. LEASE DESIGNATION AND SERIAL NUMBER: <u>FEE</u>
2. NAME OF OPERATOR: <del>Cecil Gustin</del> <u>Titan Energy Corp.</u>		6. IF INDIAN ALLOTTEE OR TRIBE NAME:
3. ADDRESS OF OPERATOR: PO Box 37 CITY <u>Thomasville</u> STATE <u>AL</u> ZIP <u>36784</u>		7. UNIT or CO-AGREEMENT NAME:
4. LOCATION OF WELL FOOTAGES AT SURFACE: <del>5765</del> <u>2000 FSL 721 FWL</u>		8. WELL NAME and NUMBER: <u>McDonald #1</u>
CONTR. SECTION, TOWNSHIP, RANGE, MERIDIAN: <u>NW4 1 18S BE</u>		9. API NUMBER: <u>015-30762</u>
COUNTY: <u>Emery</u>		10. FIELD AND POOL, OR WILDCAT: <u>Wildcat</u>
STATE: <u>UTAH</u>		

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 checked="" 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 BITE	<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.

Deepening well to 3000 feet. 4-27-2009 tripping pipe and going back in at 2759 feet. Verbal ok to deepen from Dan Jarvis was given on 4-25-2009. Will run 4 1/2" casing and cement on completion.

COPY SENT TO OPERATOR

Date: 5.18.2009

Initials: KS

NAME (PLEASE PRINT) <u>Cecil Gustin</u>	TITLE <u>Operator</u>
SIGNATURE <u>Cecil Gustin</u>	DATE <u>4/27/2009</u>

(This space for State use only)

Approved by the  
Utah Division of  
Oil, Gas and Mining

(See Instructions on Reverse Side)

Date: 5-13-09

By: [Signature]

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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 type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER _____		5. LEASE DESIGNATION AND SERIAL NUMBER: <u>FEE</u>
2. NAME OF OPERATOR Cecil Gustin <u>Titan Energy Corp.</u>		6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
3. ADDRESS OF OPERATOR PO Box 37 <u>Thomasville</u> CITY STATE <u>AL</u> ZIP <u>36784</u>		7. UNIT OR CA AGREEMENT NAME:
4. LOCATION OF WELL FOOTAGES AT SURFACE <u>5769.8</u> <u>2002 FSL 721 FWL</u>		8. WELL NAME AND NUMBER: <u>McDonald #1</u>
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: <u>NW4 1 18S 8E</u>		9. API NUMBER: <u>015-30762</u>
COUNTY: <u>Emery</u>		10. FIELD AND POOL, OR WILDCAT: <u>Wildcat</u>
STATE: <u>UTAH</u>		

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>5/14/2009</u>	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> DEEPEN	<input checked="" 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 checked="" type="checkbox"/> CASING REPAIR	<input type="checkbox"/> NEW CONSTRUCTION	<input type="checkbox"/> TEMPORARILY ABANDON
	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> TUBING REPAIR
	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> VENT OR FLARE
	<input type="checkbox"/> CHANGE WELL NAME	<input type="checkbox"/> PLUG BACK	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> PRODUCTION (START/RESUME)	<input type="checkbox"/> WATER SHUT-OFF
	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input type="checkbox"/> OTHER: _____
	<input type="checkbox"/> CONVERT WELL TYPE	<input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION	

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

Tagged cement at 237 ft. in the casing.  
Mayberry Drilling Company moved onto sight on May 14, 2009.  
May 18, 2009- Shot squeeze hole at 1900. Could not break circulation. Came up the hole to 1680 ft., circulated back side of casing.  
May 19, 2009- Cement casing from 1680 ft. to inside of casing to surface. Will let cement set 4 or 5 days and then frac and send new report.

COPY SENT TO OPERATOR

Date: 6.3.2009

Initials: KS

NAME (PLEASE PRINT) <u>Cecil Gustin</u>	TITLE <u>Operator</u>
SIGNATURE <u>Cecil Gustin</u>	DATE <u>5/19/2009</u>

(This space for State use only)

Approved by the  
Utah Division of  
Oil, Gas and Mining

Date: 5/20/09  
By: [Signature]

(8/2000) (See instructions on Reverse Side)

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MAY 19 2009

DIV. OF OIL, GAS & MINING

Titan Energy Corp

(505) 327-4119

Fax: (505) 326-1461

FAX COVER SHEET

FAX NUMBER TRANSMITTED TO: (801)359-3940

To: Dan Jarvis
Of: Utah Division of Oil, Gas and Mining
From: Cecil Gustin, Titan Energy
Client/Matter: McDonald #1
Date: June 1, 2009

Table with 2 columns: DOCUMENTS, NUMBER OF PAGES\*. Row 1: Form 9 5/19/09, 5/30/09, 6/1/09 | 3

COMMENTS:

Earlene,
I made a mistake about the second drilling company that drilled at this site. I listed it as Mayberry and it should have been Nabors.
Debbie

If you do not receive all pages or they are incomplete, please contact Debbie at 505-327-4119.

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JUN 01 2009

DIV. OF OIL, GAS & MINING

This communication is confidential and intended only for the use of the individual named above and the privileges are not waived by virtue of this having been sent by facsimile. If the person actually receiving this facsimile or any other reader of the facsimile is not the named recipient or the employee or agent responsible to deliver it to the named recipient, any use, dissemination, distribution, or copying of the communication is strictly prohibited. If you have received this communication in error, please immediately notify us by telephone and return the original message to us at the above address via U.S. Postal Service.

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 type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER _____		6. LEASE DESIGNATION AND SERIAL NUMBER:
2. NAME OF OPERATOR: Cecil Gustin		8. IF INDIAN, ALLOTTEE OR TRIBE NAME:
3. ADDRESS OF OPERATOR: PO Box 37 CITY Thomasville STATE AL ZIP 36784 PHONE NUMBER (435) 820-6080		7. UNIT or CA AGREEMENT NAME:
4. LOCATION OF WELL FOOTAGES AT SURFACE: 5769.8		8. WELL NAME and NUMBER: McDonald #1
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NW4 1 18S 8E		9. API NUMBER: 43-015-30762
COUNTY: Emery		10. FIELD AND POOL, OR WILDCAT: Wildcat Buzzard Creek
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: 5/14/2009	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> DEEPEN	<input checked="" 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 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.

Bagged cement at 237 ft. in the casing.  
Mayberry Drilling Company moved onto sight on May 14, 2009.  
May 18, 2009- Shot squeeze hole at 1900. Could not break circulation. Came up the hole to 1680 ft., circulated back side of casing.  
May 19, 2009- Cement casing from 1680 ft. to inside of casing to surface. Will let cement set 4 or 5 days and then frac and send new report.

→ ~~Nabors~~ Drilling (not mayberry)  
Nabors.

NAME (PLEASE PRINT) Cecil Gustin	TITLE Operator
SIGNATURE <i>Cecil Gustin</i>	DATE 5/19/2009

(This space for State use only)

RECEIVED  
JUN 01 2009

DIV. OF OIL, GAS & MINING

(5/2000)

(See instructions on Reverse Side)

002/004

Ronald Adamson

06/01/2009 14:24 FAX +50593261461

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 type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER _____		6. LEASE DESIGNATION AND SERIAL NUMBER:
2. NAME OF OPERATOR <i>Titan Energy Corp</i>		8. IF INDIAN, ALLOTTEE OR TRIBE NAME:
3. ADDRESS OF OPERATOR: <i>Mail Box 408011</i>		7. UNIT OR O.A. AGREEMENT NAME:
4. LOCATION OF WELL: <i>SEC. 1</i>		9. WELL NAME and NUMBER: <i>McDonald #1</i>
FOOTAGES AT SURFACE: <i>5729.8</i>		10. FIELD AND POOL OR WILDCAT: <i>Buzzard Bench</i>
CITY: <i>Thompson</i> STATE: <i>Ut.</i> ZIP: <i>84330</i>		9. API NUMBER: <i>43-015-3762</i>
PHONE NUMBER: <i>970 201 0897</i>		COUNTY: <i>Emery</i>
OTWOTR. SECTION, TOWNSHIP, RANGE, MERIDIAN: <i>NW4 1 105 0E</i>		STATE: <i>UTAH</i>

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"/> 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
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	<input type="checkbox"/> COMINGLE 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.

*Cementing of back side of 4 1/2 casing.*

*Logging - Log*

*Perfo. Log*

NAME (PLEASE PRINT) <i>Cecil Gustin</i>	TITLE <i>Operator</i>
SIGNATURE <i>Cecil Gustin</i>	DATE <i>5/30/09</i>

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JUN 01 2009

DIV. OF OIL, GAS & MINING

(5/2000)

(See Instructions on Reverse Side)

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

FORM 9

**SUNDRY NOTICES AND REPORTS ON WELLS**

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1. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER _____		6. LEASE DESIGNATION AND SERIAL NUMBER
2. NAME OF OPERATOR: Titan Energy Corp		6. IF INDIAN, ALLOTTEE OR TRIBE NAME
3. ADDRESS OF OPERATOR: PO Box 37      CITY: Thomasville      STATE: AL      ZIP: 36784		7. UNIT or CA AGREEMENT NAME
4. LOCATION OF WELL FOOTAGES AT SURFACE: 5769.8		8. WELL NAME and NUMBER: McDonald #1
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NW4    1    185    8E		9. API NUMBER: 43-015-30762
COUNTY: Emery		10. FIELD AND POOL OR WILDCAT Buzzard Bench
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"/> 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
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	<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 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.

Run tubing into 1700 ft. swab hole Dry.  
Released Nabors rig at 2:00 p.m. May 19, 2009  
Hole was dry.  
Shut well in until Saturday.  
Well built 32 PSI.  
Bleed off.  
Shut well in for 2 weeks.

NAME (PLEASE PRINT) <u>Cecil Gustin</u>	TITLE <u>Operator</u>
SIGNATURE <u>Cecil Gustin</u>	DATE <u>6/1/2009</u>

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(5/2000)

(See Instructions on Reverse Side)

DIV. OF OIL, GAS & MINING

004/004

Ronald Adamson

96/01/2009 14:24 FAX +5053261481

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

FORM 9

**SUNDRY NOTICES AND REPORTS ON WELLS**

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1. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER _____		5. LEASE DESIGNATION AND SERIAL NUMBER:
2. NAME OF OPERATOR Titan Energy Corp		6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
3. ADDRESS OF OPERATOR HC 11 Box 400017 Thompson Utah 84540		7. UNIT OF CO AGREEMENT NAME:
4. LOCATION OF WELL FOOTAGES AT SURFACE: 5769.8		8. WELL NAME and NUMBER: McDonald #1
QTR/QR, SECTION, TOWNSHIP, RANGE, MERIDIAN, NW4 1 185 8E		9. API NUMBER: 015-3762 30762
COUNTY Emery		10. FIELD AND POOL, OR WILDCAT Buzzard Bench
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
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	<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 OR 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)

Temporary shut in.  
Checking pressure.

NAME (PLEASE PRINT) Cecil Gustin	TITLE Operator
SIGNATURE <i>Cecil Gustin</i>	DATE 6/8/2009

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DIV. OF OIL, GAS & MINING

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

AMENDED REPORT  FORM 8  
(highlight changes)

WELL COMPLETION OR RECOMPLETION REPORT AND LOG

1. TYPE OF WELL: OIL WELL  GAS WELL  DRY  OTHER \_\_\_\_\_

2. TYPE OF WORK: NEW WELL  HORIZ. LATS.  DEEP-EN  RE-ENTRY  DIFF. RESVR.  OTHER \_\_\_\_\_

3. NAME OF OPERATOR: Titan Energy Corp

4. ADDRESS OF OPERATOR: HC 11 Box 400017 CITY Thompson STATE UT ZIP 84540 PHONE NUMBER: (970) 201-0897

5. LOCATION OF WELL (FOOTAGES): AT SURFACE: 5769.8 2002 fsi 721 fwi

6. AT TOP PRODUCING INTERVAL REPORTED BELOW:

7. AT TOTAL DEPTH:

8. LEASE DESIGNATION AND SERIAL NUMBER

9. IF INDIAN, ALLOTTEE OR TRIBE NAME

10. UNIT OF CA AGREEMENT NAME

11. WELL NAME and NUMBER: McDonald #1

12. API NUMBER: 015-3762 30762

13. FIELD AND POOL, OR WILDCAT: Buzzard Bench

14. CTR/OTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NW4 1 185 8E

15. COUNTY: EMERY 16. STATE: UTAH

17. DATE SPUDDED: 4/23/2009 18. DATE T.D. REACHED: 4/28/2009 19. DATE COMPLETED: 4/28/09

20. ABANDONED  READY TO PRODUCE

21. TOTAL DEPTH: MD TVD 3020 22. PLUG BACK T.D.: MD TVD 2,010 23. IF MULTIPLE COMPLETIONS, HOW MANY? \* n/a

24. DEPTH BRIDGE MD n/a PLUG SET: TVD

25. TYPE ELECTRIC AND OTHER MECHANICAL LOGS RUN (Submit copy of each): Gama & Cement Bond Log

26. WAS WELL CORED? NO  YES  (Submit analysis)

27. WAS DST RUN? NO  YES  (Submit report)

28. DIRECTIONAL SURVEY? NO  YES  (Submit copy)

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

HOLE SIZE	SIZE/GRADE	WEIGHT (Wt.)	TOP (MD)	BOTTOM (MD)	STAGE CEMENTER DEPTH	CEMENT TYPE & NO. OF SACKS	SLURRY VOLUME (BBL)	CEMENT TOP **	AMOUNT PULLED
9 5/8	7"	20	250				15		
6 1/4	4 1/2	10.5	2,010			200	15		
6 1/4	4 1/2	10.5	2,010			150	15.8		

30. TUBING RECORD

SIZE	DEPTH SET (MD)	PACKER SET (MD)	SIZE	DEPTH SET (MD)	PACKER SET (MD)	SIZE	DEPTH SET (MD)	PACKER SET (MD)
2 3/8	1,800	n/a						

31. PRODUCING INTERVALS

FORMATION NAME	TOP (MD)	BOTTOM (MD)	TOP (TVD)	BOTTOM (TVD)	INTERVAL (Top/Bot - MD)	SIZE	NO. HOLES	PERFORATION STATUS
(A) Farren Pinchout	1,830	1,888	2,759	2,759	1	5/8	2	Open <input type="checkbox"/> Squeezed <input type="checkbox"/>
(B) FRSO								Open <input type="checkbox"/> Squeezed <input type="checkbox"/>
(C)								Open <input type="checkbox"/> Squeezed <input type="checkbox"/>
(D)								Open <input type="checkbox"/> Squeezed <input type="checkbox"/>

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

DEPTH INTERVAL	AMOUNT AND TYPE OF MATERIAL
1680	100 Starter head tailed in 50 neat

33. ENCLOSED ATTACHMENTS:  ELECTRICAL/MECHANICAL LOGS  GEOLOGIC REPORT  LIST REPORT  DIRECTIONAL SURVEY

SUNDRY NOTICE FOR PLUGGING AND CEMENT VERIFICATION  CORE ANALYSIS  OTHER: \_\_\_\_\_

34. WELL STATUS: S

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31. INITIAL PRODUCTION

INTERVAL A (As shown in Item #22)

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

INTERVAL B (As shown in Item #23)

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 #24)

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 #25)

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

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

33. SUMMARY OF POROUS ZONES (Include Aquifers):

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

34. FORMATION (Log) MARKERS:

Formation	Top (MD)	Bottom (MD)	Descriptions, Contents, etc.	Name	Top (Measured Depth)
Ferron Pinchoff	1,880	1,920			

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) Cecil Gustin TITLE Operator  
 SIGNATURE *Cecil Gustin* DATE 6/19/2009

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

(5/2000)

**ENTITY ACTION FORM**

Operator: Titan Energy Corp Operator Account Number: N 3560  
 Address: HC 11 Box 4000117  
city Thompson  
state UT zip 84540 Phone Number: (970) 201-0897

Well 1

API Number	Well Name	QQ	Sec	Twp	Rng	County
4301530762	McDonald 1	NWSW	1	18S	8E	Emery
Action Code	Current Entity Number	New Entity Number	Spud Date		Entity Assignment Effective Date	
E	17304	17304			4/28/2009	
Comments: <u>completed in Ferron Sands (FRSD) only formation changed</u> <span style="float: right;"><u>6/30/09</u></span> <span style="margin-left: 100px;"><u>FRSD</u></span>						

Well 2

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

Well 3

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

**ACTION CODES:**

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

Earlene Russell (for DOGM)

Name (Please Print)

*Earlene Russell*

Signature

Engineering Tech

6/30/2009

Title

Date

**RECEIVED**

**JUN 30 2009**

DIV. OF OIL, GAS & MINING

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

FORM 9

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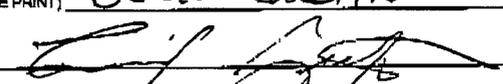
1. TYPE OF WELL OIL WELL <input checked="" type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER _____		5. LEASE DESIGNATION AND SERIAL NUMBER
2. NAME OF OPERATOR: TITAN ENERGY CORP		6. IF INDIAN, ALLOTTEE OR TRIBE NAME
3. ADDRESS OF OPERATOR: HC 11 Box 400017 CITY THOMPSON STATE UT ZIP 84540		7. UNIT or CA AGREEMENT NAME
4. LOCATION OF WELL FOOTAGES AT SURFACE: 5769.8 QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN:		8. WELL NAME and NUMBER: McDonald #1
PHONE NUMBER: 970-201-0897		9. API NUMBER: 015-30762
		10. FIELD AND POOL, OR WILDCAT: Blizzard Bench
		COUNTY: Emery
		STATE: UT UTAH

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<input type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: _____	<input type="checkbox"/> ACIDIZE	<input checked="" type="checkbox"/> DEEPEN	<input type="checkbox"/> REPERFORATE CURRENT FORMATION
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	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> TUBING REPAIR
	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> VENT OR FLARE
<input checked="" type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion: 4-30-2010	<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.

DRILLED OUT OF CASING 4 1/2 2010. CLEANED OUT HOLE TO 2759'. HOLE WAS DRILLED TO ORIGINAL DEPTH. 3 5/8 BIT WAS USED. 2 7/8 TUBING RUN TO 3020. THIS IS A SENSITIVE ARBA AND I WANT TO HOLD LOGS. WILL SWAB WELL SOON AND FILE REPORT ON RECOVERY. WILL FILE ANOTHER SUNDRY AS SOON AS SWABBING IS COMPLETED. WELL WILL REMAIN SHUT IN.

NAME (PLEASE PRINT) <u>CECIL GUSTIN</u>	TITLE <u>OPERATOR</u>
SIGNATURE 	DATE <u>MAY 26, 2010</u>

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

FORM 9

**SUNDRY NOTICES AND REPORTS ON WELLS**

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

1. TYPE OF WELL: OIL WELL  GAS WELL  OTHER \_\_\_\_\_

2. NAME OF OPERATOR: TITAN ENERGY CORP

3. ADDRESS OF OPERATOR: Well Box 400017, Thompson, Utah 84530 PHONE NUMBER: 970-201-0897

4. LOCATION OF WELL: FOOTAGES AT SURFACE: 5679.8 COUNTY: Emery STATE: UTAH

QTR/CTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: 18S 8E 1

5. LEASE DESIGNATION AND SERIAL NUMBER: \_\_\_\_\_

6. IF INDIAN, ALLOTTEE OR TRIBE NAME: \_\_\_\_\_

7. UNIT or CA AGREEMENT NAME: \_\_\_\_\_

8. WELL NAME and NUMBER: McDonald #1

9. API NUMBER: 30762

10. FIELD AND POOL, OR WILDCAT: Buzzard Bench

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 checked="" type="checkbox"/> DEEPEN	<input type="checkbox"/> REPERFORATE CURRENT FORMATION
<input checked="" type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion: <u>6-2-10</u>	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> SIDETRACK TO REPAIR WELL
	<input type="checkbox"/> CASING REPAIR	<input type="checkbox"/> NEW CONSTRUCTION	<input type="checkbox"/> TEMPORARILY ABANDON
	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> TUBING REPAIR
	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> VENT OR FLARE
	<input type="checkbox"/> CHANGE WELL NAME	<input type="checkbox"/> PLUG BACK	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> PRODUCTION (START/RESUME)	<input type="checkbox"/> WATER SHUT-OFF
	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input type="checkbox"/> OTHER: _____
	<input type="checkbox"/> CONVERT WELL TYPE	<input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION	

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

NAME (PLEASE PRINT) CECIL GUSTIN TITLE OPERATOR

SIGNATURE Cecil Gustin DATE JUNE 2, 2010

(This space for State use only)

RECEIVED  
JUN 02 2010

DIV. OF OIL, GAS & MINING

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

FORM B

**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  GAS WELL  OTHER \_\_\_\_\_

2. NAME OF OPERATOR: TITAN ENERGY CORP

3. ADDRESS OF OPERATOR: HCL Box 400017 CITY THOMPSON STATE UT ZIP 84510 PHONE NUMBER: 43-970-201-0897

4. LOCATION OF WELL: FOOTAGES AT SURFACE: 5679.8 COUNTY: EMERY

QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: 18S 8E 1 STATE: UTAH

5. LEASE DESIGNATION AND SERIAL NUMBER: \_\_\_\_\_

6. IF INDIAN, ALLOTTEE OR TRIBE NAME: \_\_\_\_\_

7. UNIT or CO AGREEMENT NAME: \_\_\_\_\_

8. WELL NAME AND NUMBER: McDONALD #1

9. API NUMBER: 015-3762 30762

10. FIELD AND POOL, OR WILDCAT: BUZZARD BENCH

**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: <u>6-7-10</u>	<input type="checkbox"/> CHANGE WELL NAME	<input type="checkbox"/> PLUG BACK	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> PRODUCTION (START/RESUME)	<input type="checkbox"/> WATER SHUT-OFF
	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input type="checkbox"/> OTHER: <u>Swabbing</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.

June 3, June 4 and June 5, 2010, swabbed with swabbing unit. Covered 45 barrels of mud. Flushed hole out with fresh water. Closed hole in for 2 weeks. Will swab again in 2 weeks.

NAME (PLEASE PRINT) CECIL GUSTIN TITLE OPERATOR

SIGNATURE Cecil Gustin DATE June 7, 2010

(This space for State use only)

(6/2000)

(See instructions on Reverse Side)

RECEIVED

JUN 07 2010

200/200

Ronald Adamson

06/08/2010 08:00 AM 505261461 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.

5. LEASE DESIGNATION AND SERIAL NUMBER: \_\_\_\_\_

6. IF INDIAN, ALLOTTEE OR TRIBE NAME: \_\_\_\_\_

7. UNIT OR CO AGREEMENT NAME: \_\_\_\_\_

1. TYPE OF WELL: OIL WELL  GAS WELL  OTHER \_\_\_\_\_

2. NAME OF OPERATOR: TITAN ENERGY CORP

3. ADDRESS OF OPERATOR: HC 11 Box 400017 CITY THOMPSON STATE UT ZIP 84540 PHONE NUMBER: 437-015-3762

8. WELL NAME and NUMBER: McDonald #1

9. API NUMBER: 30762

10. FIELD AND POOL, OR WILDCAT: Buzzard Bench

4. LOCATION OF WELL

FOOTAGES AT SURFACE: 5679.8 2002 FSL 0721 FWL COUNTY: EMERY

QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NWSW 5-01 T18S R08E 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: <u>6-23-10</u>	<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.

3000 in Cedar Mountain Zone.  
Will circulate KCL water then test.  
No activity at this time.

NAME (PLEASE PRINT) CECIL GUSTIN TITLE OPERATOR

SIGNATURE Cecil Gustin DATE 6-23-10

(This space for State use only)

RECEIVED

JUN 23 2010

DIV. OF OIL, GAS & MINING

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

FORM APPROVED  
OMB No. 1004-0135  
Expires January 31, 2004

**SUNDRY NOTICES AND REPORTS ON WELLS**

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

**SUBMIT IN TRIPLICATE- Other instructions on reverse side.**

1. Type of Well  
 Oil Well   Gas Well  Other

2. Name of Operator **Titan Energy Inc.,**

3a. Address  
 33621 Hwy 43, PO Box 37, Thomasville, AL, 36784

3b. Phone No. (include area code)  
 505-793-0182

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)  
 2003 FSL, 710 FWL, SEC 1, T18S, R8E

5. Lease Serial No.  
 Fee

6. If Indian, Allottee or Tribe Name  
 NA

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

8. Well Name and No.  
 McDonald Fee #1

9. API Well No.  
 43-015-30762

10. Field and Pool, or Exploratory Area  
 Wildcat

11. County or Parish, State  
 Emery, Utah

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

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

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

**PROPOSE TO DRILL OUT UNDER CASING SHOE AT 2010' WITH 3 1/2 DRILL TO 3000' +/- THIS IS TO TEST AN OPEN HOLE ZONES IN THE LOWER FERRON, DAKOTA (NATURITA), AND THREE (3) CEDAR MOUNTAIN FORMATIONS ABOVE THE MORRISON. THIS IS AN OPEN HOLE TEST AND IF ECONOMICAL WE WILL DISCUSS WITH THE STATE OF UTAH PROCEDURES FOR PRODUCING. IF UNECONOMICAL WE WILL SUBMIT A FINAL ABANDON NOTICE.**

Approved by the  
 Utah Division of  
 Oil, Gas and Mining

**COPY SENT TO OPERATOR**

Date: 7.21.2010  
 Initials: KS

Date: 07-13-10  
 By: [Signature]

**RECEIVED**

**JUL 08 2010**

**DIV. OF OIL, GAS & MINING**

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

**WILLIAM HUTCHINSON**

Title **CONSULTANT**

Signature

[Signature]

Date

**07/01/2010**

**THIS SPACE FOR FEDERAL OR STATE OFFICE USE**

Approved by

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

Title

Date

Office

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

(Instructions on page 2)

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

FORM APPROVED  
OMB No. 1004-0135  
Expires: January 31, 2004

**SUNDRY NOTICES AND REPORTS ON WELLS**

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

**SUBMIT IN TRIPLICATE- Other Instructions on reverse side.**

1. Type of Well <input type="checkbox"/> Oil Well <input type="checkbox"/> <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other		5. Lease Serial No. Fee
2. Name of Operator Titan Energy Inc.,		6. If Indian, Allottee or Tribe Name NA
3a. Address 33621 Hwy 43, PO Box 37, Thomasville, AL, 36784	3b. Phone No. (include area code) 505-793-0182	7. If Unit or CA/Agreement, Name and/or No. NA
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) 2003 FSL, 710 FWL, SEC 1, T18S, R8E		8. Well Name and No. McDonald Fee #1
		9. API Well No. 43-015-30762
		10. Field and Pool, or Exploratory Area Wildcat
		11. County or Parish, State Emery, Utah

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

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

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

**PROPOSE TO ACIDIZE WELL FROM 1711' -1873 BEHIND 4 1/2" CASED HOLE AND ACIDIZE 2010' TO 3000'+- OPEN HOLE WITH 2 7/8" TUBING IN WELL FROM SURFACE TO 3000'. IF WELL IS ECONOMICALLY FEASIBLE WE WILL PROCEED TO MEET STATE OF UTAH COMPLIANCE. THE TESTING COULD TAKE SOME DURATION.**

Approved by the  
Utah Division of  
Oil, Gas and Mining

**RECEIVED**

**JUL 08 2010**

**DIV. OF OIL, GAS & MINING**

Date: 07-13-2010  
By: [Signature]

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

Name (Printed/Typed) <b>WILLIAM HUTCHINSON</b>	Title CONSULTANT
Signature: <u>[Signature]</u>	Date 07/08/2010

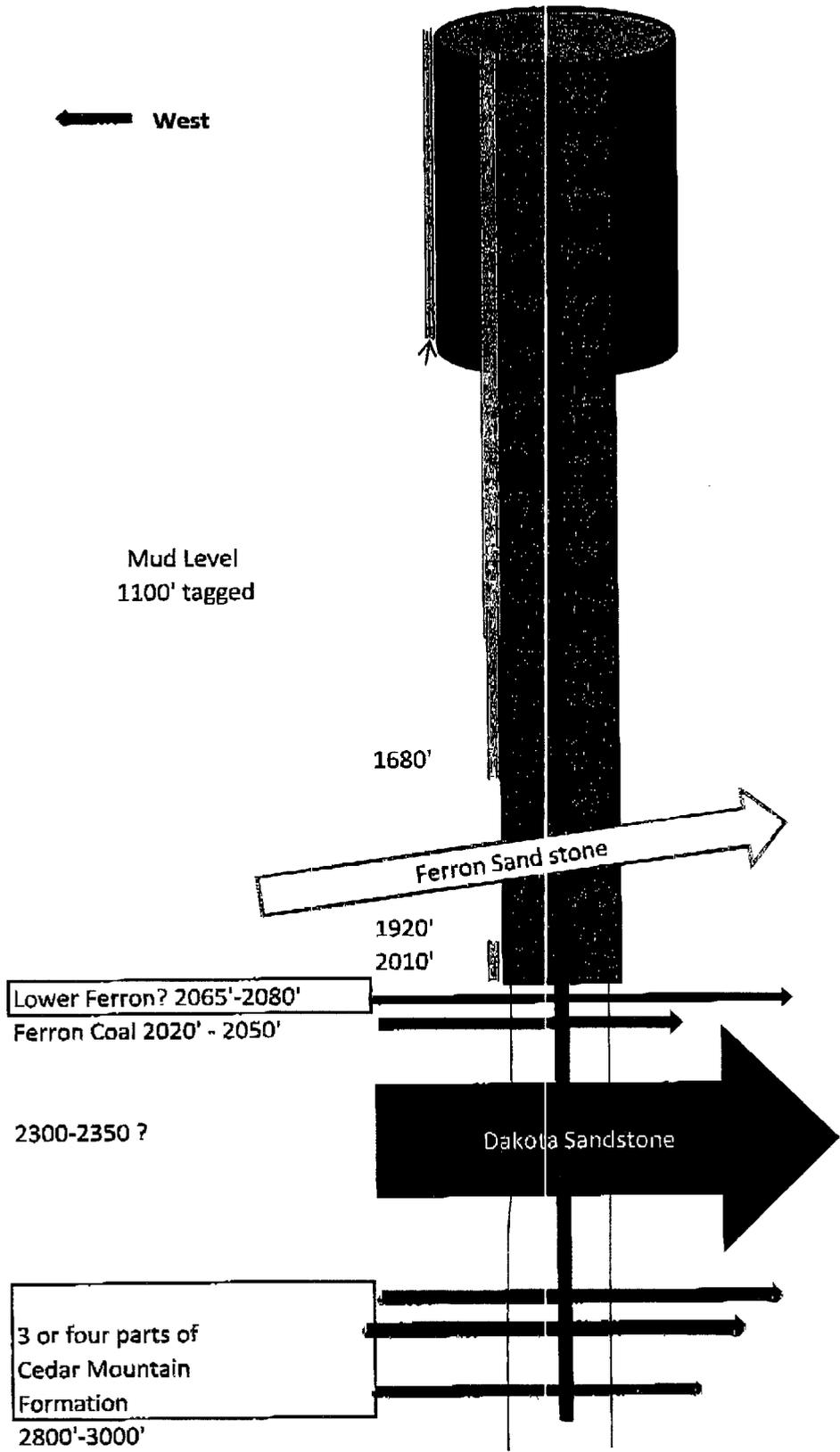
**THIS SPACE FOR FEDERAL OR STATE OFFICE USE**

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

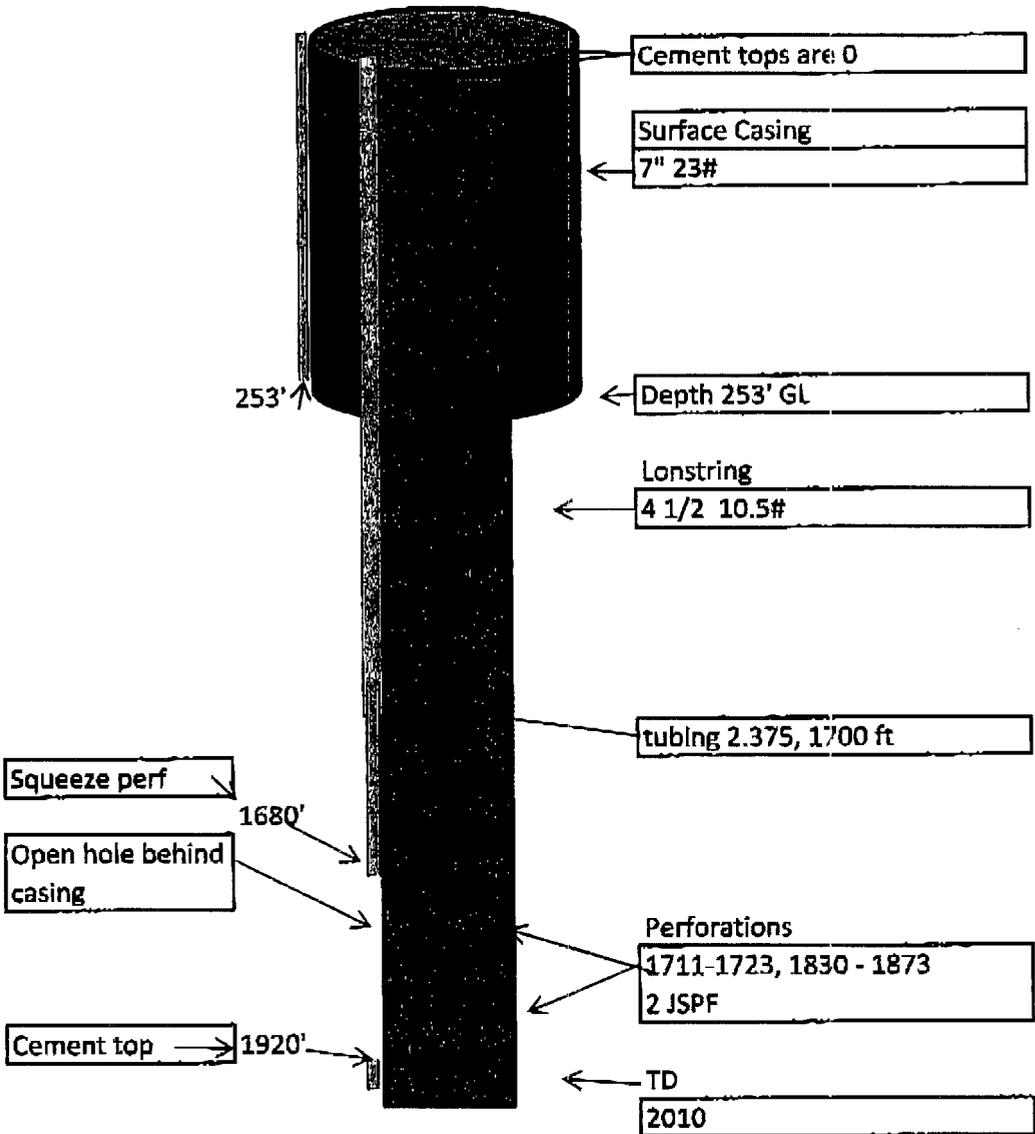
Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

(Instructions on page 2)

← West



Casing size and depth



McDonald Fee # 1

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

FORM 9

<b>SUNDRY NOTICES AND REPORTS ON WELLS</b>		5. LEASE DESIGNATION AND SERIAL NUMBER: <b>FEE</b>
Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.		6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
1. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER _____		7. UNIT or CA AGREEMENT NAME:
2. NAME OF OPERATOR: <b>Titan Energy Inc.</b>		8. WELL NAME and NUMBER: <b>McDonald #1</b>
3. ADDRESS OF OPERATOR: <b>33621 Hwy 43, PO Box 37,</b> CITY <b>Thomasville,</b> STATE <b>AL</b> ZIP <b>36784</b>	PHONE NUMBER: <b>(334) 636-5836</b>	9. API NUMBER: <b>43-015-30762</b>
4. LOCATION OF WELL FOOTAGES AT SURFACE: <b>2003 FSL, 710 FWL</b>		10. FIELD AND POOL, OR WILDCAT: <b>Wildcat</b>
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: <b>NWSW 1 18S 8E S</b>		COUNTY: <b>EMERY</b>
		STATE: <b>UTAH</b>

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

TYPE OF SUBMISSION	TYPE OF ACTION		
<input type="checkbox"/> NOTICE OF INTENT <i>(Submit in Duplicate)</i> 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 <i>(Submit Original Form Only)</i> Date of work completion: <b>8/1/2010</b>	<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: <b>STANDBY</b>
	<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.

**WAITING ON STIMULATION EQUIPMENT  
THIS WELL IS NOW "TITE" HOLE AND ALL DATA IS CONFIDENTIAL**

**! CONFIDENTIAL**

NAME (PLEASE PRINT) <u>William Hutchinson</u>	TITLE <u>Consultant</u>
SIGNATURE	DATE <u>8/1/2010</u>

(This space for State use only)

**RECEIVED**

**DEC 13 2010**

**DIV. OF OIL, GAS & MINING**

(See Instructions on Reverse Side)

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

FORM 9

5. LEASE DESIGNATION AND SERIAL NUMBER:

**FEE**

**SUNDRY NOTICES AND REPORTS ON WELLS**

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:

**McDonald #1**

2. NAME OF OPERATOR:

**Titan Energy Inc.**

9. API NUMBER:

**43-015-30762**

3. ADDRESS OF OPERATOR:

**33621 Hwy 43, PO Box 37,      CITY    Thomasville,      STATE    AL      ZIP    36784**

PHONE NUMBER:

**(334) 636-5836**

10. FIELD AND POOL, OR WILDCAT:

**Wildcat**

4. LOCATION OF WELL

FOOTAGES AT SURFACE: **2003 FSL, 710 FWL**

COUNTY: **EMERY**

QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: **NWSW 1    18S 8E    S**

STATE:

**UTAH**

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

TYPE OF SUBMISSION	TYPE OF ACTION		
<input type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: _____	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> REPERFORATE CURRENT FORMATION
	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> SIDETRACK TO REPAIR WELL
	<input type="checkbox"/> CASING REPAIR	<input 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: <b>9/1/2010</b>	<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: <b>STANDBY</b>
	<input type="checkbox"/> CONVERT WELL TYPE	<input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION	

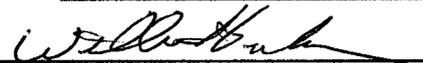
12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

**WAITING ON STIMULATION EQUIPMENT  
THIS WELL IS NOW "TITE" HOLE AND ALL DATA IS CONFIDENTIAL**

 **CONFIDENTIAL**

NAME (PLEASE PRINT) William Hutchinson

TITLE Consultant

SIGNATURE 

DATE 9/1/2010

(This space for State use only)

**RECEIVED**

**DEC 13 2010**

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

FORM 9

<b>SUNDRY NOTICES AND REPORTS ON WELLS</b>		5. LEASE DESIGNATION AND SERIAL NUMBER: <b>FEE</b>
Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.		6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
		7. UNIT or CA AGREEMENT NAME:
1. TYPE OF WELL <b>OIL WELL</b> <input type="checkbox"/> <b>GAS WELL</b> <input checked="" type="checkbox"/> OTHER _____	8. WELL NAME and NUMBER: <b>McDonald #1</b>	
2. NAME OF OPERATOR: <b>Titan Energy Inc.</b>		9. API NUMBER: <b>43-015-30762</b>
3. ADDRESS OF OPERATOR: <b>33621 Hwy 43, PO Box 37,    CITY    Thomasville,    STATE    AL    ZIP    36784</b>	PHONE NUMBER: <b>(334) 636-5836</b>	10. FIELD AND POOL, OR WILDCAT: <b>Wildcat</b>
4. LOCATION OF WELL FOOTAGES AT SURFACE: <b>2003 FSL, 710 FWL</b>		COUNTY: <b>EMERY</b>
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: <b>NWSW 1    18S    8E    S</b>		STATE: <b>UTAH</b>

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA			
TYPE OF SUBMISSION	TYPE OF ACTION		
<input type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate)  Approximate date work will start: _____	<input checked="" 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: <b>10/1/2010</b>	<input type="checkbox"/> CASING REPAIR	<input type="checkbox"/> NEW CONSTRUCTION	<input type="checkbox"/> TEMPORARILY ABANDON
	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> TUBING REPAIR
	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> VENT OR FLARE
	<input type="checkbox"/> CHANGE WELL NAME	<input type="checkbox"/> PLUG BACK	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> PRODUCTION (START/RESUME)	<input type="checkbox"/> WATER SHUT-OFF
	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input type="checkbox"/> OTHER: _____
	<input type="checkbox"/> CONVERT WELL TYPE	<input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION	

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

**ON 9/2/2010 WE ACIDIZED WELL USING BEDWELL PROCESS WITH 2000 GAL. 7 1/2% ACID AND 70 QUALITY N2 FOAM.**  
**ZONES OF INTENDED STIMULATION WERE FERRON, BASIL FERRON, LOWER DAKOTA, AND CEDAR MTN.**  
**PRESSURE TESTED WELLHEAD TO 3000#. ALL PROCEDURES WERE <3000#**  
**FERRON 1800' +/-**  
**BASIL FERRON 2050' +/-**  
**LOWER DAKOTA 2350' +/-**  
**CEDAR MTN 2400-3000 +/-**  
**CASED HOLE TO 2010' WITH OPEN HOLE 2010'-3050' +/-**  
**2 7/8 TUBING AT 3025'+/-**  
**WAITING ON TESTING**  
**THIS WELL IS NOW "TITE" HOLE AND ALL DATA IS CONFIDENTIAL**



NAME (PLEASE PRINT) <u>William Hutchinson</u>	TITLE <u>Consultant</u>
SIGNATURE <u><i>William Hutchinson</i></u>	DATE <u>10/1/2010</u>

(This space for State use only)

**RECEIVED**  
**DEC 13 2010**

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

FORM 9

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		10. FIELD AND POOL, OR WLD CAT: <b>Wildcat</b>
4. LOCATION OF WELL FOOTAGES AT SURFACE: <b>2003 FSL, 710 FWL</b>		COUNTY: <b>EMERY</b>
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: <b>NWSW 1 18S 8E S</b>		STATE: <b>UTAH</b>

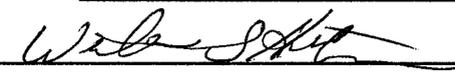
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TYPE OF SUBMISSION	TYPE OF ACTION		
<input type="checkbox"/> NOTICE OF INTENT <i>(Submit in Duplicate)</i> Approximate date work will start: _____	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> REPERFORATE 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 <i>(Submit Original Form Only)</i> Date of work completion: <b>11/1/2010</b>	<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: <b>STANDBY SHUT-IN</b>
	<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.

WAITING ON TESTING  
THIS WELL IS NOW "TITE" HOLE AND ALL DATA IS CONFIDENTIAL

 **CONFIDENTIAL**

NAME (PLEASE PRINT) <u>William Hutchinson</u>	TITLE <u>Consultant</u>
SIGNATURE 	DATE <u>11/1/2010</u>

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

FORM 9

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8. WELL NAME and NUMBER:  
McDonald #1

2. NAME OF OPERATOR:  
Titan Energy Inc.

9. API NUMBER:  
43-015-30762

3. ADDRESS OF OPERATOR:  
33621 Hwy 43, PO Box 37, CITY Thomasville, STATE AL ZIP 36784

PHONE NUMBER:  
(334) 636-5836

10. FIELD AND POOL, OR WILDCAT:  
Wildcat

4. LOCATION OF WELL

FOOTAGES AT SURFACE: 2003 FSL, 710 FWL

COUNTY: EMERY

QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NWSW 1 18S 8E S

STATE: UTAH

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	<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: 12/1/2010	<input type="checkbox"/> CHANGE WELL NAME	<input type="checkbox"/> PLUG BACK	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> PRODUCTION (START/RESUME)	<input type="checkbox"/> WATER SHUT-OFF
	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input type="checkbox"/> OTHER: <u>STANDBY SHUT-IN</u>
	<input type="checkbox"/> CONVERT WELL TYPE	<input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION	

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WAITING ON TESTING  
THIS WELL IS NOW "TITE" HOLE AND ALL DATA IS CONFIDENTIAL

**CONFIDENTIAL**

NAME (PLEASE PRINT) William Hutchinson

TITLE Consultant

SIGNATURE *William Hutchinson*

DATE 12/1/2010

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DEC 13 2010

DIV. OF OIL, GAS & MINING (Instructions on Reverse Side)

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

FORM 9

**SUNDRY NOTICES AND REPORTS ON WELLS**

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1. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER _____		5. LEASE DESIGNATION AND SERIAL NUMBER: FEE
2. NAME OF OPERATOR: Titan Energy Inc.		6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
3. ADDRESS OF OPERATOR: 33621 Hwy 43, PO Box 37, CITY Thomasville, STATE AL ZIP 36784		7. UNIT or CA AGREEMENT NAME:
4. LOCATION OF WELL FOOTAGES AT SURFACE: 2003 FSL, 710 FWL QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NWSW 1 18S 8E S		8. WELL NAME and NUMBER: McDonald #1
PHONE NUMBER: (334) 636-5836		9. API NUMBER: 43-015-30762
COUNTY: EMERY		10. FIELD AND POOL, OR WILDCAT: Wildcat
STATE: UTAH		

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

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	<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: 10/1/2010	<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 checked="" type="checkbox"/> COMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input type="checkbox"/> OTHER: <u>COMINGLE REQUEST</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.

Titan Energy Inc. REQUESTS TO COMINGLE THE FERRON, LOWER DAKOTA AND CEDAR MOUNTAIN GAS.

WAITING ON TESTING  
THIS WELL IS NOW "TITE" HOLE AND ALL DATA IS CONFIDENTIAL

**! CONFIDENTIAL**

COPY SENT TO OPERATOR

Date: 12-28-2010

Initials: LS

NAME (PLEASE PRINT) William Hutchinson

TITLE Consultant

SIGNATURE [Signature]

DATE 10/1/2010

**REQUEST DENIED**

Utah Division of  
Oil, Gas and Mining

Date: 12/21/2010

By: [Signature]

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DEC 13 2010

DIV. OF OIL, GAS & MINING

(See Instructions on Reverse Side)

\* See Requirements of R649-3-22  
\*\* Any future completion work should be submitted for approval prior to doing work - Submit WCR.

CONFIDENTIAL

Dustin Doucet  
State of Utah  
Dept. of Natural Resources  
Div. of Oil Gas and Mining

RECEIVED

JAN 31 2011

API # 43-01530762  
S01 T18S R08E

DIV. OF OIL, GAS & MINING

Dear Dustin,

I was called into helping Titan Energy Inc. as a favor to a former co-worker whose father is Cecil Gustin. I called Mr. Gustin in the latter part of 2009 when he had commenced drilling on the McDonald Fee #1 in Emery County, Utah. He told me he had set 9 5/8 casing and cemented it to surface. He was drilling to @ 3000' but was encountering formation sloughing and it had gotten the drilling assembly stuck many times. He had pulled his drilling assembly and had logged the zones from @ 2010' to surface. The logs showed potential gas zone from 1710' to 1834' which was determined to be the Upper Ferron sandstone.

He asked what to do and I suggested to him to either return to drilling or set casing across the Upper Ferron sandstone. He decided to run 4 1/2 casing landing it at 2010'. He then attempted to pump cement from 2010' to surface with cement but lost returns shortly after the cement began returning up the annulus. This is where the lower Ferron was cemented of, the zone of least resistance. He then ran a bond log and the top of cement (TOC) was 1920'; He called me and I informed him to shoot a squeeze perforation at 1680' and squeeze cement to surface. He did this with @ 10 BBLs of cement returns at surface. They then waited on cement (WOC) before reentry with wire line. The wire line company then perforated from 1830'-1873' with 2 jet shots per foot (JSPF). The well went on a vacuum with top of 2% KCL water @ 1000'. (Exhibit 1)

At this time the well was shut-in and allowed to build pressure as the water drained away from the well bore due to the upslope of the zone at that point. The formation outcrops a few miles east of the location and the zone appears deeper to the west. The well built @ 50 psi and would bleed off on a 1/4 choke in ten minutes.

The well was to be left in shut-in status until swabbing or pumping could be set. Then in April-May, Mr. Gustin asked what he could do with the well. I informed him he could slim hole the well with 2 7/8 and a 3 1/2 bit but he needed to inform the State of Utah of his intentions or speak with the local State representative. Exhibit( 2 and 3)

Mr. Gustin then had Nabors Drilling move on location and begin drilling deeper with 2 7/8 to 3050', Drilling logs showed a substantial gas kick @2372 and small gas shows at 2466', 2556'; and 2874'. At @ 2950' the drilling logs showed over 100' of limestone, which is the lower Cedar Mountain Formation. This is where he stopped and had Lone Wolf wire line log the well and perforate the tubing in open-hole at the aforementioned areas , 2372', 2466', 2556', and 2874'.

I was called by Mr. Gustin, in mid-July and asked what he should do. He informed me of his prior activities and I asked if he had filed the necessary paperwork with the State and he replied in the affirmative. I then asked why he perforated the tubing in open-hole to which he said that was where the small gas kicks were. This is when Mr. Bedwell, owner of Titan Energy, and I spoke with each other. I expressed my concerns and how we should go forward with the well. I started by submitting some sundrt notices and assumed Mr. Gustin had submitted his paperwork to deepen the well and ask for a commingle. I then found out he was no longer submitting any information to the State.

I then started the sundry filings and on September 2, 2010 we proceeded with an acid clean-up to see if there was any potential in the Cedar Mountain Formations. I again

asked Mr. Gustin if the paperwork had been filed and he said yes. The 7 ½% nitrified acid was completed and Cudd Energy of Grand Junction, was released from location. Mr. Bedwell, Mr. Gustin, and I discussed the flowback of the treatment and Mr. Gustin stated he would take control of that part of the operation. The well was flowing slightly during the night and in the morning Mr. Gustin was gone due to a death in the family. He was to return in a couple of days and continue the flowback. (Exhibit 4)

I was finally able to contact Mr. Gustin after a week had passed and asked him what the status of the flowback. He stated that he hadn't been there and it would be at least another week or so before he would be able to check the well. He never did and the well sat shut-in for over a month.

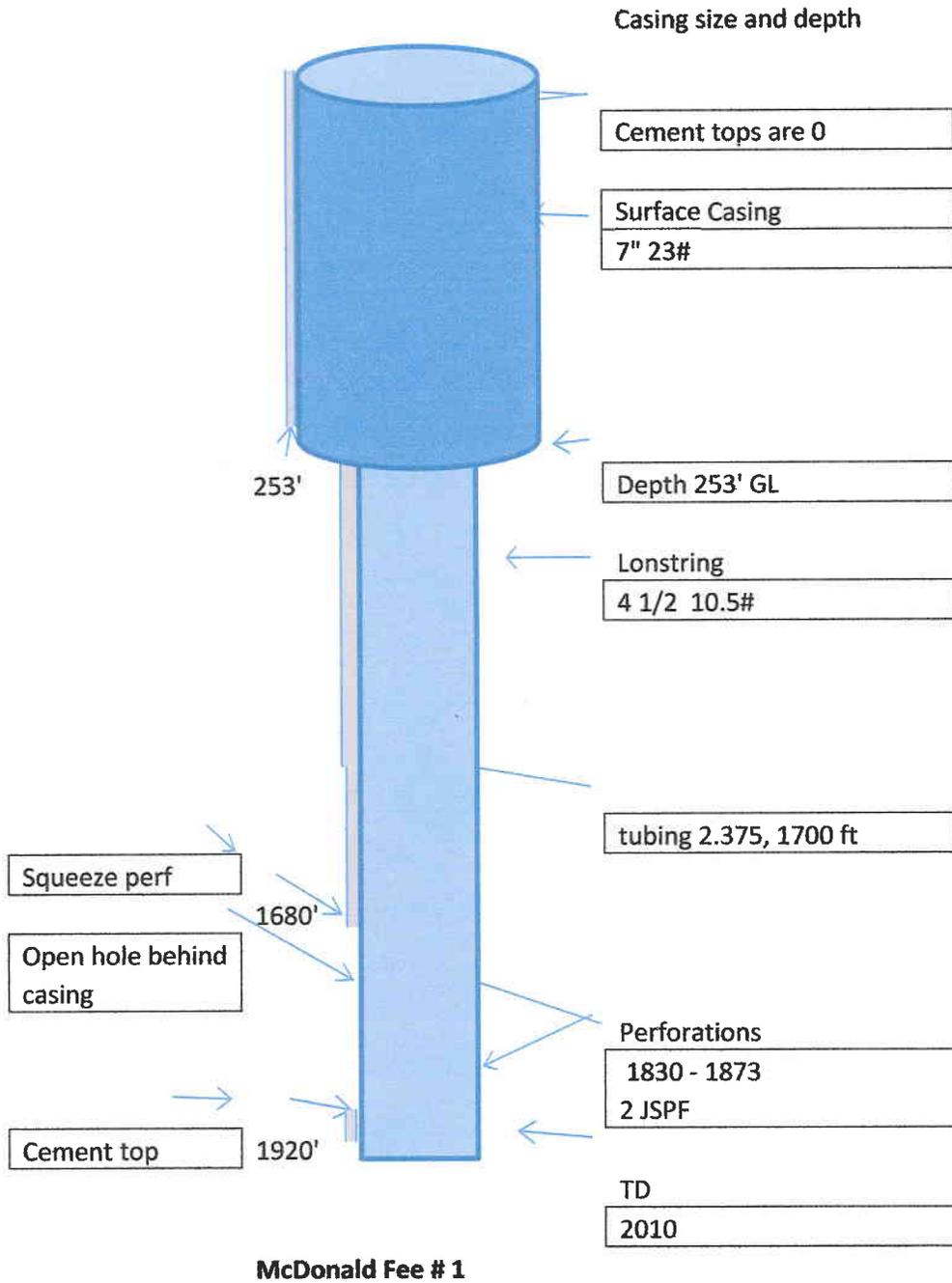
I then asked a slickline company to check the well down the tubing and retrieved a sample, which was of KCL water and spent acid water with a specific gravity of 1.1. The decision was to run ¾ " rods and a pump. We had no access to a workover rig and so we set a tubing stop with a 1 ¼" hole at 2215'.

In December we had Hurricane Swabbing of Farmington, NM mobilize and set a pack-off pump at 2110', testing the pump before leaving location. We then instructed a roustabout company to place a pumping unit on the well. We are presently pumping fluids from the well consisting of drilling mud and water. At this time we have not cleaned the well up.

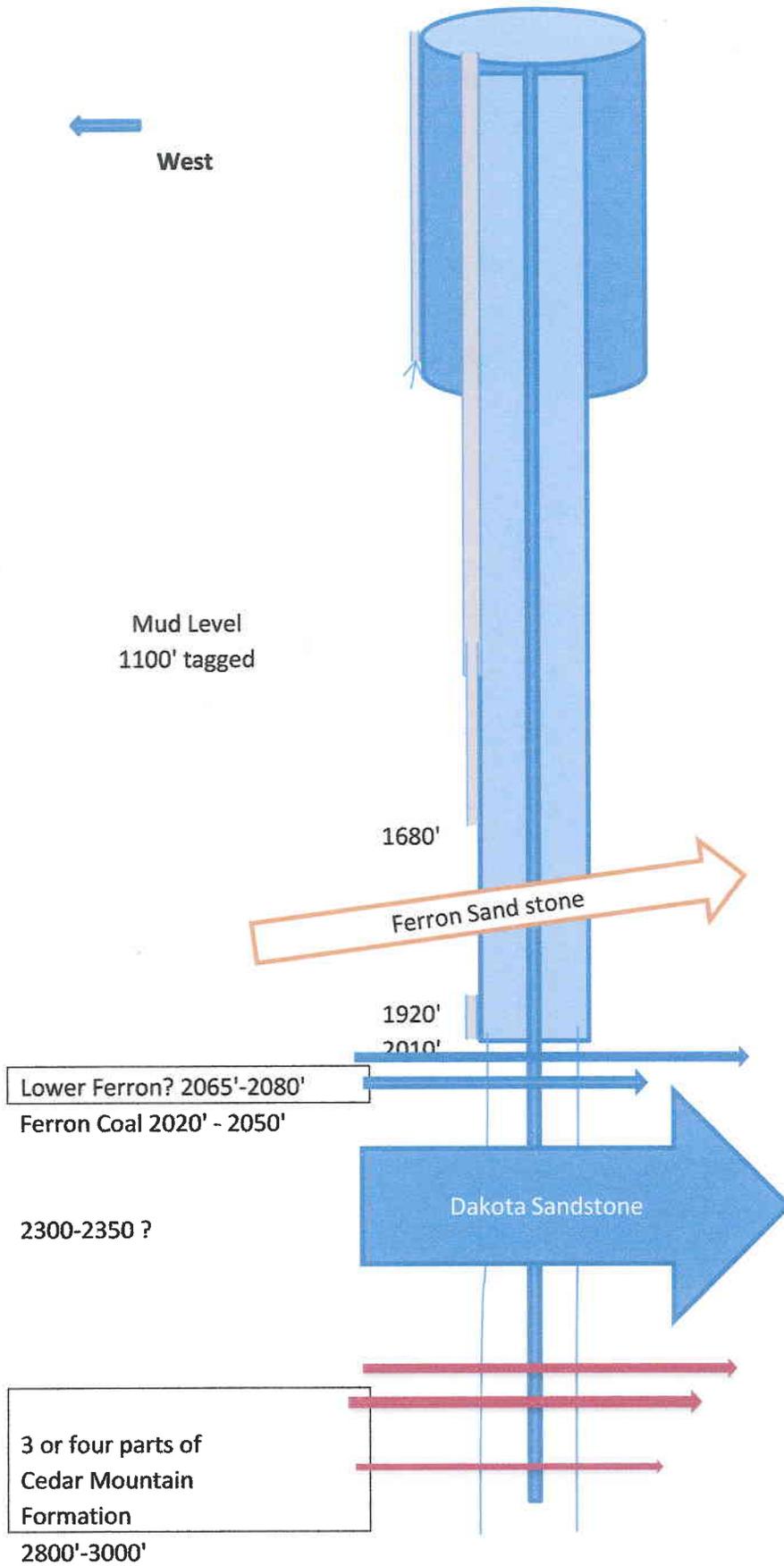
When we feel we have recovered the drilling and acid cleanup fluids we intend to test the well and submit a well completion report. The completion report will contain the flows of expected gas and the BTU to determine the quality of gas. Mr. Gustin is no longer involved in the activities concerning our well and any Titan Energy involvement in the State of Utah. Any further discussions with the State and Dustin will continue to be transparent. We are trying to recover from mistakes and prior inability to inform the State and look forward to a good relationship.

Thank you,  
William "Chip" Hutchinson  
505-326-5354

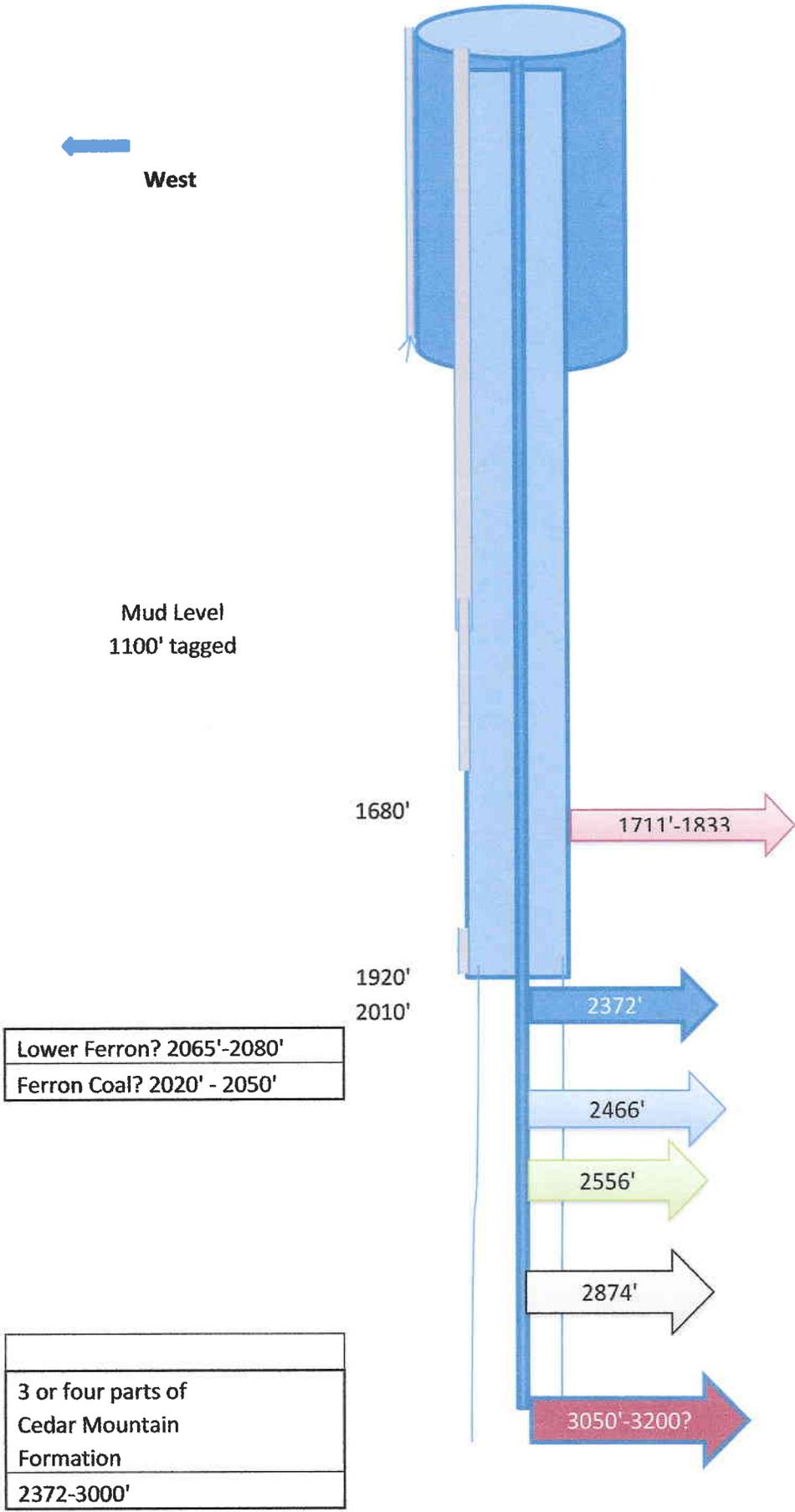
cc. Robert Bedwell  
**Titan Energy Corp.**  
**33621 Hwy, 43, Suite 102**  
**PO Box 37**  
**Thomasville, AL.36784**  
**334-636-5836**  
**Fax 334-636-8125**



**Exhibit 1: First stage in Progression**

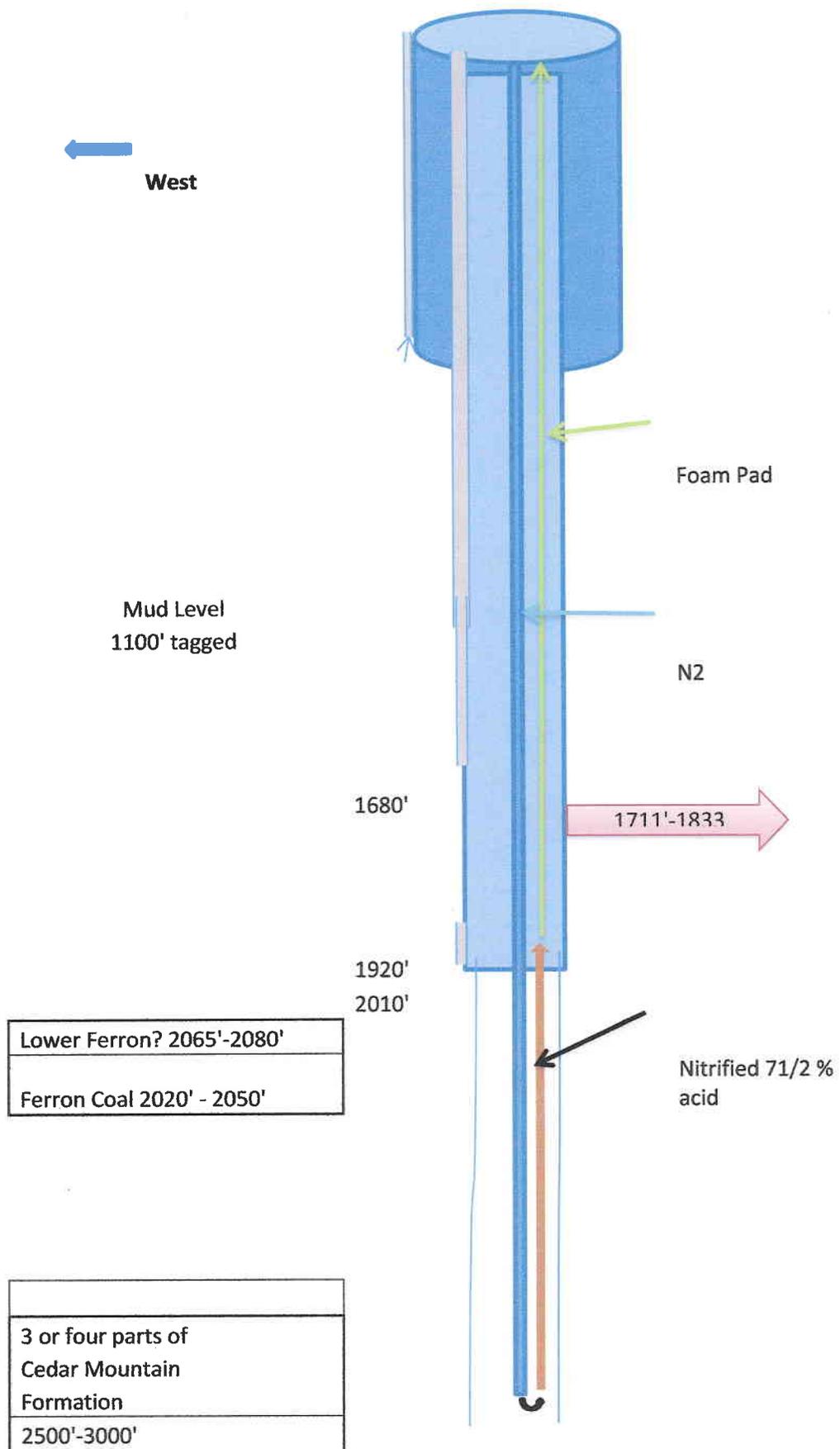


**Exhibit 2: Deepening of Well**



3050'-3200? Lower Cedar Mtn

Exhibit 2: Well drilling logs



**Exhibit 4: Mud acid cleanup**

C

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

FORM 6

**ENTITY ACTION FORM**

Operator: Titan Energy Corp  
Address: 33621 Hwy. 45, suite 102, PO Box 35  
city Thomasville  
state AL zip 36784

Operator Account Number: N 3560

Phone Number: (334) 636-8125

**Well 1**

API Number	Well Name		QQ	Sec	Twp	Rng	County
4301530762	MCDONALD #1		NWSW	1	18S	8E	EMERY
Action Code	Current Entity Number	New Entity Number	Spud Date			Entity Assignment Effective Date	
E	17304	17304				5/15/10	
Comments: DEEPEN WELL INTO THE CEDAR MOUNTAIN FORMATION. TD @ 3050'							<b>CONFIDENTIAL</b>

2/23/11

**Well 2**

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

**Well 3**

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

**ACTION CODES:**

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

WILLIAM HUTHINSON (CHIP)

Name (Please Print)

*William Hutinson Chip*

Signature

CONSULTANT

2/14/2011

Title

Date

**RECEIVED**

FEB 14 2011

(5/2000)

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

FORM 9

**CONFIDENTIAL**

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7. UNIT or CA AGREEMENT NAME:	
8. WELL NAME and NUMBER: MCDONALD #1	
9. API NUMBER: 43-015-30762	
3. ADDRESS OF OPERATOR: 33621 HWY 43, SUITE 102 CITY THOMASVILLE STATE AL ZIP 36784	PHONE NUMBER: (334) 636-5836
10. FIELD AND POOL, OR WILDCAT: WILDCAT	

1. TYPE OF WELL OIL WELL  GAS WELL  OTHER \_\_\_\_\_

2. NAME OF OPERATOR:  
TITAN ENERGY CORP.

4. LOCATION OF WELL  
FOOTAGES AT SURFACE: \_\_\_\_\_ COUNTY: EMERY

QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: 1/4 SW 18S 8E S STATE: UTAH

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	<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.  
MIRU FOUR CCORNERS WELL SERVICE APRIL 4, 2011. TOOH WITH 3001' OF 2 7/8 TUBING. TIH WITH 3000' OF UNPERFORATED 2 3/8 TUBING TO 2700'. OPEN-HOLE WELL BORE COLLAPSED. COULDN'T RETURN TO BOTTOM OF WELL. TOP OF COLLAPSE @ 2100'. TIH WITH 2001' OF 2 3/8 TUBING AND PUMP. CASING AT 2010' AND PERFORATIONS 1735-1798' GL. MROL 5/5/2011.

**! CONFIDENTIAL**

NAME (PLEASE PRINT) WILLIAM HUTCHINSON TITLE CONSULTANT

SIGNATURE *William Hutchinson* DATE 5/11/2011

(This space for State use only)

**RECEIVED**

**JUN 21 2011**

**DIV. OF OIL, GAS & MINING**

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

FORM 9

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3. ADDRESS OF OPERATOR:  
33621 HWY 43, SUITE 102 CITY THOMASVILLE STATE AL ZIP 36784

PHONE NUMBER:  
(334) 636-5836

4. LOCATION OF WELL  
FOOTAGES AT SURFACE:

QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NESW 1 18S 8E S

5. LEASE DESIGNATION AND SERIAL NUMBER:

6. IF INDIAN, ABO, TIEE, OR TRIBE NAME:

7. UNIT or CA AGREEMENT NAME:

8. WELL NAME and NUMBER:  
MCDONALD #1

9. API NUMBER:  
4301530762

10. FIELD AND POOL, OR WILDCAT:

COUNTY: EMERY

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 type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion: _____	<input type="checkbox"/> CHANGE WELL NAME	<input type="checkbox"/> PLUG BACK	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> PRODUCTION (START/RESUME)	<input type="checkbox"/> WATER SHUT-OFF
	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input type="checkbox"/> OTHER: TESTING
	<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.

WAITING ON TESTING EQUIPMENT

**CONFIDENTIAL**

NAME (PLEASE PRINT) WILLIAM HUTCHINSON TITLE CONSULTANT

SIGNATURE *William Hutchinson* DATE 6/10/2011

(This space for State use only)

RECEIVED

JUN 21 2011

DIV. OF OIL, GAS & MINING

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

RECEIVED

MAY 02 2013

FORM 9

**SUNDRY NOTICES AND REPORTS ON WELLS**

DIV. OF OIL, GAS & MINING

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

5. LEASE DESIGNATION AND SERIAL NUMBER:  
**FEE**

6. IF INDIAN, ALLOTTEE OR TRIBE NAME:

7. UNIT or CA AGREEMENT NAME:

8. WELL NAME and NUMBER:  
**MCDONALD 1**

9. API NUMBER:  
**4301530705 30762**

10. FIELD AND POOL, OR WILDCAT:  
**WILDCAT**

1. TYPE OF WELL  
 OIL WELL  GAS WELL  OTHER \_\_\_\_\_

2. NAME OF OPERATOR:  
**TITAN ENERGY CORPORATION**

3. ADDRESS OF OPERATOR:  
**33621 HWY 43, SUITE 102** CITY **THOMASVILLE** STATE **AL** ZIP **36784**

PHONE NUMBER:  
**(334) 636-5636**

4. LOCATION OF WELL  
 FOOTAGES AT SURFACE: \_\_\_\_\_

COUNTY: **EMERY**

QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: **1 ~~8E~~ 18S**

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 checked="" type="checkbox"/> TEMPORARILY ABANDON
	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> TUBING REPAIR
	<input checked="" 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: <b>4/28/2012</b>	<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.

**MIRU FOUR CORNERS WELL SERVICE (4/6/2012). PULL 3000' 2.875 TUBING. CHANGE TUBING AND ATTEMPT TO RUN TUBING TO 3000'. TROUBLE RETURNING TO 3000, DUE TO CATASTROPIC WELLBORE COLLAPSE (OPEN HOLE FROM 2010'-3000'). LAND TUBING @ 2005' AND SWAB TO TEST. GAS SHOW FROM UPPER AND LOWER FERRON. SI FOR CONNECTION TO PIPELINE.**

NAME (PLEASE PRINT) **WILLIAM HUTCHINSON** TITLE **CONSULTANT**

SIGNATURE *William Hutchinson* DATE **1/10/2013**

(This space for State use only)



GARY R. HERBERT  
Governor

SPENCER J. COX  
Lieutenant Governor

# State of Utah

## DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER  
Executive Director

### Division of Oil, Gas and Mining

JOHN R. BAZA  
Division Director

June 11, 2014

Certified Mail No. 7003 2260 0003 2358 7301

Mr. William Hutchinson  
Titan Energy Corporation  
33621 Hwy 43, Suite 102  
Thomasville, AL 36784

43 015 30762  
McDonald 1  
1 18S 8E

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

Mr. William Hutchinson:

As of April 2014, Titan Energy Corporation has one (1) Fee Lease Well (see attachment A) that is currently in non-compliance with the requirements for extended shut-in or temporarily abandoned (SI/TA) 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).

Please note that the Divisions preferred method for showing well integrity is by MIT.



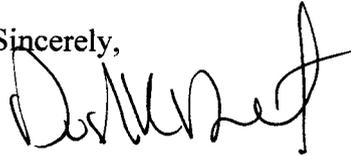
Page 2  
Titan Energy Corporation  
June 11, 2014

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

DKD/JP/js

cc: Compliance File  
Well File

N:\O&G Reviewed Docs\ChronFile\PetroleumEngineer\SITA

# ATTACHMENT A

	<b>Well Name</b>	<b>API</b>	<b>LEASE</b>	<b>Years Inactive</b>
1	MCDONALD 1	43-015-30762	FEE	3 years 7 months

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 type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER _____		5. LEASE DESIGNATION AND SERIAL NUMBER: FEE
2. NAME OF OPERATOR: TITAN ENERGY CORP		6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
3. ADDRESS OF OPERATOR: 33621 HWY. 43 SUITE 102 THOMASVILLE AL 36784		7. UNIT or CA AGREEMENT NAME:
4. LOCATION OF WELL FOOTAGES AT SURFACE: 2003 FSL 0910 FWL QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NWSU 1 18S 8E S		8. WELL NAME and NUMBER: MCDONALD 1
PHONE NUMBER: (334) 836-5836		9. API NUMBER: 4301530762
		10. FIELD AND POOL, OR WILDCAT: WILDCAT
		COUNTY: EMERY
		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 checked="" type="checkbox"/> TEMPORARILY ABANDON
	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> TUBING REPAIR
	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> VENT OR FLARE
<input type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion: _____	<input type="checkbox"/> CHANGE WELL NAME	<input type="checkbox"/> PLUG BACK	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> PRODUCTION (START/RESUME)	<input type="checkbox"/> WATER SHUT-OFF
	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input type="checkbox"/> OTHER: <u>SHUT-IN WAITING ON RIG</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.

TITAN ENERGY CORP HAS RENEWED ITS LEASE AND IS AWAITING A RIG TO MOVE ON WITHIN 90 DAYS. TITAN WILL THEN ASSESS THE COMPLETION OF THE EXISTING WELL. TITAN ENERGY HAS DETERMINED THAT THERE IS A VIABLE GAS POOL IN THE DAKOTA FORMATION. IT HAS ALSO DETERMINED THAT THERE IS POSSIBLE OIL RESERVES IN THE CEDAR MOUNTAIN FORMATION. PRESENTLY THE WELL HAS BEEN TESTED IN JULY OF 2011 AND THE INTEGRITY WAS ESTABLISHED. THE FOLLOWING APRIL FOUR CORNERS WELL SERVICE ATTEMPTED TO CHANGE THE 2/78 TUBING FURTHER ESTABLISHING THE INTEGRITY OF THE CASING. FLUID LEVEL WHEN SHUT-IN WAS @ 1600 FEET. THE LEASE OWNER HAS INSPECTED THE WELL AND REPORTS NO LEAKAGE.

RECEIVED

JUL 28 2014

DIV. OF OIL GAS & MINING

NAME (PLEASE PRINT) <u>WILLIAM HUTCHINSON</u>	TITLE <u>CONSULTANT</u>
SIGNATURE 	DATE <u>7/25/2014</u>

(This space for State use only)

Accepted by the  
Utah Division of  
Oil, Gas and Mining  
For Record Only



UTAH DEPARTMENT OF NATURAL RESOURCES  
Division of Oil, Gas & Mining  
Oil and Gas Program  
1594 West North Temple, Suite 1210, Box 145801  
Salt Lake City, UT 84114-5801  
(801) 538-5340 Phone  
(801) 359-3940 Fax

This well was drilled and completed in April, 2009. This well has been under SI/TA status for six (6) years and five (5) months and is required to meet the five (5) year rule as stated in R649-3-36 above. The Division has not received any further information nor seen evidence of necessary work being done to move the well out of non-compliance status.

This well is in violation of R-649-3-36 as listed above, therefore Titan is required to plug the well or meet the requirements showing good cause and wellbore integrity as required by R649-3-36. Also Titan is required to put up full cost bonding for the well in violation above per R649-3-4. Titan shall contact RACS and address their payment concerns.

It is mandatory that Titan submit all required documentation and plans to the Division by the compliance deadline below.

Immediate Action: For the wells subject to this notice, Titan shall fulfill full cost bonding. Titan shall also submit plugging plans for the well contained in this Notice.

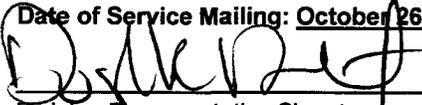
**\* Fines may be levied up to \$10,000.00 per day for every well in violation given the authority provided under U.C.A 40-6-11, part 4**

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

Compliance Deadline: November 30, 2015

Date of Service Mailing: October 26, 2015

Certified Mail No.: 7014 2870 0001 4232 4702

  
Division Representative Signature

\_\_\_\_\_  
Operator Representative (if presented in person)

cc: Compliance File  
Well Files

1/2013

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:  
Fee

6. IF INDIAN, ALLOTTEE OR TRIBE NAME:  
NA

7. UNIT OR CA AGREEMENT NAME:

8. WELL NAME AND NUMBER:  
Mc Donald # 1

9. API NUMBER:  
43-015-30762-0000

10. FIELD AND POOL, OR WILDCAT:  
Wildcat

1. TYPE OF WELL

OIL WELL  GAS WELL  OTHER \_\_\_\_\_

2. NAME OF OPERATOR:  
Titan Energy Corp

3. ADDRESS OF OPERATOR: 33621 Hwy 43 City Thorsville STATE AL ZIP 36784

PHONE NUMBER: 334-636-8800

4. LOCATION OF WELL

FOOTAGES AT SURFACE: 5769.8' / to Nord. 2002 FSL TO ECK 721 FWL  
QTR/QR, SECTION, TOWNSHIP, RANGE, MERIDIAN: Nw 1/4 sec 1 S 1 18 S

COUNTY: Emery  
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 checked="" type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion: <u>4/30/15</u>	<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 checked="" 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.

MIRU RACS on 4-29-15  
TOOH w/ tubing rods, rod pump, and tubing  
TIH 4 1/2 CIBP set at 1950'  
Shutdown for day  
4/30/15 TIH w/ 1925' 2 7/8" of tubing  
seed nipple +/- 1920'  
TIH w/ rods and pump  
check pump for action  
Release RACS close in for the day.

NAME (PLEASE PRINT): William Hutchinson TITLE: Consultant  
SIGNATURE: [Signature] DATE: 11-10-15

(This space for State use only)

Accepted by the  
Utah Division of  
Oil, Gas and Mining  
For Record Only

(See Instructions on Reverse Side)

RECEIVED

NOV 11 2015

DIV. OF OIL, GAS & MINING



GARY R. HERBERT  
Governor

SPENCER J. COX  
Lieutenant Governor

# State of Utah

## DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER  
Executive Director

### Division of Oil, Gas and Mining

JOHN R. BAZA  
Division Director

March 1, 2016

Certified Mail #7015 0640 0003 5275 9772

## DIVISION ORDER

Mr. William Chip Hutchinson  
Titan Energy Corp  
33621 Hwy 43, Suite 102  
Thomasville, AL 36784

Subject: Division Order to meet Notice of Violation for McDonald 1 well operated by Titan Energy Corp

Dear Mr. Hutchinson,

1 185 8E

The Division of Oil, Gas and Mining ("Division") issued Titan Energy Corp ("Titan") a Notice of Violation ("NOV") for the McDonald 1 well ("subject well") on October 20, 2015. Titan signed for the NOV on November 4, 2015. Titan submitted a subsequent report on November 10, 2015 as requested in the NOV for work completed back in April 2015. The remaining issues outlined in the NOV are still outstanding and have not been addressed. The compliance deadline for the NOV was November 30, 2015.

<u>Well Name</u>	<u>API</u>	<u>1st Completed</u>	<u>Production</u>
McDonald 1	43-015-30762	4/28/2009	None

This well has been under a shut-in/temporarily abandoned ("SI/TA") status for 6 years 10 months. This well is required to meet the five year SI/TA rule outlined in R649-3-36.

**The Division hereby orders Titan to meet the NOV requirements within 15 days of the date of this Order.**

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

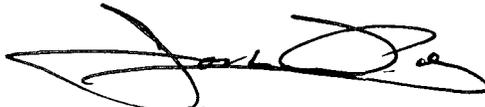
In the event Titan does not fulfill this Division Order as required above, the Division will file for a formal hearing before the Board of Oil, Gas and Mining, as described in the Utah



Administrative Code R641, requesting a Board Order to plug and restore the well site. Should this matter be brought before the Board, the Division will seek bond forfeiture (R649-3-36 and R649-3-1.16), liability for plugging costs in excess of bond forfeiture amounts (R649-3-1.16.5) and civil penalties of up to \$10,000 per day for each day of violation (Utah Oil and Gas Conservation Act 40-6-11).

It is recommended that you contact the Division immediately upon receipt of this Order. Questions regarding this order may be directed to Joshua Payne, Compliance Manager at (801) 538-5314 or Dustin Doucet, Petroleum Engineer at (801) 538-5281.

Sincerely,

A handwritten signature in black ink, appearing to read 'Joshua Payne', written over a horizontal line.

Joshua Payne  
Compliance Manager

JP/js

Enclosure

cc: John Rogers, Oil and Gas Associate Director  
Steve Alder, Assistant Attorney General  
John Robinson, Attorney General's Office  
Melissa Reynolds, Attorney General's Office  
Dustin Doucet, Petroleum Engineer  
Compliance File  
Well File



GARY R. HERBERT  
Governor

SPENCER J. COX  
Lieutenant Governor

# State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER  
Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA  
Division Director

August 10, 2016

Certified Mail No. 7015 0640 0003 5276 0266

## DIVISION ORDER

Mr. William Chip Hutchinson  
Titan Energy Corp  
33621 Hwy 43, Suite 102  
Thomasville, AL 36784

1 185 8E

Subject: Division Order to Plug and Abandon the McDonald 1 well operated by Titan Energy Corp.

Dear Mr. Hutchinson,

The Division of Oil, Gas and Mining (Division) issued Titan Energy Corp (Titan) a Notice of Violation (NOV) for the McDonald 1 well (Subject Well) on October 20, 2015. Titan signed for the NOV on November 4, 2015. Titan submitted a subsequent report on November 10, 2015 as requested in the NOV for work completed back in April 2015. The remaining issues outlined in the NOV remain outstanding. As a result, the Division issued an Order on March 1, 2016 to meet the NOV by March 18, 2016. Titan has not met the deadline nor resolved the NOV requirements.

The well is in violation of Utah Administrative Code Rule R649-3-36 regarding Shut-in and Temporarily Abandoned (SI/TA) Wells. The Subject Well reference information is:

<u>Well Name</u>	<u>API</u>	<u>Completed</u>	<u>Last Production</u>
McDonald 1	43-015-30762	4/28/2009	None

**Titan shall immediately furnish full cost bonding for the Subject Well in accordance with Rule R649-3-4.3 and Rule R649-3-4.41.**

The Subject Well has been in shut-in for 7 years 5 months with no productivity. Wells SI/TA for over 5 years with non-activity or non-productivity are subject to the requirements of Rule R649-3-36.3.

Therefore, the Division is ordering Titan to plug and abandon the Subject Well. Titan shall submit Notice of Intent to Plug and Abandon the Subject Well within 30 days of this Order. Under Rule 649-3-36, the Subject Wells shall be plugged in accordance with Rule R649-3-24.

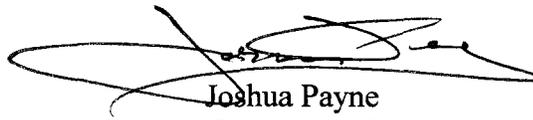


Titan has the right to appeal this Division Order by filing a request for review with the Board of Oil, Gas and Mining (the Board) according to procedures set forth in Rule R649-10-6. A request for review must be filed with the secretary of the Board, Julie Ann Carter (801) 538-5277, within 30 days of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

In the event Titan does not plug and abandon the Subject Well as required by this Order, the Division will file a Notice of Agency Action to initiate a formal hearing before the Board, as described in Utah Administrative Code Title R641, requesting a Board Order to plug and restore the wells sites. Should this matter be brought before the Board, the Division will also seek bond forfeiture (R649-3-36 and R649-3-1.16), liability for plugging costs in excess of bond forfeiture amounts (R649-3-1.16.5) and civil penalties of up to \$10,000 per day for each day of violation (Utah Code § 40-6-11).

Questions regarding this order may be directed to Joshua Payne, Compliance Manager at (801) 538-5314 or Dustin Doucet, Petroleum Engineer at (801) 538-5281.

Sincerely,



Joshua Payne  
Compliance Manager

JP/js

cc: John Rogers, Oil and Gas Associate Director  
Steve Alder, AG's office  
Melissa Reynolds  
Dustin Doucet  
Compliance File  
Well File