

**FILE NOTATIONS**

Entered in NID File ..... ✓  
Location Map Pinned .....  
Card Indexed ..... ✓

Checked by Chief .....  
Approval Letter .....  
Disapproval Letter .....

**COMPLETION DATA:**

Date Well Completed 4/29/79  
OW..... WW..... TA.....  
GW..... OS..... PA.....

Location Inspected  
Bond released  
State or Fed Land .....

**LOGS FILED**

Driller's Log..... ✓  
Electric Logs (No.) .. ✓  
E..... I..... Dual I Lat..... GR-N..... Micro.....  
BHC Sonic GR..... Lat..... MI-L..... Sonic.....  
CBLog..... CCLog..... Others.....

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
GEOLOGICAL SURVEY

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. TYPE OF WORK  
 DRILL       DEEPEN       PLUG BACK

b. TYPE OF WELL  
 OIL WELL       GAS WELL       OTHER       SINGLE ZONE       MULTIPLE ZONE

2. NAME OF OPERATOR  
 Walter D. Broadhead

3. ADDRESS OF OPERATOR  
 1645 North 7th St., Grand Junction, Colorado

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.)\*  
 At surface  
 1,925 ft. from North Line, 2,310 ft. from East Line ✓  
 At proposed prod. zone  
 Sec. 29

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE\*  
 5 miles north of Cisco, Utah

15. DISTANCE FROM PROPOSED\* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drig. unit line, if any)      330 ft.

16. NO. OF ACRES IN LEASE      804

17. NO. OF ACRES ASSIGNED TO THIS WELL

18. DISTANCE FROM PROPOSED LOCATION\* TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT.

19. PROPOSED DEPTH      1,000 ft.

20. ROTARY OR CABLE TOOLS      Rotary

21. ELEVATIONS (Show whether DF, RT, GR, etc.)      4525

22. APPROX. DATE WORK WILL START\*      Oct. 10, 1978

5. LEASE DESIGNATION AND SERIAL NO.  
 U-7218

6. IF INDIAN, AGENT OR TRIBE NAME

7. LEASE AGREEMENT NAME  
 RECEIVED  
 AUG 11 1978  
 DIVISION OF MINING

8. FARM OR DEASE NAME  
 Arlene Lansdale

9. WELL NO.  
 Fed Lansdale-3

10. FIELD AND POOL, OR WILDCAT  
 Gravel pile

11. SEC., T., E., M., OR BLK. AND SURVEY OR AREA  
 NW $\frac{1}{4}$ , SW $\frac{1}{4}$ , NE $\frac{1}{4}$   
 Sec. 29, T20S, R24E

12. COUNTY OR PARISH      13. STATE  
 Grand      Utah

PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
8-3/4"	7" new	17 lb.	100'	25 SX Circulated ✓
6-1/4"	4-1/2" new	9.5 lb.	800'	40 SX ✓

Surface Formation: MANCOS  
 Propose to test Saltwash Formation  
 Surface Use Plan Attached:  
 Water Sands not anticipated  
 Pressure Control: Schematic attached showing BOP, Kill lines, check valves and pressure ratings. Seven Point Plan also attached.  
 Logging: IES and FDC. No Coring Planned  
 Hazards: Experience does not indicate that abnormal pressures or Hydrogen Sulfide will be encountered.

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

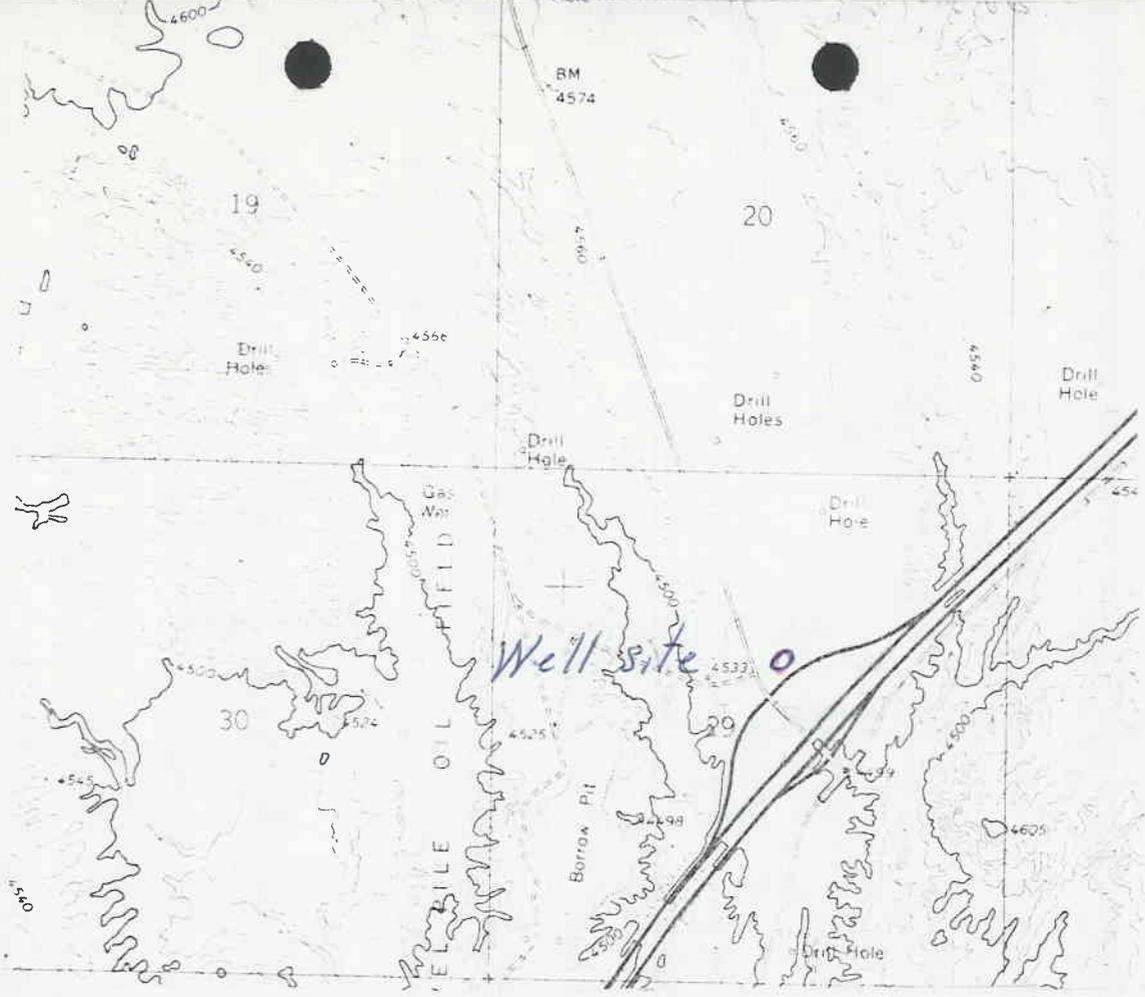
24. SIGNED Walter D. Broadhead TITLE Operator DATE 8-7-78

(This space for Federal or State office use)

PERMIT NO. \_\_\_\_\_ APPROVAL DATE \_\_\_\_\_

APPROVED BY \_\_\_\_\_ TITLE \_\_\_\_\_ DATE \_\_\_\_\_

CONDITIONS OF APPROVAL, IF ANY:



LOCATION AND VICINITY MAP  
FOR

COMPANY Walter D. Broadhead

LEASE No U-7218

WELL NO. Fed. Lansdale No. 3

SEC. 29 T 20S. R 24E

LOCATION 1925 FEET FROM North LINE

2310 FEET FROM East LINE

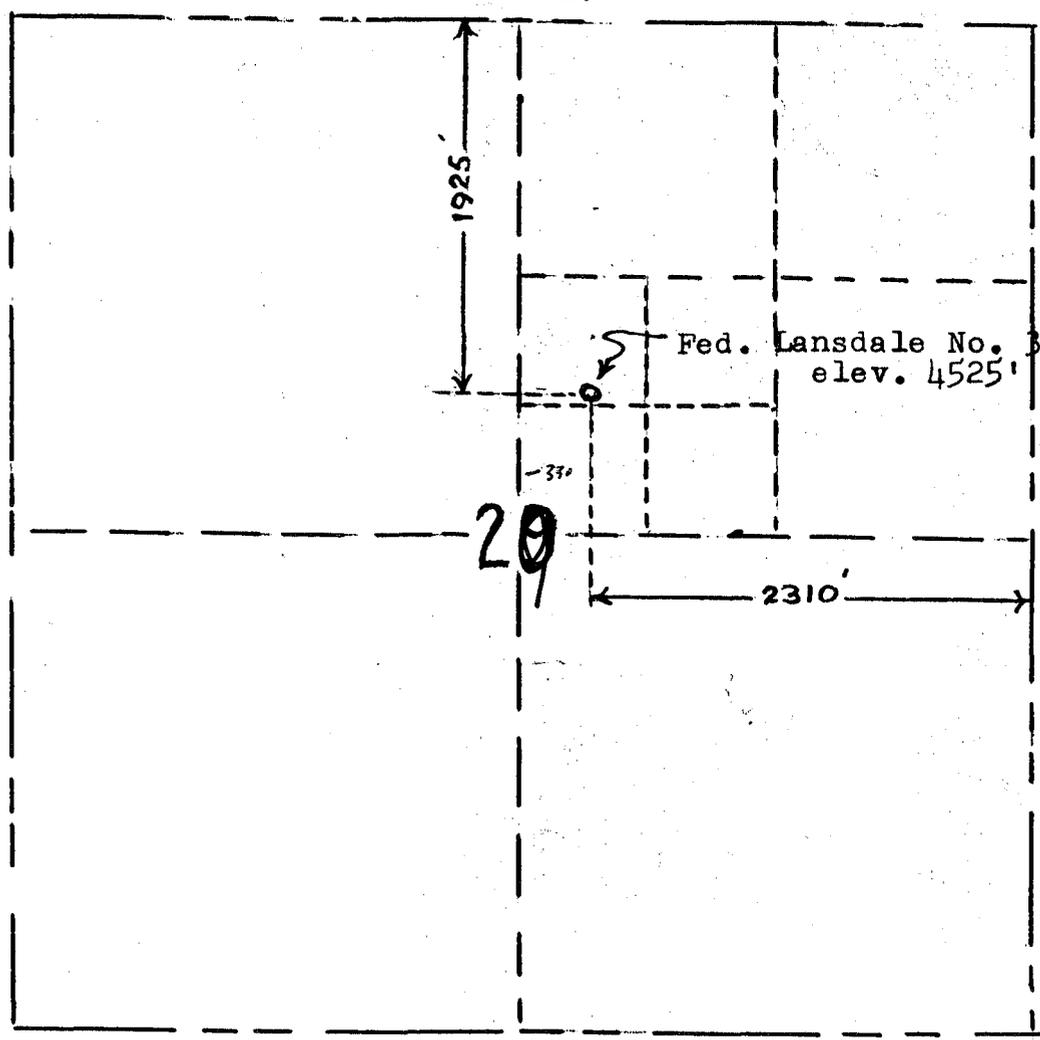
ELEVATION 4525 GR

USGS QUADRANGLE Danish Flat Utah

STOW CONTENT

WELL LOCATION  
FED. LANSDALE NO. 3

in the  
NW  $\frac{1}{4}$  SW  $\frac{1}{4}$  NE  $\frac{1}{4}$  of SEC. 29, T 20 S. R 24 East  
of the Salt Lake Meridian.  
1925 ft. South of the North line and 2310  
ft. West of the East line of said section  
29



Aug. 1, 1978  
Surveyed, drawn and certified by H. D. Clark

Henry Dennison Clark  
Colorado Registered Land Surveyor  
No. 689



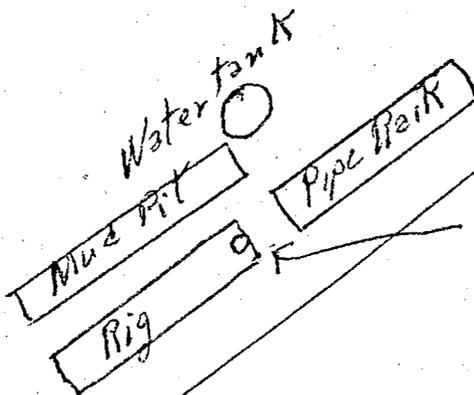
# Well Site Layout

North

NW  $\frac{1}{4}$  SW  $\frac{1}{4}$  NE  
Sec 29, T20S, R24E SLM

Bookcliff Road

Highway 1-70



Fed Hansdale No 3

WALTER BROADHEAD  
1645 N. 7th St.  
Grand Junction, Colorado 81501

Re: Well No. Fed Lansdale -3

Sec. 29, T20S, R24E, SLB&M

Grand County, Utah

Lease: U 7218

SURFACE USE PLAN

Geographical: 8 miles east of Cisco, Utah

Terrain: Low, rolling hills of Mancos shale.

Vegetation: Very sparse.

Surface Water: None. This is dry, desolate, desert country.

1. Existing Roads: Existing roads are 15-18 feet wide, with native ground as surface material. This is primarily Mancos shale with a little Cretaceous gravel in some places.

The included map shows all access roads and roads within a several mile radius of the locations.

There are no immediate plans for improvement of existing roads. If commercial production is found and road improvement is needed, it will be considered at the appropriate time.

2. Planned Access Roads: The map indicates all necessary access roads be constructed which will be to the same physical characteristics as existing roads - 15-18 feet wide with native Mancos Shale as surface with maximum grades not to exceed 3-4%. There will be no culverts required and no major cuts and fills required for access to any of the wells applied for. No fence cuts or cattle guards will be required.
3. Location of Existing Wells: As you can see from the map, existing wells have been located upon the map. The status of the wells is generally indicated on the map by the manner in which the well is marked. There are no water wells or disposal wells. The wells applied for in this application have been referenced in two directions with reference stakes set at 100 and 150 feet in two directions giving a total reference of 300 feet for each well.

4. Location of Existing and/or Proposed Facilities:

- a) There are no tank batteries off of well locations within a one mile radius of the proposed locations. Gas gathering lines **are indicated** on the attached map.
- b) If production is found, storage facilities will be located on the location. If gas is discovered in commercial quantities, necessary pipelines will be applied for at that time.

Complete protective measures such as fences will be used to protect livestock and wildlife in the area.

- c) Rehabilitation of all disturbed areas no longer needed after construction is completed will be returned to smooth contour and all debris will be cleaned up. All pits will be covered and cleaned up after drill operations. Those pits required for production will be fenced.

5. Location and Type of Water Supply: Water will be acquired from the Colorado River, which is about 5 miles southwest of Cisco, Utah. Water will be transported by truck. Existing roads will be used to transport water.

No water well will be drilled on the lease.

6. Source of Construction Materials: No construction materials such as sand, gravel, stone and soil will be used other than that found in the native location.

In the event that tanks and production equipment are required, gravel will be hauled from Grand Junction, Colorado to set tanks on. This gravel will be purchased from private enterprise.

7. Methods for Hauling Waste Disposal:

- a) Cuttings - The hole will be 90% air drilled and cuttings will be blown out on the ground. These cuttings will be smoothed out and integrated into the native ground surface.
- b) Drilling Fluids - Will be contained in steel mud tanks. A dirt pit will be dug to contain excess flow out of the well during cementing and completion operations. Of course, these pits will be cleaned up and covered up.
- c) Produced Fluids such as Oil and Water - Will be properly disposed of with oil being stored in tanks and water being diverted to the pit and disposed of as required.
- d) Sewage - There will be no sewage generated by the short drilling operations.
- e) Garbage and Other Waste Material - Will be contained in 30 gallon galvanized garbage cans and hauled off the location.

- f) As stated before, the entire well site area will be properly cleaned up and restored to smooth contour when the rig moves out. Only that part of the location required for production operations will be kept in use. In the event of a dry hole, the only appurtenance left at the location will be the required dry hole marker.
- 8. Ancillary Facilities: There will be no camps or air strips required for this drilling operation.
- 9. Well Site Layout: A plat on a scale of 1" = 20' is included with the application showing location and orientation of the drilling rig, mud tanks, reserve pit, pipe racks and other appurtenances to the operation. For the time being pits will be unlined as allowed by present law. The only water introduced into these pits will be fresh water used in the drilling operation.
- 10. Plans for Restoration of Surface: As stated before, the entire location will be restored to smooth contour. Also stated, the vegetation in this desert area is extremely sparse and it is quite doubtful that revegetation would be practical at all.

It is intended to have all locations cleaned up within 30 days after operations are concluded.

- 11. Other Information:
  - a) The topography of these locations near Cisco, Utah is a very gentle rolling, flat characteristic. The soil is raw Mancos shale with extremely sparse vegetation. A few coyotes, prairie dogs and cottontail rabbits occupy the entire area.
  - b) The only other surface use activities other than petroleum exploration in the area is in spring grazing of the sparse vegetation by cattle and sheep.
  - c) The proximity of water has been described at the Colorado River which is about 5 miles southwest of Cisco, Utah. The only occupied dwellings are at Cisco, Utah, which has been located already. There will be no disturbance to archeological, historical or cultural sites by drilling the applied-for wells in the present applications. The land is under the jurisdiction of the Bureau of Land Management.

12. Operator's Representative:

Walter D. Broadhead  
1645 North 7th Street  
Grand Junction, Colorado 81501  
(303) 242-7717

13. I hereby certify that I, or persons under my direct supervision, have inspected the proposed drillsite and access route; that I am familiar with the conditions which presently exist; that the statements made in this plan are, to the best of my knowledge, true and correct; and, that the work associated with the operations proposed herein will be performed by Walter Broadhead in conformity with this plan and the terms and conditions under which it is approved.

Aug 3, 1978  
Date

Walter D. Broadhead  
Walter D. Broadhead

STATE OF UTAH  
DIVISION OF OIL, GAS, AND MINING

\*\* FILE NOTATIONS \*\*

Date: Aug 11  
Operator: Walter Broadhead  
Well No: Ind. Lander #3  
Location: Sec. 29 T. 20S R. 24E County: Grand

File Prepared:  Entered on N.I.D.:   
Card Indexed:  Completion Sheet:

API Number: 43-019-30458

CHECKED BY:

Administrative Assistant: [Signature]

Remarks:

Petroleum Engineer: [Signature]

Remarks:

Director: [Signature]

Remarks:

INCLUDE WITHIN APPROVAL LETTER:

Bond Required: 1001 Survey Plat Required:

Order No. 102-5 Surface Casing Change   
to \_\_\_\_\_

Rule C-3(c), Topographic exception/company owns or controls acreage  
within a 660' radius of proposed site

O.K. Rule C-3  O.K. In \_\_\_\_\_ Unit

Other:

Letter Written/Approved

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
GEOLOGICAL SURVEY

SUBMIT IN DUPLICATE\*  
(See other instructions on reverse side)

Form approved.  
Budget Bureau No. 42-R355.5

9

WELL COMPLETION OR RECOMPLETION REPORT AND LOG\*

5. LEASE DESIGNATION AND SERIAL NO.

16-7-218

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

7. UNIT AGREEMENT NAME

8. FARM OR LEASE NAME

Arlene Lansdale

9. WELL NO.

Fed Lansdale-3

10. FIELD AND POOL, OR WILDCAT

Gravel pile

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

N1/4, S1/4, NE 1/4

Sec. 29, T20S, R24E

12. COUNTY OR PARISH

Grand

13. STATE

Utah

1a. TYPE OF WELL: OIL WELL  GAS WELL  DRY  Other \_\_\_\_\_

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

2. NAME OF OPERATOR

Walter D. Broadhead

3. ADDRESS OF OPERATOR

1645 North 7st. Grand Junction, Colorado

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

At surface 1,925 Ft. From North line, 2,310 Ft. From South line

At top prod. interval reported below Sec 29

At total depth

14. PERMIT NO.

DATE ISSUED

15. DATE SPUNDED

12-29-78

16. DATE T.D. REACHED

4-26-79

17. DATE COMPL. (Ready to prod.)

5-28-79

18. ELEVATIONS (DF, RKB, RT, GR, ETC.)\*

4525

19. ELEV. CASINGHEAD

4525

20. TOTAL DEPTH, MD & TVD

955'

21. PLUG, BACK T.D., MD & TVD

720'

22. IF MULTIPLE COMPL., HOW MANY\*

23. INTERVALS DRILLED BY

Rotary

ROTARY TOOLS

CABLE TOOLS

24. PRODUCING INTERVAL(S), OF THIS COMPLETION—TOP, BOTTOM, NAME (MD AND TVD)\*

781 To 788

Bushy basin

25. WAS DIRECTIONAL SURVEY MADE

No

26. TYPE ELECTRIC AND OTHER LOGS RUN

Induction Electric Log - Dept Correlation Log

27. WAS WELL CORED

No

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

CASING SIZE	WEIGHT, LB./FT.	DEPTH SET (MD)	HOLE SIZE	CEMENTING RECORD	AMOUNT PULLED
7" New	17 lb.	101'	3 3/4"	25 SX Circulated	
4 1/2"	10 lb.	720'	6 3/4"	25 SX Circulated	

29. LINER RECORD

SIZE	TOP (MD)	BOTTOM (MD)	SACKS CEMENT*	SCREEN (MD)	SIZE	DEPTH SET (MD)	PACKER SET (MD)

30. TUBING RECORD

31. PERFORATION RECORD (Interval, size and number)

Perf: 14 shots 781' to 788'

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

DEPTH INTERVAL (MD)	AMOUNT AND KIND OF MATERIAL USED

33.\* PRODUCTION

DATE FIRST PRODUCTION	PRODUCTION METHOD (Flowing, gas lift, pumping—size and type of pump)	WELL STATUS (Producing or shut-in)					
4-29-79	Swab	Producing					
DATE OF TEST	HOURS TESTED	CHOKE SIZE	PROD'N. FOR TEST PERIOD	OIL—BBL.	GAS—MCF.	WATER—BBL.	GAS-OIL RATIO
4-30-79	8		→	3	show	NONE	
FLOW. TUBING PRESS.	CASING PRESSURE	CALCULATED 24-HOUR RATE	OIL—BBL.	GAS—MCF.	WATER—BBL.	OIL GRAVITY-API (CORR.)	
0	shut in 38 psi	→	3	show	NONE		

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

TEST WITNESSED BY

Walter Broadhead

35. LIST OF ATTACHMENTS

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

SIGNED Walter D Broadhead TITLE operator

DATE Aug 15, 1979

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

# INSTRUCTIONS

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

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

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

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

**Item 29:** "Sacks Cement": Attached supplemental records for this well should show the details of any multiple stage cementing and the location of the cementing tool.

**Item 33:** Submit a separate completion report on this form for each interval to be separately produced. (See instruction for items 22 and 24 above.)

37. SUMMARY OF POROUS ZONES: SHOW ALL IMPORTANT ZONES OF POROSITY AND CONTENTS THEREOF; CORED INTERVALS; AND ALL DRILL-STEM TESTS, INCLUDING DEPTH INTERVAL TESTED, CUSHION USED, TIME TOOL OPEN, FLOWING AND SHUT-IN PRESSURES, AND RECOVERIES		38. GEOLOGIC MARKERS	
FORMATION	TOP	BOTTOM	DESCRIPTION, CONTENTS, ETC.
<div style="display: flex; justify-content: space-between;"> <div style="width: 45%;"> <p>Mancus</p> <p>Dakota</p> <p>Morrison</p> </div> <div style="width: 45%;"> <p>15'</p> <p>322</p> <p>416</p> </div> </div>	322	416	<p>Grey to Black</p> <p>Sand white</p> <p>Grey to Red Shale</p>
<div style="display: flex; justify-content: space-between;"> <div style="width: 45%;"> <p>Dakota</p> <p>Morrison</p> <p>Grey Shale</p> </div> <div style="width: 45%;"> <p>286</p> <p>416</p> </div> </div>	MEAS. DEPTH	TOP	TRUE VERT. DEPTH

SCOTT M. MATHESON  
Governor



OIL, GAS, AND MINING BOARD

GORDON E. HARMSTON  
Executive Director,  
NATURAL RESOURCES

STATE OF UTAH  
DEPARTMENT OF NATURAL RESOURCES  
DIVISION OF OIL, GAS, AND MINING  
1588 West North Temple  
Salt Lake City, Utah 84116  
(801) 533-5771  
August 24, 1978

I. DANIEL STEWART  
Chairman

CHARLES R. HENDERSON  
JOHN L. BELL  
THADIS W. BOX  
C. RAY JUVELIN

CLEON B. FEIGHT  
Director

Walter D. Broadhead  
1645 North 7th St.  
Grand Junction, Colorado

Re: Well No.:  
Fed Lansdale-3  
Sec. 29, T. 20 S, R. 24 E,  
Grand County, Utah

Gentlemen:

Insofar as this office is concerned, approval to drill the above referred to well is hereby granted in accordance with the Order issued in Cause #102-5.

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

PATRICK L. DRISCOLL - Chief Petroleum Engineer  
HOME: 582-7247  
OFFICE: 533-5771

Enclosed please find Form OGC-8-X, which is to be completed whether or not water sands (aquifers) are encountered during drilling.

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

The API number assigned to this well is:

Fed Lansdale-3: 43-019-30458

Very truly yours,

DIVISION OF OIL, GAS, AND MINING

CLEON B. FEIGHT  
Director

cc: U.S. Geological Survey

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
GEOLOGICAL SURVEY

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. TYPE OF WORK  
 DRILL  DEEPEN  PLUG BACK

b. TYPE OF WELL  
 OIL WELL  GAS WELL  OTHER  SINGLE ZONE  MULTIPLE ZONE

2. NAME OF OPERATOR  
 Walter D. Broadhead

3. ADDRESS OF OPERATOR  
 1645 North 7th. St., Grand Junction, Colorado 81501

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.)\*  
 At surface  
 1,925 ft. from North Line, 2,310 ft. from East Line  
 At proposed prod. zone  
 Sec. 29

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE\*  
 5 miles north of Cisco, Utah

15. DISTANCE FROM PROPOSED\* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drlg. unit line, if any) 330 ft.

16. NO. OF ACRES IN LEASE 804

17. NO. OF ACRES ASSIGNED TO THIS WELL

18. DISTANCE FROM PROPOSED LOCATION\* TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT.

19. PROPOSED DEPTH 1,000 ft.

20. ROTARY OR CABLE TOOLS Rotary

21. ELEVATIONS (Show whether DF, RT, GR, etc.) 4525 GR

22. APPROX. DATE WORK WILL START\* Oct. 10, 1978

5. LEASE DESIGNATION AND SERIAL NO.  
 U-7218

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

7. UNIT AGREEMENT NAME

8. FARM OR LEASE NAME  
 Arlene Lansdale

9. WELL NO.  
 Fed Lansdale - 3

10. FIELD AND POOL, OR WILDCAT  
 Gravel pile

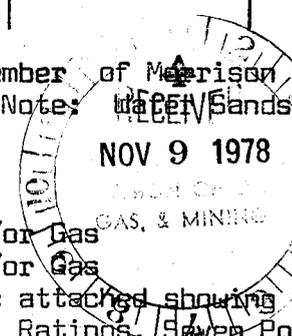
11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA  
 NW¼, SW¼, NE¼  
 Sec. 29, T20S, R24E

12. COUNTY OR PARISH Grand  
 13. STATE Utah

23. PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
8 3/4"	7" new	17 lb.	100'	25 SX Circulated
6 1/4"	4 1/2" new	9.5 lb.	1000'	40 SX Dowell RFC

Propose to test Salt Wash Member of Morrison Formation  
 Surface Use Plan Attached: Note: ~~Water~~ Sands are not anticipated  
 Surface FMN - Mancos Shale  
 Estimated Tops:  
 Dakota: 350 - Gas  
 Buckhorn: 650 - Oil and/or Gas  
 Salt Wash: 870 - Oil and/or Gas  
 Pressure Control: Schematic attached showing BOP, Kill Lines, check valves, & Pressure Ratings, Seven Point Plan attached.  
 Logging: IES & FDC-CNL, No Coring Planned  
 Hazards: Experience does not indicate that abnormal pressures or Hydrogen Sulfide will be encountered.  
 Starting Date: September 15, 1978, 30 days operating time.



State of Utah, Department of Natural Resources  
 Division of Oil, Gas, and Mining  
 1588 West North Temple  
 Salt Lake City, Utah 84116

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

24. SIGNED Walter D. Broadhead TITLE operator DATE 9-11-1978

(This space for Federal or State office use)

PERMIT NO. \_\_\_\_\_ APPROVAL DATE \_\_\_\_\_

APPROVED BY H.B. Hamer TITLE ENGINEER DATE NOV 8 1978

CONDITIONS OF APPROVAL, IF ANY: RECEIVED

NOTICE OF APPROVAL  
 CONDITIONS OF APPROVAL ATTACHED TO OPERATOR'S COPY

NECESSARY FLARING OF GAS DURING DRILLING AND COMPLETION APPROVED SUBJECT TO ROYALTY (NTL-4)

State of G

WALTER BROADHEAD  
1645 N. 7th St.  
Grand Junction, Colorado 81501

Re: Well No. Fed Lansdale - 3

Sec. 29, T20S, R24E, SLB&M

Grand County, Utah

Lease: U 7218

PRESSURE MONITORING AND CONTROL DATA  
SEVEN POINT PLAN

1. Surface Casing: Set at ~~200'~~ 100'  
Size 7"  
Weight 17 lb.  
Length Range 2  
Grade J-55 new. Tested to 3000 psig.
2. Casing Heads:  
Series 600 - 1500 psi working pressure.
3. Production Casing:  
Size 4-1/2"  
Weight 9.5 lb.  
Length Range 3  
Grade J-50, new, tested to 3000 psig.
4. Pressure Control:  
BOP Regan Torus BOP  
Series 600 - Tested to 3000 psig.  
Rams One size fits all - even blind.  
Will use fill, kill and choke lines.
5. Auxiliary Pressure Control:
  - a. Kelly cocks.
  - b. Check valve at bit.
  - c. Monitoring equipment on mud system.
  - d. A sub on floor with a full opening valve to be stabbed into drill pipe when Kelly is out of string.
6. Anticipated Bottom Hole Pressure:  
550 psig.
7. The Type of Drilling Fluid:  
Air until gas encountered. GEL  
Mud up with ~~Polymer~~ mud with NaCl and CaCl<sub>2</sub> as weighting agent - 10.5 to 11.00 lb. per gal. as required.

United States Department of the Interior  
Geological Survey  
8440 Federal Building  
Salt Lake City, Utah 84138

Usual Environmental Analysis

Lease No. U-7218

Operator Walter D. Broadhead

Well No. 3

Location 1925' FNL & 2310' FEL Sec. 29 T. 20 S. R. 24 E.

County Grand State Utah Field Gravel pile

Status: Surface Ownership Federal Minerals Federal

Joint Field Inspection Date September 27, 1978

Participants and Organizations:

<u>David C. Little</u>	<u>USGS - Salt Lake City, Utah</u>
<u>Rocky Curnutt</u>	<u>BLM - Natural Resource Sepc.</u>
<u>Walter D. Broadhead</u>	<u>Operator</u>
<u> </u>	<u> </u>

Related Environmental Analyses and References:

- (1) Book Mountain - Planning Unit
- (2) (06-01) BLM, Moabs, Utah

*Pad 200 x 200  
Pit 6 x 25'  
300' new access  
Flow line not used  
Stockpile topsoil  
1 ac*

Analysis Prepared by: David C. Little  
Petroleum Engin. Techn.  
Rock Spring, Wyoming

Date September 27, 1978

Noted - G. Diwachak

Proposed Action:

On September 15, 1978, Walter D. Broadhead, filed an Application for Permit to Drill the No. 3 development well, a 1,000-foot oil and gas test of the Salt Wash Formation; located at an elevation of 4,525 ft. in the Gravelpile Field on Federal mineral lands and public surface; Lease No. U-7218. There was no objection raised to the wellsite nor to the access road. 1925' FNL & 2310' FEC See 29-205-24E Grand Co., Utah

A rotary rig would be used for the drilling. An adequate casing and cementing program is proposed. Fresh-water sands and other mineral-bearing formations would be protected. A Blowout Preventer would be used during the drilling of the well. The proposed pressure rating should be adequate. Details of the operator's NTL-6 10-Point Subsurface and 13-Point Surface Protection Plans are on file in the U.S.G.S. District Office in Salt Lake City, Utah, and the U.S.G.S. Northern Rocky Mountain Area Office in Casper, Wyoming.

A working agreement has been reached with the Bureau of Land Management, the controlling surface agency. Rehabilitation plans would be decided upon as the well neared completion; the Surface Management Agency would be consulted for technical expertise on those arrangements.

The operator proposes to construct a drill pad 200 ft. wide x 200 ft. long, and a reserve pit 6 ft. x 25 ft. A new access road would be constructed 18 ft. wide x 300 ft. long. The operator proposes to construct production facilities on a disturbed area of the proposed drill pad. If production is established, plans for a gas flow line would be submitted to the appropriate agencies for approval. The anticipated starting date is when approved and duration of drilling activities would be about 30 days.

Location and Natural Setting:

The proposed drillsite is approximately 5 miles north of Cisco, Utah, the nearest town. A good road runs to within 250 feet of the location. This well is in the Gravelpile field.

Topography:

Very gentle rolling, flat characteristic.

Geology:

The surface geology is Mancos Shale. The soil is raw mancos shale with sparse vegetation. No geologic hazards are known near the drillsite. Seismic risk for the area is minor. Anticipated geologic tops are filed with the 10-Point Subsurface Protection Plan.

Approval of the proposed action would be conditioned that adequate and sufficient electric/radioactive/density logging surveys would be made to locate and identify any potential mineral resources. Production casing and cementing would be adjusted to assure no influence of the hydrocarbon zones through the well bore on these minerals. In the event the well is abandoned, cement plugs will be placed with drilling fluid in the hole to assure protection of any mineral resources.

The potential for loss of circulation could exist. Loss of circulation may result in the lowering of the mud levels which might permit exposed upper formations to blowout or to cause formation to slough and stick to drill pipe. A loss of circulation would result in contamination due to the introduction of drilling muds, mud chemicals, filler materials, and water deep into the permeable zone, fissures, fractures, and caverns within the formation in which fluid loss is occurring. The use of special drilling techniques, drilling muds, and lost circulation materials may be effective in controlling lost circulation.

A geologic review of the proposed action has been furnished by the Area Geologist, U.S. Geological Survey, Salt Lake City, Utah. The operator's drilling, cementing, casing, and blowout prevention programs have been reviewed by the Geological Survey engineers and determined to be adequate.

#### Soils:

No detailed soil survey has been made of the project area. The top soils in the area range from a sandy clay to a clay-type soil. The soil is subject to runoff from rainfall and has a high runoff potential, and sediment production would be high. The soils are mildly to moderately alkaline and support the salt-desert shrub community.

Top soil would be removed from the surface and stockpiled. The soil would be spread over the surface of disturbed areas when abandoned to aid in rehabilitation of the surface. Rehabilitation is necessary to prevent erosion and encroachment of undesired species on the disturbed areas. The operator proposes to rehabilitate the location and access roads per the recommendations of the Bureau of Land Management.

Approximately one acre of land would be stripped of vegetation. This would increase the erosional potential. Proper construction practice, construction of water bars, and reseeding of slope-cut area would minimize this impact.

#### Air:

No specific data on air quality is available at the proposed location. There would be a minor increase in air pollution due to emissions from rig and support traffic engines. Particulate matter would increase due to dust from travel over unpaved dirt roads. The potential for increased air pollution due to leaks, spills, and fire would be possible.

Relatively heavy traffic would be anticipated during the drilling-operations phase, increasing dust levels and exhaust pollutants in the area. If the well was to be completed for production, traffic would be reduced substantially to a maintenance schedule with a corresponding decrease of dust levels and exhaust pollutants to minor levels. If the project results in a dry hole, all operations and impact from vehicular traffic would cease after abandonment. Due to the limited number of service vehicles and limited time span of their operation, the air quality would not be substantially reduced.

Toxic or noxious gases would not be anticipated.

Precipitation:

Annual rainfall should range from about 8 to 11 inches at the proposed location. The majority of the numerous drainages in the surrounding area are of a non-perennial nature flowing only during early spring runoff and during extremely heavy rain storms. This type of storm is rather uncommon as the normal annual precipitation is around 8 inches.

Winds are medium and gusty, occurring predominantly from West to East. Air mass inversions are rare.

The climate is semi-arid with abundant sunshine, hot summers and cold winters, with temperature variations on a daily and seasonal basis.

Surface-Water Hydrology:

Drainage from the lease area is towards the south to Cisco Springs which flows south to the Colorado River.

Some additional erosion would be expected in the area since surface vegetation would be removed. If erosion became serious, drainage systems such as water bars and dikes would be installed to minimize the problem. The proposed project should have minor impact on the surface-water systems.

The potentials for pollution would be present from leaks or spills. The operator is required to report and clean-up all spills or leaks.

Ground-Water Hydrology:

Some minor pollution of ground-water systems would occur with the introduction of drilling fluids (filtrate) into the aquifer. This is normal and unavoidable during rotary drilling operations. The potential for communication, contamination, and commingling of formations via the well bore would be possible. The drilling program is designed to prevent this. There is need for more data on hydrologic systems in the area and the drilling of this well may provide some basic information as all shows of fresh water would be reported. Water production with the gas would require disposal of produced water per the requirements of NTL-2B.

The depths of fresh-water formations are listed in the 10-Point Sub-surface Protection Plan. There would be no tangible effect on water migration in fresh-water aquifers. The pits would be unlined. If fresh water should be available from the well, the owner or surface agency may request completion as a water well if given approval.

Vegetation:

The vegetation of the area is a sparse covering of the salt-desert-shrub types.

Proposed action would remove about one acre of vegetation. Removal of vegetation would increase the erosional potential and there would be a minor decrease in the amount of vegetation available for grazing.

The operator proposes to rehabilitate the surface upon completion of operations.

Wildlife:

Animal and plant inventory has been made by the Bureau of Land Management. No endangered plants or animals are known to habitat on the project area. The fauna of the area consists predominantly of the mule deer, coyotes, rabbits, foxes, and varieties of small ground squirrels and other types of rodents and various types of reptiles. The area is used by man for the primary purpose of grazing domestic livestock and sheep. The birds of the area are raptors, finches, ground sparrows, magpies, crows, and jays.

Social-Economic Effect:

An on the ground surface archaeological reconnaissance would be required prior to approval of the proposed action. Appropriate clearances would then be obtained from the surface managing agency. If an historic artifact, an archaeological feature or site is discovered during construction operations, activity would cease until the extent, the scientific importance, and the method of mitigating the adverse effects could be determined by a qualified cultural resource specialist.

There are no occupied dwellings and other facilities of this nature in the general area. Minor distractions from aesthetics would occur over the lifetime of the project and are judged to be minor. All permanent facilities placed on the location would be painted a color to blend in with the natural environment. Present use of the area is grazing, recreation, and oil and gas activities.

Noise from the drilling operation may temporarily disturb wildlife and people in the area. Noise levels would be moderately high during drilling and completion operations. Upon completion, noise levels would be infrequent and significantly less. If the area is abandoned, noise levels should return to pre-drilling levels.

The site is visible from any major road. After drilling operations, completion equipment would be visible to passersby of the area but would not present a major intrusion.

The economic effect of one well would be difficult to determine. The overall effect of oil and gas drilling and production activity are significant in Grand County. But should this well discover a significant new hydrocarbon source, local, State, and possibly National economies might be improved. In this instance, other development wells would be anticipated with substantially greater environmental and economic impacts.

Should the wellsite be abandoned, surface rehabilitation would be done according to the surface agency's requirements and U.S. Geological Survey's satisfaction. This would involve leveling, contouring, reseeding, etc., of the location and possibly the access road. If the well should produce hydrocarbons, measures would be undertaken to protect wildlife and domestic stock from the production equipment.

Land Use:

There are no National, State, or local parks, forests, wildlife refuges or ranges, grasslands, monuments, trails, or other formally designated recreational facilities near the proposed location.

The proposed location is within the Book Mountain Planning Unit (06-01). This Environmental Assessment Record (EAR) was compiled by the Bureau of Land Management, the surface management agency of the Federal surface in the area. The study includes additional information on the environmental impact of oil and gas operations in this area and gives land use recommendations. The EAR is on file in the agency's State Offices and is incorporated herein by reference.

Waste Disposal:

The mud and reserve pits would contain all fluids used during the drilling operations. A trash pit would be utilized for any solid wastes generated at the site and would be buried at the completion of the operations. Sewage would be handled according to State sanitary codes. For further information, see the 13-Point Surface Plan.

Alternatives to the Proposed Action:

(1) Not approving the proposed permit -- The oil and gas lease grants the Lessee exclusive right to drill for, mine, extract, remove, and dispose of all oil and gas deposits.

Under leasing provisions, the Geological Survey has an obligation to allow mineral development if the environmental consequences are not too severe or irreversible. Upon rehabilitation of the site, the environmental effects of this action would be substantially mitigated, if not totally annulled. Permanent damage to the surface and subsurface would be prevented as much as possible under the U.S. Geological Survey and

other controlling agencies' supervision with rehabilitation planning reversing almost all effects. Additionally, the growing scarcity of oil and gas should be taken into consideration. Therefore, the alternative of not proceeding with the proposed action at this time is rejected.

(2) Minor relocation of the wellsite access road or any special restrictive stipulations or modifications to the proposed program would not significantly reduce the environmental impact. There are no severe vegetative, animal, or archaeological-historical-cultural conflicts at the site. Since only a minor impact on the environment would be expected, the alternative of moving the location is rejected. At abandonment, normal rehabilitation of the area such as contouring, reseeding, etc., would be undertaken with an eventual return to the present status as outlined in the 13-Point Surface Plan.

Adverse Environmental Effects Which Cannot Be Avoided:

Surface disturbance and removal of vegetation from approximately one acre of land surface from the lifetime of the project which would result in increased and accelerated erosional potential. Grazing would be eliminated in the disturbed areas and there would be a minor and temporary disturbance of wildlife and livestock. Minor induced air pollution due to exhaust emissions from rig engines of support traffic engines would occur. Minor increase in dust pollution would occur due to vehicular traffic associated with the operation. If the well is a gas producer, additional surface disturbance would be required to install production pipelines. The potential for fires, leaks, spills of gas, oil, or water would exist. During the construction and drilling phases of the project, noise levels would increase. Potential for subsurface damage to fresh-water aquifers and other geologic formations exists. Minor distractions from aesthetics during the lifetime of the project would exist. If the well is a producer, an irreplaceable and irretrievable commitment of resources would be made. Erosion from the site would eventually be carried as sediment in the Colorado River. The potential for pollution to the Cisco Springs would exist through leaks and spills.

Determination:

This requested action ~~does~~ does not constitute a major Federal action significantly affecting the environment in the sense of NEPA, Section 102(2)(C).

Date

10/31/78

E. W. S. [Signature]  
District Engineer

U.S. Geological Survey  
Conservation Division  
Oil and Gas Operations  
Salt Lake City District



NAME: DISTRICT GEOLOGIST, ME, SALT LAKE CITY, UTAH

ADDRESS: DISTRICT ENGINEER, O&G, SALT LAKE CITY, UTAH

SUBJECT: APD MINERAL EVALUATION REPORT

LEASE NO. U-7218

OPERATOR: Walter D Broadhead

WELL NO. Ed. Lansdale-3

LOCATION: 1/2 SW 1/2 NE 1/4 sec. 29, T. 20S, R. 24E, SLM

Grand County, Utah

Stratigraphy: Operator picked tops seem reasonable.

Fresh Water: Drill hole in sec. 29 T. 20S., R. 24E. SLM indicates  
usable water may occur in the sandstone units of the  
Mancos Shale, Dakota Sandstone, & the conglomerate mbr. of the  
Cedar Mtn. Shale

Leasable Minerals: Within lands designated prospectively  
valuable for coal



Additional Logs Needed: Run logs thru Dakota to identify coal

Potential Geologic Hazards: None anticipated

References and Remarks:

Signature: Candace C. Clark

Date: 9 - 28 - 78



SCOTT M. MATHESON  
Governor

OIL, GAS, AND MINING BOARD

GORDON E. HARMSTON  
Executive Director,  
NATURAL RESOURCES

CHARLES R. HENDERSON  
Chairman

CLEON B. FEIGHT  
Director

STATE OF UTAH  
DEPARTMENT OF NATURAL RESOURCES  
DIVISION OF OIL, GAS, AND MINING  
1588 West North Temple  
Salt Lake City, Utah 84116  
(801) 533-5771  
May 25, 1979

JOHN L. BELL  
C. RAY JUVELIN  
THADIS W. BOX  
CONSTANCE K. LUNDBERG  
EDWARD T. BECK  
E. STEELE McINTYRE

Walter D. Broadhead  
1645 N. 7th Street  
Grand Junction, Colorado 81501

Re: Well No. Tomlinson Fee #2  
Sec. 12, T. 21S, R. 24E,  
Grand County, Utah

*Drop*

Well No. Federal Lansdale #3  
Sec. 29, T. 20S, R. 24E,  
Grand County, Utah

*Drilled  
Repts to File*

Well No. Federal Broadhead #3  
Sec. 6, T. 21S, R. 24E  
Grand County, Utah

*Hold Active*

Well No. Broadhead Federal #2  
Sec. 6, T. 21S, R. 24E  
Grand County, Utah

*Hold Active*

*Kathy Avila  
Jorge  
Walter*

Gentlemen:

In reference to above mentioned wells, considerable time has gone by since approval was obtained from this office.

This office has not received any notification of spudding. If you do not intend to drill these wells, please notify this Division. If spudding or any other activity has taken place, please send necessary forms.

Until these reports are filed with this office, there will be no more approvals of applications.

Your prompt attention to the above will be greatly appreciated.

Very truly yours,

DIVISION OF OIL, GAS, AND MINING

*Kathy Avila*

KATHY AVILA  
RECORDS CLERK



SCOTT M. MATHESON  
Governor

OIL, GAS, AND MINING BOARD

GORDON E. HARMSTON  
Executive Director,  
NATURAL RESOURCES

STATE OF UTAH

CHARLES R. HENDERSON  
Chairman

CLEON B. FEIGHT  
Director

DEPARTMENT OF NATURAL RESOURCES

DIVISION OF OIL, GAS, AND MINING

1588 West North Temple  
Salt Lake City, Utah 84116  
(801) 533-5771  
May 25, 1979

JOHN L. BELL  
C. RAY JUVELIN  
THADIS W. BOX  
CONSTANCE K. LUNDBERG  
EDWARD T. BECK  
E. STEELE McINTYRE

Walter D. Broadhead  
1645 N. 7th Street  
Grand Junction, Colorado 81501

Re: Well No. Tomlinson Fee #2  
Sec. 12, T. 21S, R. 24E,  
Grand County, Utah

Well No. Federal Lansdale #3  
Sec. 29, T. 20S, R. 24E,  
Grand County, Utah

Well No. Federal Broadhead #3  
Sec. 6, T. 21S, R. 24E  
Grand County, Utah

Well No. Broadhead Federal #2  
Sec. 6, T. 21S, R. 24E  
Grand County, Utah

Gentlemen:

In reference to above mentioned wells, considerable time has gone by since approval was obtained from this office.

This office has not received any notification of spudding. If you do not intend to drill these wells, please notify this Division. If spudding or any other activity has taken place, please send necessary forms.

Until these reports are filed with this office, there will be no more approvals of applications.

Your prompt attention to the above will be greatly appreciated.

Very truly yours,

DIVISION OF OIL, GAS, AND MINING

*Kathy Avila*

KATHY AVILA  
RECORDS CLERK

# MONTHLY OIL AND GAS PRODUCTION REPORT

OPERATOR NAME AND ADDRESS:

PRODUCTION DEPT  
 BROADHEAD, WALTER  
 1645 N 7TH ST  
 GRAND JUNCTION CO 81501

UTAH ACCOUNT NUMBER: N1130

REPORT PERIOD (MONTH/YEAR): 12 / 96

AMENDED REPORT  (Highlight Changes)

Well Name API Number	Entity	Location	Producing Zone	Well Status	Days Oper	Production Volumes		
						OIL(BBL)	GAS(MCF)	WATER(BBL)
PATSANTARAS PETE #2 4301930899	09181	20S 24E 3	BRBSN			Fee		
FEE PETE #4 4301930916	09182	20S 24E 3	BRBSN			Fee		
KEAS FEDERAL #2 4301915097	09183	20S 24E 5	BRBSN			U070752		
KEAS FEDERAL #3-A 4301915098	09184	20S 24E 5	BRBSN			U070752		
FEDERAL LANSDALE #3 4301930458	09185	20S 24E 29	BRBSN			U7218		
DUTCH-FEDERAL #1 4301915007	09186	20S 24E 29	MRSN			U034745		
ERAL CISCO #3 4301930040	09187	20S 24E 29	MRSN			U034745		
TOMLINSON FEE #1 4301930964	09188	21S 23E 12	MRSN			Fee		
KEAS FEDERAL #8 4301931113	09189	20S 24E 5	CDMTN			U070752		
GRAND VALLEY EXPLORATION 32-3 4301930067	10335	20S 24E 32	MRSN			ML27010		
FED BROADHEAD 17-1 4301930997	10336	21S 24E 17	MRSN			U26420		
FED BROADHEAD 8-3 4301931067	10337	21S 24E 8	SLTW			U26421		
BROADHEAD #1 4301920092	10338	20S 24E 14	DKTA			U38366		
<b>TOTALS</b>								

COMMENTS: \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

I hereby certify that this report is true and complete to the best of my knowledge. Date: \_\_\_\_\_  
 Name and Signature: \_\_\_\_\_ Telephone Number: \_\_\_\_\_

# A-C-J-J-J-S SERVICE CO.



P.O. BOX 82  
CLIFTON, COLORADO 81520

SHIPPING:

2944 I-70 BUSINESS LOOP #204  
GRAND JUNCTION, COLORADO 81504  
970-241-2917 FAX 970-241-4718

FAX TRANSMITTAL

FAX TRANSMITTAL

FAX TRANSMITTAL

TO: LISHA CORDOVA 1-801-359-3940

ATTN: \_\_\_\_\_

DATE: 1-10-97

FROM: John Kubick

PAGES SENT INCLUDING COVER: 4

COMMENTS: USE PHYSICAL ADDRESS WHEN  
SENDING MAIL -

IF YOU EXPERIENCE ANY DIFFICULTY WITH RECEIVING OR SENDING TRANSMISSIONS---PLEASE CALL 970-241-2917

WORKING AGREEMENT PAGE 1083

BETWEEN WALTER BROADHEAD (OWNER AND LEASE HOLDER)  
AND JOHN KUBICK (SERVICE CO.)

SERVICE CO. AGREES TO PROVIDE PUMPER, ROASTABOUT AND COMPLETE BOOK KEEPING SERVICES IN AN EFFORT TO PRODUCE THE OWNERS OIL AND GAS WELLS.

OWNERS EQUIPMENT WILL BE USED WHEN AVAILABLE. SHOULD OWNER NOT HAVE THE NECESSARY EQUIPMENT (PIPE, FITTINGS, ENGINES, COMPRESSORS, SEPARATORS ETC.) TO PUT WELLS INTO PRODUCTION - SERVICE CO. WILL PROVIDE ALL NECESSARY SURFACE EQUIPMENT AND LABOR NECESSARY TO INSTALL SAID EQUIPMENT. ALL EQUIPMENT PROVIDED BY SERVICE CO. WILL REMAIN THE PROPERTY OF THE SERVICE CO.

DOWN HOLE EQUIPMENT AND WORKOVERS ARE NOT PROVIDED AS PART OF THIS AGREEMENT. THE DIVISION OF THESE EXPENSES WILL BE WORKED OUT AS NEEDED ON A WELL PER WELL BASIS.

WELLS DEPLETED DURING TERM OF CONTRACT WILL BE PLUGGED BY SERVICE CO.

SPILLS, CLEANUP, PITS ETS. REQUIRED AFTER THE DATE OF THIS AGREEMENT WILL BE THE RESPONSIBILITY OF SERVICE CO.. ANY NECESSARY WORK WHICH PRE-EXISTED DATE OF AGREEMENT WILL BE WORKED OUT BETWEEN OWNER AND SERVICE CO..

ALL CHEMICALS NECESSARY TO PRODUCE WELLS WILL BE PROVIDED BY SERVICE CO..

ALL BOOKKEEPING REQUIREMENTS INCLUDING DISPURSEMENT OF ALL PRODUCTION MONEY, GOVERNMENT REPORTS, PAYMENT OF TAXES AND ROYALTIES, REPORTS TO ALL PARTIES INVOLVED AND STORAGE OF ALL INFORMATION WILL BE PROVIDED BY THE SERVICE CO.. ALL DIVISION OF MONEY WILL BE PAID OUT WITHIN 10 DAYS OF RECEIPT FROM BUYERS. SERVICE COMPANY WILL SET UP A SEPERATE CHECKING ACCOUNT AND IF NECESSARY A ESCROW ACCOUNT.

THE DIVISION OF PRODUCTION MONEY AFTER TAXES AND ROYALTIES ARE AS FOLLOWS. 60% TO WALTER BROADHEAD OR TO WHOEVER HE MAY ASSIGN. 40% TO SERVICE CO..





**State of Utah**  
 DEPARTMENT OF NATURAL RESOURCES  
 DIVISION OF OIL, GAS AND MINING

Michael O. Leavitt  
 Governor  
 Ted Stewart  
 Executive Director  
 James W. Carter  
 Division Director

1594 West North Temple, Suite 1210  
 Box 145801  
 Salt Lake City, Utah 84114-5801  
 801-359-3940 (Fax)  
 801-538-5319 (TDD)

UTAH DIVISION OF OIL, GAS AND MINING  
 FACSIMILE COVER SHEET

DATE: JANUARY 13, 1997  
 FAX # (801)259-2106  
 ATTN: VERLENE BUTTS  
 COMPANY: BLM/MOAB  
 FROM: LISHA CORDOVA  
 DEPARTMENT: OIL & GAS

NUMBER OF PAGES BEING SENT (INCLUDING THIS ONE): 5

If you do not receive all of the pages, or if they are illegible, please call (801) 538-

We are sending from a Sharp facsimile machine. Our telecopier number is (801) 359-3940.

MESSAGES:

DOG M IS GOING TO SET UP ACJJJS SERVICE CO/JOHN KUBICK AS AGENT FOR WALTER BROADHEAD. WALTER BROADHEAD WILL BE CONSIDERED OPERATOR HOWEVER MONTHLY OIL & GAS REPORTING AND WORKOVERS, ETC. WILL BE PROVIDED BY ACJJJS. PLEASE CALL ME REGARDING BLM ACTION/APPROVAL.

THANK YOU!

Important: This message is intended for the use of the individual or entity to which it is addressed and may contain information that is privileged, confidential and exempt from disclosure under applicable law. If the reader of this message is not the intended recipient, you are hereby notified that any dissemination, distribution, or copying of this communication is strictly prohibited. If you have received this communication in error, please notify us immediately by telephone and return this original message to us at the above addressed via regular postal service. Thank you.



**ENTITY REVIEW**

- 1. (r649-8-7) Entity assignments have been reviewed for all wells listed above. Were entity changes made? (yes/no) no If entity assignments were changed, attach copies of Form 6, Entity Action Form.
- 2. Trust Lands, Sovereign Lands, Tax Commission, etc., have been notified through normal procedures of entity changes.

**BOND VERIFICATION - (FEE WELLS ONLY) \*Not an operator change / Agent designation only!**

- 1. (r649-3-1) The NEW operator of any fee lease well listed above has furnished a proper bond.
- 2. A copy of this form has been placed in the new and former operator's bond files.
- 3. The FORMER operator has requested a release of liability from their bond (yes/no) \_\_\_\_\_, as of today's date \_\_\_\_\_. If yes, division response was made to this request by letter dated \_\_\_\_\_.

**LEASE INTEREST OWNER NOTIFICATION OF RESPONSIBILITY**

*Not an operator change*

- 1. Copies of documents have been sent on \_\_\_\_\_ to \_\_\_\_\_ at Trust Lands for changes involving State leases, in order to remind that agency of their responsibility to review for proper bonding.
- 2. (r649-2-10) The former operator of any fee lease wells listed above has been contacted and informed by letter dated 1/17/97 19 \_\_\_\_, of their responsibility to notify all interest owners of this change.

**FILMING**

- 1. All attachments to this form have been microfilmed. Today's date: 1-30-97

**FILING**

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

**COMMENTS**

970116 Blm/marb received doc. "Working Agreement" submitted by ACQGS Service Co / Walter Broadhead. (attached)  
 No official approval will be given by them, however they will acknowledge John Kubick / ACQGS Service Co. as being Walter Broadhead's "Agent".  
 Operatorship & bond coverage "Walter Broadhead".

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

SUBMIT IN TRIPLICATE  
(Other instructions on  
reverse side)

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

SUNDY NOTICES AND REPORTS ON WELLS

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

RECEIVED

6. LEASE DESIGNATION AND SERIAL NO.  
**UTU-7218**

6. IV INDIAN, ALLOTTED OR TRIBE NAME  
—

7. UNIT AGREEMENT NAME  
—

8. FARM OR LEASE NAME  
—

9. WELL NO.  
**Lansdale #3**

10. FIELD AND POOL, OR WILDCAT  
**Cisco Springs**

11. TAC, T. R. #, OR SEC. AND  
MORSET OR AREA  
**T20S, R24E, Sec 29 SWNE**

12. COUNTY OR PARISH  
**Grand**

13. STATE  
**Utah**

1. OIL WELL  GAS WELL  OTHER

2. NAME OF OPERATOR  
**Falcon Energy, LLC**

3. ADDRESS OF OPERATOR  
**55 So. Hwy 89, N. Salt Lake, Utah 84054**

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.  
See also space 17 below.)  
At surface  
**T20S, R24E, Sec. 29 SWNE  
API # 4301970458**

14. EXHIBIT NO.  
**43-019-30458**

15. ELEVATIONS (Show whether Dr. or, on, etc.)

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

NOTICE OF INTENTION TO:

TEST WATER SHUT-OFF <input type="checkbox"/>	FULL OR ALTER CASING <input type="checkbox"/>
FRACTURE TREAT <input type="checkbox"/>	MULTIPLE COMPLETE <input type="checkbox"/>
SHOOT OR ACIDIZE <input type="checkbox"/>	ABANDON* <input type="checkbox"/>
REPAIR WELL <input type="checkbox"/>	CHANGE PLANE <input type="checkbox"/>
(Other) <input type="checkbox"/>	

SUBSEQUENT REPORT OF:

WATER SHUT-OFF <input type="checkbox"/>	REPAIRING WELL <input type="checkbox"/>
FRACTURE TREATMENT <input type="checkbox"/>	ALTERING CASING <input type="checkbox"/>
SHOOTING OR ACIDIZING <input type="checkbox"/>	ABANDONMENT* <input checked="" type="checkbox"/>
(Other) <b>Begin Production</b> <input checked="" type="checkbox"/>	

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

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

CHANGE OF OPERATOR

Falcon Energy, LLC is taking over operations of the above captioned well.

Falcon Energy, LLC is responsible under the terms and conditions of the lease for operations conducted on the leased lands or portions thereof.

Bond coverage for this well will be provided by BLM Bond No. Ut1049.

Propose to begin operation of this well immediately.

RECEIVED  
Effective 11/29/2000  
FEB 08 2001  
DIVISION OF  
OIL, GAS AND MINING

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

SIGNED Thom R. Howells TITLE Manager DATE 12-26-00

(This space for Federal or State office use)

APPROVED BY William Hanger TITLE Assistant Field Manager, Division of Resources DATE 2/2/01

CONDITIONS OF APPROVAL IF ANY:

CONDITIONS OF APPROVAL ATTACHED

\*See Instructions on Reverse Side

Falcon Energy, LLC  
Well No. Lansdale 3  
SWNE Sec. 29, T. 20 S., R. 29 E.  
Lease UTU7218  
Grand County, Utah

CONDITIONS OF APPROVAL

Approval of this application 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.

Be advised that Falcon Energy, LLC is considered to be the operator of the above well and is responsible under the terms and conditions of the lease for the operations conducted on the leased lands.

Bond coverage for this well is provided by UT1049 (Principal - Falcon Energy, LLC) via surety consent as provided for in 43 CFR 3104.2.

This office will hold the aforementioned operator and bond liable until the provisions of 43 CFR 3106.7-2 continuing responsibility are met.

AHN: Jim T

LHA FAX 2

801)359-3940

**ASSIGNMENT, CONVEYANCE AND BILL OF SALE**

Assignment, Conveyance and Bill of Sale is made this 16 day of April, 2001, and is effective the 1st day of December, 2001, by and between WALTER BROADHEAD, a resident of Grand Junction, Colorado with the mailing address of 1645 North 7<sup>th</sup> Street, Grand Junction, Colorado 81501 (hereafter collectively called "Assignor") and FALCON ENERGY, LLC, a Utah Limited Liability Company of 55 S. Hwy. 89, Suite 101, North Salt Lake, Utah 84054 (hereafter called "Assignee").

WHEREAS, Assignor is now the owner of certain undivided interests ("Assignor's Interests") in, to and under the following (the "Interests"):

- (a) **Leaseholds:** Oil and gas leaseholds, oil, gas and other minerals, including working interests, carried working interests, rights of assignment and reassignment, net revenue interests, record title interests, undeveloped locations and all other interests under or in oil, gas or mineral leases, and interests in rights to explore for and produce oil, gas or other minerals which are described herein;
- (b) **Rights in Production:** Reversionary interests, backin interests, overriding royalties, production payments, net profits interests, mineral and royalty interests in production of oil, gas or other minerals including without limit those which are described herein;
- (c) **Wells:** Producing, non-producing and shut-in oil and gas wells, and saltwater disposal or injection wells located on the Leases that are described herein (hereinafter, the "Wells");
- (d) **Contract Rights:** Unit agreements, orders and decisions of regulatory authorities establishing or relating to units, unit operating agreements, operating agreements, gas purchase agreements, oil purchase agreements, gathering agreements, transportation agreements, processing or treating agreements, farmout agreements and farmin agreements subleases, and any other agreements to the extent assignable, including without limit, those which relate to any of the Leases or Wells described herein (hereinafter, the "Contracts");
- (e) **Easements:** Rights-of-way, easements, and servitudes appurtenant to or used in connection with the property described herein (hereinafter, the "Easements");
- (f) **Permits:** Permits and licenses of any nature owned, held or operated in connection with operations for the exploration and production of oil, gas or other minerals to the extent the same are used or obtained in connection with any of the Leases, Contracts, Easements or Wells (hereinafter, the "Permits");
- (g) **Equipment:** Personal property, surface equipment, down-hole equipment and pipelines, buildings and inventory used or obtained in connection with the Leases, Easements, Wells or Permits;
- (h) **Remaining Interests:** All other rights and interests in, to or under or derived from the Interests, even though improperly described in or omitted herein. It is the

RECEIVED

SEP 12 2001

DIVISION OF  
OIL, GAS AND MINING

expressed intent of the parties that all of Seller's right, title and interest in any and all oil and gas properties described herein be assigned to Buyer hereunder.

(i) **Property Description:**

WHEREAS, Assignor desires to assign, convey and deliver to Assignee and Assignee desires to accept all of Assignor's interests in the Interests; and

WHEREAS, as consideration for this Assignment, Assignee has paid Assignor the sum of \$10.00 plus other valuable and sufficient benefits, the receipt of which is acknowledged by Assignor.

NOW, THEREFORE, Assignor hereby grants, bargains, sells, transfers, assigns and conveys to Assignee all of Assignor's right, title and interest in, to and under the Interests. Assignor hereby warrants and defends its title to the Interests by, through and under Assignor, but not otherwise.

TO HAVE AND TO HOLD the same unto Assignee, its successors and assigns, forever.

The provisions of this Assignment, Conveyance and Bill of Sale shall be construed as covenants running with the Leases and shall be binding upon Assignee, its successors and assigns. Assignee specifically assumes all obligations to properly plug, abandon and remediate all Wells comprising the Interests and shall indemnify and hold Assignor harmless from any and all such costs and obligations.

It is understood and agreed between the parties that the execution of additional documents including but not limited to change of operator forms, lease or well assignments or any other documents that may be required to facilitate approval of this transaction by governmental agencies; Assignor hereby agrees to execute and furnish to Assignee such documents, and such further assurances, as may be necessary to effectuate all of the terms of this Assignment. Assignee and Assignor agree to take any action necessary to make all assignments and changes of operator on or before April 30, 2001 including but not limited to federal bonding requirements and approved operator status.

Except as provided herein this Assignment and Bill of Sale is made without warranty of title, expressed or implied. ASSIGNOR MAKES NO WARRANTY OR REPRESENTATION, EXPRESSED OR IMPLIED, AS TO THE MERCHANTABILITY OF ANY OF THE EQUIPMENT APPLICABLE TO THE INTERESTS OR ITS FITNESS FOR ANY PURPOSE, ASSIGNEE HAVING SATISFIED ITSELF AS TO THE CONDITION OF SAME, AND ASSIGNEE AGREEING THAT IT ACCEPTS THE SAME IN ITS "AS IS, WHERE IS" CONDITION.

This Assignment, Conveyance and Bill of Sale is made subject to that certain Purchase and Sale Agreement dated December 8, 2000 by and between Assignor and Assignee.

This Assignment, Conveyance and Bill of Sale is effective for all purposes on December 1, 2000.



**EXHIBIT A**  
Leases and Wells

Lease UTU 26421  
 T21S R24E

SEC 6	S2NE, SE, SENW, E2SW
SEC 6	LOTS 1-7
SEC 7	NE, E2NW, E2SE, SWSE, SESW
SEC 7	LOTS 1-4
SEC 8	E2, SW, SWNW
SEC 18	N2NE, SENE, SENW
SEC 18	LOTS 1-3

TOTAL ACRES: 1,935.40

WELL NAME	API NUMBER	LEGAL
Fed Lansdale #3	43-019-30455	T20S R24E - SEC 29 - SWNE
Fed Broadhead 8-3	43-019-31067	T21S R24E - SEC 8 - NWSW
BPB 18-2	43-019-31248	T21S R24E - SEC 18 - SENE
BPB Fed 6-3	43-019-31292	T21S R24E - SEC 6 - NWNW
Tomlinson Fee #1	43-019-30964	T21S R23E - SEC 12 - NWNE
BPB Fed 6-1	43-019-31285	T21S R24E - SEC 6 - SWNW
FED 7-6	43-019-31298	T21S R24E - SEC 7 - SENW

**OPERATOR CHANGE WORKSHEET**

**ROUTING**

1. GLH		4-KAS
2. CDW	✓	5-LP ✓
3. JLT		6-FILE

Enter date after each listed item is completed

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

Designation of Agent

Operator Name Change (Only)

Merger

The operator of the well(s) listed below has changed, effective: **11-29-2000**

<b>FROM: (Old Operator):</b>
BROADHEAD WALTER
Address: P O BOX 82
CLIFTON, CO 81520-0082
Phone: 1-(970)-242-7717
Account N1130

<b>TO: (New Operator):</b>
FALCON ENERGY LLC
Address: 55 SO HWY 89
NORTH SALT LAKE, UT 84054
Phone: 1-(801)-936-2222
Account N6710

CA No.

Unit:

**WELL(S)**

NAME	API NO.	ENTITY NO.	SEC. TWN RNG	LEASE TYPE	WELL TYPE	WELL STATUS
FEDERAL LANSDALE # 3	43-019-30458	9185	29-20S-24E	FEDERAL	OW	S

**OPERATOR CHANGES DOCUMENTATION**

- (R649-8-10) Sundry or legal documentation was received from the **FORMER** operator on: 02/08/2001
- (R649-8-10) Sundry or legal documentation was received from the **NEW** operator on: 09/12/2001
- The new company has been checked through the **Department of Commerce, Division of Corporations Database** on: 09/12/2001
- Is the new operator registered in the State of Utah: YES Business Number: 2022926-0160
- If **NO**, the operator was contacted on: N/A
- Federal and Indian Lease Wells:** The BLM and or the BIA has approved the (merger, name change, or operator change for all wells listed on Federal or Indian leases on: 02/02/2001
- Federal and Indian Units:** The BLM or BIA has approved the successor of unit operator for wells listed on: N/A

8. **Federal and Indian Communization Agreements ("CA"):** The BLM or the BIA has approved the operator change for all wells listed involved in a CA on: N/A
9. **Underground Injection Control ("UIC")** The Division has approved UIC Form 5, **Transfer of Authority to Inject**, for the enhanced/secondary recovery unit/project for the water disposal well(s) listed on: N/A

---

**DATA ENTRY:**

1. Changes entered in the **Oil and Gas Database** on: 09/12/2001
2. Changes have been entered on the **Monthly Operator Change Spread Sheet** on: 09/12/2001
3. Bond information entered in RBDMS on: N/A
4. Fee wells attached to bond in RBDMS on: N/A

---

**STATE BOND VERIFICATION:**

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

---

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

1. (R649-3-1) The **NEW** operator of any fee well(s) listed has furnished a bond: N/A
2. The **FORMER** operator has requested a release of liability from their bond on: N/A  
The Division sent response by letter on: N/A
3. (R649-2-10) The **FORMER** operator of the Fee wells has been contacted and informed by a letter from the Division of their responsibility to notify all interest owners of this change on: N/A

---

**FEDERAL BOND VERIFICATION:**

1. Federal well(s) covered by Bond No.: UT 1049

---

**FILMING:**

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

---

**FILING:**

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

---

**COMMENTS:**

---

---

---

---

---

---

---

---

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

FORM 9

**SUNDRY NOTICES AND REPORTS ON WELLS**

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

1. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER <u>Change of Operator</u>		5. LEASE DESIGNATION AND SERIAL NUMBER:
2. NAME OF OPERATOR: <u>Running Foxes Petroleum, Inc.</u>		6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
3. ADDRESS OF OPERATOR: <u>7060 B South Tucson</u> CITY <u>Centennial</u> STATE <u>CO</u> ZIP <u>80112</u>		7. UNIT or CA AGREEMENT NAME:
PHONE NUMBER: <u>(720) 377-0923</u>		8. WELL NAME and NUMBER:
4. LOCATION OF WELL FOOTAGES AT SURFACE: _____		9. API NUMBER:
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: _____		10. FIELD AND POOL, OR WILDCAT:
COUNTY: <u>Grand</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>May 15, 2006</u>	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> REPERFORATE CURRENT FORMATION
	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> SIDETRACK TO REPAIR WELL
<input type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only)  Date of work completion: _____	<input type="checkbox"/> CASING REPAIR	<input type="checkbox"/> NEW CONSTRUCTION	<input type="checkbox"/> TEMPORARILY ABANDON
	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input checked="" type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> TUBING REPAIR
	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> VENT OR FLARE
	<input type="checkbox"/> CHANGE WELL NAME	<input type="checkbox"/> PLUG BACK	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> PRODUCTION (START/RESUME)	<input type="checkbox"/> WATER SHUT-OFF
	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input type="checkbox"/> OTHER: _____
	<input type="checkbox"/> CONVERT WELL TYPE	<input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION	

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

This is to inform the State of Utah that there will be a change of operator from Falcon Energy LLC to Running Foxes Petroleum, Inc. for the attached well list. The BLM issued bond number is UTB-000207 and the bond was accepted on May 15, 2006. All wells and leases are on Federal Land and all operations have been deemed as satisfactory at this point. If there are any questions or information needed please contact our office and all inquiries will be addressed.

NAME (PLEASE PRINT) <u>Neil D. Sharp</u>	TITLE <u>Geologist</u>
SIGNATURE <u><i>Neil D. Sharp</i></u>	DATE <u>05/23/06</u>

(This space for State use only)

**APPROVED** 12/14/2006

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

(See Instructions on Reverse Side)

**RECEIVED**  
**MAY 31 2006**  
DIV. OF OIL, GAS & MINING

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

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

**SUNDRY NOTICES AND REPORTS ON WELLS**

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

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

1. Type of Well <input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other		5. Lease Serial No. UTU 7218
2. Name of Operator RUNNING FOXES PETROLEUM, INC.		6. If Indian, Allottee or Tribe Name
3a. Address 7060 B SO. TUCSON WAY CENTENNIAL, CO. 80112	3b. Phone No. (include area code) 303-617-7242	7. If Unit or CA/Agreement, Name and/or No.
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) SW NE SEC. 29 T20S - R24E		8. Well Name and No. FEDERAL LANDSDALE #3
		9. API Well No. 43019 - 30458
		10. Field and Pool, or Exploratory Area CISCO SPRINGS
		11. County or Parish, State GRAND COUNTY, UTAH

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

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

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

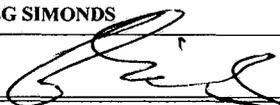
RUNNING FOXES PETROLEUM, INC. IS TAKING OVER OPERATIONS OF THE ABOVE CAPTIONED WELL(S).

RUNNING FOXES PETROLEUM, INC. IS RESPONSIBLE UNDER THE TERMS AND CONDITIONS OF THE LEASE FOR OPERATIONS CONDUCTED ON THE LEASED LANDS OR PORTIONS THEREOF.

BOND COVERAGE FOR THIS WELL WILL BE PROVIDED BY BLM BOND NO. UTB000207.

EFFECTIVE DATE: 5/15/2006

14. I hereby certify that the foregoing is true and correct  
Name (Printed/Typed) **GREG SIMONDS** Title **V.P. OPERATIONS**

Signature  Date **05/30/2006**

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

Approved by **ACCEPTED** Title **Division of Resources** Date **6/12/06**  
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 **Moab Field Office**

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

(Instructions on page 2)

RECEIVED  
CONDITIONS OF APPROVAL ATTACHED JUN 19 2006

DIV. OF OIL, GAS & MINING

Running Foxes Petroleum, Inc.  
Well No. 3  
Section 29, T20S, R24E  
Lease UTU7218  
Grand County, Utah

CONDITIONS OF ACCEPTANCE

Acceptance of this application 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.

Be advised that Running Foxes Petroleum, Inc. is considered to be the operator of the above well effective May 15, 2006, and is responsible under the terms and conditions of the lease for the operations conducted on the leased lands.

Bond coverage for this well is provided by UTB000207 (Principal – Running Foxes Petroleum, Inc.) via surety consent as provided for in 43 CFR 3104.2.

This office will hold the aforementioned operator and bond liable until the provisions of 43CFR 3106.7-2 continuing responsibility are met.

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

FORM 9

**SUNDRY NOTICES AND REPORTS ON WELLS**

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

5. LEASE DESIGNATION AND SERIAL NUMBER:	
6. IF INDIAN, ALLOTTEE OR TRIBE NAME:	
7. UNIT or CA AGREEMENT NAME:	
8. WELL NAME and NUMBER:	
9. API NUMBER:	
10. FIELD AND POOL, OR WILDCAT:	
1. TYPE OF WELL      OIL WELL <input type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER <u>Change of Operator</u>	
2. NAME OF OPERATOR: <u>Falcon Energy LLC</u>	
3. ADDRESS OF OPERATOR: <u>1383 Bridal Path Court</u> CITY <u>Fruita</u> STATE <u>CO</u> ZIP <u>81521</u>	PHONE NUMBER: <u>(970) 234-8095</u>
4. LOCATION OF WELL FOOTAGES AT SURFACE: _____      COUNTY: <u>Grand</u> QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: _____      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>5/15/2006</u>	<input type="checkbox"/> ACIDIZE <input type="checkbox"/> ALTER CASING <input type="checkbox"/> CASING REPAIR <input type="checkbox"/> CHANGE TO PREVIOUS PLANS <input type="checkbox"/> CHANGE TUBING <input type="checkbox"/> CHANGE WELL NAME <input type="checkbox"/> CHANGE WELL STATUS <input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS <input type="checkbox"/> CONVERT WELL TYPE	<input type="checkbox"/> DEEPEN <input type="checkbox"/> FRACTURE TREAT <input type="checkbox"/> NEW CONSTRUCTION <input checked="" type="checkbox"/> OPERATOR CHANGE <input type="checkbox"/> PLUG AND ABANDON <input type="checkbox"/> PLUG BACK <input type="checkbox"/> PRODUCTION (START/RESUME) <input type="checkbox"/> RECLAMATION OF WELL SITE <input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION	<input type="checkbox"/> REPERFORATE CURRENT FORMATION <input type="checkbox"/> SIDETRACK TO REPAIR WELL <input type="checkbox"/> TEMPORARILY ABANDON <input type="checkbox"/> TUBING REPAIR <input type="checkbox"/> VENT OR FLARE <input type="checkbox"/> WATER DISPOSAL <input type="checkbox"/> WATER SHUT-OFF <input type="checkbox"/> OTHER: _____
<input type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only)  Date of work completion: _____			

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

This is to inform the State of Utah that there will be a change of operator from Falcon Energy LLC to Running Foxes Petroleum, Inc. for the attached well list. The BLM issued bond number is UTB-000207 and the bond was accepted on May 15, 2006. All wells and leases are on Federal Land and all operations have been deemed as satisfactory at this point. If there are any questions or information needed please contact our office and all inquiries will be addressed.

NAME (PLEASE PRINT) <u>Wayne Stout</u>	TITLE <u>Manager</u>
SIGNATURE <u>Wayne O Stout</u>	DATE <u>11-14-06</u>

(This space for State use only)

APPROVED 12/14/2006  
Earlene Russell  
 Division of Oil, Gas and Mining  
 Earlene Russell, Engineering Technician

(See Instructions on Reverse Side)

**RECEIVED**  
**DEC 07 2006**

DIV. OF OIL, GAS & MINING

FALCON ENERGY LLC (N6710) TO RUNNING FOXES PETROLEUM, INC (N2195)

well name	sec	twp	rng	api	entity	lease	well	stat	qtr_qtr	l_num	op no
CHASE GROSSMAN 1	31	190S	240E	4301915014	8174	Federal	GW	S	SENE	UTU-012362B	N6710
SWANSON FEDERAL UTI 31-72	31	200S	240E	4301915771	9653	Federal	GW	S	NENE	UTU-011879A	N6710
FEDERAL 30-88X	30	200S	240E	4301930006	9659	Federal	GW	S	SESE	UTU-027403	N6710
FEDERAL 1-355	09	200S	230E	4301930115	240	Federal	OW	P	SENE	UTU-6355B	N6710
FEDERAL 3-355	09	200S	230E	4301930123	10947	Federal	GW	S	NENE	UTU-6355B	N6710
THOMAS FED 8	13	200S	230E	4301930148	565	Federal	GW	S	NESE	UTU-7623	N6710
ROBERT S WEST WK 1	01	210S	230E	4301930266	566	Federal	OW	P	SWSW	UTU-17309	N6710
WK 3	01	210S	230E	4301930267	566	Federal	OW	S	SWNW	UTU-17309	N6710
WK 2	01	210S	230E	4301930270	566	Federal	GW	S	SWSE	UTU-17309	N6710
W-KOLMAN FED 1-14	01	210S	230E	4301930299	566	Federal	OW	S	SWNE	UTU-17309	N6710
JACOBS 1	13	200S	230E	4301930378	567	Federal	GW	P	SWSW	UTU-7945	N6710
CISCO 3	27	200S	230E	4301930404	4500	Federal	GW	S	NENW	UTU-17245A	N6710
WK 1-13	01	210S	230E	4301930420	566	Federal	OW	S	SESW	UTU-17309	N6710
FED CISCO 1	27	200S	230E	4301930456	4500	Federal	GW	S	SENE	UTU-17245A	N6710
FEDERAL LANSDALE 3	29	200S	240E	4301930458	9185	Federal	OW	P	SWNE	UTU-7218	N6710
CISCO FEDERAL 1	10	210S	230E	4301930475	8171	Federal	GW	P	SWSE	UTU-30956A	N6710
JACOBS FED 1-25	25	200S	230E	4301930486	568	Federal	OW	P	SENW	UTU-7623	N6710
FEDERAL 24-1	24	200S	230E	4301930510	569	Federal	GW	S	SESW	UTU-7623	N6710
PETRO FED 15-3	15	210S	230E	4301930523	8212	Federal	GW	S	SENE	UTU-75141	N6710
PETRO 15-5-80A	15	210S	230E	4301930611	2241	Federal	GW	P	NWNE	UTU-75141	N6710
CP 1-4	01	210S	230E	4301930671	566	Federal	OW	P	SESW	UTU-17309	N6710
CP 1-5	01	210S	230E	4301930674	566	Federal	GW	PA	SESW	UTU-17309	N6710
FEDERAL 2-037	03	200S	230E	4301930864	250	Federal	OW	P	SESW	UTU-19037	N6710
KATHY 1	24	200S	230E	4301930906	8183	Federal	GW	S	NWSE	UTU-15049	N6710
HOPE 2	24	200S	230E	4301930907	640	Federal	OW	S	NWNE	UTU-17610	N6710
NICOL 1	24	200S	230E	4301930908	8184	Federal	GW	S	SWSE	UTU-75894	N6710
HOPE 4	24	200S	230E	4301930909	11170	Federal	GW	S	NENE	UTU-17610	N6710
FEDERAL 3-037	03	200S	230E	4301930992	13039	Federal	OW	S	SESW	UTU-19037	N6710
FED PIONEER 2A	13	200S	230E	4301930993	10976	Federal	GW	P	SESW	UTU-0148171B	N6710
FEDERAL 7-037	03	200S	230E	4301931015	250	Federal	OW	S	SWSE	UTU-19037	N6710
MARTHA 1	30	200S	240E	4301931024	9655	Federal	GW	S	NWNW	UTU-027403	N6710
CISCO SS 15-8	15	200S	230E	4301931052	2285	Federal	OW	S	NWSE	UTU-64270	N6710
CISCO SPRINGS B 1	15	200S	230E	4301931065	6683	Federal	OW	S	NESE	UTU-62845	N6710
CISCO SPRINGS A 1	09	200S	230E	4301931076	6682	Federal	GW	S	NWNE	UTU-62845	N6710
CISCO SPRINGS B 2	15	200S	230E	4301931115	6684	Federal	GW	S	NESE	UTU-62845	N6710
MUSTANG 3-1	03	200S	230E	4301931128	9860	Federal	GW	S	SWSW	UTU-6791	N6710
CISCO SPRINGS 24-3	24	200S	230E	4301931179	571	Federal	GW	PA	NESW	UTU-7623	N6710
THOMAS 2A	13	200S	230E	4301931182	572	Federal	GW	S	SWSE	UTU-7623	N6710
MARTHA 4	30	200S	240E	4301931212	9655	Federal	GW	P	SWNW	UTU-027403	N6710
M P D 9-2	09	210S	230E	4301931216	9801	Federal	GW	S	NESE	UTU-30956	N6710
LEN 13-3	13	200S	230E	4301931217	572	Federal	GW	S	SESE	UTU-7623	N6710
LEN 24-4	24	200S	230E	4301931223	573	Federal	GW	S	NWSW	UTU-7623	N6710
ROBIN G NO 24-1	24	200S	230E	4301931255	10837	Federal	GW	P	SENW	UTU-58207	N6710
ROBIN G 24-4	24	200S	230E	4301931261	10963	Federal	GW	S	SENW	UTU-58207	N6710
FEDERAL 1-355A	09	200S	230E	4301931265	10941	Federal	GW	P	SENE	UTU-6355B	N6710
MPD 10-2C	10	210S	230E	4301931276	9801	Federal	OW	P	NWSW	UTU-30956	N6710
MPD 15-2	15	210S	230E	4301931277	11003	Federal	GW	S	SENW	UTU-0148172	N6710
MPD 9-2B	09	210S	230E	4301931281	9801	Federal	GW	S	NWSE	UTU-30956	N6710
M6-130	24	200S	230E	4301931346	12343	Federal	OW	P	SENW	UTU-58207	N6710
POWELSON 1	24	200S	230E	4301931374	12893	Federal	OW	PA	SESE	UTU-75984	N6710
STOUT 2	24	200S	230E	4301931375	12894	Federal	OW	S	NESE	UTU-75984	N6710
ROBERTS 1	24	200S	230E	4301931376	12895	Federal	GW	P	SESE	UTU-75894	N6710

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

**ROUTING**

1. DJJ

2. CDW

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

Operator Name Change/Merger

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

**5/15/2006**

**FROM:** (Old Operator):  
 N6710-Falcon Energy, LLC  
 1137 19 Rd  
 Fruita, CO 81521-9678  
 Phone: 1 (970) 858-8252

**TO:** ( New Operator):  
 N2195-Running Foxes Petroleum, Inc.  
 7060 B S. Tucson  
 Centennial, CO 80112  
 Phone: 1 (720) 377-0923

**CA No.**

**Unit:**

**OPERATOR CHANGES DOCUMENTATION**

Enter date after each listed item is completed

1. (R649-8-10) Sundry or legal documentation was received from the **FORMER** operator on: 12/7/2006
2. (R649-8-10) Sundry or legal documentation was received from the **NEW** operator on: 5/31/2006
3. The new company was checked on the **Department of Commerce, Division of Corporations Database** on: 6/6/2006
4. Is the new operator registered in the State of Utah: YES Business Number: 6097088-0143
- 6a. (R649-9-2)Waste Management Plan has been received on: requested 12/18/06
- 6b. Inspections of LA PA state/fee well sites complete on: n/a
- 6c. Reports current for Production/Disposition & Sundries on:
7. **Federal and Indian Lease Wells:** The BLM and or the BIA has approved the merger, name change, or operator change for all wells listed on Federal or Indian leases on: BLM 6/19/2006 BIA
8. **Federal and Indian Units:**  
 The BLM or BIA has approved the successor of unit operator for wells listed on: n/a
9. **Federal and Indian Communization Agreements ("CA"):**  
 The BLM or BIA has approved the operator for all wells listed within a CA on: n/a
10. **Underground Injection Control ("UIC")** The Division has approved UIC Form 5, **Transfer of Authority to Inject**, for the enhanced/secondary recovery unit/project for the water disposal well(s) listed on: n/a

**DATA ENTRY:**

1. Changes entered in the **Oil and Gas Database** on: 12/14/2006
2. Changes have been entered on the **Monthly Operator Change Spread Sheet** on: 12/14/2006
3. Bond information entered in RBDMS on: n/a
4. Fee/State wells attached to bond in RBDMS on: n/a
5. Injection Projects to new operator in RBDMS on: n/a
6. Receipt of Acceptance of Drilling Procedures for APD/New on: n/a

**BOND VERIFICATION:**

1. Federal well(s) covered by Bond Number: UTB000207
2. Indian well(s) covered by Bond Number: n/a
3. (R649-3-1) The **NEW** operator of any fee well(s) listed covered by Bond Number n/a
- a. The **FORMER** operator has requested a release of liability from their bond on: n/a  
 The Division sent response by letter on: n/a

**LEASE INTEREST OWNER NOTIFICATION:**

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

**COMMENTS:**

Two wells remain in dispute regarding leases and were not moved - 4301930713 TXO Springs 9-1 and 4301931284 FZ 22-3