



826 21 1/2 Road
Grand Junction, CO 81505
T: 970.263.7800
F: 970.263.7456

August 11, 2004

Howard Cleavinger
Assistant Field Manager
170 South 500 East
Vernal, Utah 84078

Re: Crescendo Federal 6-1 APD

Howard,

Cordilleran Compliance Services Inc. has been retained by Crescendo Energy Partners LLC to permit the Federal 6-1 well in Grand County, Utah. The Cultural study has been completed by Uncompahgre Archaeological Consultants and they inform me they have sent the report to your Moab District office so I have included a copy herein. This well site is at the head of East Canyon, just south of divide road. The Moab district has indicated that this well is in your district.

I have sent a copy of this APD to Brad Hill with UDOGM and Judy Bane in Grand County for their review and approval.

Please call me if there is any information I can give you with respect to this APD. I will also plan to follow up to see if there is anything else you need. Thank you for your help on the phone with answers to my questions.

Sincerely,

Sean T. Norris
Senior Project Geologist
Cordilleran Compliance Services, Inc.

RECEIVED
AUG 16 2004
DIV. OF OIL, GAS & MINING

Cc: Brad Hill UDOGM
Judy Bane, Grand County
Jim Osborne, Crescendo
File

003

(September 2001)

UNITED STATES DEPARTMENT OF THE INTERIOR BUREAU OF LAND MANAGEMENT APPLICATION FOR PERMIT TO DRILL OR REENTER

FORM APPROVED OMB NO. 1004-0136 Expires: January 31, 2004

1a. Type of Work [X] DRILL [] REENTER
1b. Type of Well [] Oil Well [X] Gas Well [] Other [X] Single Zone [] Multiple Zone
2. Name of Operator Crescendo Energy, LLC
3a. Address: P.O. Box 1814, Midland, TX 79702
3b. Phone No. (include area code) 432-697-7221
10. Field and Pool, or Exploratory San Arroyo Field 250
11. Sec., T., R., M., or Blk. And Survey or Area 6 T 16S R 25E SLM
12. County or Parish Grand 13. State UT
15. Distance from proposed* location to nearest property or lease line, ft. 491'
16. No. of Acres in lease 640
17. Spacing Unit dedicated to this well NA
18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft. 3000' Bottom
19. Proposed Depth 8000'
20. BLM/ BIA Bond No. on file 0437488
21. Elevations (Show whether DF, RT, GR, etc.) 8451 Grnd
22. Aproximate date work will start* Mid Sept, 2004
23. Estimated Duration 3 Weeks

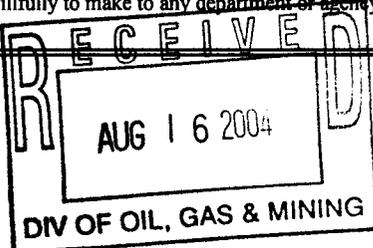
24. Attachments: Drill Plan, Surface Use Plan, Plats and Maps
The following, completed in accordance with the requirements of Onshore Oil and Gas Order No. 1 shall be attached to this form:
1. Well plat certified by a registered surveyor.
2. A Drilling Plan.
3. A Surface Use Plan (if the location is on National Forest System Lands, the SUPO shall be filed with the appropriate Forest Service Office).
4. Bond to cover the operations unless covered by existing bond on file(see item 20 above).
5. Operator certification.
6. Such other site specific information and/ or plans as may be required by the a authorized officer.

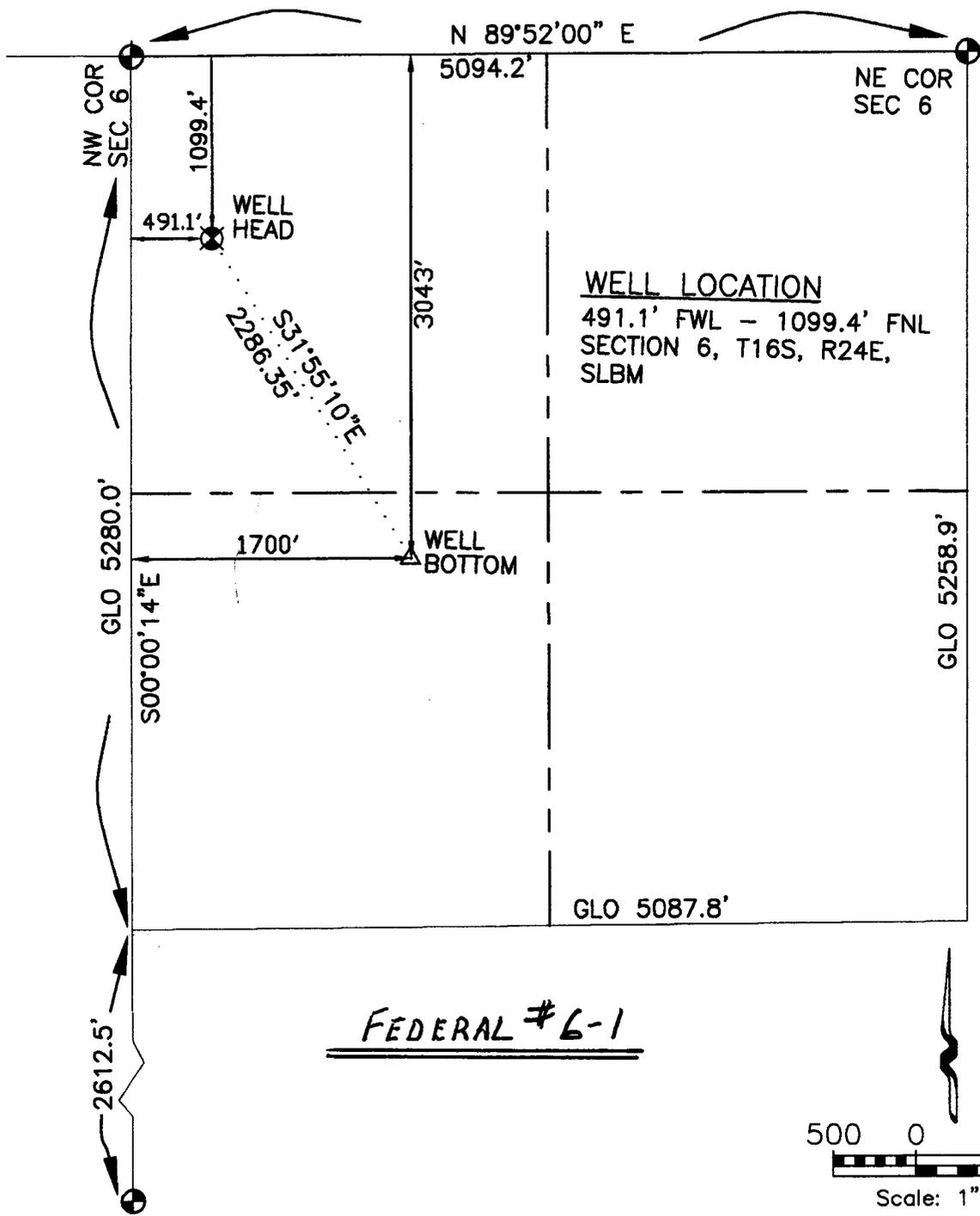
25. Signature, Name (Printed/ Typed), Date
J.N. Burkhalter, J. N. Burkhalter, 8/9/04
Title Consulting Engineer
Approved By (Signature), Name (Printed/ Typed), Date
Title, Office

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

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

*(Instructions on reverse)





WELL LOCATION
 491.1' FWL - 1099.4' FNL
 SECTION 6, T16S, R24E,
 SLBM

FEDERAL #6-1

I, MERRITT P. DISMANT, a registered Professional Land Surveyor in the State of Utah, do hereby state that the well location shown hereon was staked on the ground based on existing monumentation and/or physical evidence found in the field and is correct to the best of my knowledge and belief. The well bottom location is only an estimated position.

Merritt P. Dismant 7/6/04
 REGISTERED LAND SURVEYOR
 STATE OF UTAH
 No. 6769

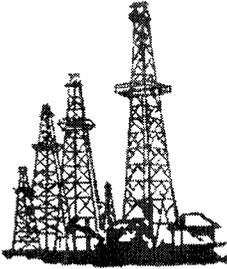
NOTES:
 Elevations are determined from a GPS survey performed in May, 2004, transferring elevation from Mesa County CORS Point MC01.

- LEGEND**
- BEARING & DISTANCE
 - SECTION LINE
 - 1/4 SECTION LINE
 - ⊕ GLO BRASS CAP
 - ⊗ PROPOSED WELL HEAD LOCATION
 - △ WELL BOTTOM LOCATION
 - FWL FROM WEST LINE
 - FNL FROM NORTH LINE

	2591 B 3/4 ROAD GRAND JUNCTION, CO 81503 PHONE: (970) 257-7146 FAX: (970) 255-7047	
	CRESCENDO ENERGY PARTNERS, LLC GAS WELL #62 SAN ARROYO UNIT NW 1/4, SECTION 6, T16S, R25E, SLBM, GRAND COUNTY, UTAH	
DATE: 25 June 2004	SCALE 1" = 1000'	
FILE: 2004-15pad62.dwg	PROJECT NO: 2004-15	
DRAWN: jc	GLO-RO	SHEET 1 OF 5

EXHIBIT 1

002



*Petroleum and Energy Consultants
Registered in Rocky Mountain States
Oil & Gas Production*

BURKHALTER ENGINEERING, INC.

751 Horizon Ct., Suite 245
P.O. Box 60095
Grand Junction, Co 81506
Telephone (970) 243-6060
Fax (970) 243-6015
Mobile (970) 260-0765

RECEIVED
NOV 17 2004
DIV. OF OIL, GAS & MINING

November 15, 2004

Ms. Diana Whitney
Division of Oil, Gas & Mining
P.O. Box 145801
Salt Lake City, UT 84114-5801

Re: APD, Federal #6-1
SESWNW Sec 6, T16S, R25E, SLM
Grand County, UT

Dear Ms. Whitney:

Enclosed is a complete copy of the APD submitted to the BLM for the referenced Well. This well is planned as a vertical drill. The BLM is ready to issue this permit – they are waiting for an API Number from the State.

Diana, if you have further questions/need more information, please call.

Very truly yours,

J. N. Burkhalter
J. N. Burkhalter, PE

001

RECEIVED
NOV 17 2004
DIV. OF OIL, GAS & MINING

Form 3160-3
(April 2004)

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

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL OR REENTER

1a. Type of work: <input checked="" type="checkbox"/> DRILL <input type="checkbox"/> REENTER		5. Lease Serial No. UTU-9831
1b. Type of Well: <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other <input checked="" type="checkbox"/> Single Zone <input type="checkbox"/> Multiple Zone		6. If Indian, Allottee or Tribe Name _____
2. Name of Operator Crescendo Energy, LLC		7. If Unit or CA Agreement, Name and No. _____
3a. Address P.O. Box 1814, Midland, TX 79702		8. Lease Name and Well No. Federal #6-1
3b. Phone No. (include area code) 432-697-7221		9. API Well No. 43-019-31410
4. Location of Well (Report location clearly and in accordance with any State requirements.)* At surface 2428 FNL, 1001 FWL 654519X 39.445298 At proposed prod. zone Same as Surface 4367523Y -109.204344		10. Field and Pool, or Exploratory San Arroyo 250
14. Distance in miles and direction from nearest town or post office* Approx 40 mi NW of Mack, CO		11. Sec., T. R. M. or Blk. and Survey or Area Sec 6, T16S, R25E, SLM
15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any) 1001'	16. No. of acres in lease 640	17. Spacing Unit dedicated to this well NA
18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft. 2800'	19. Proposed Depth 8000	20. BLM/BIA Bond No. on file BLM Bond 0437483
21. Elevations (Show whether DF, KDB, RT, GL, etc.) 8404 Grnd	22. Approximate date work will start* 10/01/2004	23. Estimated duration 3 to 4 weeks

24. Attachments

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

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

25. Signature <i>J. N. Burkhalter</i>	Name (Printed Typed) J. N. Burkhalter	Date 9/21/04
Title Consulting Engineer/Agent		

Approved by (Signature) <i>Bradley G. Hill</i>	Name (Printed Typed) BRADLEY G. HILL	Date 11-22-04
Title ENVIRONMENTAL SCIENTIST III		

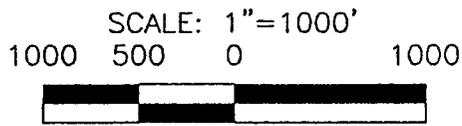
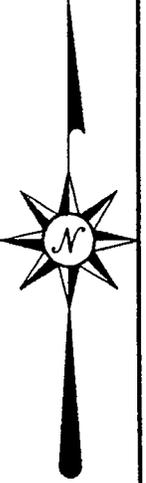
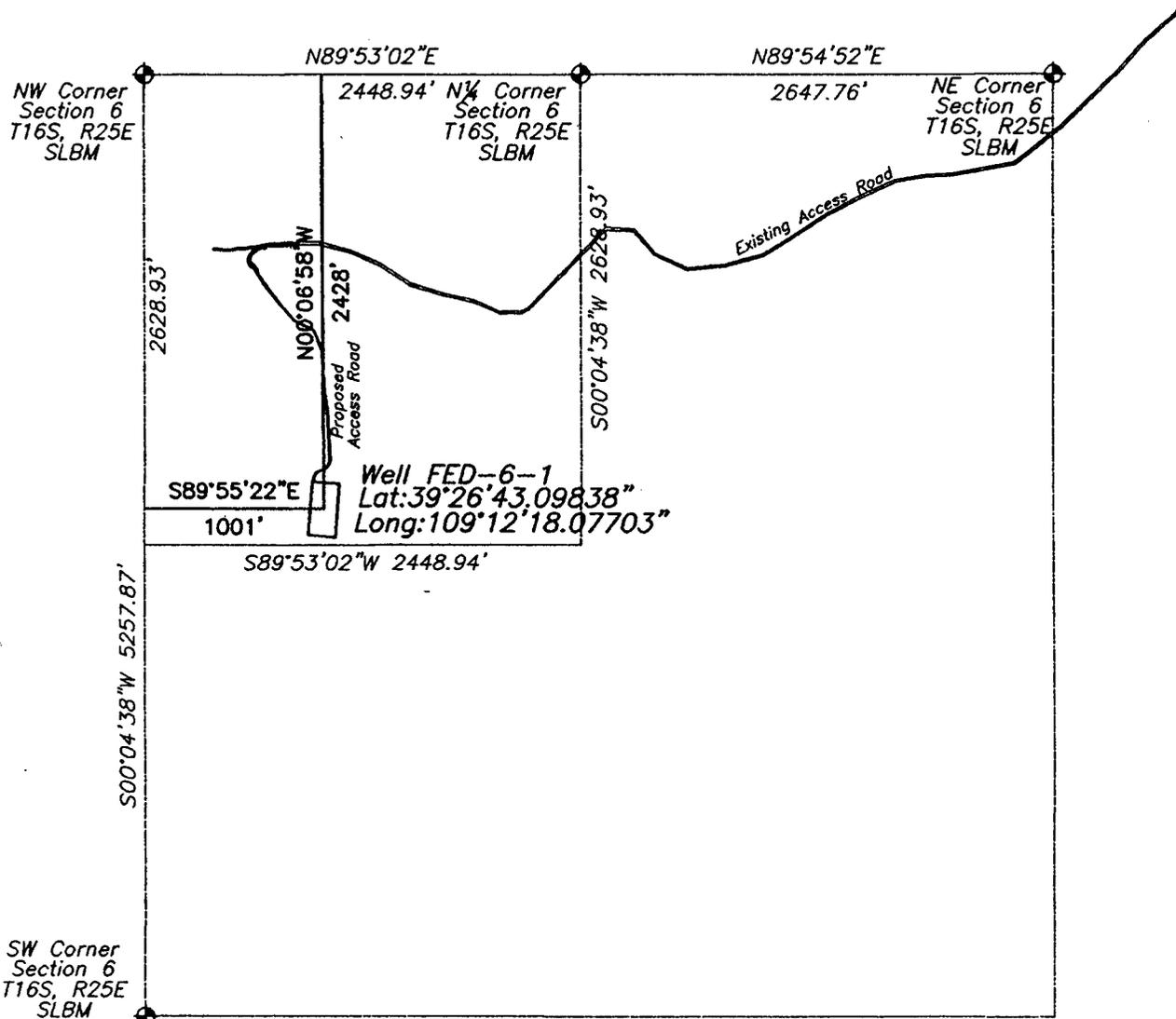
Application approval does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.
Conditions of approval, if any, are attached.

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

*(Instructions on page 2)

**Federal Approval of this
Action is Necessary**

LOCATION EXHIBIT - PLAT 1 OF PARCEL LOCATED IN SECTION 6, T16S, R25E, SLBM (FEDERAL 6-1)



SURVEYOR'S CERTIFICATION

I hereby certify that this plat represents a field survey completed under my direct supervision during September, 2004, and that both have been completed according to the standards of practice and the laws of the State of Utah, and are correct to the best of my knowledge.

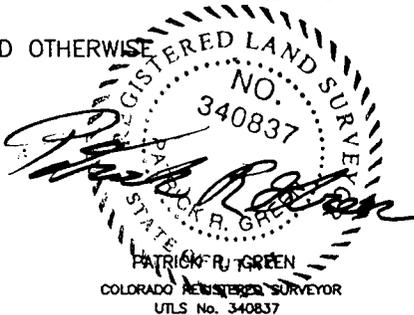
CERTIFIED THIS 15 DAY OF Sept, 2004

This Well Location Plat was prepared for Crescendo Energy, LLC to show the location of FEDERAL Well FED-6-1 which is located 1001 feet West and 2428 feet South from the position of the Northwest corner of Section 6, T16S, R25E, SLBM, based on the Northwest corner, the North Quarter corner, and the West Quarter corner of Section 6, T16S, R25E, SLBM.
Latitude and Longitude are based on NAD 83.
Elevations are based on NAVD 88.

LEGEND

- FOUND GLO SURVEY MARKER, UNLESS NOTED OTHERWISE
- FOUND REBAR, AS NOTED
- STAKED WELL SITE

EXHIBIT 1



LOCATION EXHIBIT - PLAT 1

SECTION 6
T16S, R25E, SLBM
GRAND COUNTY, UTAH

LANDesign

ENGINEERS • SURVEYORS • PLANNERS
244 NORTH 7th STREET
GRAND JUNCTION, COLORADO 81501 (970) 245-4099

PROJ. NO. 2004-82	SURVEYED	DRAWN	CHECKED	SHEET	OF
DATE: Sept., 2004		RSK	PRG	1	1

FEDERAL #6-1

FEDERAL LEASE

1. DRILLING PLAN

- a. **Name of Well:** Federal #6-1
- b. **Surface Location of Well:** 2428 FNL, 1001 FWL, Sec 6, T16S, R25E, SLM
Grand County, Utah
- c. **Federal Lease No.** UTU-9831
- d. **Ungraded ground elevation:** 8404' above sea level
- e. **The surface formation:** Cretaceous Mesa Verde
- f. **Drilling Equipment:** Rotary drilling equipment will be used to drill the well to a TD of 8000' TVD and run casing. Standard 9" 3000 lb BOP double ram stack will be employed. A completion rig will be employed to complete the well.
- g. **The Total Depth** of the well is planned to be 8000' TVD.

h. **Tops of Geologic Markers:**

Surface:	Mesa Verde Formation
Castle Gate	3500' TVD
Dakota	7100' TVD
Morrison	7350' TVD
Total Depth	8000' TVD

i. **Estimated depths of fluid-bearing formations:**

Castle Gate: gas/water 3500' TVD
Dakota: gas/water 7100' TVD
Morrison: gas/water 7350' TVD

j. **The primary geologic objective is:**

Dakota/Morrison: 7100 to 7350 TVD

k. **Casing:**

Surface: A 12 1/4" surface hole will be drilled to 250' and 8 5/8" 36 lb new J55, API 8rnd ST&C csg will be run to 250' and cemented to surface with 150 sx regular cement mixed as follows: Class "G" (regular) cement containing 2% CaCl, 1/8 lb/sk Floseal, density 15.6 lb/gal, yield 1.18 cuft/sk. Cement will circulate.

Intermediate: An 8 3/4" hole will be drilled through Castlegate to approximately 3500' depending on geology and 7" 23 lb new J55, API 8rnd ST&C csg will be run and cemented with 130 sx regular cement mixed as follows: Class "G" (regular) cement containing 2% CaCl, 1/8 lb/sk Floseal, density 15.6 lb/gal,

Yield 1.18 cuft/sk.

Production: A 6 1/2" hole will be drilled to projected depth of 8000'± depending on geology, and 4 1/2" 11.6 lb new J55 API 8rnd ST&C csg will be run to TD and cemented with 150 sx thixotropic cement comprised of Class "G" (regular) cement containing 10.0 lb/sk Calseal, 0.2 lb/sk Halad 344, 5 lb/sk gilsonite, density 14.2 lb/gal, yield 1.44 cuft/sk to cover all possible porous zones with a minimum of 200' of cement.

i. Pressure Control: A standard 9" 3000 lb double ram BOP will be flanged up and tested initially and monthly thereafter to TD. Rams will be operated during trips.

m. Mud Program: Fresh gel mud consisting of native clays, fresh water and bentonite will be used for the surface hole. Mud with at least 2% KCl (potassium chloride) will be used for the intermediate and production holes.

n. Testing, Logging and Coring Programs:

Testing: If returns indicate the need for a DST, testers will be called.

Mud Logging: A mud logging unit will be employed from 100' above the Castlegate.

Open Hole Logging: Electric and porosity logs will be run in open hole after intermediate casing depth is reached and after TD is reached.

Cased Hole Logging: A Gamma ray correlation and cement bond log will be run prior to perforating in cased hole.

Coring Program: No coring is planned for this well.

o. No abnormal pressures or H₂S is anticipated in this well. Bottom Hole Pressure is estimated to be 2500 psi.

p. Anticipated spud date is middle October, 2004. Drilling time will be approximately three weeks from spud to move off of the drilling rig.

2. BOP TEST PROCEDURES: Immediately after nipping up the double ram BOP to the surface pipe, professional testers will be called to the location and BOP tested to 3000 psi, both sets of rams and flanges.

3. MULTI-POINT SURFACE USE PLAN (13-Point Plan)

a. The land survey for the location was performed by LANDesign of Grand Junction, Colorado. Cultural resources were cleared by Mike Piontkowski of Uncompahgre Archaeological Consultants, Grand Junction, CO.

b. (See Map) To reach the location from Mack, CO, proceed westerly on old Hwy 6 approximately 10.0 miles to San Arroyo Road, turn right (north), stay on main traveled road for approximately 17 miles to San Arroyo plant. Stay on main traveled road up through switchbacks for approximately 7 miles to radio towers. Proceed

westerly (Hay Canyon/PR Spring road) for approximately 3 miles to Fed #6-1 location.

c. **Access Road:** See Map. The Federal #6-1 well is a development well. The access road will be a short road about 1600 ft long, crossing the existing main pipeline in the area near the beginning of the access road.

d. **Planned Access Road:** The location is approx 1600 ft south of existing road. A culvert will be required at the turnoff from the existing road, and adequate ramping and protection will be required to protect the existing gas pipeline.

e. **Wells within a one-mile radius of proposed well:**

- 1) There are no known water wells within the one-mile radius.
- 2) There are no known P&A wells within the one-mile radius.
- 3) There are no known salt water disposal wells in the one-mile radius
- 4) There are five (5) known producing wells in the one-mile radius:
 - NW SE SE Sec 6, T16S, R25E, SLM
 - NW SE SE Sec 1, T16S, R24E, SLM
 - NE SW Sec 1, T16S, R24E, SLM
 - SE SW SE Sec 36, T15.5S, R24E, SLM
 - SW SW SW Sec 31, T15.5S, R25E, SLM
- 5) There are no known currently permitted wells in the one-mile radius.
- 6) There are no known monitoring wells in the one-mile radius

f. **Production facilities** such as separators, dehydrators, flow meters and tanks will be located on the disturbed portion of the well pad. If gravel is needed for foundation under tanks or gas processing equipment, it will be hauled in. All other material will be obtained from the site such as dirt for the dikes around tanks.

g. **Above ground structures** will be painted according to BLM selected colors. BLM states colors will be selected at onsite and included in stipulations with permit.

h. **Reserve Pit:** Will be fenced on three sides during drilling. After the drilling rig is moved out, Reserve Pit will be fenced on fourth side and fence maintained for the life of the pit – until final reclamation.

i. **Tanks or Tank Batteries:** A tank or tank battery will be surrounded by an impervious dike of sufficient size and height to contain 110% of the largest tank in the battery.

j. **If any oil/liquid hydrocarbons** resulting from drilling or completion end up in the pit, the pit will be flagged/netted.

k. **Off-Site Facilities:** No off-drill pad facilities are anticipated for the well. Condensate will be stored on the drill pad and gas piped off to the sales pipeline nearby.

l. Proposed Pipeline Facilities: The Sales Gas line will be installed to the north, staying on existing Lease and hook up to existing pipeline on existing lease. (See Exhibit 2). After completion and testing, a Sundry Notice will be filed describing the pipeline needed to produce this well.

m. Location and Type of Water Supply: Water for mixing drilling mud and cement will be trucked from the Ute Water facility at Mack, CO, approximately 37 miles from the location. Ute water is purified domestic water and will not cause any deleterious affects to the environment.

n. Source of Construction Materials: No material will be removed from Federally owned sources. If gravel is needed for foundation under production facilities, there are several commercial gravel pits in the area. The dike around the tank will be constructed from dirt found on the location.

o. Methods of handling waste disposal: Design of pit and its usage. Sewage disposal. Garbage and trash handling.

- A. The reserve pit will be designed to prevent the collection of surface runoff. The pit will be lined with a 12-mil or thicker polyethylene to prevent leakage of fluids. The liner will be rolled in place and re-curred at the ends, i.e. buried on the top of the pit berms. Prior to use, the reserve pit will be fenced "stock tight" on three sides, the fourth side will be fenced at the time of rig release and removal, at which time the pit will be flagged. Drilling fluids and cuttings will be constrained in the reserve pit.

Fluids in the reserve pit will be allowed to evaporate prior to being backfilled. Pit will remain fenced until backfilled.

- B. Produced liquid hydrocarbons will be constrained in test tank(s) during completion and testing.
- C. Sewage will be handled in self-contained, chemically treated portable toilets and contents hauled off location to an authorized facility in accordance with State and local regulations.
- D. Garbage and other trash will be contained in an acceptable trash receptacle, which will be enclosed. Refuse will be transported to an approved sanitary landfill upon completion of operations.
- E. Trash will be picked up if scattered and contained in receptacles during drilling/completion/construction operations.

p. Ancillary Facilities: None Required.

q. Well site layout including plats, cuts, fills, cross sections, parking for vehicles, top soil storage, location of pits including reserve pit, erosion control.

- A. See Survey Plats.
- B. Cut and fill cross sections indicated on survey exhibits. Sufficient material will be available to backfill the reserve pit after drilling and completion activities.
- C. All equipment will be confined to the access road, pad and areas specified in the APD.
- D. Prior to construction, all topsoil will be removed from the entire site and stockpiled as directed by the BLM during the onsite. Topsoil will be stripped to a depth of 6 to 8 inches where possible.
- E. Soil material and overburden will not be pushed over side slopes or into drainages. All soil material disturbed will be placed in an area where it can be retrieved.
- F. The location (including reserve pit) will be designed to prevent the collection of surface runoff.
- G. Adequate erosion control barriers will be installed at the drill pad to minimize storm water runoff. Water drainage upslope from the drill pad will be addressed at the time of construction to keep it from ponding on the pad.

r. Surface Reclamation Plans:

- A. Rat and mouse holes will be backfilled and compacted from bottom to top immediately upon release of the drilling rig from the location.
- B. Backfilling of the pit will be done when the contents have been sufficiently dewatered.
- C. Production Operations:
 - a. If the well is productive, areas not required for operations will be contoured and water barred to support vegetation and reduce erosion. All disturbed areas will be seeded with seed mixture prescribed by BLM. Seeding will be done after September 15th and/or prior to ground frost or seed will be planted after the last frost and before May 15th. Slopes too steep for machinery will be hand broadcast and raked with twice the specified amount of seed.
 - b. Noxious weeds will be controlled on the location in accordance with BLM guidelines.
 - c. Rehabilitation will begin upon the completion of the well. Complete rehabilitation will depend on weather conditions and the amount of time required to sufficiently dewater the reserve pit.

s. Abandoned Well Plans:

- A. In the event of a dry hole, the location will be re-contoured, the top soil will be distributed evenly over the entire location. The seed bed will be prepared by disking to a depth of four(4) to six(6) inches following the contour. Seed will be drilled on the contour to a depth of 0.5 inches, followed by cultipaction to compact the seed bed, preventing soil loss. Certified seed will be used with a minimum germination rate of 80% and minimum purity of 90%.

- B. Water bars, either for a producing well or a dry hole, will be constructed at least one(1) foot deep on the contour with approximately two(2) feet of drop per 100 feet of waterbed to ensure drainage and extend into established vegetation. All water bars will be constructed with berm on the downhill side to prevent erosion from occurring and sitting in the trench.

Water bar spacing on the location will be as follows:

<u>% Slope</u>	<u>Spacing Interval</u>
2 or <	200'
2 to 4	100'
4 or 5	75'
5 or >	50'

- C. Notice of Intent to Abandon and Subsequent Report of Abandonment will be submitted for approval.

t. Surface Ownership and ROW Ownership:

Surface Ownership: U.S. Department of Interior, Bureau of Land Management

ROW Ownership: U.S. Department of Interior, Bureau of Land Management

u. Other:

- A. Cultural Resource Inventory: A Class III Cultural Resource Inventory has been conducted by Mike Piontkowski of Uncompahgre Archaeological Consultants.

The survey finding was that no cultural resources were found on or near the location.

- B. Surface use of Area: Surface use of area is for grazing livestock and production of oil & gas.
- C. Fire Suppression: Operator will be responsible for the prevention and suppression of fires on public lands caused by its employees, contractors, or subcontractors.
- D. Hazmat: Operator maintains a file, per 29 CFR 1910.1200 (g) containing current Material Safety Data Sheets (MSDS) for all chemicals, compounds and/or substances which are used during the course of construction, drilling, completion and production operations for this project. Hazardous materials (substances) which may be transported across these lands may include drilling mud, cementing products which are primarily inhalation hazards, fuels (flammable and/or combustible), materials that may be necessary for well completion/stimulation activities such as flammable or

Combustible products and acids/gels (corrosives).

The opportunity for Superfund Amendments and Reauthorization ACT (SARA) listed Extremely Hazardous Substances (EHS) at the site is generally limited to proprietary treating chemicals. All hazardous substances, EHS, and commercial preparations will be handled in an appropriate manner to minimize the potential for leaks or spills to the environment.

u. Operators Representative and Address and a Certification:

CERTIFICATION: I hereby certify that I, or persons under my direct supervision, have inspected the proposed drill site and access route; that I am familiar with the conditions which currently exist; that the statements made in this plan are, to the best of my knowledge, true and correct; and that the work associated with operations proposed herein will be performed by Crescendo Energy, LLC and its contractors and subcontractors in conformity with this plan and the terms and conditions under which it is approved. This statement is subject to the provisions of 18 U.S.C. 1001 for the filing of false statement.

Date: 21 Sep 2004

Name & Title: J. N. Burkhalter, PE, Consulting Engineer

4. Plats/Maps Provided:

- a. Exhibit 1: Certified Location Plat
- b. Exhibit 2: Pit and Pad Layout
- c. Exhibit 3: Cross Section Pit and Pad
- d. Exhibit 4: Rig Layout
- e. Exhibit 5: Topo & Access
- f. Exhibit 6: Schematic of BOPE
- g. Topo Map A: Road Map
- h. Topo Map B: One Mile Radius Map

PAD & PIT LAYOUT - PLAT 2
OF PARCEL LOCATED IN
SECTION 6, T16S, R25E, SLBM
(FEDERAL 6-1)

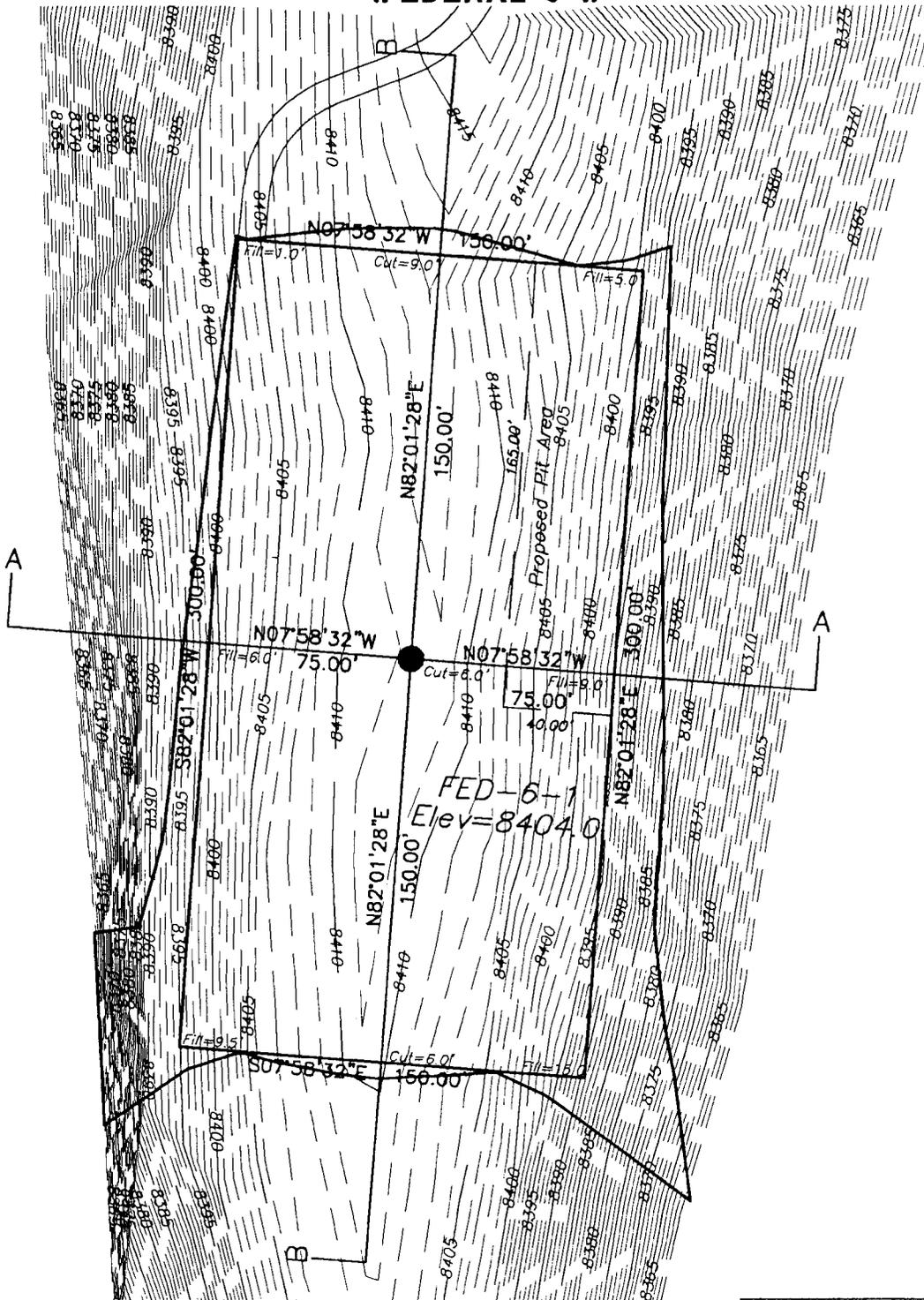
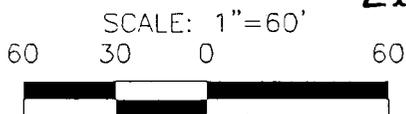


EXHIBIT 2



PAD & PIT LAYOUT - PLAT 2
 SECTION 6
 T16S, R25E, SLBM
 GRAND COUNTY, UTAH



ENGINEERS • SURVEYORS • PLANNERS					
244 NORTH 7th STREET					
GRAND JUNCTION, COLORADO 81501 (970) 245-4099					
PROJ. NO. 2004-B2	SURVEYED	DRAWN	CHECKED	SHEET	OF
DATE: Sept., 2004		RSK	PRC	1	1

PAD & PIT CROSS SECTION - PLAT 3
OF PARCEL LOCATED IN
SECTION 6, T16S, R25E, SLBM
[FEDERAL 6-1]

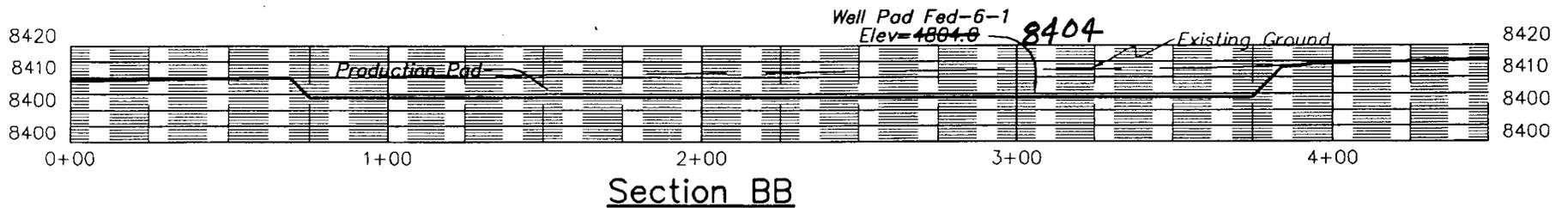
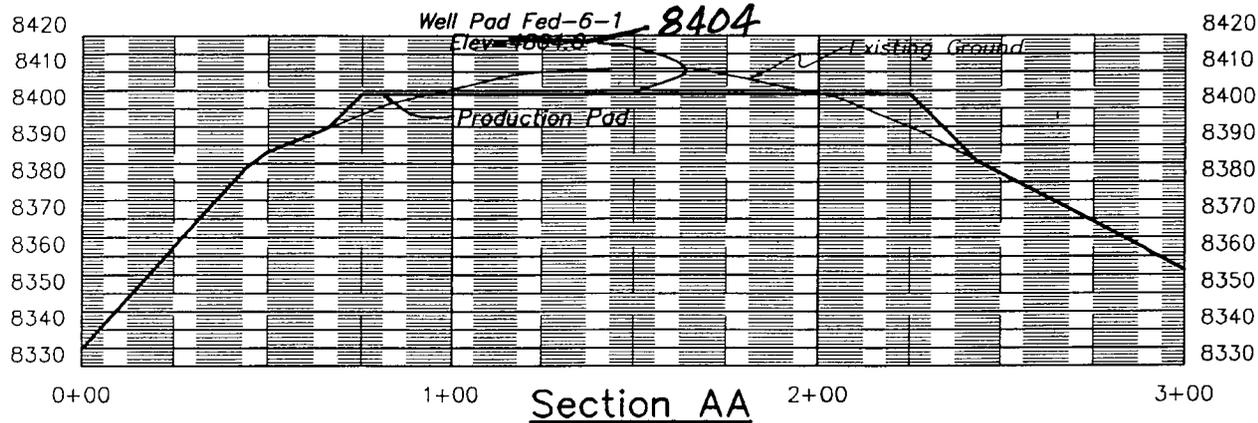
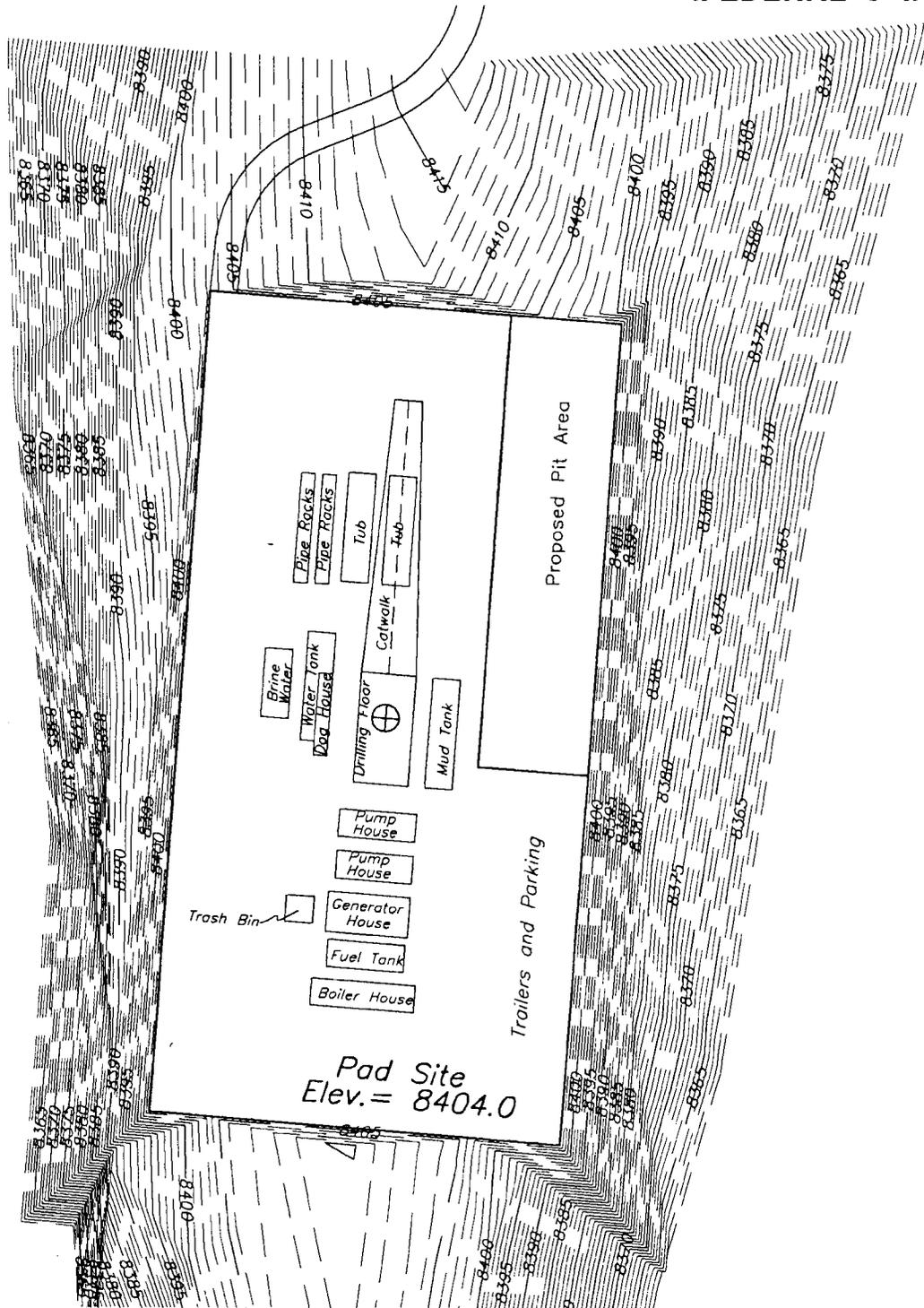


EXHIBIT 3

SCALE: 1"=50' H
 SCALE: 1"=50' V

PAD & PIT CROSS SECTION					
PLAT 3					
SECTION 6					
T16S, R25E, SLBM					
GRAND COUNTY, UTAH					
LANDesign					
ENGINEERS • SURVEYORS • PLANNERS					
244 NORTH 7th STREET					
GRAND JUNCTION, COLORADO 81501 (970) 245-4099					
PROJ. NO. 2004-82	SURVEYED	DRAWN	CHECKED	SHEET	OF
DATE: Sept., 2004		RSK	PRG	1	1

RIG LAYOUT - PLAT 4 OF PARCEL LOCATED IN SECTION 6, T16S, R25E, SLBM [FEDERAL 6-1]



Pad Site
Elev. = 8404.0

Ground Level = 8404.0
Drilling Floor = 8417.0
Kelley Bushing = 8418.0

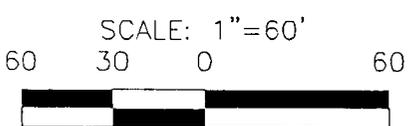


EXHIBIT 4

RIG LAYOUT - PLAT 4
SECTION 6
T16S, R25E, SLBM
GRAND COUNTY, UTAH

LANDesign

ENGINEERS • SURVEYORS • PLANNERS					
244 NORTH 7th STREET GRAND JUNCTION, COLORADO 81501 (970) 245-4099					
PROJ. NO 2004-82	SURVEYED	DRAWN	CHECKED	SHEET	OF
DATE: Sept., 2004		RSK	PRC	1	1

TOPOGRAPHY & ACCESS EXHIBIT - PLAT 5

OF PARCEL LOCATED IN

SECTION 6, T16S, R25E, SLBM

(FEDERAL 6-1)

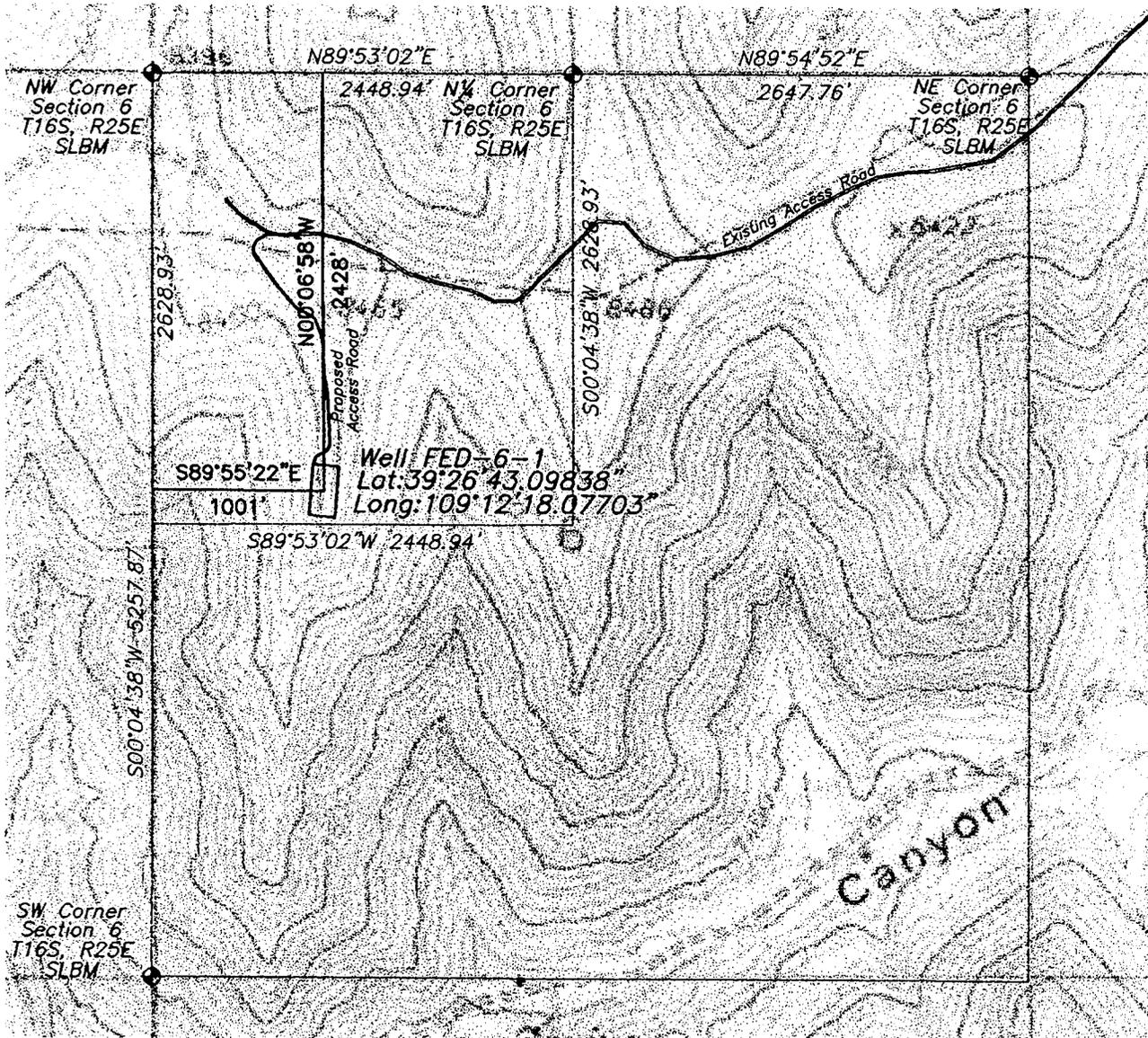


EXHIBIT 5

SCALE: 1"=1000'

1000 500 0 1000



TOPOGRAPHY & ACCESS EXHIBIT - PLAT 5

SECTION 6
T16S, R25E, SLBM
GRAND COUNTY, UTAH

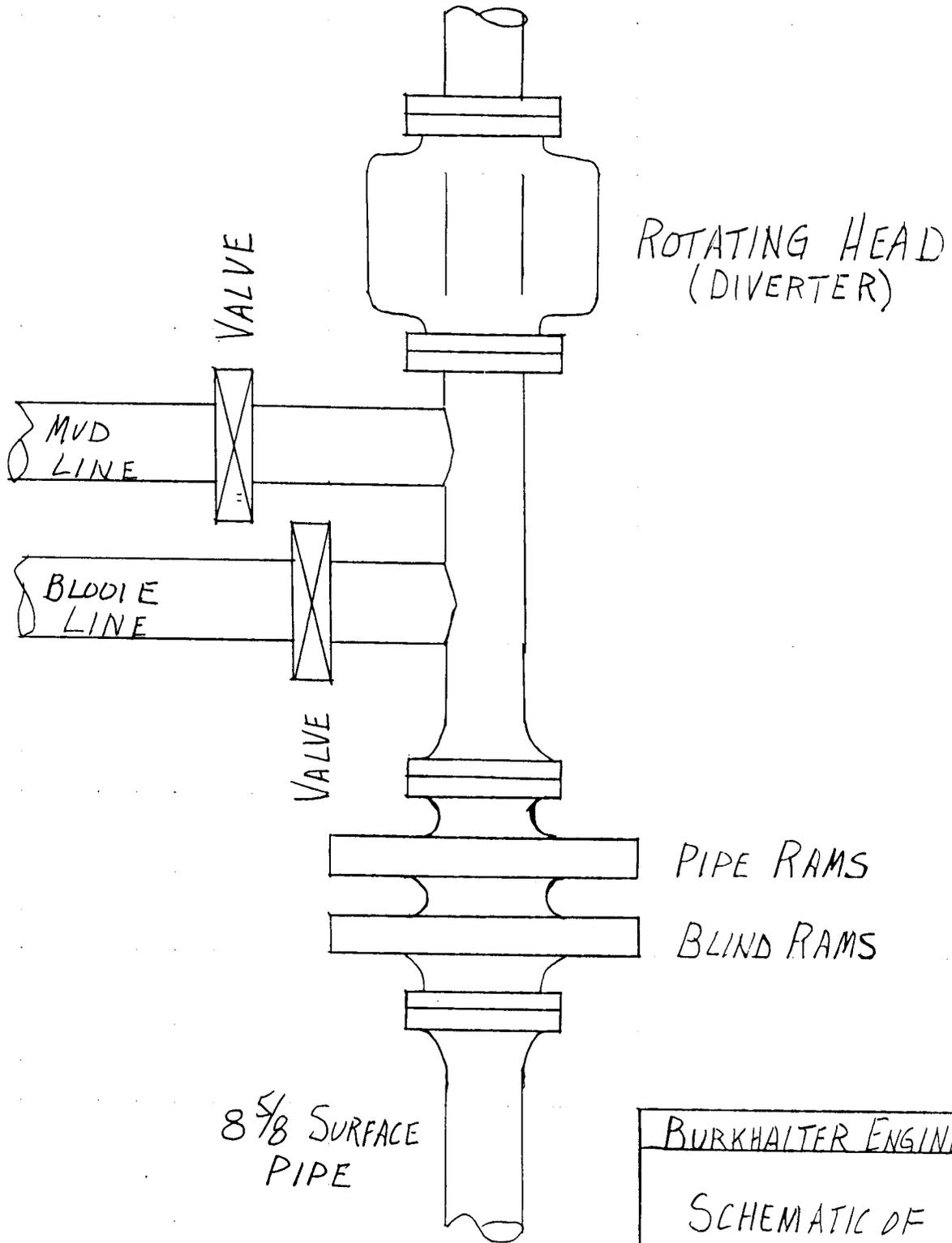
LANDesign

ENGINEERS • SURVEYORS • PLANNERS

244 NORTH 7th STREET
GRAND JUNCTION, COLORADO 81501 (970) 245-4099

PROJ. NO. 2004-82	SURVEYED	DRAWN	CHECKED	SHEET	OF
DATE: Sept, 2004		RSK	PRG	1	1

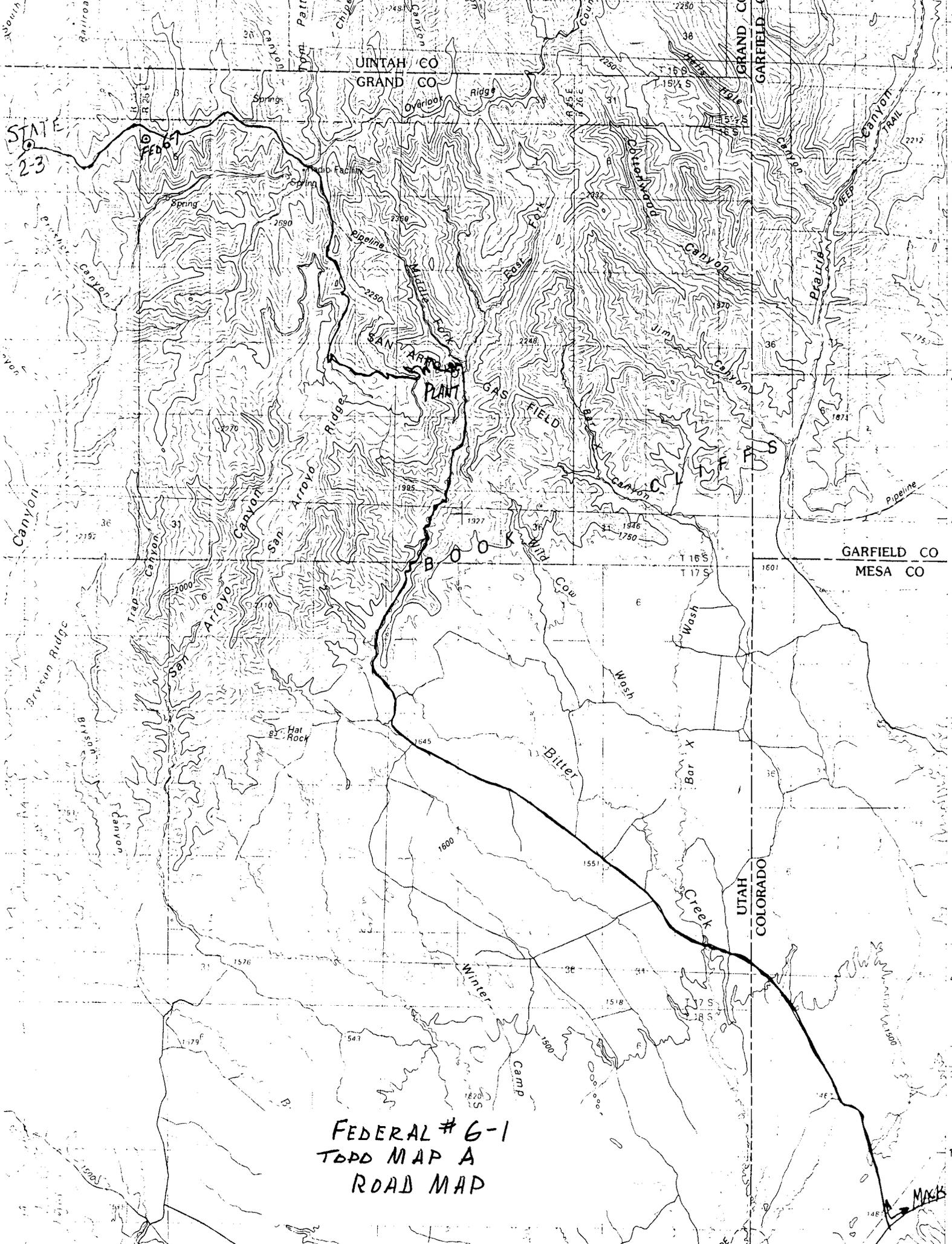
FEDERAL #6-1



BURKHALTER ENGINEERING, INC

SCHEMATIC OF 9"
STANDARD 3000 LB
BOP STACK

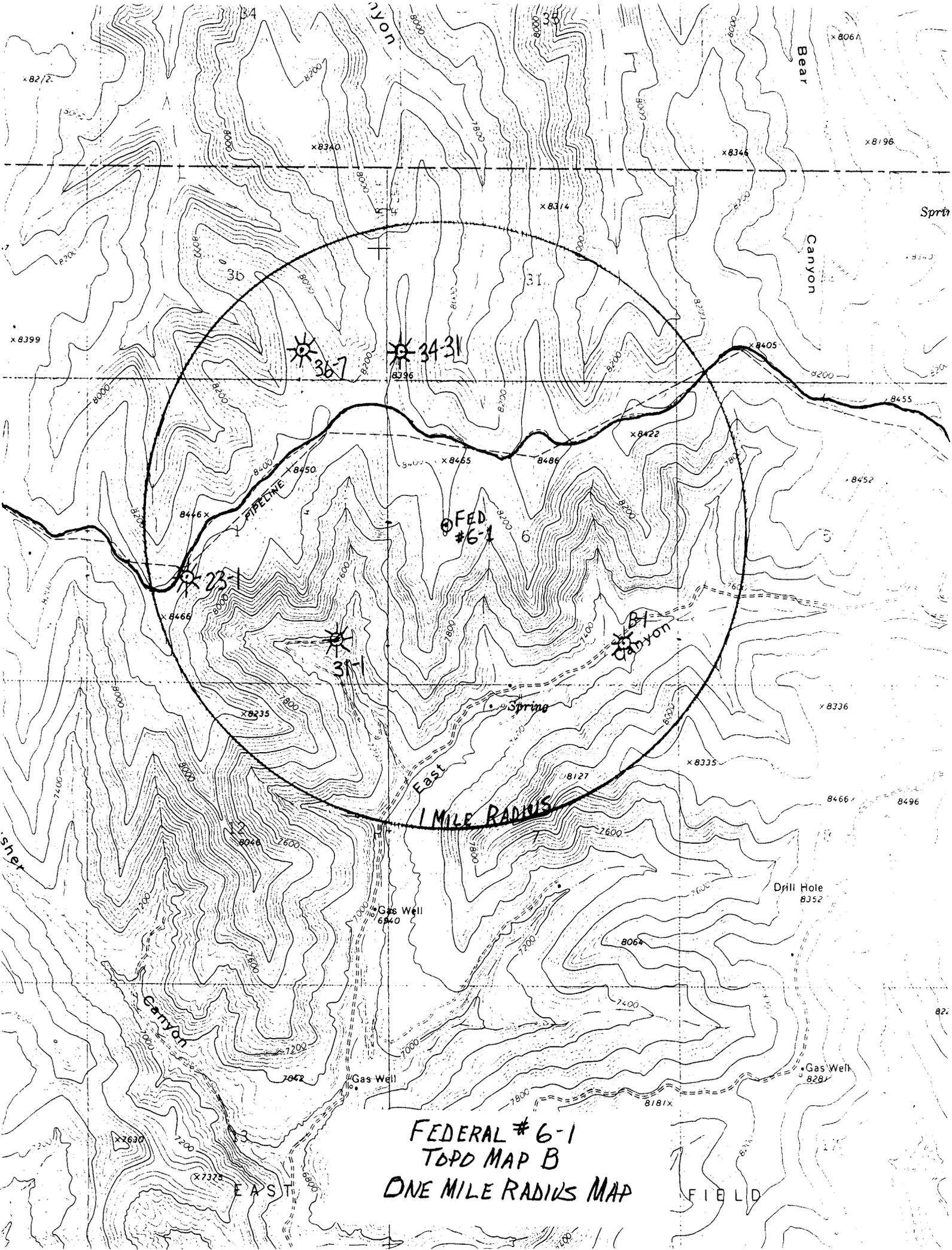
EXHIBIT 6



STATE
2-3

FEDERAL # 6-1
TODD MAP A
ROAD MAP

MARK



FEDERAL #6-1
TOPD MAP B
ONE MILE RADIUS MAP

FED #6-1

367

3431

231

311

B1 Canyon

1 MILE RADIUS

EAST

FIELD

Gas Well 6940

Gas Well 7042

Drill Hole 8352

Gas Well 8281

Spring

PIPELINE

Bear Canyon

Spr...

Canyon

East

x8272

x8399

x8340

x8314

x8344

x8196

x8061

x8405

x8422

x8465

x8450

x8466

x8452

x8335

x8336

x8335

8466

8496

x8028

8064

x7630

x7328

82...

8181x

707

WORKSHEET
APPLICATION FOR PERMIT TO DRILL

APD RECEIVED: 11/17/2004

API NO. ASSIGNED: 43-019-31410

WELL NAME: FEDERAL 6-1
OPERATOR: CRESCENDO ENERGY LLC (N1365)
CONTACT: J.N. BURKALTER

PHONE NUMBER: 432-697-7221

PROPOSED LOCATION:

SWNW 06 160S 250E
SURFACE: 2428 FNL 1001 FWL
BOTTOM: 2428 FNL 1001 FWL
GRAND
SAN ARROYO (250)

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

LEASE TYPE: 1 - Federal
LEASE NUMBER: UTU-9831
SURFACE OWNER: 1 - Federal
PROPOSED FORMATION: MRSN
COALBED METHANE WELL? NO

LATITUDE: 39.44530
LONGITUDE: -109.2043

RECEIVED AND/OR REVIEWED:

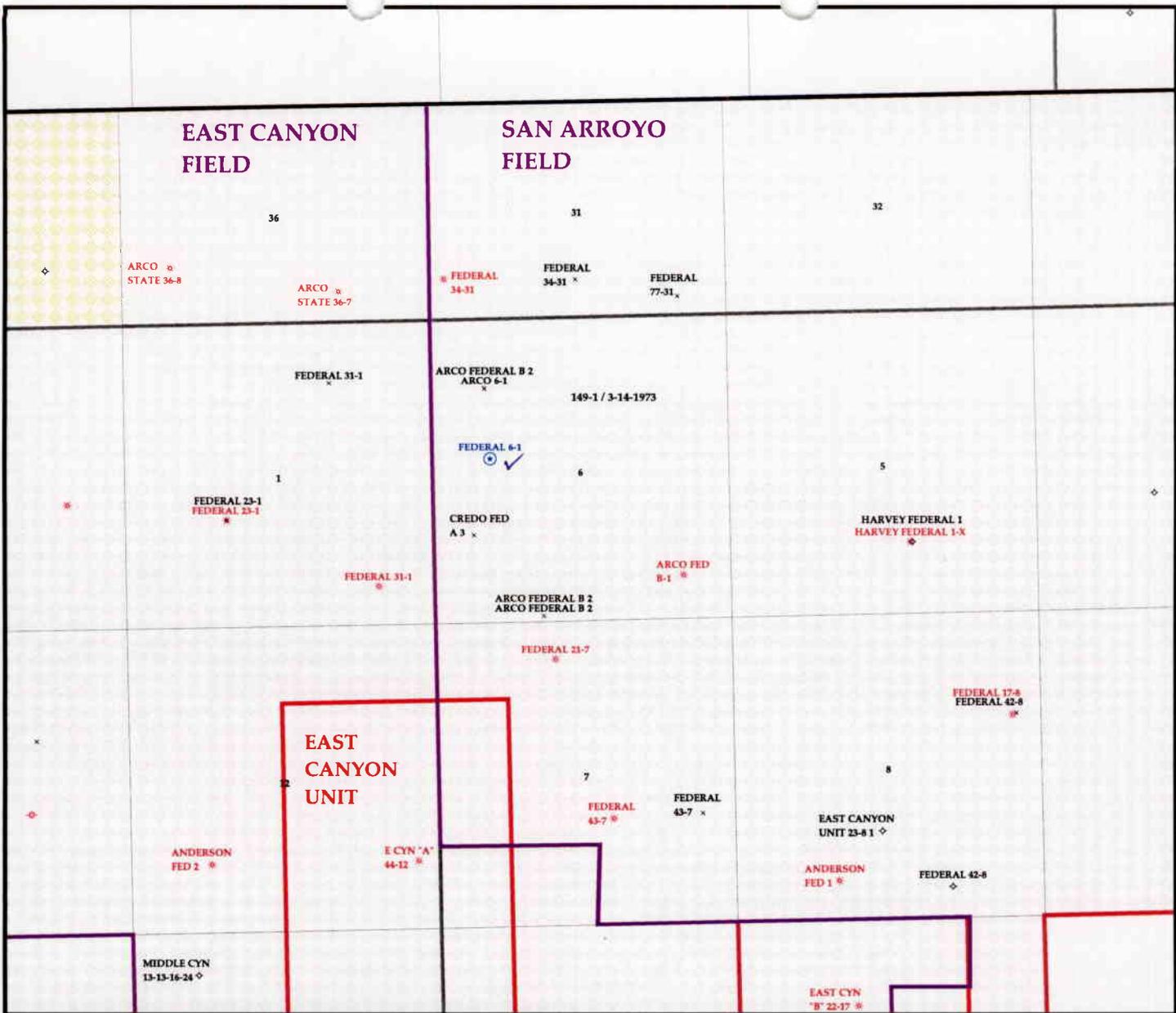
- Plat
- Bond: Fed[1] Ind[] Sta[] Fee[]
(No. 0437483)
- Potash (Y/N)
- Oil Shale 190-5 (B) or 190-3 or 190-13
- Water Permit
(No. C004)
- RDCC Review (Y/N)
(Date:)
- Fee Surf Agreement (Y/N)

LOCATION AND SITING:

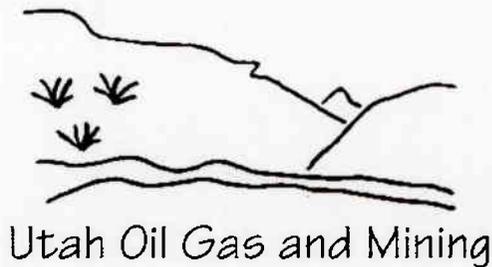
- R649-2-3.
Unit _____
- R649-3-2. General
Siting: 460 From Qtr/Qtr & 920' Between Wells
- R649-3-3. Exception
- Drilling Unit
Board Cause No: 149-1
Eff Date: 3-14-73
Siting: 500' fr dr u barye from fr other wells.
- R649-3-11. Directional Drill

COMMENTS: _____

STIPULATIONS: 1-federal approval



OPERATOR: CRESENDO ENERGY LLC (N1365)
SEC. 6 T.16S R.25E
FIELD: SAN ARROYO (250)
COUNTY: GRAND
CAUSE: 149-1 / 3-14-1973



Wells	Units.shp	Fields.shp
⊕ GAS INJECTION	□ EXPLORATORY	□ ABANDONED
⊙ GAS STORAGE	□ GAS STORAGE	□ ACTIVE
× LOCATION ABANDONED	□ NF PP OIL	□ COMBINED
⊕ NEW LOCATION	□ NF SECONDARY	□ INACTIVE
⊙ PLUGGED & ABANDONED	□ PENDING	□ PROPOSED
⊕ PRODUCING GAS	□ PI OIL	□ STORAGE
⊙ PRODUCING OIL	□ PP GAS	□ TERMINATED
⊕ SHUT-IN GAS	□ PP GEOTHERML	
⊙ SHUT-IN OIL	□ PP OIL	
× TEMP. ABANDONED	□ SECONDARY	
⊕ TEST WELL	□ TERMINATED	
⊕ WATER INJECTION		
⊕ WATER SUPPLY		
⊕ WATER DISPOSAL		



PREPARED BY: DIANA WHITNEY
 DATE: 19-NOVEMBER-2004



State of Utah

Department of
Natural Resources

ROBERT L. MORGAN
Executive Director

Division of
Oil, Gas & Mining

LOWELL P. BRAXTON
Division Director

OLENE S. WALKER
Governor

GAYLE F. McKEACHNIE
Lieutenant Governor

November 22, 2004

Crescendo Energy, LLC
P O Box 1814
Midland, TX 79702

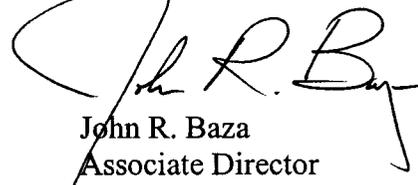
Re: Federal 6-1 Well, 2428' FNL, 1001' FWL, SW NW, Sec. 6, T. 16 South,
R. 25 East, Grand County, Utah

Gentlemen:

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

This approval shall expire one year from the above date unless substantial and continuous operation is underway, or a request for extension is made prior to the expiration date. The API identification number assigned to this well is 43-019-31410.

Sincerely,



John R. Baza
Associate Director

pab
Enclosures

cc: Grand County Assessor
Bureau of Land Management, Moab District Office

Operator: Crescendo Energy, LLC
Well Name & Number Federal 6-1
API Number: 43-019-31410
Lease: UTU-9831

Location: SW NW **Sec. 6** **T. 16 South** **R. 25 East**

Conditions of Approval

1. General

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

2. Notification Requirements

Notify the Division within 24 hours of spudding the well.

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

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

- Contact Dan Jarvis at (801) 538-5338

3. Reporting Requirements

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

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

RECEIVED
SEP 27 2004
By _____

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

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

006

APPLICATION FOR PERMIT TO DRILL OR REENTER

1a. Type of work: <input checked="" type="checkbox"/> DRILL <input type="checkbox"/> REENTER		7. If Unit or CA Agreement, Name and No.	
1b. Type of Well: <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other <input checked="" type="checkbox"/> Single Zone <input type="checkbox"/> Multiple Zone		8. Lease Name and Well No. Federal #6-1	
2. Name of Operator Crescendo Energy, LLC		9. API Well No. 43-019-31410	
3a. Address P.O. Box 1814, Midland, TX 79702		10. Field and Pool, or Exploratory San Arroyo	
3b. Phone No. (include area code) 432-697-7221		11. Sec., T. R. M. or Bk. and Survey or Area Sec 6, T16S, R25E, SLM	
4. Location of Well (Report location clearly and in accordance with any State requirements. *) At surface 2428 FNL, 1001 FWL At proposed prod. zone Same as Surface		12. County or Parish Grand	
14. Distance in miles and direction from nearest town or post office* Approx 40 mi NW of Mack, CO		13. State UT	
15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any) 1001'	16. No. of acres in lease 640	17. Spacing Unit dedicated to this well NA	
18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft. 2800'	19. Proposed Depth 8000	20. BLM/BIA Bond No. on file BLM Bond 0437483	
21. Elevations (Show whether DF, KDB, RT, GL, etc.) 8404 Grnd	22. Approximate date work will start* 10/01/2004	23. Estimated duration 3 to 4 weeks	

24. Attachments

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

- | | |
|--|--|
| <ol style="list-style-type: none"> 1. Well plat certified by a registered surveyor. 2. A Drilling Plan. 3. A Surface Use Plan (if the location is on National Forest System Lands, the SUPO shall be filed with the appropriate Forest Service Office). | <ol style="list-style-type: none"> 4. Bond to cover the operations unless covered by an existing bond on file (see Item 20 above). 5. Operator certification 6. Such other site specific information and/or plans as may be required by the authorized officer. |
|--|--|

25. Signature <i>J. N. Burkhalter</i>	Name (Printed/Typed) J. N. Burkhalter	Date 9/21/04
Title Consulting Engineer/Agent		
Approved by (Signature) <i>[Signature]</i>	Name (Printed/Typed)	Date
Title Assistant Field Manager Mineral Resources		
		12/02/2004

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

NOTICE OF APPROVAL

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

DEC 06 2004

DIV. OF OIL, GAS & MINING

CONDITIONS OF APPROVAL ATTACHED

UDOGM

CONDITIONS OF APPROVAL
APPLICATION FOR PERMIT TO DRILL

Company/Operator: Crescendo Energy, LLC
Well Name & Number: Federal #6-1
API Number: 43-019-31410
Lease Number: UTU - 9831
Location: Lot 5 (SWNW) Sec. 6 TWN: 16S RNG: 25E
Agreement: N/A

NOTIFICATION REQUIREMENTS

- | | |
|---------------------------------|---|
| Location Construction | - At least forty-eight hours prior to construction of the location or access roads. |
| Location Completion | - Prior to moving on the drilling rig. |
| Spud Notice | - At least twenty-four (24) hours prior to spudding the well. |
| Casing String and Cementing | - At least twenty-four (24) hours prior to running casing and cementing all casing strings. |
| BOP and Related Equipment Tests | - At least twenty-four (24) hours prior to initiating pressure tests. |
| First Production Notice | - Within five (5) business days after new well begins, or production resumes after well has been off production for more than ninety (90) days. |

For more specific details on notification requirements, please check the Conditions of Approval for Notice to Drill and Surface Use Program.

CONDITIONS OF APPROVAL FOR NOTICE TO DRILL

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 aware fire restrictions may be in effect when location is being constructed and/or when well is being drilled. Contact the appropriate Surface Management Agency for information.

Submit an electronic copy of all logs run on this well in LAS format. This submission will replace the requirement for submittal of paper logs to the BLM.

DRILLING PROGRAM

1. Estimated Depth at Which Oil, Gas, Water, or Other Mineral Bearing Zones are Expected to be Encountered

Report ALL water shows and water-bearing sands encountered to John Mayers of this office prior to setting the next casing string or requesting plugging orders. Faxed copies of State of Utah form OGC-8-X are acceptable. If noticeable water flows are detected, submit samples to this office along with any water analyses conducted.

All usable water and prospectively valuable minerals (as described by BLM at onsite) encountered during drilling, will be recorded by depth and adequately protected. All oil and gas shows will be tested to determine commercial potential.

2. Pressure Control Equipment

The BOP and related equipment shall meet the minimum requirements of Onshore Oil & Gas Order No. 2 for equipment and testing requirements, procedures, etc., for a 3M system and individual components shall be operable as designed. Chart recorders shall be used for all pressure tests.

Test charts, with individual test results identified, shall be maintained on location while drilling and shall be made available to a BLM representative upon request.

If an air compressor is on location and is being utilized to provide air for the drilling medium while drilling, the special drilling requirements in Onshore Oil & Gas Order No. 2, regarding air or gas drilling shall be adhered to. If a mist system is being utilized then the requirement for a deduster shall be waived.

3. Casing Program and Auxiliary Equipment

Surface casing shall have centralizers on the bottom three joints, with a minimum of one centralizer per joint.

As a minimum, the usable water and other valuable resources shall be isolated and/or protected by having a cement top for the intermediate casing at least 200 ft. above the top of the Wasatch Formation, identified at $\pm 1,104$ ft.

4. Mud Program and Circulating Medium

Hazardous substances specifically listed by the EPA as a hazardous waste or demonstrating a characteristic of a hazardous waste will not be used in drilling, testing, or completion operations.

5. Coring, Logging and Testing Program

Daily drilling and completion progress reports shall be submitted to this office on a weekly basis.

A cement bond log (CBL) will be run from the production casing shoe to the top of the cement and shall be utilized to determine the bond quality for the production casing. Submit a field copy of the CBL to this office.

6. Notifications of Operations

Operator shall report production data to MMS pursuant to 30 CFR 216.5 using form MMS/3160.

If a replacement rig is contemplated for completion operations, a "Sundry Notice" (Form 3160-5) to that effect will be filed, for prior approval of the AO, and all conditions of this approved plan are applicable during all operations conducted with the replacement rig.

The date on which production is commenced or resumed will be construed for oil wells as the date on which liquid hydrocarbons are first sold or shipped from a temporary storage facility, such as a test tank, and for which a run ticket is required to be generated or, the date on which liquid hydrocarbons are first produced into a permanent storage facility, whichever first occurs; and, for gas wells as the date on which associated liquid hydrocarbons are first sold or shipped from a temporary storage facility, such as a test tank, and for which a run ticket is required to be generated or, the date on which gas is first measured through permanent metering facilities, whichever first occurs.

Should gas be vented or flared without approval beyond the authorized test period, the operator may be directed to shut-in the well until the gas can be captured or approval to continue venting or flaring as uneconomic is granted and the operator shall be required to compensate the lessor for that portion of the gas vented or flared without approval which is determined to have been avoidably lost.

A schematic facilities diagram as required by 43 CFR 3162.7-5(d) shall be submitted to the appropriate Field Office within 60 days of installation or first production, whichever occurs first. All site security regulations as specified in Onshore Oil & Gas Order No. 3 shall be adhered to. All product lines entering and leaving hydrocarbon storage tanks will be effectively sealed in accordance with 43 CFR 3162.7-5 (1).

7. Other Information

All loading lines will be placed inside the berm surrounding the tank battery.

All off-lease storage, off-lease measurement, or commingling on-lease or off-lease will have prior written approval from the AO.

The oil and gas measurement facilities will be installed on the well location. The oil and gas meters will be calibrated in place prior to any deliveries. Tests for meter accuracy will be conducted on initial meter installations and at least quarterly thereafter. The AO will be provided with a date and time for the initial meter calibration and all future meter proving schedules. A copy of the meter calibration reports will be submitted to the Vernal Field Office. All meter measurement facilities will conform to Onshore Oil & Gas Order No. 4 for liquid hydrocarbons and Onshore Oil & Gas Order No. 5 for natural gas measurement.

The use of materials under BLM jurisdiction will conform to 43 CFR 3610.2-3.

There will be no deviation from the proposed drilling and/or workover program without prior approval from the AO. Safe drilling and operating practices must be observed. All wells, whether drilling, producing, suspended, or abandoned will be identified in accordance with 43 CFR 3162.

"Sundry Notice and Report on Wells" (Form 3160-5) will be filed for approval for all changes of plans and other operations in accordance with 43 CFR 3162.3-2.

Section 102(b)(3) of the Federal Oil and Gas Royalty Management Act of 1982, as implemented by the applicable provisions of the operating regulations at Title 43 CFR 3162.4-1(c), requires that "not later than the 5th business day after any well begins production on which royalty is due anywhere on a lease site or allocated to a lease site, or resumes production in the case of a well which has been off production for more than 90 days, the operator shall notify the authorized officer by letter or sundry notice, Form 3160-5, or orally to be followed by a letter or sundry notice, of the date on which such production has begun or resumed."

If you fail to comply with this requirement in the manner and time allowed, you shall be liable for a civil penalty of up to \$10,000 per violation for each day such violation continues, not to exceed a maximum of 20 days. See Section 109(c)(3) of the Federal Oil and Gas Royalty Management Act of 1982 and the implementing regulations at Title 43 CFR 3162.4-1(b)(5)(ii).

APD approval is valid for a period of one (1) year from the signature date. An extension period may be granted, if requested, prior to the expiration of the original approval period.

In the event after-hours approvals are necessary, please contact one of the following individuals:

Ed Forsman (435) 828-7874
Petroleum Engineer

Kirk Fleetwood (435) 828-7875
Petroleum Engineer

BLM FAX Machine (435) 781-4410

EPA'S LIST OF NONEXEMPT EXPLORATION AND PRODUCTION WASTES

While the following wastes are nonexempt, they are not necessarily hazardous.

Unused fracturing fluids or acids

Gas plant cooling tower cleaning wastes

Painting wastes

Oil and gas service company wastes, such as empty drums, drum rinsate, vacuum truck rinsate, sandblast media, painting wastes, spent solvents, spilled chemicals, and waste acids.

Vacuum truck and drum rinsate from trucks and drums, transporting or containing nonexempt waste

Refinery wastes

Liquid and solid wastes generated by crude oil and tank bottom reclaimers

Used equipment lubrication oils

Waste compressor oil, filters, and blowdown

Used hydraulic fluids

Waste solvents

Waste in transportation pipeline-related pits

Caustic or acid cleaners

Boiler cleaning wastes

Boiler refractory bricks

Incinerator ash

Laboratory wastes

Sanitary wastes

Pesticide wastes

Radioactive tracer wastes

Drums, insulation and miscellaneous solids

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

FORM 9

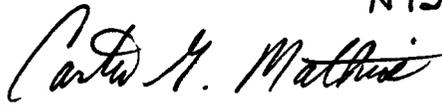
SUNDRY NOTICES AND REPORTS ON WELLS		5. LEASE DESIGNATION AND SERIAL NUMBER: See attached
Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.		6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
1. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER _____		7. UNIT or CA AGREEMENT NAME: San Arroyo Unit and other wells
2. NAME OF OPERATOR: Slate River Resources, LLC N2725		8. WELL NAME and NUMBER: See attached
3. ADDRESS OF OPERATOR: 418 Main Street, Ste. 18 CITY Vernal STATE UT ZIP 84078	PHONE NUMBER: (435) 781-1870	9. API NUMBER: See attach
4. LOCATION OF WELL FOOTAGES AT SURFACE: See attached schedule of wells		10. FIELD AND POOL, OR WILDCAT: See attached
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN:		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 (Submit in Duplicate) Approximate date work will start: _____	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> REPERFORATE CURRENT FORMATION
	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> SIDETRACK TO REPAIR WELL
<input type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion: _____	<input type="checkbox"/> CASING REPAIR	<input type="checkbox"/> NEW CONSTRUCTION	<input type="checkbox"/> TEMPORARILY ABANDON
	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input checked="" type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> TUBING REPAIR
	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> VENT OR FLARE
	<input type="checkbox"/> CHANGE WELL NAME	<input type="checkbox"/> PLUG BACK	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> PRODUCTION (START/RESUME)	<input type="checkbox"/> WATER SHUT-OFF
	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input type="checkbox"/> OTHER: _____
	<input type="checkbox"/> CONVERT WELL TYPE	<input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION	

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

Crescendo Energy, LLC is a wholly owned subsidiary of Slate River Resources, LLC. All the wells, properties and leasehold interest of Crescendo Energy, LLC has been assigned to Slate River Resources, LLC. We request a change of Operator from Crescendo Energy, LLC to Slate River Resources, LLC on the wells listed on the attached schedule, including a change of Operator of the San Arroyo Unit Area effective November 1, 2005.

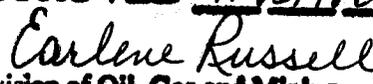
The Bond numbers for Slate River Resources, LLC are:
 State of Utah DOGM Bond B001556 \$120,000
 State of Utah Bond of Lessee B001760 \$ 15,000 being transferred from Crescendo to Slate River Resources, LLC
 Federal Utah Statewide Bond UTB000187 \$ 25,000 being transferred from Crescendo to Slate River Resources, LLC

Crescendo Energy, LLC **N1365**


 Carter G. Mathies, President

NAME (PLEASE PRINT) Gary D. Davis TITLE President, Slate River Resources, LLC
 SIGNATURE  DATE 11/10/2005

(This space for State use only)

APPROVED 11/29/05

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

(See Instructions on Reverse Side)

RECEIVED
NOV 16 2005
 DIV. OF OIL, GAS & MINING

SLATE RIVER RESOURCES, LLC, OPERATOR

API Well Number	Operator	Well Name	Well Type	Well Status	Field Name	County Name	Qtr/Qtr	Section	Township-Range	U-Number	FNL/
43-019-30570-00-0	CRESCENDO ENERGY LLC	ARCO 27-1	Gas Well	Producing	SAN ARROYO	GRAND	NWSW	27	16S-25E	U-29645	1700
43-019-31162-00-0	CRESCENDO ENERGY LLC	ARCO STATE 36-7	Gas Well	Producing	EAST CANYON	GRAND	SWSE	36	15.5S-24E	ML-22208	852
43-019-31192-00-0	CRESCENDO ENERGY LLC	ARCO STATE 36-8	Gas Well	Producing	EAST CANYON	GRAND	SWSW	36	15.5S-24E	ML-22208	1285
43-019-30240-00-0	CRESCENDO ENERGY LLC	ARCO-STATE 2-1	Gas Well	Producing	EAST CANYON	GRAND	NESE	2	16S-24E	ML-22208	2420
43-019-30241-00-0	CRESCENDO ENERGY LLC	ARCO-STATE 2-2	Gas Well	Shut-In	EAST CANYON	GRAND	NWNW	2	16S-24E	ML-22208	1425
43-019-30047-00-0	CRESCENDO ENERGY LLC	BITTER CREEK 1	Gas Well	Producing	SAN ARROYO	GRAND	SWSE	2	16S-25E	ML-25151	1080
43-047-30765-00-0	CRESCENDO ENERGY LLC	BLACK HORSE CANYON FED 31-1	Gas Well	Producing	BLACK HORSE CYN	UINTAH	NWSW	31	15S-24E	U-14234	2030
43-019-15884-00-0	CRESCENDO ENERGY LLC	FEDERAL 174 1	Gas Well	Producing	SAN ARROYO	GRAND	SESW	11	16S-25E	U-126528	1940
43-019-31432-00-0	CRESCENDO ENERGY LLC	FEDERAL 27-2	Gas Well	Approved permit (APD); not yet spudd	SAN ARROYO	GRAND	SESE	27	16S-25E	U-29645	1110
43-019-31318-00-0	CRESCENDO ENERGY LLC	FEDERAL 47	Gas Well	Producing	SAN ARROYO	GRAND	NWNE	31	16S-26E	U-6023	990
43-019-31410-00-0	CRESCENDO ENERGY LLC	FEDERAL 6-1	Gas Well	Approved permit (APD); not yet spudd	SAN ARROYO	GRAND	SWNW	6	16S-25E	U-9831	1760
43-019-11089-00-0	CRESCENDO ENERGY LLC	FEDERAL GILBERT 1	Gas Well	Producing	SAN ARROYO	GRAND	SWNE	11	16S-25E	U-126528	1140
43-019-16532-00-0	CRESCENDO ENERGY LLC	SAN ARROYO 01	Gas Well	Shut-In	SAN ARROYO	GRAND	SESW	26	16S-25E	USL-71307	1320
43-019-15885-00-0	CRESCENDO ENERGY LLC	SAN ARROYO 02	Gas Well	Shut-In	SAN ARROYO	GRAND	SESW	22	16S-25E	U-370-A	125
43-019-15886-00-0	CRESCENDO ENERGY LLC	SAN ARROYO 03	Gas Well	Producing	SAN ARROYO	GRAND	SESW	23	16S-25E	U-369	60
43-019-15887-00-0	CRESCENDO ENERGY LLC	SAN ARROYO 04	Gas Well	Producing	SAN ARROYO	GRAND	SESW	30	16S-26E	U-6023	660
43-019-15888-00-0	CRESCENDO ENERGY LLC	SAN ARROYO 05	Gas Well	Shut-In	SAN ARROYO	GRAND	NWSE	25	16S-25E	U-369	820
43-019-15889-00-0	CRESCENDO ENERGY LLC	SAN ARROYO 06	Gas Well	Shut-In	SAN ARROYO	GRAND	SWNE	21	16S-25E	U-136529	1360
43-019-15890-00-0	CRESCENDO ENERGY LLC	SAN ARROYO 08	Gas Well	Producing	SAN ARROYO	GRAND	SWSW	16	16S-25E	ML-4113	2060
43-019-15891-00-0	CRESCENDO ENERGY LLC	SAN ARROYO 09	Gas Well	Producing	SAN ARROYO	GRAND	NWNE	27	16S-25E	U-370-A	1210
43-019-15892-00-0	CRESCENDO ENERGY LLC	SAN ARROYO 11	Gas Well	Producing	SAN ARROYO	GRAND	NESW	15	16S-25E	U-5059-C	2450
43-019-15893-00-0	CRESCENDO ENERGY LLC	SAN ARROYO 12	Gas Well	Producing	SAN ARROYO	GRAND	SWSW	23	16S-25E	USL-71307	1520
43-019-15894-00-0	CRESCENDO ENERGY LLC	SAN ARROYO 13	Gas Well	Producing	SAN ARROYO	GRAND	C-SW	22	16S-25E	U-370-A	660
43-019-15896-00-0	CRESCENDO ENERGY LLC	SAN ARROYO 16	Gas Well	Producing	SAN ARROYO	GRAND	SESW	26	16S-25E	U-369	1990
43-019-15897-00-0	CRESCENDO ENERGY LLC	SAN ARROYO 17	Gas Well	Producing	SAN ARROYO	GRAND	NENE	24	16S-25E	U-25243	660
43-019-15898-00-0	CRESCENDO ENERGY LLC	SAN ARROYO 18	Gas Well	Producing	SAN ARROYO	GRAND	NWNW	30	16S-26E	U-6023	1300
43-019-15899-00-0	CRESCENDO ENERGY LLC	SAN ARROYO 19	Gas Well	Producing	SAN ARROYO	GRAND	SWSE	14	16S-25E	U-5011-B	2600
43-019-15900-00-0	CRESCENDO ENERGY LLC	SAN ARROYO 20	Gas Well	Producing	SAN ARROYO	GRAND	SENE	26	16S-25E	USL-71307	1710
43-019-15901-00-0	CRESCENDO ENERGY LLC	SAN ARROYO 21	Gas Well	Producing	SAN ARROYO	GRAND	NWSE	25	16S-25E	U-369	395
43-019-15902-00-0	CRESCENDO ENERGY LLC	SAN ARROYO 22	Gas Well	Producing	SAN ARROYO	GRAND	NENE	15	16S-25E	U-5011-A	2190
43-019-15903-00-0	CRESCENDO ENERGY LLC	SAN ARROYO 24	Gas Well	Producing	SAN ARROYO	GRAND	SESW	19	16S-26E	U-6188	769
43-019-15904-00-0	CRESCENDO ENERGY LLC	SAN ARROYO 25	Gas Well	Producing	SAN ARROYO	GRAND	SWNE	21	16S-25E	U-136529	1110
43-019-15905-00-0	CRESCENDO ENERGY LLC	SAN ARROYO 26	Gas Well	Producing	SAN ARROYO	GRAND	SWSW	20	16S-26E	U-25297	78
43-019-15906-00-0	CRESCENDO ENERGY LLC	SAN ARROYO 27	Gas Well	Producing	SAN ARROYO	GRAND	NESW	29	16S-26E	U-6021	1780
43-019-15907-00-0	CRESCENDO ENERGY LLC	SAN ARROYO 28	Gas Well	Producing	SAN ARROYO	GRAND	NWNE	29	16S-26E	U-5650	634
43-019-15908-00-0	CRESCENDO ENERGY LLC	SAN ARROYO 29	Gas Well	Producing	SAN ARROYO	GRAND	NENE	22	16S-25E	U-370-A	540
43-019-15909-00-0	CRESCENDO ENERGY LLC	SAN ARROYO 30	Gas Well	Producing	SAN ARROYO	GRAND	NWSW	21	16S-26E	U-5650	945
43-019-30527-00-0	CRESCENDO ENERGY LLC	SAN ARROYO 31	Gas Well	Shut-In	SAN ARROYO	GRAND	NWNW	22	16S-25E	U-370-A	739
43-019-30528-00-0	CRESCENDO ENERGY LLC	SAN ARROYO 32	Gas Well	Producing	SAN ARROYO	GRAND	SWSW	14	16S-25E	U-5011-B	1300
43-019-30608-00-0	CRESCENDO ENERGY LLC	SAN ARROYO 33	Gas Well	Producing	SAN ARROYO	GRAND	SWSW	25	16S-25E	U-369	1970
43-019-11090-00-0	CRESCENDO ENERGY LLC	SAN ARROYO 35	Gas Well	Producing	SAN ARROYO	GRAND	SESW	24	16S-25E	U-369	1870
43-019-31251-00-0	CRESCENDO ENERGY LLC	SAN ARROYO 36-A	Gas Well	Producing	SAN ARROYO	GRAND	SESE	19	16S-26E	U-6188	304
43-019-31252-00-0	CRESCENDO ENERGY LLC	SAN ARROYO 37	Gas Well	Producing	SAN ARROYO	GRAND	SWNE	20	16S-26E	U-5650	2020
43-019-31253-00-0	CRESCENDO ENERGY LLC	SAN ARROYO 38	Gas Well	Producing	SAN ARROYO	GRAND	SWNE	16	16S-25E	ML-4113	1390
43-019-31250-00-0	CRESCENDO ENERGY LLC	SAN ARROYO 40	Gas Well	Shut-In	SAN ARROYO	GRAND	NWNE	27	16S-25E	U-370-A	1480
43-019-31289-00-0	CRESCENDO ENERGY LLC	SAN ARROYO 41	Gas Well	Producing	SAN ARROYO	GRAND	NENE	36	16S-25E	Not CE Lease	1340
43-019-31290-00-0	CRESCENDO ENERGY LLC	SAN ARROYO 42	Gas Well	Producing	SAN ARROYO	GRAND	NESE	30	16S-26E	U-6023	1300
43-019-31291-00-0	CRESCENDO ENERGY LLC	SAN ARROYO 43	Gas Well	Producing	SAN ARROYO	GRAND	NESE	29	16S-26E	U-6021	600
43-019-31301-00-0	CRESCENDO ENERGY LLC	SAN ARROYO 44	Gas Well	Producing	SAN ARROYO	GRAND	SENE	30	16S-26E	U-6023	600
43-019-31299-00-0	CRESCENDO ENERGY LLC	SAN ARROYO 45	Gas Well	Producing	SAN ARROYO	GRAND	NWSE	20	16S-26E	U-5650	0

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

Request to Transfer Application or Permit to Drill

(This form should accompany a Sundry Notice, Form 9, requesting APD transfer)

Well name:	Federal 6-1
API number:	4301931410
Location:	Qtr-Qtr: SWNW Section: 6 Township: 16S Range: 25E
Company that filed original application:	Crescendo Energy, LLC
Date original permit was issued:	11/22/2004
Company that permit was issued to:	Crescendo Energy, LLC

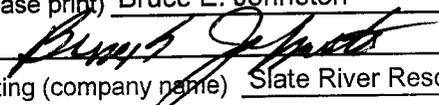
Check one	Desired Action:
<input type="checkbox"/>	Transfer pending (unapproved) Application for Permit to Drill to new operator
<input type="checkbox"/>	The undersigned as owner with legal rights to drill on the property, hereby verifies that the information as submitted in the pending Application for Permit to Drill, remains valid and does not require revision. The new owner of the application accepts and agrees to the information and procedures as stated in the application.
<input checked="" type="checkbox"/>	Transfer approved Application for Permit to Drill to new operator
<input type="checkbox"/>	The undersigned as owner with legal rights to drill on the property as permitted, hereby verifies that the information as submitted in the previously approved application to drill, remains valid and does not require revision.

Following is a checklist of some items related to the application, which should be verified.	Yes	No
If located on private land, has the ownership changed?	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/> If so, has the surface agreement been updated?	<input type="checkbox"/>	<input type="checkbox"/>
Have any wells been drilled in the vicinity of the proposed well which would affect the spacing or siting requirements for this location?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Have there been any unit or other agreements put in place that could affect the permitting or operation of this proposed well?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Have there been any changes to the access route including ownership or right-of-way, which could affect the proposed location?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Has the approved source of water for drilling changed?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Have there been any physical changes to the surface location or access route which will require a change in plans from what was discussed at the onsite evaluation?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Is bonding still in place, which covers this proposed well? Bond No. <u>B001762</u>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

Any desired or necessary changes to either a pending or approved Application for Permit to Drill that is being transferred, should be filed on a Sundry Notice, Form 9, or amended Application for Permit to Drill, Form 3, as appropriate, with necessary supporting information as required.

RECEIVED

NOV 25 2005

Name (please print) Bruce E. Johnston Title Vice President Land
 Signature  Date 11/23/2005 DIV. OF OIL, GAS & MINING
 Representing (company name) Slate River Resources, LLC

The person signing this form must have legal authority to represent the company or individual(s) to be listed as the new operator on the Application for Permit to Drill.

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: _____

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: 11/29/2005
- 2. Changes have been entered on the Monthly Operator Change Spread Sheet on: 11/29/2005
- 3. Bond information entered in RBDMS on: 11/29/2005
- 4. Fee/State wells attached to bond in RBDMS on: 11/29/2005
- 5. Injection Projects to new operator in RBDMS on: n/a
- 6. Receipt of Acceptance of Drilling Procedures for APD/New on: 11/29/2005

FEDERAL WELL(S) BOND VERIFICATION:

1. Federal well(s) covered by Bond Number: UTB000187

INDIAN WELL(S) BOND VERIFICATION:

1. Indian well(s) covered by Bond Number: n/a

FEE & STATE WELL(S) BOND VERIFICATION:

1. (R649-3-1) The **NEW** operator of any fee well(s) listed covered by Bond Number B001556

2. The **FORMER** operator has requested a release of liability from their bond on: 11/25/2005
The Division sent response by letter on: n/a

LEASE INTEREST OWNER NOTIFICATION:

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

COMMENTS:



United States Department of the Interior

BUREAU OF LAND MANAGEMENT
Utah State Office
P.O. Box 45155
Salt Lake City, UT 84145-0155
<http://www.blm.gov>



43019 31410
168 25E 06

IN REPLY REFER TO:
3106
(UT-922)

December 5, 2005

Memorandum

To: Moab Field Office
From: Acting Chief, Branch of Fluid Minerals
Subject: Merger Approval

Attached is an approved copy of the merger recognized by the state of Delaware. We have updated our records to reflect the merger from Crescendo Energy LLC into Slate River Resources LLC. The merger was approved effective October 31, 2005.


for David H. Murphy
Acting Chief, Branch of
Fluid Minerals

Enclosure
Articles of Organization (4 pp)

cc: MMS, Reference Data Branch, James Sykes, PO Box 25165, Denver CO 80225
State of Utah, DOGM, Attn: Earlene Russell, PO Box 145801, SLC UT 84114
Teresa Thompson
Joe Incardine
Connie Seare
Dave Mascarenas
Susan Bauman

RECEIVED
DEC 08 2005

DIV. OF OIL, GAS & MINING

ER

LLC: Judy Nordstrom

MEMO WRITTEN: December 5, 2005

Name of Company:

OLD

NEW NID

Crescendo Energy LLC
418 E. Main Street
Suite 18
Vernal Utah 84078

Slate River Resources LLC
1600 Broadway
Suite 900
Denver CO 80202

_____ (940) NAME CHANGE RECOGNIZED
(DATE)

October 31, 2005 (817) CORPORATE MERGER RECOGNIZED
(DATE)

UTSL-071307

- UTU-0369
- UTU-0370A
- UTU-05011A
- UTU-05011B
- UTU-05059A
- UTU-05059C
- UTU-05059F
- UTU-05650
- UTU-05650A
- UTU-06021
- UTU-06023
- UTU-06188
- UTU-06188B
- UTU-025243
- UTU-025245
- UTU-025243A
- UTU-025297
- UTU-0126528
- UTU-0136529
- UTU-0141420
- UTU-9831
- UTU-14234
- UTU-29645
- UTU-60818
- UTU-63022A

CERTIFICATE OF MERGER
of
CRESCENDO ENERGY, LLC
into
SLATE RIVER RESOURCES, LLC

This **CERTIFICATE OF MERGER**, dated and effective as of October 31, 2005, has been duly authorized and is filed pursuant to Section 18-209 of the Delaware Limited Liability Company Act (the "Act").

1. The name and jurisdiction of formation or organization of the constituent entities of the merger effectuated hereby are:

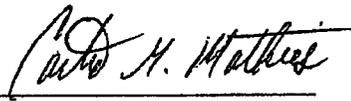
<u>Name</u>	<u>Jurisdiction of Organization</u>
Slate River Resources, LLC	Delaware
Crescendo Energy, LLC	Delaware

2. An Agreement and Plan of Merger (the "Merger Agreement") has been duly authorized, approved and executed by each of the limited liability companies to merge pursuant hereto.
3. Slate River Resources, LLC shall be the surviving entity and shall maintain its present name.
4. There are no amendments to the certificate of formation of Slate River Resources, LLC resulting from or incidental to the merger.
5. The merger effected hereby shall be effective upon the filing of this Certificate of Merger in the office of the Secretary of State of the State of Delaware.
6. The Merger Agreement is on file in the principal business office of the surviving entity, Slate River Resources, LLC, which is located at 1600 Broadway, Suite 900, Denver, Colorado 80202.
7. The Merger Agreement will be furnished by Slate River Resources, LLC, or its authorized representative, free of cost, to any member of, or any person holding an interest in, any entity to be merged pursuant hereto.

IN WITNESS WHEREOF, Slate River Resources, LLC, the surviving entity, has caused this Certificate of Merger to be executed by an authorized officer as of the date first written above.

SLATE RIVER RESOURCES, LLC

By:


Carter G. Mathies
Chief Executive Officer

**SLATE RIVER HOLDINGS, LLC
UNANIMOUS WRITTEN CONSENT OF
THE BOARD OF DIRECTORS
IN LIEU OF A SPECIAL MEETING**

The undersigned, being all of the Members of the Board of Directors of Slate River Holdings, LLC, a Delaware limited liability company (the "Company"), hereby adopt, by unanimous written consent, in accordance with the Delaware Limited Liability Company Act, the following resolutions with the same force and effect as if they had been adopted at a duly convened meeting of the Board:

WHEREAS, the Company previously acquired all of the outstanding equity and ownership interests in Crescendo Resources, LLC ("Crescendo Resources"); and

WHEREAS, thereafter, the Company consolidated all of the wholly-owned subsidiaries of Crescendo Resources, namely, Crescendo Energy, LLC ("Crescendo Energy") and Entrada Energy Ventures, LLC ("Entrada") (collectively, Crescendo Resources, Crescendo Energy and Entrada are referred to herein as the "Crescendo Entities") into Crescendo Energy; and

WHEREAS, the material assets and operations of all of the Crescendo Entities are held by Crescendo Energy; and

WHEREAS, Slate River Resources, LLC ("Slate River Resources"), a wholly-owned subsidiary of the Company, is intended to be the operating entity for all of the Company's business activities; and

WHEREAS, the Company has determined that it is in the Company's best interest to operate all of its business activities as a single entity and therefore to merge Crescendo Energy into Slate River Resources, with Slate River Resources being the surviving entity.

NOW, THEREFORE, BE IT:

RESOLVED, that the Company hereby is authorized to direct its legal counsel to effectuate the merger of the Crescendo Energy into Slate River Resources, with Slate River Resources as the surviving entity, to be effective on October 31, 2005; and be it further

RESOLVED, that the Company, and any Authorized Officer (as defined below) on behalf of the Company, hereby is authorized to undertake and perform all other acts, transactions or agreements that are necessary, appropriate, desirable or contemplated by the foregoing Resolutions; and be it further

RESOLVED, that all of the acts, transactions, or agreements taken in connection with the foregoing Resolutions hereby are ratified and approved in all respects, and the chief executive officer, chief operating officer, chief financial officer, president, vice president and secretary of the Company, as applicable, (collectively, the "*Authorized Officers*" and each individually, an "*Authorized Officer*") hereby are severally authorized and directed, in the name and on behalf of the Company to negotiate, execute and deliver such instruments, documents, agreements and writings of every kind and character, together with such changes, modifications, additions and deletions as to any or all of the terms and provisions thereof as the Authorized Officer executing such instruments, documents, agreements and

UNANIMOUS WRITTEN CONSENT OF THE BOARD OF DIRECTORS
IN LIEU OF A SPECIAL MEETING
(SLATE RIVER HOLDINGS, LLC)

writings shall deem proper (such execution by such Authorized Officer to be conclusive evidence that such Authorized Officer deems all of the terms and provisions thereof to be proper), and to make such attestations to any signatures of officers of the Company, and to do and perform or cause to be done and performed all such other acts as each Authorized Officer shall from time to time deem necessary, advisable or appropriate in order to consummate the acts, transactions, or agreements contemplated by or described in the foregoing Resolutions; and be it further

RESOLVED, that the Authorized Officers hereby are severally authorized to execute on behalf of the Company from time to time, amendments or supplements to any of the documents related to or contemplated by the foregoing Resolutions as the Authorized Officer or Authorized Officers executing and delivering the same may in his, her, or their sole and absolute discretion deem appropriate to carry out the purpose and intent of the foregoing Resolutions (such execution by such Authorized Officer or Authorized Officers to be conclusive evidence that such Authorized Officer or Authorized Officers deems all of the terms and provisions thereof to be proper); and be it further

RESOLVED, that all acts, transactions, or agreements undertaken prior to the adoption of these Resolutions by any of the officers or representatives of the Company in connection with the foregoing matters hereby are ratified, confirmed and adopted by the Board; and be it further

RESOLVED, that any Authorized Officer hereby is authorized and directed to certify these Resolutions; and be it further

RESOLVED, that the Authorized Officers (together with such other officers and employees of the Company under their supervision as any of them shall direct) hereby are severally authorized and directed in the name and on behalf of the Company to do or cause to be done any and all further acts and things that they may from time to time deem necessary, advisable or appropriate to carry out the purpose and intent of the foregoing Resolutions.

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UNANIMOUS WRITTEN CONSENT OF THE BOARD OF DIRECTORS
IN LIEU OF A SPECIAL MEETING
(SLATE RIVER HOLDINGS, LLC)

Delaware

PAGE 1

The First State

I, HARRIET SMITH WINDSOR, SECRETARY OF STATE OF THE STATE OF DELAWARE, DO HEREBY CERTIFY THE ATTACHED IS A TRUE AND CORRECT COPY OF THE CERTIFICATE OF FORMATION OF "SLATE RIVER RESOURCES, LLC", FILED IN THIS OFFICE ON THE TWENTY-EIGHTH DAY OF JANUARY, A.D. 2005, AT 9:34 O'CLOCK P.M.

2005 NOV - 7 AM 9:50
DLR - 117 - 050



Harriet Smith Windsor

Harriet Smith Windsor, Secretary of State

AUTHENTICATION: 3651875

3919255 8100

050074460

DATE: 01-31-05



State of Utah

**Department of
Natural Resources**

MICHAEL R. STYLER
Executive Director

**Division of
Oil, Gas & Mining**

JOHN R. BAZA
Division Director

JON M. HUNTSMAN, JR.
Governor

GARY R. HERBERT
Lieutenant Governor

January 31, 2006

Ginger Stringham
Slate River Resources, LLC
418 Main St, Suite 18
Vernal, Utah 84078

Re: APD Rescinded –Federal 6-1 Sec. 6, T. 16S R. 25E
Grand County, Utah API No. 43-019-31410

Dear Ms. Stringham:

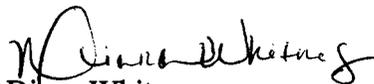
The Application for Permit to Drill (APD) for the subject well was approved by the Division of Oil, Gas and Mining (Division) on November 22, 2004. On January 30, 2006 you requested that the division rescind the state approved APD.

No drilling activity at this location has been reported to the division. Therefore, approval to drill the well is hereby rescinded, effective January 30, 2006.

A new APD must be filed with this office for approval prior to the commencement of any future work on the subject location.

If any previously unreported operations have been performed on this well location, it is imperative that you notify the Division immediately.

Sincerely,


Diana Whitney
Engineering Technician

cc: Well File
Bureau of Land Management, Moab



United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Vernal Field Office

170 South 500 East

Vernal, UT 84078

(435) 781-4400 Fax: (435) 781-4410

<http://www.blm.gov/utah/vernal>



IN REPLY REFER TO:

3160

UT08300

April 12, 2007

43-019-31410

Crescendo Energy, LLC
2210 Hwy 6 & 50
Grand Junction, CO 81505

Re: Notification of Expiration
Well No. Federal 6-1
Lot 5, Sec 6, T16S, R25E
Grand County, Utah
Lease No. UTU-9831

Gentlemen:

The Application for Permit to Drill the above-referenced well was approved on December 02, 2004. According to our records, no known activity has transpired at the approved location. In view of the foregoing, this office is notifying you that the approval of the referenced application has expired. If you intend to drill at this location at a future date, a new Application for Permit to Drill must be submitted.

This office requires a letter confirming that no surface disturbance has been made for this drill site. Any surface disturbance associated with the approved location of this well is to be rehabilitated. A schedule for this rehabilitation must be submitted to this office. Your cooperation in this matter is appreciated.

Sincerely,

//Sandra Sather

Sandra Sather
Legal Instruments Examiner

cc: [REDACTED]

bcc: Well File
Reading file
ES

RECEIVED
APR 18 2007
DIV. OF OIL, GAS &...