

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

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

5. Lease Designation and Serial No.

6. If Indian, Allottee or Tribe Name

7. Unit Agreement Name

8. Farm or Lease Name

9. Well No.

10. Field and Pool, or Wildcat

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

12. County or Parrish 13. State

16. No. of acres in lease 17. No. of acres assigned to this well

19. Proposed depth 20. Rotary or cable tools

22. Approx. date work will start\*

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 Jet., Colo...81501

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

At surface North 3131 Ft. From the south line & East

At proposed prod. zone 947 FWL of Sec 3, T20S R24E SLB&M

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

11 1/2 miles north east of Cisco, Utah

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

949ft

16. No. of acres in lease

480

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.

400' A oilwell

19. Proposed depth

1600'

20. Rotary or cable tools

rotary

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

4500

28. PROPOSED CASING AND CEMENTING PROGRAM

Size of Hole	Size of Casing	Weight per Foot	Setting Depth	Quantity of Cement
9 1/2	7 5/8	32lb.	100	circulate to surface
6 3/4	4 1/2	10 1/2	1550	100SX

Start in Mancos shale  
Dakota 900'  
Brushy Basin 1500'  
Saltwash 1650'

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

DATE: 2/11/82

BY: W.D. Broadhead

RECEIVED  
JAN 18 1982  
DIVISION OF OIL, GAS & MINING

24. 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.

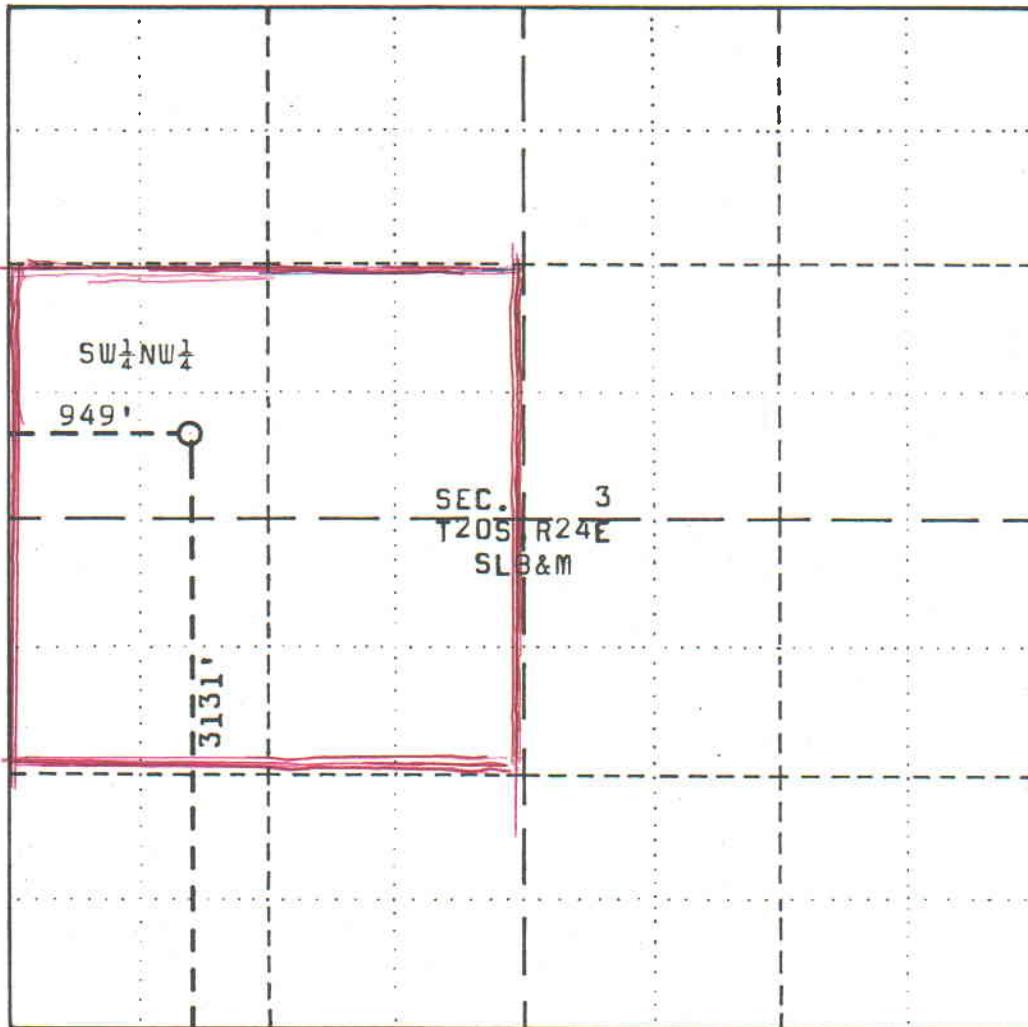
Signel. Walter D. Broadhead

Title..... Operator

Date Jan. 8, 1982

Permit No..... Approval Date .....

Approved by..... Title..... Date.....  
Conditions of approval, if any:



SCALE: 1" = 1000'

FEE PETE #4

Located North 3131 feet from the South boundary and East 949 feet from the West boundary of Section 3, T20S, R24E, SLB&M.

Elev. 4580

Grand County, Utah



SURVEYOR'S CERTIFICATE

THIS IS TO CERTIFY THAT THE ABOVE PLAT WAS PREPARED FROM FIELD NOTES OF ACTUAL SURVEYS MADE BY ME OR UNDER MY SUPERVISION AND THAT THE SAME ARE TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF

*Udell S. Williams*  
UTAH R.L.S. NO. 2573



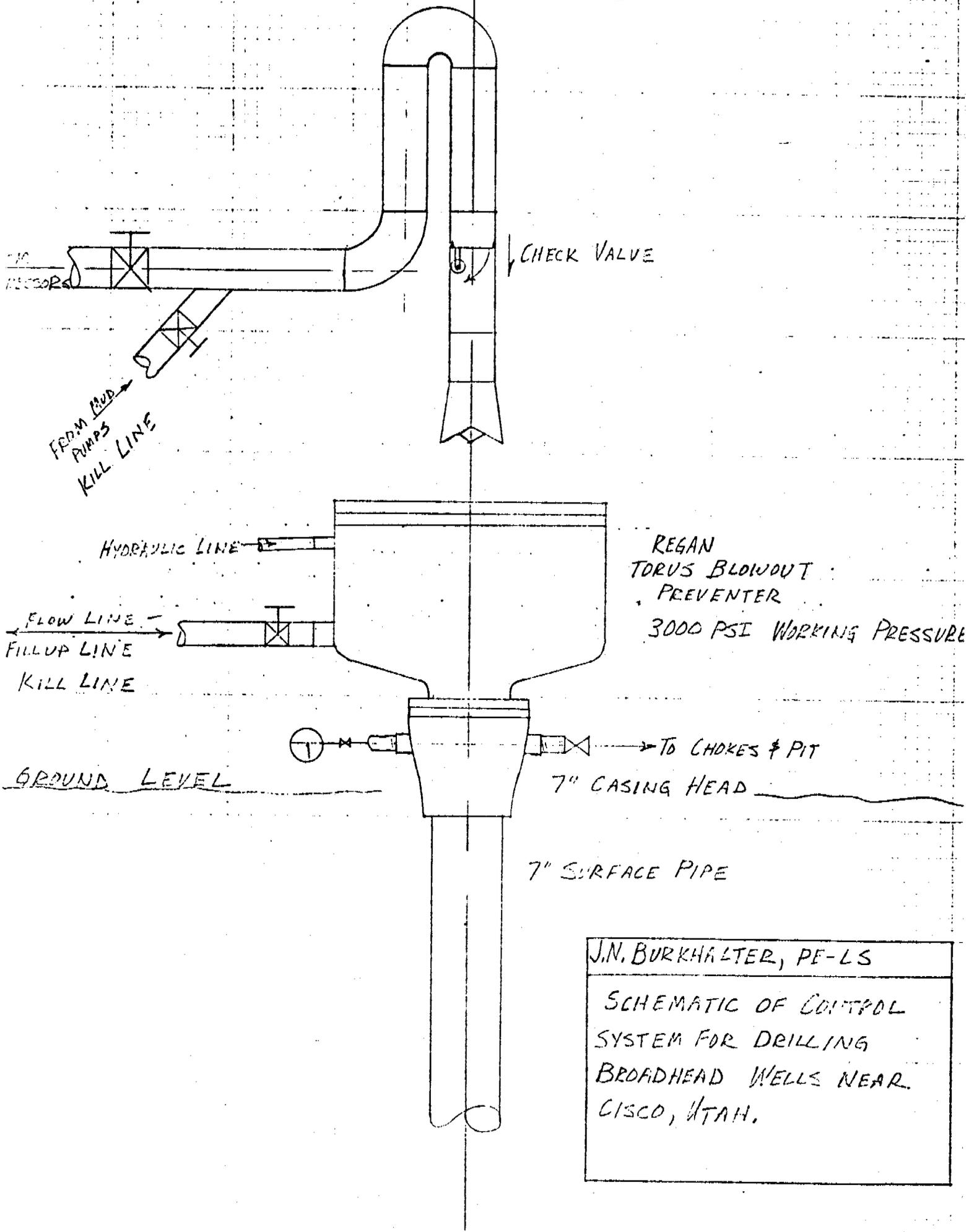
**UDELL S. WILLIAMS**

751 Rood Avenue  
GRAND JUNCTION, COLORADO 81501

PLAT OF  
PROPOSED LOCATION

FEE PETE #4  
SW 1/4 NW 1/4 SECTION 3  
T20S, R24E, SLB&M

SURVEYED BY: USW DATE: 1/11/82  
DRAWN BY: USW DATE: 1/11/82



J.N. BURKHALTER, PE-LS

SCHEMATIC OF CONTROL  
SYSTEM FOR DRILLING  
BROADHEAD WELLS NEAR  
CISCO, UTAH.



\*\* FILE NOTATIONS \*\*

DATE: 1-26-82  
OPERATOR: Walter D. Broadhead  
WELL NO: Fee Pete #4  
Location: Sec. 3 T. 20S R. 24E County: Grand

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

API Number 43-019-30916

CHECKED BY:

Petroleum Engineer: \_\_\_\_\_

Director: OK [Signature]

Administrative Aide: Verbal approval given by Cleon B. Wright

APPROVAL LETTER:

Bond Required:  Survey Plat Required:

Order No. 102-166 9-26-79 O.K. Rule C-3

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

Lease Designation Fee Plotted on Map

Hot Line  P.I.  Approval Letter Written

February 11, 1982

Mr. Walter D. Broadhead  
1645 North 7th St.  
Grand Junction, Colorado 81501

Re: Well No. Fee Peter#4  
Sec. 3, T. 20S, R. 24E  
Grand County, Utah

Insofar as this office is concerned, approval to drill the above referred to oil/gas well is hereby granted in accordance with the Order issued in Cause No. 102-16B dated September 26, 1979.

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

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

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

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

The API number assigned to this well is 43-019-30916.

Sincerely,

DIVISION OF OIL, GAS AND MINING

*Cleon B. Feight*  
Cleon B. Feight  
Director

CBF/as  
Encl.  
cc: OGM

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

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

WELL COMPLETION OR RECOMPLETION REPORT AND LOG \*

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

1b. 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 No. 7th. St. Grand Jct., Colo...81502

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements)\*  
At surface N3131' FSL and 947' east FWL of S3 T20S R24E  
At top prod. interval reported below SLM & B  
At total depth

swndw

14. PERMIT NO. DATE ISSUED  
43-019-30916 2-11-82

5. LEASE DESIGNATION AND SERIAL NO.

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

7. UNIT AGREEMENT NAME

8. FARM OR LEASE NAME  
Patenters

9. WELL NO.  
Fee Pete #4

10. FIELD AND POOL, OR WILDCAT  
Greater Cisco Area

11. SEC., T., R., M., OR BLOCK AND SURVEY OR AREA  
S3 T20S R24E

12. COUNTY OR PARISH Grand  
13. STATE Utah

15. DATE SPUDDED 1/7/82  
16. DATE T.D. REACHED 1/10/82  
17. DATE COMPL. (Ready to prod.)  
18. ELEVATIONS (DP, RES, RT, GR, ETC.)\* 4580  
19. ELEV. CASINGHEAD 4581

20. TOTAL DEPTH, MD & TVD 1650  
21. PLUG, BACK T.D., MD & TVD 1520  
22. IF MULTIPLE COMPL., HOW MANY?  
23. INTERVALS DRILLED BY rotary  
24. PRODUCING INTERVAL(S), OF THIS COMPLETION—TOP, BOTTOM, NAME (MD AND TVD)\* 1475 to 1480  
25. WAS DIRECTIONAL SURVEY MADE no

26. TYPE ELECTRIC AND OTHER LOGS RUN  
Dual induction - 3 fl compensated neutron formation density  
27. WAS WELL CORED no

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

CASINO SIZE	WEIGHT, LB./FT.	DEPTH SET (MD)	HOLE SIZE	CEMENTING RECORD	AMOUNT PULLED
7"	171b	120	9 3/4	circulate to surface	120'
4 1/2"	10 1/2 lb	1520"	6 1/4	30SX	800'

29. LINER RECORD

SIZE	TOP (MD)	BOTTOM (MD)	SACKS CEMENT*	SCREEN (MD)

30. TUBING RECORD

SIZE	DEPTH SET (MD)	PACKER SET (MD)

31. PERFORATION RECORD (Interval, size and number)  
1475 to 480 3/8 10 holes

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

DEPTH INTERVAL (MD)	AMOUNT AND KIND OF MATERIAL USED
1475 - 1480	4.7 BBLS 7% acid 23 BBLS methanol 23 BBLS 2% HCL H2O

33. PRODUCTION

DATE FIRST PRODUCTION \_\_\_\_\_ PRODUCTION METHOD (Flowing, gas lift, pumping—size and type of pump) \_\_\_\_\_ WELL STATUS (Producing or shut-in) \_\_\_\_\_

DATE OF TEST	HOURS TESTED	CHOKE SIZE	PROD'N. FOR TEST PERIOD	OIL—BBL.	GAS—MCF.	WATER—BBL.	GAS-OIL RATIO
1/10/82	1 hour	1/4	→			no	

FLOW. TUBING PRESS.	CASING PRESSURE	CALCULATED 24-HOUR RATE	OIL—BBL.	GAS—MCF.	WATER—BBL.	OIL GRAVITY-API (CORR.)
		→			no	

34. DISPOSITION OF GAS (Sold, used for fuel, vented, etc.)  
shut in  
TEST WITNESSED BY  
A M Crews

35. LIST OF ATTACHMENTS  
no

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 6/1/82

\*(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 38, 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 16:** 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	DESCRIPTION, CONTENTS, ETC.	NAME
	BOTTOM		MEAS. DEPTH
			TOP
			TRUB VERT. DEPTH
Dakota	1050'	white sand and grey shale	1050
Morrison	1230	red and green shale	



STATE OF UTAH  
NATURAL RESOURCES & ENERGY  
Oil, Gas & Mining

Scott M. Reynolds, Director  
Temple A. Reynolds, Executive Director  
Cleon B. Feight, Division Director

424 State Office Building • Salt Lake City, UT 84114 • 801-533-5771

July 13, 1982

Walter D. Broadhead  
1645 North 7th Street  
Grand Junction, Colorado 81502

Re: Well NO. Fee Pete #4  
Sec. 3, T. 20S, R. 24E.  
Grand County, Utah

Dear Mr. Broadhead,

I received a "Well Completion Form" from you on June 1, 1982 for the above referred to well. I have tried several times to contact you by phone, but could not reach you. You reported this well as shut in, but did not give me any testing figures (gas). I need these figures to complete this as a shut-in gas well. If you could call and give these figures to me or write I would appreciate that very much.

Thank You,

DIVISION OF OIL, GAS AND MINING

*Cari Furse*

Cari Furse  
Clerk Typist



STATE OF UTAH  
NATURAL RESOURCES & ENERGY  
Oil, Gas & Mining

Scott M. Matheson, Governor  
Temple A. Reynolds, Executive Director  
Cleon B. Feight, Division Director

4241 State Office Building • Salt Lake City, UT 84114 • 801-533-5771

August 16, 1982

Walter D. Broadhead  
1645 North 7th Street  
Grand Junction, Colorado 81502

Re: Well No. Fee Pete #4  
Sec. 3, T. 20S, R. 24E  
Grand County, Utah

Well No. Patsantaras Fee Pete  
#2  
Sec. 3, T. 20S, R. 24E.  
Grand County, Utah

Gentlemen:

According to our records, a "Well Completion Report" filed with this office June 1, 1982, from above referred to wells, indicates the following electric logs were run: #4: Dual Induction, Compensated Neutron Formation Density, #2: Dual Induction, SFL. As of todays date, this office has not received these logs.

Rule C-5, General Rules and Regulations and Rules of Practice and Procedure, requires that a well log shall be filed with the Commission together with a copy of the electric and radioactivity logs.

Your prompt attention to the above will be greatly appreciated.

Sincerely,

DIVISION OF OIL, GAS AND MINING

A handwritten signature in cursive script that reads "Cari Furse".

Cari Furse  
Clerk Typist



STATE OF UTAH  
NATURAL RESOURCES  
Oil, Gas & Mining

Scott M. Matheson, Governor  
Temple A. Reynolds, Executive Director  
Dr. G. A. (Jim) Shirazi, Division Director

4241 State Office Building • Salt Lake City, UT 84114 • 801-533-5771

November 8, 1983

Walter D. Broadhead  
1645 North 7th Street  
Grand Junction, Colorado 81502

RE: Well No. Fee Pete #4  
API # 43-019-30916  
Sec. 3, T. 20S, R. 24E.  
Grand County, Utah

Well No. Patsantaras F.P. #2  
API # 43-019-30899  
Sec. 3, T. 20S, R. 24E.  
Grand County, Utah

Gentlemen:

Our office contacted you on August 16, 1983, requesting that you send in the electric logs for the above referred to wells.

According to our records, "Well Completion Reports" filed with this office June 1, 1982 from above referred to wells, indicate the following electric logs were run: #2: Dual Induction-SFL; #4 Dual Induction-3fl Compensated Neutron Formation Density. As of today's date, this office has not received these logs.

Rule C-5, General Rules and Regulations and Rules of Practice and Procedure, requires that a well log shall be filed with the Commission together with a copy of the electric and radioactivity logs.

\*\*You are in violation of the above rule. If you wish to continue developing business in the State of Utah, compliance with pertinent rules and regulations is essential. Further delay in your attention to this matter may result in punitive action. Please submit the required information as stated above within fifteen (15) days.

Respectfully,

DIVISION OF OIL, GAS AND MINING

Claudia Jones  
Well Records Specialist

CJ/cj



STATE OF UTAH  
NATURAL RESOURCES  
Oil, Gas & Mining

Scott M. Matheson, Governor  
Temple A. Reynolds, Executive Director  
Dr. G. A. (Jim) Shirazi, Division Director

4241 State Office Building • Salt Lake City, UT 84114 • 801-533-5771

November 23, 1983

Walter D. Broadhead  
1645 North 7th Street  
Grand Junction, Colorado 81502

RE: Well No. Fee Pete #4  
API #43-019-30916  
Sec. 3, T. 20S, R. 24E.  
Grand County, Utah

Dear Mr. Broadhead:

We received two copies of the Compensated Neutron-Formation Density Log that we requested in our letter of November 8, 1983 regarding this well, however, we did not receive a copy of the Dual Induction/SFL log.

We are sure that this was an oversight on your part, so we are returning the extra copy we received and are requesting that you send us the copy of the Dual Induction/SFL log .

Thank you for your prompt attention to this matter.

Sincerely,

A handwritten signature in cursive script that reads "Claudia Jones".

Claudia Jones

Enclosure

W. Broadhead.

~~Gubriater #1~~

2-10-86

2:30p.

State Dome 32-1 T20R24, 32

1- clean up July 1<sup>st</sup>

2- sign - 90 days July 1<sup>st</sup>

3- rehabilitate site around well.

Grand Valley 32-1 T20S, R24S, 32

1- clean up July 1<sup>st</sup>

Fee Pete #1

T20SR24NE, 3

43-019-30916

1- clean up, especially trash, ~~at~~ 1/2 pit (July 1<sup>st</sup>)

2- put sign back up (90 days)

Fee Pete #2 T20S, R24E, 3

1- clean up, especially trash, oil 1/2 pit (July 1<sup>st</sup>)

2- wrong # on sign (5) to #2 (90 days)

1/22/86

Fee Pete # 4  
43-019-30916

- Lease is current, being held by prod. of other wells.
- Lease in name of Walter Broadhead
- Bud Broadhead drilled well.
- Well drilled prior to DOGM sending ~~rescission~~ notice.

43-019-30916

COMPANY: W. Broadhead DATE: 10/10/85 TIME: 9:06a

PERSONAL CONTACT DOCUMENTATION

CONTACT: Walter Broadhead

CONTACT TELEPHONE NO: 303-242-7717

SUBJECT: Problem wells, Fee Pete #4 to be done in future; Fee Pete #2, take @A in future intention to Sundry;  
Gibraltar #1, change up Sundry; Cisco F.H, PA in future; Lams F.#4, Sundry intent; B. Broadhead #1  
scam; x pit; buds S.D. 32-1, sign, clean plug; Tomlinson Fee #1, look & brush;  
Thunderbird #1, sign up, clean soon; Fed. B. D-S vehicles 1-3 wks, Stevie L. B #2 rehab.

(Use attachments if necessary)

RESULTS

(Use attachments if necessary)

CONTACTED BY: W. J. Mason

7/29/85

Walter Broodhead visited the office at 4:30p to 5:30p. He was given problems on his wells and discussed clean up ~~and~~ future plans at that time.

43-019-30916



STATE OF UTAH  
NATURAL RESOURCES  
Oil, Gas & Mining

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

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

February 27, 1986

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

Dear Mr. Broadhead:

RE: Problem Wells in Grand County, Utah

Several problems exist on the following list of well sites and these problems remain an ongoing concern to the Division of Oil, Gas and Mining. Based on a conversation between yourself and Mr. William Moore of the Division on February 10, 1986, the Division staff has reviewed these problems and has determined appropriate time periods for correction as listed below:

~~Fee Pete #4, Sec.3, T.20S, R.24E~~

1. Clean up trash and brush from site and pit (July 1st)
2. Put sign back up (90 days)

Fee Pete #2, Sec.3, T.20S, R.24E

1. Clean up trash, oil and brush from site and pit (July 1st)
2. Change well number on sign from #5 to #2 (90 days)

Grand Valley 32-1, Sec.32, T.20S, R.24E

1. Clean up old parts, motor and other trash (July 1st)

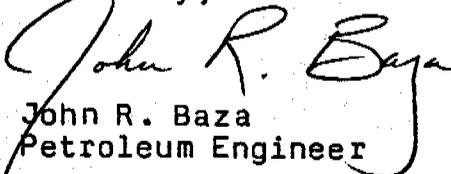
State Dome 32-1, Sec.32, T.20S, R.24E

1. Clean up chemicals, wood and metal debris (July 1st)
2. Install proper identification (90 days)
3. Fill in sump around well, or fence sump and rehabilitate rest of site (July 1st)

Page Two  
Mr. Broadhead  
February 27, 1986

You are requested to take action to correct the listed problems within the time frame specified. Please submit written notice to this Division upon completion of any corrective action taken at each well site, so that follow up inspections can be arranged. Thank you for your prompt attention to this matter.

Sincerely,

  
John R. Baza  
Petroleum Engineer

WM/sb

cc: D. R. Nielson  
R. J. Firth

~~Well Files~~

02141-27-28

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



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 address via regular postal service. Thank you.

# 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 1093

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

SERVICE CO. AGREES TO PROVIDE PUMPER, ROOSTABOUT 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 ETC. 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.

THE TERM OF THIS AGREEMENT IS FROM JAN 8th 1997 TO JAN 8th ~~1998~~ <sup>9/28/2000</sup> AGREEMENT NEEDS TO BE EXTENDED AT END OF TERMINATION DATE OR AGREEMENT IS CANCELLED. MONEY PAID FOR OIL AND GAS PRODUCTION WHILE THIS AGREEMENT WAS IN FORCE IS PART OF THIS AGREEMENT EVEN IF RECEIVED AFTER TERMINATION OF AGREEMENT.

Walter Broadhead 1-8-97 DATE  
WALTER BROADHEAD (OWNER)

John Kubiak 1-8-97 DATE  
John Kubiak (SERVICE Co.)

Bever Broadhead 1/8/97 DATE  
(WITNESS)

Raymond Hillman 1-8-97 DATE  
(WITNESS)

**OPERATOR CHANGE WORKSHEET**

1- <i>AK/SLS</i>	6- <i>AK</i>
2- <i>GLM</i>	7- <i>KDR File</i>
3- <i>DTS</i>	8- <i>SI</i>
4- <i>VLD</i>	9- <i>FILE</i>
5- <i>RIF</i>	

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

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

The operator of the well(s) listed below has changed, effective: 1-8-97

TO: (new operator)	<u>BROADHEAD, WALTER</u>	FROM: (old operator)	<u>BROADHEAD, WALTER</u>
(address)	<u>C/O ACJJJS SERVICE CO/JOHN KUBICK</u>	(address)	<u>1645 N 7TH ST</u>
	<u>2944 I-70 BUSINESS LOOP #204</u>		<u>GRAND JUNCTION CO 81501</u>
	<u>GRAND JUNCTION CO 81504</u>		
Phone:	<u>(970)241-2917</u>	Phone:	<u>(303)242-7717</u>
Account no.	<u>N1130</u>	Account no.	<u>N1130</u>

WELL(S) attach additional page if needed:

Name: <b>**SEE ATTACHED**</b>	API: <u>019-30916</u>	Entity: _____	S _____	T _____	R _____	Lease: _____
Name: _____	API: _____	Entity: _____	S _____	T _____	R _____	Lease: _____
Name: _____	API: _____	Entity: _____	S _____	T _____	R _____	Lease: _____
Name: _____	API: _____	Entity: _____	S _____	T _____	R _____	Lease: _____
Name: _____	API: _____	Entity: _____	S _____	T _____	R _____	Lease: _____
Name: _____	API: _____	Entity: _____	S _____	T _____	R _____	Lease: _____

**OPERATOR CHANGE DOCUMENTATION**

- Yec 1. (r649-8-10) Sundry or other legal documentation has been received from the **FORMER** operator (attach to this form). *(rec'd 1-10-97)*
- Yec 2. (r649-8-10) Sundry or other legal documentation has been received from the **NEW** operator (Attach to this form). *(rec'd 1-10-97)*
- N/A 3. The **Department of Commerce** has been contacted if the new operator above is not currently operating any wells in Utah. Is the company registered with the state? (yes/no) \_\_\_\_ If yes, show company file number: \_\_\_\_\_
- \* 4. **FOR INDIAN AND FEDERAL WELLS ONLY.** The BLM has been contacted regarding this change. Make note of BLM status in comments section of this form. BLM approval of Federal and Indian well operator changes should ordinarily take place prior to the division's approval, and before the completion of steps 5 through 9 below. *(See Comments)*
- Yec 5. Changes have been entered in the **Oil and Gas Information System (3270)** for each well listed above. *(1-17-97)*
- N/A 6. Cardex file has been updated for each well listed above.
- N/A 7. Well file labels have been updated for each well listed above.
- Yec 8. Changes have been included on the monthly "Operator, Address, and Account Changes" memo for distribution to Trust Lands, Sovereign Lands, UGS, Tax Commission, etc. *(1-17-97)*
- Yec 9. A folder has been set up for the **Operator Change** file, and a copy of this page has been placed there for reference during routing and processing of the original documents.

**ENTITY REVIEW**

- Lee* 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.
- N/A* 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!***

- N/A / MC* 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*

- N/A* 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.
- 2/5 1/17/97*  
*N/A* 2. (r649-2-10) The former operator of any fee lease wells listed above has been contacted and informed by letter dated      19     , of their responsibility to notify all interest owners of this change.

**FILMING**

- VB* 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**

*9/20/96 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".*



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

1594 West North Temple, Suite 1210  
PO Box 145801  
Salt Lake City, Utah 84114-5801  
(801) 538-5340 telephone  
(801) 359-3940 fax  
(801) 538-7223 TTY  
www.nr.utah.gov

Michael O. Leavitt  
Governor  
Robert L. Morgan  
Executive Director  
Lowell P. Braxton  
Division Director

Attachment 1

KMH

November 20, 2003

CERTIFIED MAIL: #7002 0510 0003 8602 6662

Walter D. Broadhead  
c/o Maiser Broadhead  
P.O. Box 3761  
Grand Junction, Colorado 81502-3761

Re: Notice of Violation

Dear Mr. Broadhead:

On September 17, 2003 Mr. M. D. Broadhead signed for Certified Mail Receipt No. 7002 0510 0003 8603 1970. The receipt of the certificate is evidence that you are aware that the letter delivered to you requested that Change of Operator information was to be filed with the Utah Division of Oil, Gas & Mining (the Division) within 30 days after you received the letter. It is now 60 days after your acknowledged receipt of said letter and the Division has had no response back.

You are therefore cited with being in violation of a formal Division request to provide information under The Oil and Gas Conservation General Rules that read as follows:

**R649-2-10. Notification of Lease Sale or Transfer.**

The owner of a lease shall provide notification to any person with an interest in such lease, when all or part of that interest in the lease is sold or transferred.

The Estate of Walter has failed to transfer the operating rights of these wells to the Estate or name a successor operator as requested.

**R649-3-1. Bonding.**

3. Bond liability shall be for the duration of the drilling, operating and plugging of the well and restoration of the well site.

14.4. Transfer of the ownership of property does not cancel liability under an existing bond until the division reviews and approves a change of operator for any wells affected by the transfer of ownership.

14.5. If a transfer of the ownership of property is made and an operator wishes to request a change to a new operator of record for the affected wells, then the following requirements shall be met:

14.5.1. The operator shall notify the division in writing when ownership of any well associated with the property has been transferred to a named transferee, and the operator shall request a change of operator for the affected wells.

Page 2

November 20, 2003

Re: Notice of Violation

14.5.2. The request shall describe each well by reference to its well name and number, API number, and its location, as described by the section, township, range, and county, and shall also include a proposed effective date for the operator change.

14.5.3. The request shall contain the endorsement of the new operator accepting such change of operator.

14.5.4. The request shall contain evidence of the new operator's bond coverage.

14.5.5. The request may include a request to cancel liability for the well(s) included in the operator change that are listed under the existing operator's bond upon approval by the division of an adequate replacement bond in the name of the new operator.

A division review of the bond status covering the Broadhead wells shows that the bond fees have not been paid to the surety company, and that the bonds are in technical default.

You are hereby given 30 days to rectify the major violations noted. Possible solutions for resolving this Notice Of Violation are:

1. Transfer the ownership of the wells to the Broadhead Estate, obtain proper bonding, and place the wells back on production along with proper monthly reporting,
2. Dispose of the wells to a bonded operator, and transfer ownership and submit the proper documentation.
3. Plug and Abandon the wells by requesting approval of the plugging method and file final plugging information as stipulated in the Oil and Gas Conservation General Rules.

The wells in question are the Patsantaras Pete 2, API No. 43-019-30899, SWNW, Sec. 3, TWP 20 South, RNG 24 East, Grand County Utah, and the Fee Pete 4, API No. 43-019-30916, SWNW, Sec. 3, TWP 20 South, RNG 24 East, Grand County Utah.

Failure to comply with this request will result in bond forfeiture proceedings that will be brought before the Board of Oil, Gas & Mining.

Please contact Mike Hebertson (801-538-5333) at your earliest convenience and he will assist you in resolving this matter. Your prompt response to this request will be greatly appreciated.

Sincerely,



K. Michael Hebertson  
Manager of Hearings and Enforcement

KMH:jc

cc: John Baza  
United States Fidelity and Guaranty Company, St. Paul Insurance Company  
Compliance File



Division of Oil, Gas & Mining  
 1594 West North Temple, Suite 1210  
 Salt Lake City, Utah 84114  
 Phone: (801) 538-5340

*Attachment 1*

**NOTICE OF VIOLATION**  
**STATE OF UTAH**  
**OIL AND GAS CONSERVATION ACT**  
 \*\*\*\*\*

To the following operator:

Name: Walter D. Broadhead

Well or Site: Patsantaras Pete 2, Fee Pete 4 API #: 43-019-30899, 43-019-30916

Location: Township 20S, Range 24E, Section 3, County Grand County

Date and time of inspection: \_\_\_\_\_

Mailing Address: Walter D. Broadhead/c/o Maiser Broadhead  
PO Box 3761/Grand Junction, CO 81502-3761

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

Description of Violation(s):

Rule R649-\_\_\_\_\_, See Attached  
 \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

Additional information/materials attached Y/N (circle one)

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.

Compliance Deadline: 20-DEC-2003

Date of service mailing 11/20/03 Time of service mailing 3:00pm

K. Michael Hebert  
 Division's Representative

\_\_\_\_\_  
 Operator or Representative  
 (If presented in person)

**R649-2-10. Notification of Lease Sale or Transfer.**

The owner of a lease shall provide notification to any person with an interest in such lease, when all or part of that interest in the lease is sold or transferred.

**R649-3-1. Bonding.**

3. Bond liability shall be for the duration of the drilling, operating and plugging of the well and restoration of the well site.

14.4. Transfer of the ownership of property does not cancel liability under an existing bond until the division reviews and approves a change of operator for any wells affected by the transfer of ownership.

14.5. If a transfer of the ownership of property is made and an operator wishes to request a change to a new operator of record for the affected wells, then the following requirements shall be met:

14.5.1. The operator shall notify the division in writing when ownership of any well associated with the property has been transferred to a named transferee, and the operator shall request a change of operator for the affected wells.

14.5.2. The request shall describe each well by reference to its well name and number, API number, and its location, as described by the section, township, range, and county, and shall also include a proposed effective date for the operator change.

14.5.3. The request shall contain the endorsement of the new operator accepting such change of operator.

14.5.4. The request shall contain evidence of the new operator's bond coverage.

14.5.5. The request may include a request to cancel liability for the well(s) included in the operator change that are listed under the existing operator's bond upon approval by the division of an adequate replacement bond in the name of the new operator.

**NOTES TO FILE ON WALTER BROADHEAD, as operator**

By Earlene Russell

Date	Action	Comments
3/ 6/2003	Carolyn Williams' e-mail to DTS re conversation with John Kubick	Walter died a few months ago. Son "in charge" of estate. Who should we accept reporting from? BLM leases expired, Wayne reporting on 1; said he picked up 6 wells. John's PO Box 82, Clifton, CO 81520-0082
4/30/2003	Call to Wayne Stout	Cell # 970 250-6270 mom's cell # 970 250-5509 Walter's son "Bud" aka Maiser at 970 242-7712 Dave Lillywhite former manager of Encore Energy not Falcon.
6/16/2003	DTS's e-mail to ER for research.	NOV issued to Walter 11/02. Research who should be recipient of wells in Operator Change.
6/30/2003	Call to Surety Company (St. Paul Insurance)	Doug Dusso 303 300-9343. He will research from faxes of bonds.
7/ 9/2003	Search UT Dept of Commerce for: Encore Energy, LLC	David Lillywhite (Agent) No. S.L., expired 1/30/03
7/ 9/2003	Called Marie @ BLM, Moab	Falcon Energy has \$25,000 statewide bond UT1049 in form of '96 LOC. They have future meeting with Stout to straighten out Broadhead wells and bonding, etc.
7/15/2003	Search Qwest-Dex for: Stout, Wayne & Trisha; Walter Broadhead Call to John Kubick	<u>1908 M Rd, Fruita, CO 81521 (970) 858-8252</u> <u>1645 N 7<sup>th</sup> Grand Junction 81501 (970) 242-7717</u> John said Bud's address is PO Box 3761, Grand Junction, CO 81502; lives in dad's house, same phone #.
7/23/2003	Call to Bud Broadhead	Falcon Energy (Wayne Stout) bought ALL wells 1 yr ago (before dad died). They received neither payment nor royalties. He confirmed his (Bud's) PO Box in Grand Junction. Bud faxed "Assignment and Bill of Sale 12/8/00" (2 versions to Falcon Energy + Exhibit A) and a 1/3/2000 letter from attorney re insurance premium default. It names Walter Broadhead, Jack Enen, R.W. Reed, Joe Anne Reed, M.D. Broadhead & Bruce Broadhead.
7/23/2003	Call to Wayne Stout	Wayne bought wells as Falcon; sent County registration to BLM as Great Western Natural Gas. Wayne named the 3, 83, BPB 18-2; 6-3 Tomlinson Fee #1, BPB 6-1 and Fed 7-6 as those purchased. Falcon Energy, Encore Energy & Summit Energy are subsidiaries of Great Western Natural Gas. He faxed recorded "Assignment, Conveyance and Bill

		of Sale" dated April 16, 2001, signed by Walter to Falcon Energy, LLC –recording paid by Great Western Natural Gas, letter from Moab BLM, Purchase and Sale Agreement <sup>1</sup> between Summit Energy, Curtis Chisholm and Great Western Natural Gas.
7/23/2003 and 9/8/03	Search UT Dept of Commerce for: Falcon Energy, LLC; Summit Operating, LLC;  Summit Energy, LLC; Summit Energy Management Corp Summit Energy Resources, LLC Summit Energy Partners 3, LLC  Summit Energy Ventures, LLC	(named in Purchase & Sale Agreement <sup>1</sup> or research) Wayne Stout 510 W 3560 S SLC, Expired 10/1/01 Summit Energy, LLC (agent) 2064 Prospector Ave #102 Park City, Active 11/25/02 David Lillywhite (agent) No S.L., Active 6/19/01 David Lillywhite (agent) Park City, Active 8/1/03 David Lillywhite (agent) Park City, Active 3/18/02 Summit Energy Resources LLC (agent) Park City, Active 11/6/02 David Lillywhite (agent) Heber City, Active 11/25/02
7/23/2003	Search Qwest-Dex for: David Lillywhite	Found addresses and phone #s in Heber and Bountiful 296 W Pages Lane, Bountiful 801 299-9323 801 Lake Creek Wy, Heber City 435 657-2373
7/23/2003	Searched Oil & Gas database for Walter Broadhead wells	Compared to various agreements from Bud and Wayne
9/ 8/2003	Search UT Dept of Commerce for: Great Western Natural Gas, LLC	Business address Fruita, CO Wayne Stout (agent) Orem, reinstated 10/15/01
9/12/2003	Letters from Mike Hebertson	Re: Designation of Operator and Bonding sent to Wayne Stout and Walter (c/o Maiser) Broadhead.
9/17/2003	Call to Bud @ 4:30	Sister Joe Ann (or JoAnn Reid) in TX sent check from Dean Christensen for royalty payment on wells. Requested list of wells and cc of bond
9/18/2003	Fax to Bud Broadhead (fax # same as phone #) 9:30 am	Due to letter from Mike, he wanted cc of Bonds and list of wells and contact for bonding company.
9/18/2003	Call FROM Bud 9:50 am	Needed Wayne Stout's phone #. He said Bruce died before Walter; survived by wife, Darlene in Denver; Joe Anne had cancer and lives in TX – wouldn't divulge any more regarding her; Damian Gillian, Bruce and Dad were trying to wrap things up re wells and Damian was controlling dad, trying to extort from dad. Got restraining order against Damian, eventually paid off house from Bud's funds, etc. Bud has paid many bills left by Walter, etc.
9/24/2003	Search Qwest-Dex for: Broadhead in Colorado	Bruce in Arvada Co
9/24/2003	Search UT Dept of Commerce for: Encore Energy, LLC	David Lillywhite (agent) No S.L. expired 1/30/2003
9/24/2003	Letter from Mike Hebertson	Resent to Wayne Stout and Falcon Energy
9/29/2003	Call from St Paul Insurance	Cindy Johnson 303 300-9342 (fax 303 300-9113) Walter has 3 bonds (2 ours and 1 BLM). I faxed to her copies of our 2 bonds and the power of attorney for her

		research. Their system shows expired 7/24/2000 and 7/24/2001. I asked who at DOGM was notified. She is requesting files from archives.
10/ 6/2003	Call from Doug Dusso, St Paul Insurance 10:25 am	303 300-9343 send claims to St. Paul Insurance @ 2000 S Colorado Blvd, #2-480, Denver, CO 80222. Bonds have been in inactive status but can be claimed, if necessary. Bonds #19-0130-11236-81-1 and #19-1030-10451-81-5.
10/22/2003	Letter to St. Paul Insurance from ER	Requested no cancellation or further action of two bonds.
11/ 4/2003	BLM approval given	For transfer of 5 federal wells to Encore Energy.
11/17/2003	Meeting with John, Mike, Don	What steps do we need to resolve these situations?
11/17/2003	E-mail to Dan Jarvis	Requesting well inspections in preparation for bond forfeiture.
11/20/2003	Letter to Stout and Encore Energy from ER	Requested Form 9's from Stout for 5 federal wells from Broadhead. (received 1/8/2004 and moved 1/9/2004)
12/15/2003	E-mail from DTS	Moved 7 Broadhead SI/TA federal wells to Orphan status to match BLM status; still have concern over 2 SI/TA fee wells

cc: Don Staley  
Mike Hebertson  
Bond File  
Compliance File

43-019-30916  
T205 R24E 3



State of Utah

March 19, 2004

Department of  
Natural Resources

Division of  
Oil, Gas & Mining

CERTIFIED MAIL NO. 7002 0510 0003 8602 4835

ROBERT L. MORGAN  
*Executive Director*

LOWELL P. BRAXTON  
*Division Director*

Maiser Broadhead  
Walter Broadhead Company  
P.O. Box 3761  
Grand Junction, Colorado 81502

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

Dear Mr. Broadhead:

Walter Broadhead Company, as of March 2004, has two (2) Fee Lease Wells (see attachment A) that are currently in non-compliance for extended shut-in or temporary abandonment status. Wells SI/TA beyond twelve (12) consecutive months requires filing a Sundry Notice (R649-3-36-1). Wells with five (5) years non-activity or non-productivity shall be plugged, unless the Division grants approval for extended shut-in time upon a showing of good cause by the operator (R649-3-36-1.3.3). 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).

	<b>Well Name</b>	<b>API</b>	<b>Lease Type</b>	<b>Years Inactive</b>
1	Fee Pete 4	43-019-30916	Fee	10 Years 11 Months
2	Pasantaras Pete 2	43-019-30899	Fee	10 Years 9 Months

Attachment A

WALTER BROADHEAD  
Fee Wells  
to ORPHAN

Convert two wells to  
orphan status - approved.  
*John R. Bay*  
10/13/04

Memorandum

TO: File, Patsantaras Pete 2, 43-019-30899, SWNW, Sec. 3, TWP 20 South,  
RNG 24 E Grand County Utah, and Fee Pete 4, 43-019-30916, SWNW,  
Sec. 3, TWP 20 South, RNG 24 East, Grand County Utah.

Date: October 12, 2004

Thru: Oil & Gas Managers

Re: Reasons for Orphan Status Listing for the wells listed

2 Wells moved  
from account  
N1130 to N9999  
(ORPHAN) in data-  
base on  
10/15/2004.  
- Don Staley  
10/15/2004

Sometime in the late winter or early spring of 2003 Walter Broadhead died. Walter was an individual doing business as and oil and gas operator, and was not a corporation or business. At the time of his demise Mr. Broadhead had wells on State, Fee, and Federal acreage all located within the confines of Grand County, in the Greater Cisco Field.

Historically the Division began trying to contact Mr. Broadhead in June of 2003, after several months of production were not reported. At this time it was discovered that the son of Mr. Broadhead, Maiser "Bud" Broadhead was in Grand Junction acting as a family contact for the Estate.

Maiser Broadhead was finally located and several telephone contacts were made concerning the status of the production reports and disposition of the wells. The conversations with Maiser went on for several months until most of the wells were transferred to Mr. Wayne Stout of Falcon Energy. However, the wells listed above and two other federal wells were never claimed or transferred.

Mr. Stout claimed no responsibility for or interest in the wells, and Maiser claimed no ownership of the wells. Of all the documents provided about the sale of the Broadhead properties the above listed wells were not mentioned.

In November of 2003, after several unsuccessful attempts to contact Maiser Broadhead, a certified letter was sent demanding that the wells be bonded, disposed of, or plugged. The letter was returned unclaimed, and the phone number, that had been the only other means of contacting Mr. Broadhead, was disconnected.

A sister-in-law Mrs. Bruce Broadhead was contacted, however she claimed no knowledge of the wells and had no interest in trying to contact Maiser or help with information about where he might be found.

After a meeting with the Division legal staff in June of 2004, it was decided that the only other means of recourse left to the Division was to try to demand payment of the bond or performance of the plugging obligation.

The demand letter was prepared and sent to the surety in July 2004. The surety company decided to forfeit the bond rather than plug the wells and a check for \$5,000.00 was sent to the Division in September of 2004.

It is therefore recommended that the wells be placed on the Orphaned Wells List, and that the \$5000.00 be used to help offset the cost of plugging. There appears to be no other assets available to plug the wells.

## MEMORANDUM

TO: Oil and Gas Managers, Dustin Doucet, Don Staley, Gil Hunt, Steve  
Schneider  
FROM: Mike Hebertson, Enforcement Manager  
DATE: 12-October-2004  
RE: Walter Broadhead Estate

The attached documents are as follows:

1. The last certified letter which was returned as unclaimed
2. A copy of the phone conversations and contacts through December 2003

It should also be noted that our own attorneys have said that claiming the bond was our only remaining choice, and that the bonding company has tried to claim the bond was invalid for lack of payment of premiums since 2001.

I have also personally talked with both living heirs of the Broadhead Estate that we can locate, they being Maiser "Bud" Broadhead, and his sister-in-law, Mrs. Bruce Broadhead, and that both have disclaimed any responsibility for the wells.

How much more "Orphaned" do these have to be before you all are satisfied? Certainly we should not have to have John decide if an orphaned well that we have claimed the bond on is "Really an Orphaned Well".

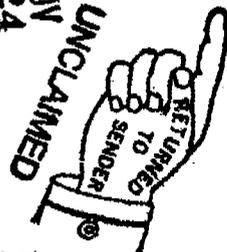
The State of Utah  
Department of  
Natural Resources  
Division of  
Oil, Gas & Mining

1594 West North Temple, Suite 1210  
PO Box 145801  
Salt Lake City, UT 84114-5801

RETURN SERVICE REQUESTED



7002 0510 0003 8602 6662

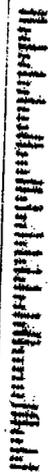


UNCLAIMED  
TO SENDER

1st NOV 24  
Notice 24  
2nd NOV 11-29  
Notice 12-9

WALTER D BROADHEAD  
% MAISER BROADHEAD  
P O BOX 3761  
GRAND JUNCTION CO 81502-3761

81502-3761



102596-02-M-1039

Domestic Return Receipt

PS Form 3811, August 2001

7002 0510 0003 8602 6662

NOV SAC  
2. Article Number  
(Transfer from service label)

4. Restricted Delivery? (Extra Fee)  Yes

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

D. Is delivery address correct?  Yes  No  
If YES, enter delivery address below

C. Date of Delivery

B. Received by  Agent  Addressee  
 Signature

A. Signature

UNCLAIMED  
TO SENDER

SENDER: COMPLETE THIS SECTION

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

1. Article Addressed to:  
Walter D. Broadhead  
% Maiser Broadhead  
P.O. Box 3761  
Grand Junction, Co 81502-3761

COMPLETE THIS SECTION ON DELIVERY

<b>STATE OF UTAH</b> DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS, AND MINING	<b>FORM 9</b>
<b>SUNDRY NOTICES AND REPORTS ON WELLS</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.	5. LEASE DESIGNATION AND SERIAL NUMBER: FEE
	6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
	7. UNIT or CA AGREEMENT NAME:
1. TYPE OF WELL Gas Well	8. WELL NAME and NUMBER: FEE PETE 4
2. NAME OF OPERATOR:	9. API NUMBER: 43019309160000
3. ADDRESS OF OPERATOR: _____ PHONE NUMBER: _____ _____ Ext	9. FIELD and POOL or WILDCAT: GREATER CISCO
4. LOCATION OF WELL FOOTAGES AT SURFACE: 3131 FSL 0947 FWL QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: Qtr/Qtr: SWNW Section: 03 Township: 20.0S Range: 24.0E Meridian: S	COUNTY: GRAND
	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 Approximate date work will start:	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> CASING REPAIR
<input checked="" type="checkbox"/> SUBSEQUENT REPORT Date of Work Completion: 6/8/2012	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> CHANGE WELL NAME
<input type="checkbox"/> SPUD REPORT Date of Spud:	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> CONVERT WELL TYPE
<input type="checkbox"/> DRILLING REPORT Report Date:	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> NEW CONSTRUCTION
	<input type="checkbox"/> OPERATOR CHANGE	<input checked="" type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> PLUG BACK
	<input type="checkbox"/> PRODUCTION START OR RESUME	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input type="checkbox"/> RECOMPLETE DIFFERENT FORMATION
	<input type="checkbox"/> REPERFORATE CURRENT FORMATION	<input type="checkbox"/> SIDETRACK TO REPAIR WELL	<input type="checkbox"/> TEMPORARY ABANDON
	<input type="checkbox"/> TUBING REPAIR	<input type="checkbox"/> VENT OR FLARE	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> WATER SHUTOFF	<input type="checkbox"/> SI TA STATUS EXTENSION	<input type="checkbox"/> APD EXTENSION
	<input type="checkbox"/> WILDCAT WELL DETERMINATION	<input type="checkbox"/> OTHER	OTHER: <input style="width: 100px;" type="text"/>

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

6/7/12 - Mob to site. RU and tag TD @ 1535'. RIH w/Guage ring/junk basket. Set CIBP @ 1465'. Perf @ 170' Circulate well clean. Pump 35 sx 15.2 ppg cement on CIBP. 6/8/12 - Tag plug @ 971'. Circulate 40 sx through perfs @ 170' back to surface. Hole full. Cut off casing, weld on DHM, backfill pit, cover DHM and clean location. Done. Plugged under the State of Utah's Orphan Well Plugging Program.

**Accepted by the**  
**Utah Division of**  
**Oil, Gas and Mining**  
**FOR RECORD ONLY**  
 November 27, 2013

<b>NAME (PLEASE PRINT)</b> Dustin Doucet	<b>PHONE NUMBER</b> 801 538-5281	<b>TITLE</b> Engineer
<b>SIGNATURE</b> N/A	<b>DATE</b> 11/27/2013	