

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

FORM 3

001

AMENDED REPORT
(highlight changes)

APPLICATION FOR PERMIT TO DRILL		5. MINERAL LEASE NO: ML 46756	6. SURFACE: State
1A. TYPE OF WORK: DRILL <input checked="" type="checkbox"/> REENTER <input type="checkbox"/> DEEPEN <input type="checkbox"/>		7. IF INDIAN, ALLOTTEE OR TRIBE NAME:	
B. TYPE OF WELL: OIL <input type="checkbox"/> GAS <input checked="" type="checkbox"/> OTHER _____ SINGLE ZONE <input type="checkbox"/> MULTIPLE ZONE <input type="checkbox"/>		8. UNIT or CA AGREEMENT NAME:	
2. NAME OF OPERATOR: Cochran		9. WELL NAME and NUMBER: Divide #1	
3. ADDRESS PO Box		10. FIELD AND POOL, OR WILDCAT: Wildcat	
4. LOCATIC		11. QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: SWNW 4 16S 24E	
AT SURF/		12. COUNTY: Grand	
AT PROP/		13. STATE: UTAH	
14. DISTANC 55 Mil		16. NUMBER OF ACRES ASSIGNED TO THIS WELL: 160	
15. DISTANC 1256'		D DESCRIPTION:	
18. DISTANC APPLIED None		MATED DURATION: lays	
21. ELEVATI 8272 G			

43-019-31413
1457 FNL
1048 FNL
4-16S-24E
1256 FNL
1715 FNL

SIZE OF HOLE	CASING SIZE, GRADE, AND WEIGHT PER FOOT	SETTING DEPTH	CEMENT TYPE, QUANTITY, YIELD, AND SLURRY WEIGHT
12 1/4"	8 5/8" J-55 24#	1,000	Glass G 14.6 #/gal To surface 12.6 ct.ft./sk
7 7/8"	4 1/2 11.6# N-80		Lead 11.6 #/gal Hyfill 6000' To Surface 3.84 cu.ft./sk
			Tail 14.6 # 50-50 POZ TD To 6000' 12.6 cu.ft./sk

25. ATTACHMENTS

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

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

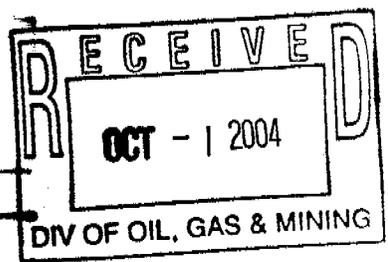
NAME (PLEASE PRINT) Ken Allen TITLE President

SIGNATURE *Ken Allen* DATE 9/17/2004

(This space for State use only)

API NUMBER ASSIGNED: 43-019-31413

Approved by the
Utah Division of
Oil, Gas and Mining
Date: 12-30-04
By: *[Signature]*



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DEPARTMENT OF NATURAL RESOURCES
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8. TYPE OF WELL: OIL <input type="checkbox"/> GAS <input checked="" type="checkbox"/> OTHER _____ SINGLE ZONE <input type="checkbox"/> MULTIPLE ZONE <input type="checkbox"/>			8. UNIT or CA AGREEMENT NAME:	
2. NAME OF OPERATOR: Cochrane Resources, Inc.			9. WELL NAME and NUMBER: Divide #1	
3. ADDRESS OF OPERATOR: PO Box 1656 CITY Roosevelt STATE UT ZIP 84066		PHONE NUMBER: (435) 722-5081	10. FIELD AND POOL, OR WILDCAT: Wildcat	
4. LOCATION OF WELL (FOOTAGES) AT SURFACE: 1457 FNL 1256 FWL <i>648160X</i> <i>39.447983</i> AT PROPOSED PRODUCING ZONE: <i>4367697Y</i> <i>-109.278166</i>			11. QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: SWNW 4 16S 24E	
14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE: 55 Miles South of Ouray			12. COUNTY: Grand	13. STATE: UTAH
15. DISTANCE TO NEAREST PROPERTY OR LEASE LINE (FEET) 1256'	16. NUMBER OF ACRES IN LEASE: 320	17. NUMBER OF ACRES ASSIGNED TO THIS WELL: 160		
18. DISTANCE TO NEAREST WELL (DRILLING, COMPLETED, OR APPLIED FOR) ON THIS LEASE (FEET) None	19. PROPOSED DEPTH: 9,000	20. BOND DESCRIPTION:		
21. ELEVATIONS (SHOW WHETHER DF, RT, GR, ETC.): 8272 GR	22. APPROXIMATE DATE WORK WILL START: 10/25/2004	23. ESTIMATED DURATION: 20 Days		

24. **PROPOSED CASING AND CEMENTING PROGRAM**

SIZE OF HOLE	CASING SIZE, GRADE, AND WEIGHT PER FOOT			SETTING DEPTH	CEMENT TYPE, QUANTITY, YIELD, AND SLURRY WEIGHT			
12 1/4"	8 5/8"	J-55	24#	1,000	Glass G	14.6 #/gal	To surface	
						12.6 ct.ft./sk		
7 7/8"	4 1/2	11.6#	N-80		Lead	11.6 #/gal	Hyfill 6000'	
						To Surface	3.84 cu.ft./sk	
					Tail	14.6 #	50-50 POZ	TD
						To 6000'	12.6 cu.ft./sk	

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NAME (PLEASE PRINT) Ken Allen TITLE President

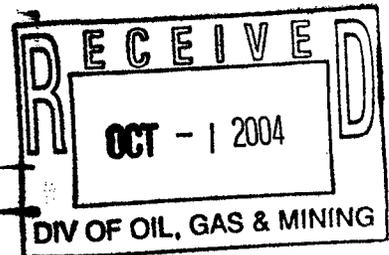
SIGNATURE *Ken Allen* DATE 9/17/2004

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API NUMBER ASSIGNED: 43-019-31413

Date: 12-30-2004
(See Instructions on Reverse Side)

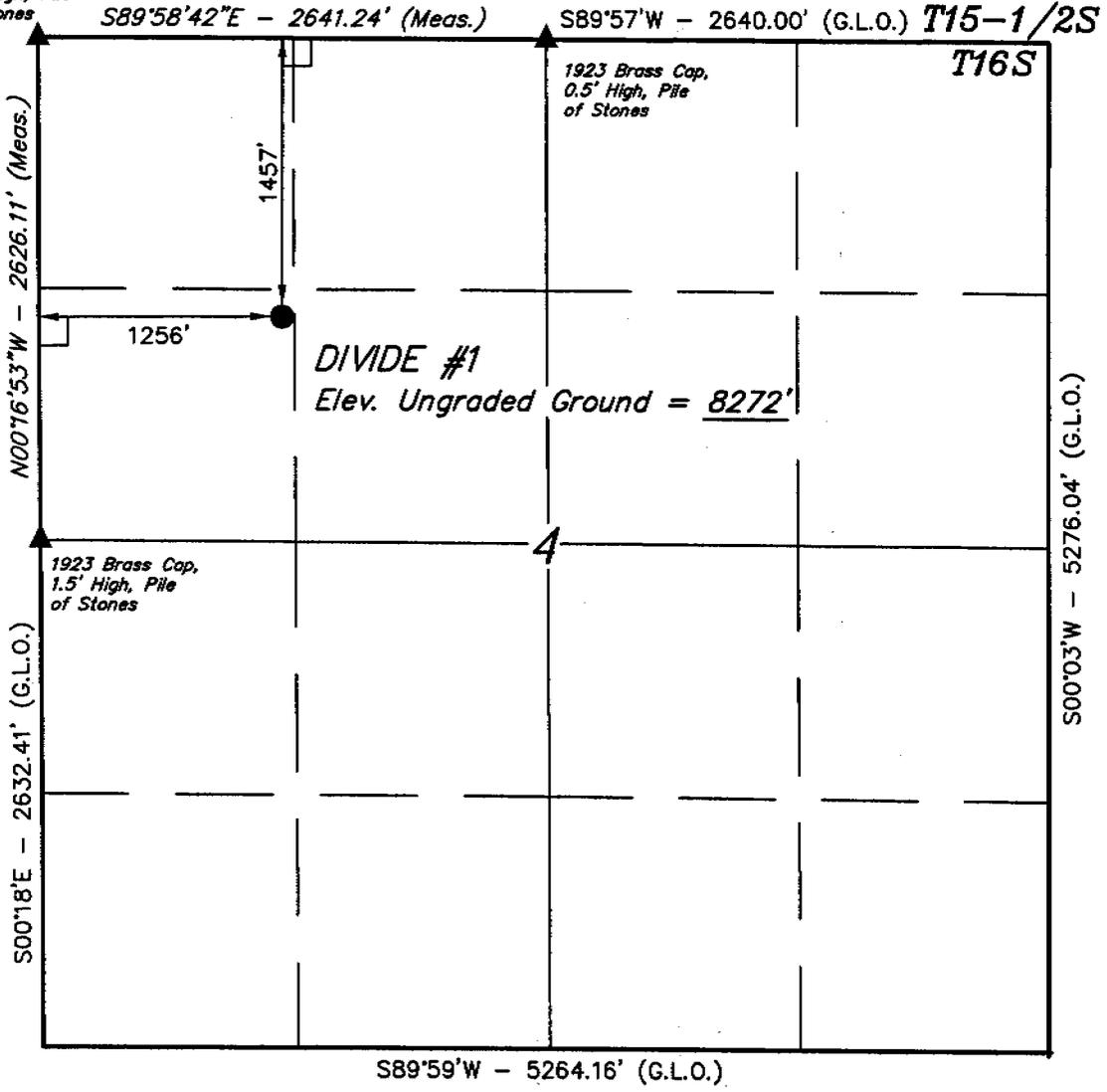
By: *[Signature]*



T16S, R24E, S.L.B.&M.

COCHRANE RESOURCES, INC.

1923 Brass Cap,
1.2' High, Pile
of Stones



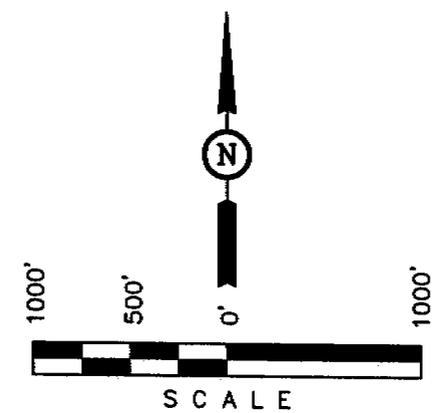
Well location, DIVIDE #1, located as shown in the SW 1/4 NW 1/4 of Section 4, T16S, R24E, S.L.B.&M. Grand County, Utah.

BASIS OF ELEVATION

HORN TRIANGULATION STATION LOCATED IN THE SE 1/4 OF SECTION 26, T15S, R23E, S.L.B.&M. TAKEN FROM THE P R SPRING, QUADRANGLE, UTAH, 7.5 MINUTE QUAD. (TOPOGRAPHIC MAP) PUBLISHED BY THE UNITED STATES DEPARTMENT OF THE INTERIOR, GEOLOGICAL SURVEY. SAID ELEVATION IS MARKED AS BEING 8200 FEET.

BASIS OF BEARINGS

BASIS OF BEARINGS IS A G.P.S. OBSERVATION.



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.

Stuart A. Gray
REGISTERED LAND SURVEYOR
REGISTRATION NO. 181319
STATE OF UTAH

- LEGEND:**
- └─┘ = 90° SYMBOL
 - = PROPOSED WELL HEAD.
 - ▲ = SECTION CORNERS LOCATED.

(NAD 83)
LATITUDE = 39°26'52.91" (39.448031)
LONGITUDE = 109°16'43.87" (109.278853)

(NAD 27)
LATITUDE = 39°26'53.01" (39.448058)
LONGITUDE = 109°16'41.45" (109.278181)

UINTAH ENGINEERING & LAND SURVEYING 85 SOUTH 200 EAST - VERNAL, UTAH 84078 (435) 789-1017		
SCALE 1" = 1000'	DATE SURVEYED: 8-26-04	DATE DRAWN: 8-26-04
PARTY B.B. M.A. C.G.	REFERENCES G.L.O. PLAT	
WEATHER WARM	FILE COCHRANE RESOURCES, INC.	

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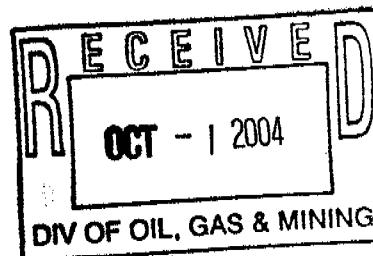
- | | |
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NAME (PLEASE PRINT) Ken Allen TITLE President
SIGNATURE *Ken Allen* DATE 9/17/2004

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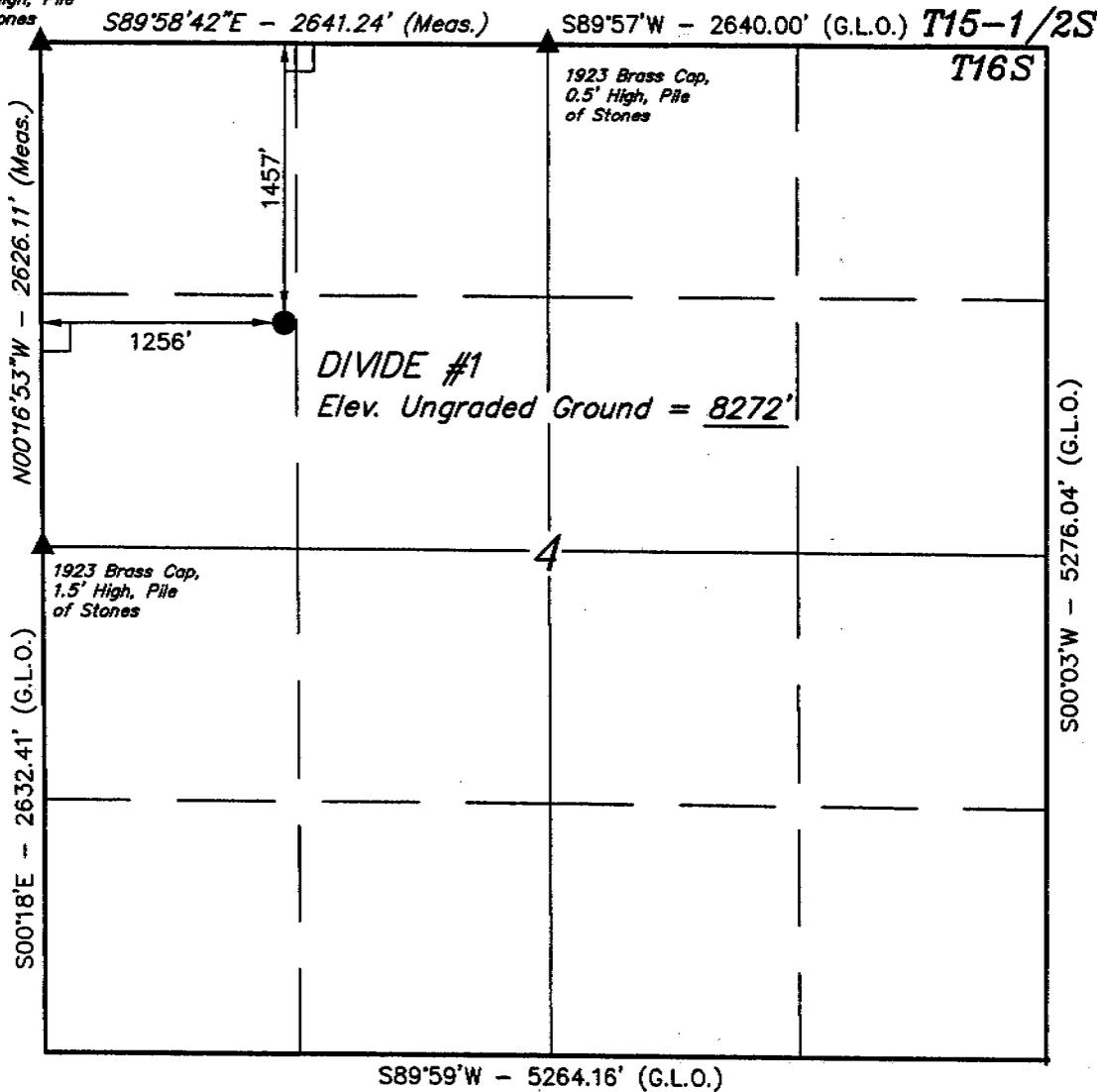
APPROVAL:



T16S, R24E, S.L.B.&M.

COCHRANE RESOURCES, INC.

1923 Brass Cap,
1.2' High, Pile
of Stones



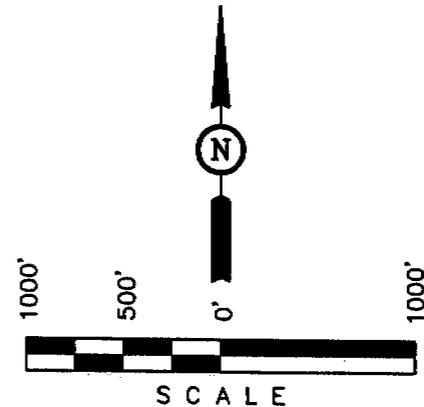
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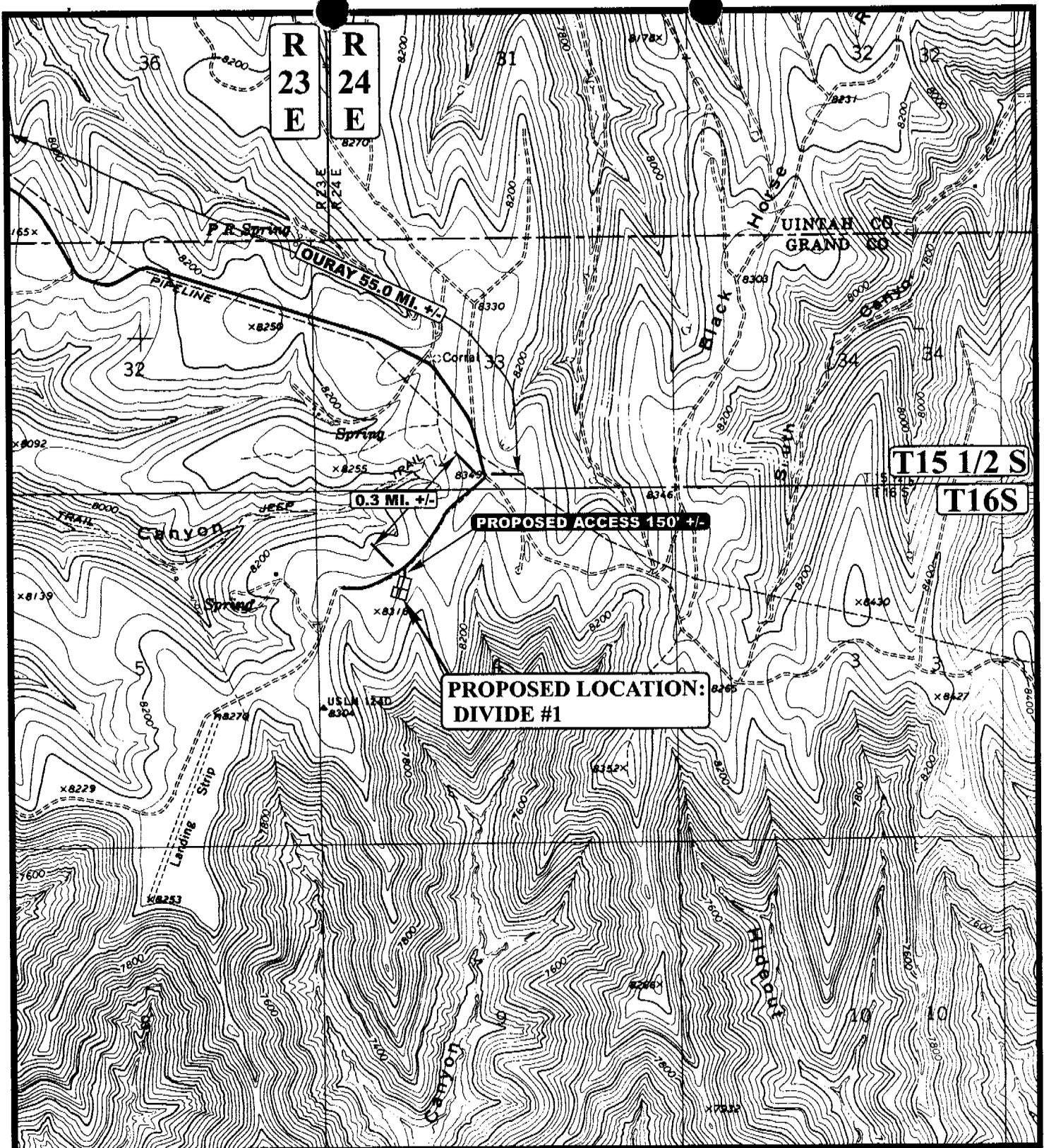
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UINTAH ENGINEERING & LAND SURVEYING
85 SOUTH 200 EAST - VERNAL, UTAH 84078
(435) 789-1017

SCALE 1" = 1000'	DATE SURVEYED: 8-26-04	DATE DRAWN: 8-26-04
PARTY B.B. M.A. C.G.	REFERENCES G.L.O. PLAT	
WEATHER WARM	FILE COCHRANE RESOURCES, INC.	



LEGEND:

- EXISTING ROAD
- PROPOSED ACCESS ROAD



COCHRANE RESOURCES, INC

DIVIDE #1
SECTION 4, T16S, R24E, S.L.B.&M.
1457' FNL 1256' FWL



Uintah Engineering & Land Surveying
 85 South 200 East Vernal, Utah 84078
 (435) 789-1017 * FAX (435) 789-1813

TOPOGRAPHIC
MAP

09	16	04
MONTH	DAY	YEAR



SCALE: 1" = 2000' DRAWN BY: L.K. REVISED: 00-00-00

Cochrane Resources, Inc.

State Divide #1
SWNW Section 4 - T16S - R24E
Grand County, Utah
Lease No. ML 46756

Drilling Plan

1. Estimated Tops of Important Geologic Markers & Anticipated Water, Oi, Gas or Mineral Formations:

Formation	Depth	Hydrocatbon/Water Bearing Zones
Green River	Surface	
Mancos	4550	Gas/Oil
Dakota	8200	Gas
TD	9000	

2. Pressure Control Equipment

All well control equipment shall be in accordance with Onshore Order #2 for 5M systems.

The minimum specifications for pressure control equipment that will be provided are included on the attached schematic diagram showing size, pressure ratings, testing procedures, and testing frequency.

5000# BOP With 4 1/2" Pipe Rams
5000# BOP with Blind Rams
5000# Annular

Auxiliary equipment to be used:

- * Upper kelly cocks with handle available.

The manifold includes appropriate valves and adjustable chokes. The kill line will have one check valve. Ram type preventers will be pressure tested to full working pressure (utilizing a test plug) at:

- * initial installation;
- * whenever any seal subject to test pressure is broken;
- * following related repairs;
- * at 30 day intervals

The annular preventer will be pressure tested to 50 percent of the rated working pressure. All pressure tests shall be maintained at least ten minutes or until provisions of test are met, whichever is longer.

Annular preventers shall be functionally operated at least weekly.

Pipe and blind rams shall be activated each trip.

A BPOE pit level will be conducted weekly for each drilling crew.

All tests and drills will be recorded in the drilling log.

The accumulator will have sufficient capacity to open the HCR valve, close all rams plus the annular preventer, and retain 200 psi above pre-charge pressure without the use of closing unit pumps. The system will have two independent power sources to close the preventers in accordance with 5M system requirements outlined in Onshore Order #2.

Remote controls shall be readily accessible to the driller. Master controls shall be at the accumulator.

3. Casing & Cementing Program:

A. The proposed casing program will be as follows:

Depth	Hole		Grade	Weight	Thread	Condition
	Size	Size				
0 - 1000	12-1/4"	8-5/8"	J-55	24#	LT&C	New
0 - TD	7-7/8"	4-1/2"	N-80	11.6#	LT&C	New

The proposed casing and cementing program shall be conducted as approved to protect and/or isolate all usable water zones, potentially productive zones, lost circulation zones, abnormally pressured zones, and any prospectively valuable deposits of minerals. Any isolating medium other than cement shall receive approval prior to use. The casing setting depth shall be calculated to position the casing seat opposite a competent formation which will contain the maximum pressure to which it will be exposed during normal drilling operations. Determination of casing setting depth shall be based on all relevant factors, including: presence/absence of hydrocarbons, fracture gradients, usable water zones, formation pressure, lost circulation zones, other minerals or other unusual characteristics.

All casing, except conductor casing, shall be new or reconditioned and tested. Used casing shall meet or exceed API standards for new casing.

The surface casing shall be cemented back to surface either during the primary cement job or by remedial cementing.

The bottom three joints of the surface casing will have one centralizer per joint and one centralizer every fourth joint thereafter.

Casing design subject to revision based on geologic conditions encountered.

B. The proposed cementing program will be as follows:

Production String: Estimated volume (gauge hole + 15%):
Lead: 450sk Hifill @ 11.0 ppg, 3.84 cu. ft./sk.
Tail: 1400 sk 50/50 POZ @ 14.35 ppg, 1.26 cu. ft/sk.

Actual volumes will be calculated and adjusted with caliper log prior to cementing. Ten percent excess will be pumped.

For surface casing, waiting on cement time will be adequate to achieve 500 psi compressive strength at the casing shoe prior to drilling out.

Anticipated cement tops will be reported as to depth, not the expected number of sacks of cement to be used.

After cementing the surface pipe and/or any intermediate strings, but before commencing any test, the casing string shall stand cemented until the cement has reached a compressive strength of at least 500 psi at the shoe. WOC time shall be recorded in the Driller's Log.

4. Drilling Fluids Program:

Interval	Type	Weight (ppg)	Viscosity	pH	Water Loss	Remarks
0 - 1000'	Spud	8.4 - 9.0	30 - 45+	8.0	NC	Gel & lime as required
1000 - 5500'	Wtr/gel	8.4 - 8.8	27 - 35	8.5 - 9.0	NC	Min. Wt.
5500' - TD	KCL/Mud	8.5 - 8.8*	35 - 40	9.0 - 11.0	10-15 cc @ TD	*Min. Wt. to control formation pressure.

Water will come from: Water Right No. 43-10447, located in Sec 9, T8S, R20E.

Sufficient quantities of mud material will be maintained on site or be readily accessible for the purpose of assuring well control. SPR will be recorded on daily drilling report after mudding up. Visual mud monitoring will be conducted during operations.

5. Evaluation Program:

Logs: DLLT/GR: TD to base surface casing
 FCC/CNL/GR/CAL TD to 3000'

Bond Log

TD to 200' above cement top

Cores: None anticipated.
DST's None anticipated.

6. Abnormal Conditions:

No anticipated abnormal pressures or temperatures are expected to be encountered. No hydrogen sulfide is expected.

Anticipated bottom-hole pressure is 3600 psi.

7. Other Information:

The anticipated starting date and duration of the operation will be as follows:

Starting Date:	Upon Approval
Duration	20 Drilling Days & 10 Completion Days

SURFACE USE PLAN

COCHRANE RESOURCES, INC.

DIVIDE #1 WELL

SW¼NW¼ - SEC 4, T16S,R24E

GRAND COUNTY, UTAH

Access to Location:

Location will be accessed by State Highway from Ouray, Utah by traveling 55 miles on an improved county road (See Topo Map A), and then 0.3 miles on existing two tract road (See Topo Map B) to proposed access road. The proposed access road will be approximately 150 feet long to the well pad. The surface of the location is owned by the State of Utah.

Well Pad Layout:

The location layout Plat attached to the A.P.D. herein pictates the proposed surface disturbance for the location site. The top 6 inches of topsoil will be placed on the west side of the location pad.

All trash and self contained units placed on the location during the drilling of the well and will be hauled off location to an approved facility.

Pipelines:

Exisiting and proposed pipelines currently exist on the surface near the proposed location. If additional right of ways are required to place the well into production, a permit will be filed at a later date.

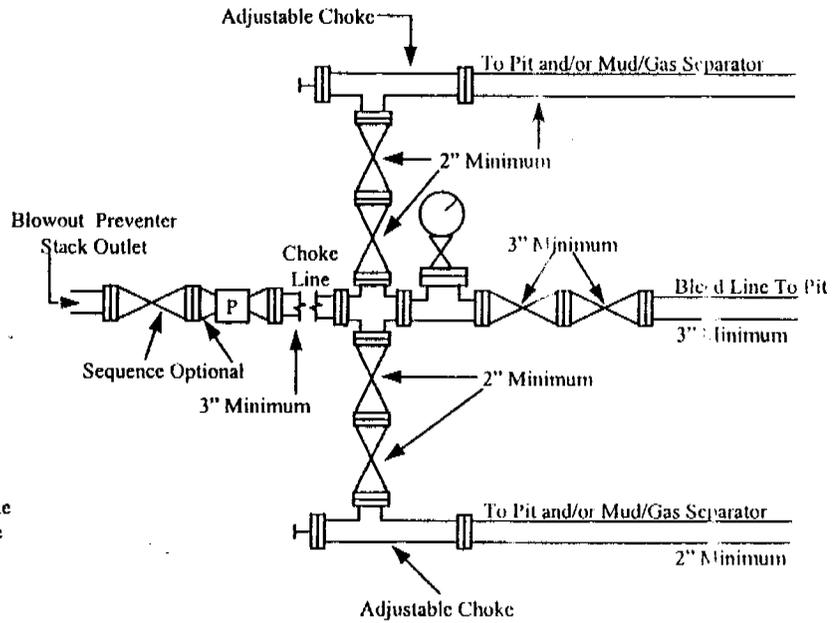
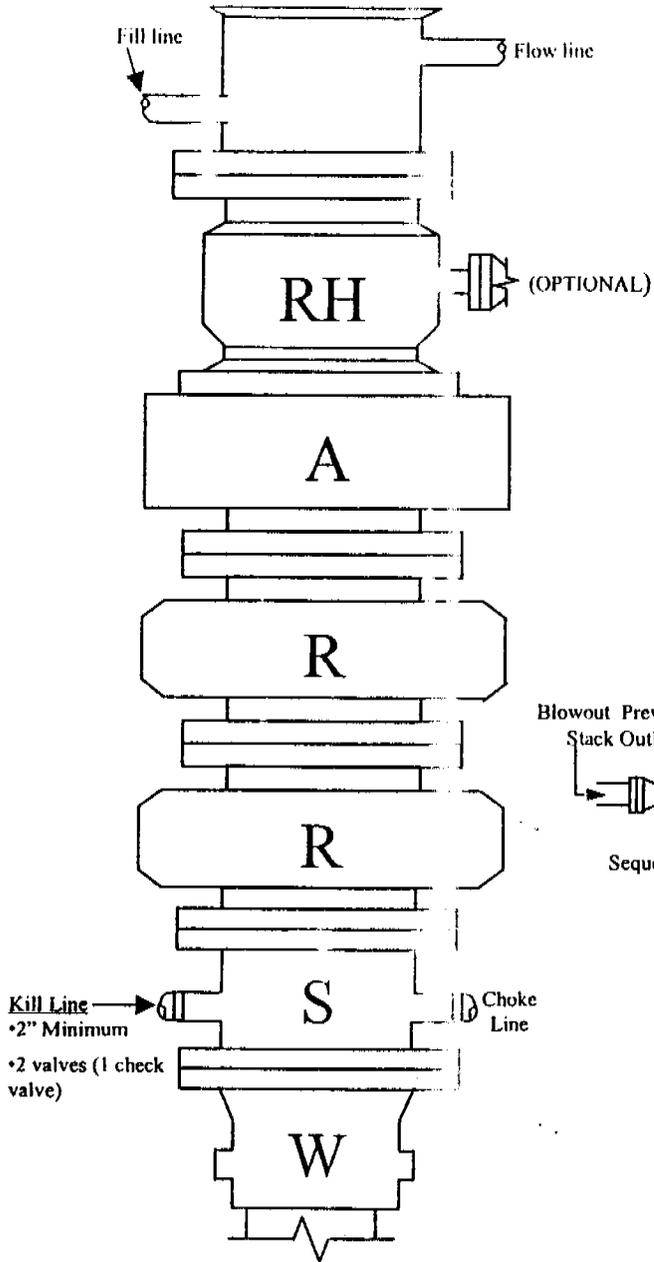
Produciton Facilities or Plugging and Abandonment Plan:

In the event of production, all production facilities will be placed on the location of the well site pad.

In the event of a dry hole, the surface will be reclaimed to its original condition (or as nearly practicable), and top soil and seeding will take place pursuant to supervision and direction of the Utah Division of Oil, Gas and Mining.

DOUBLE RAM TYPE PREVENTERS WITH AN OPTIONAL ROTATING HEAD

5000 psi system



* Note: Kill line shall be 2" minimum diameter and have two valves, one of which shall be a check valve. Both valves: 2" minimum.

Minimum BOP Stack

One Pipe Ram

One Blind Ram

One Annular

Well Head

Manifold

5000 psi Working Pressure

COCHRANE RESOURCES, INC

DIVIDE #1

LOCATED IN GRAND COUNTY, UTAH
SECTION 4, T16S, R24E, S.L.B.&M.



PHOTO: VIEW FROM LOCATION STAKE

CAMERA ANGLE: SOUTHWESTERLY



PHOTO: VIEW FROM BEGINNING OF PROPOSED ACCESS

CAMERA ANGLE: SOUTHWESTERLY



- Since 1964 -

UELS Uintah Engineering & Land Surveying
85 South 200 East Vernal, Utah 84078
435-789-1017 uels@uelsinc.com

LOCATION PHOTOS

09 16 04
MONTH DAY YEAR

PHOTO

TAKEN BY: B.B.

DRAWN BY: L.K.

REVISED: 00-00-00

BOCHRANE RESOURCES, INC.

LOCATION LAYOUT FOR

DIVIDE #1
SECTION 4, T16S, R24E, S.L.B.&M.
1457' FNL 1256' FWL

Existing Pipeline

Proposed Access Road



C-12.9'
El. 78.1'

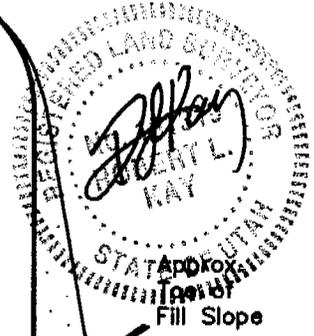
C-8.2'
El. 73.4'

C-0.8'
El. 66.0'

Sta. 3+25

SCALE: 1" = 50'
DATE: 8-26-04
Drawn By: C.G.

NOTE:
Flare Pit is to be located a min. of 100' from the Well Head.



Reserve Pit Backfill & Spoils Stockpile

FLARE PIT
20' WIDE BENCH
El. 85.6'
C-32.4'
(btm. pit)

C-16.1'
El. 81.3'

C-6.8'
El. 72.0'

Sta. 1+50

F-13.5'
El. 51.7'

RESERVE PITS
(12' Deep)
Total Pit Capacity
W/2' of Freeboard
= 12,250 Bbls. ±
Total Pit Volume
= 3,320 Cu. Yds.
Sta. 0+18

C-12.0'
El. 77.2'

15' WIDE BENCH

147'

RIG DOG HOUSE

- PUMP
- MUD SHED
- HOPPER
- POWER
- TOOLS
- FUEL

- TRAILER
- TOILET
- FUEL
- STORAGE TANK

TRASH

Round Corners as needed

Sta. 0+00

El. 76.7'
C-23.5'
(btm. pit)

El. 64.0'
F-1.2'

F-8.5'
El. 56.7'

F-32.9'
El. 32.3'

Approx. Top of Cut Slope

Reserve Pit Backfill & Spoils Stockpile

T.S.

Elev. Ungraded Ground at Location Stake = 8272.0'
Elev. Graded Ground at Location Stake = 8265.2'

UINTAH ENGINEERING & LAND SURVEYING
85 So. 200 East * Vernal, Utah 84078 * (435) 789-1017

COCHRANE RESOURCES, INC.

TYPICAL CROSS SECTIONS FOR

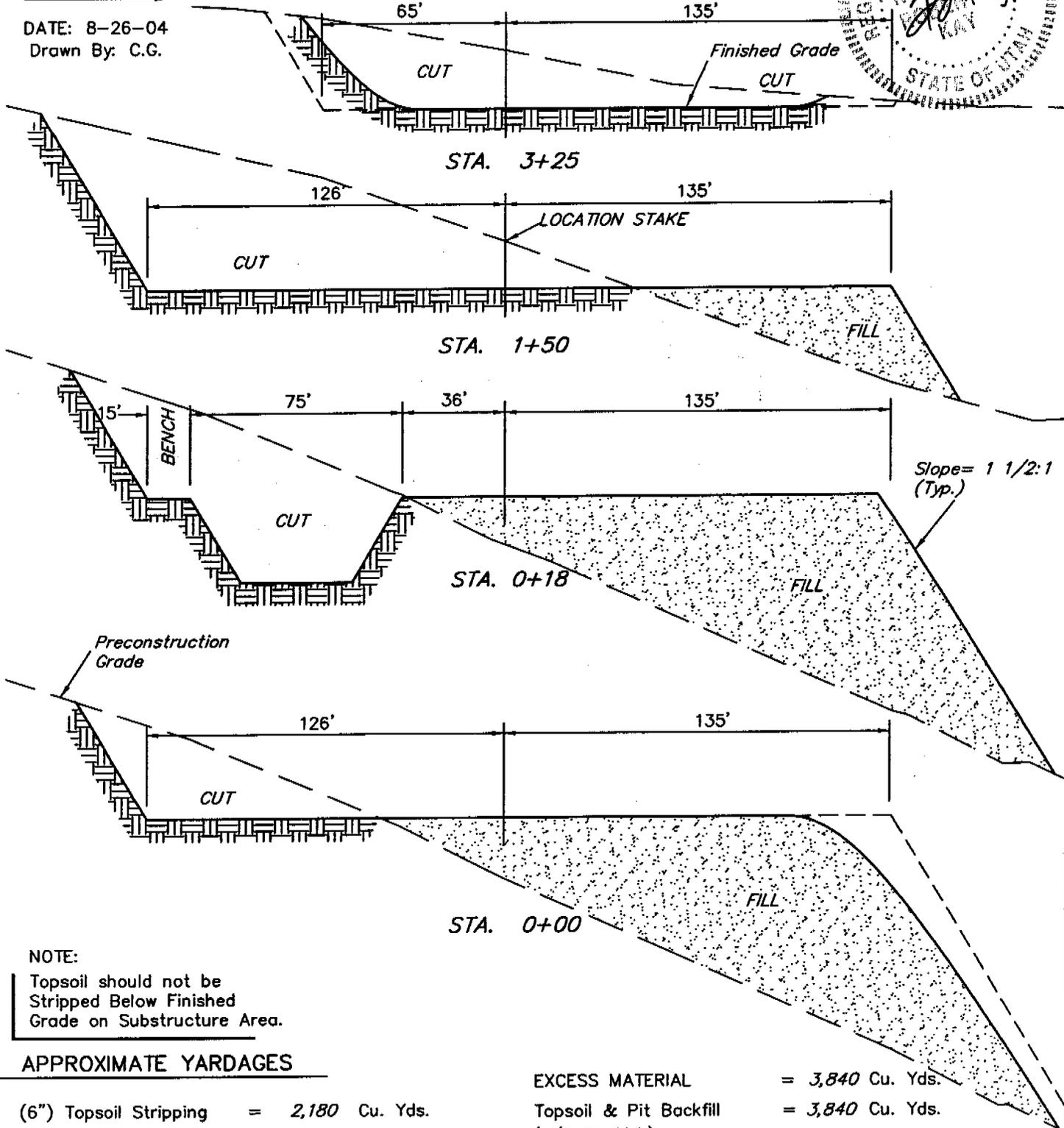
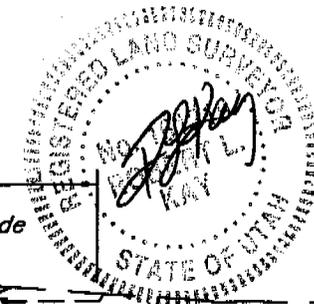
DIVIDE #1

SECTION 4, T16S, R24E, S.L.B.&M.

1457' FNL 1256' FWL

1" = 20'
X-Section Scale
1" = 50'

DATE: 8-26-04
Drawn By: C.G.



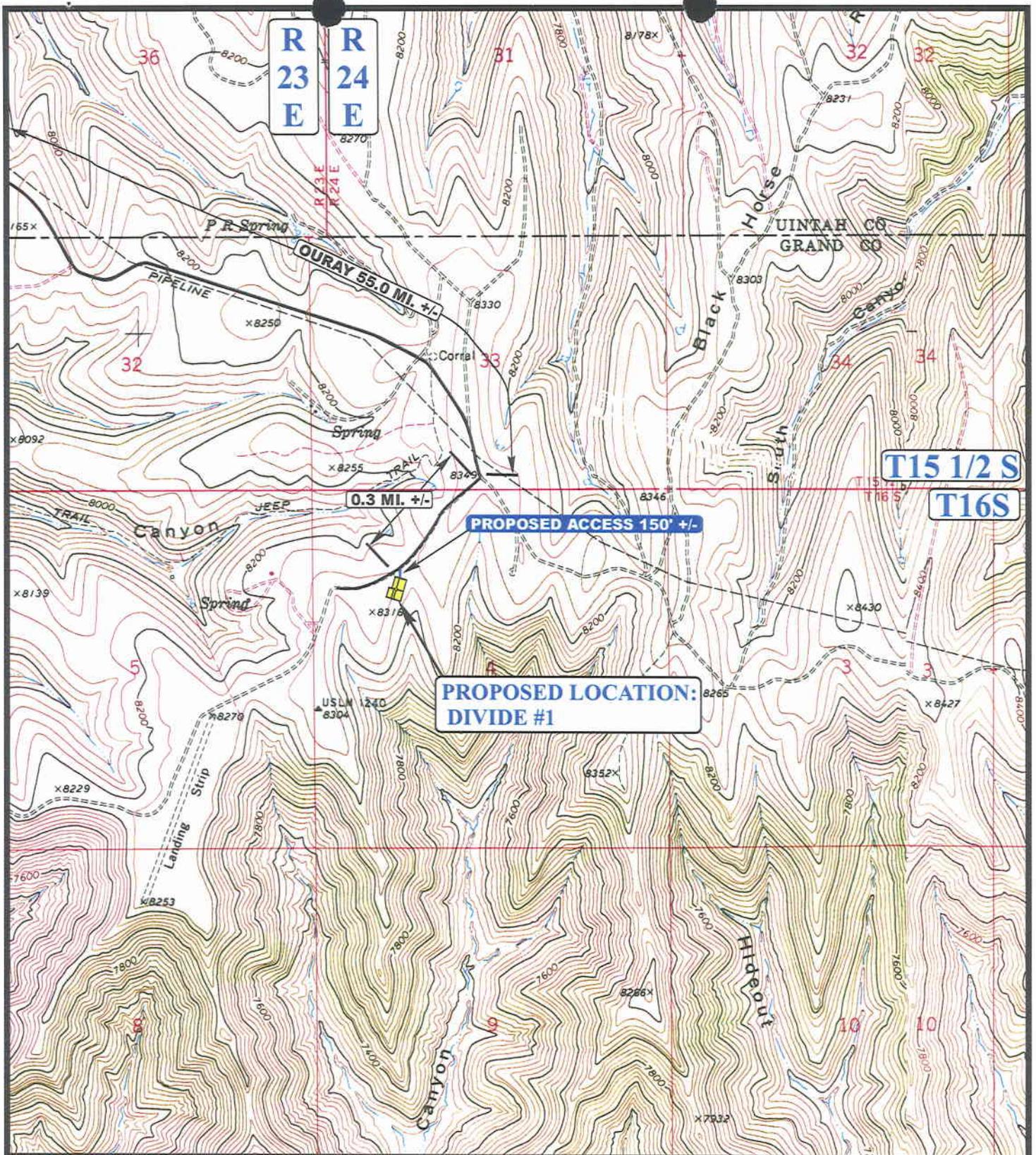
NOTE:

Topsoil should not be Stripped Below Finished Grade on Substructure Area.

APPROXIMATE YARDAGES

(6") Topsoil Stripping	=	2,180	Cu. Yds.
Remaining Location	=	20,900	Cu. Yds.
TOTAL CUT	=	23,080	CU.YDS.
FILL	=	19,240	CU.YDS.

EXCESS MATERIAL	=	3,840	Cu. Yds.
Topsoil & Pit Backfill (1/2 Pit Vol.)	=	3,840	Cu. Yds.
EXCESS UNBALANCE (After Rehabilitation)	=	0	Cu. Yds.



LEGEND:

-  EXISTING ROAD
-  PROPOSED ACCESS ROAD



COCHRANE RESOURCES, INC

DIVIDE #1
SECTION 4, T16S, R24E, S.L.B.&M.
1457' FNL 1256' FWL



Utah Engineering & Land Surveying
 85 South 200 East Vernal, Utah 84078
 (435) 789-1017 * FAX (435) 789-1813

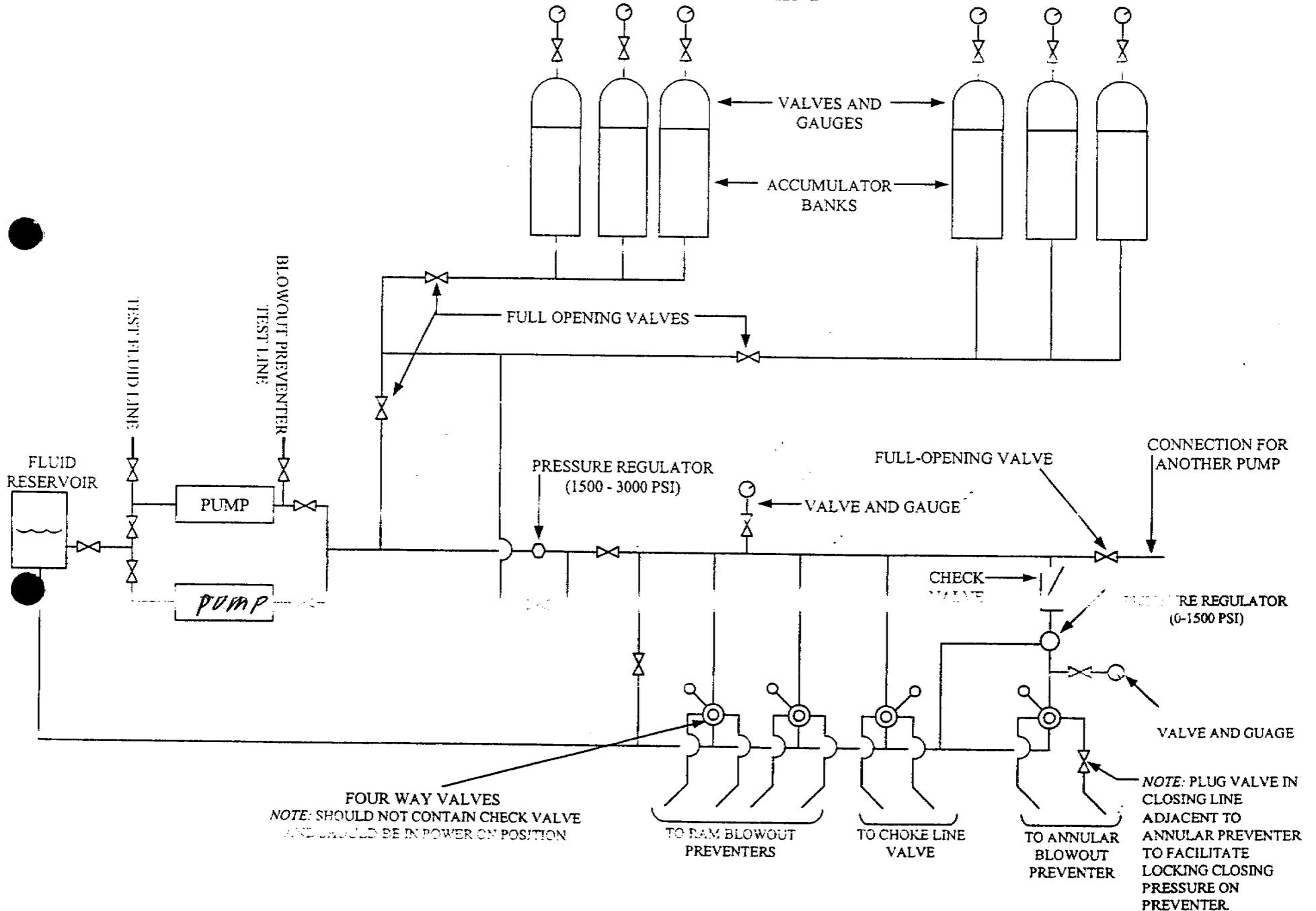
TOPOGRAPHIC
MAP

09 16 04
 MONTH DAY YEAR



SCALE: 1" = 2000' DRAWN BY: L.K. REVISED: 00-00-00

**TYPICAL BLOWOUT PREVENTER
CLOSING UNIT ARRANGEMENT**



WORKSHEET
APPLICATION FOR PERMIT TO DRILL

APD RECEIVED: 10/01/2004

API NO. ASSIGNED: 43-019-31413

WELL NAME: DIVIDE #1

OPERATOR: COCHRANE RESOURCES INC (N7015)

CONTACT: KEN ALLEN

PHONE NUMBER: 435-722-5081

PROPOSED LOCATION:

SWNW 04 160S 240E
SURFACE: 1457 FNL 1256 FWL
BOTTOM: 1457 FNL 1256 FWL
GRAND
WILDCAT (1)

LEASE TYPE: 3 - State
LEASE NUMBER: ML 46756
SURFACE OWNER: 3 - State
PROPOSED FORMATION: DKTA
COALBED METHANE WELL? NO

INSPECT LOCATN BY: / /		
Tech Review	Initials	Date
Engineering	DKC	10/21/04
Geology		
Surface		

LATITUDE: 39.44798

LONGITUDE: -109.2782

RECEIVED AND/OR REVIEWED:

- Plat
- Bond: Fed[] Ind[] Sta[] Fee[]
(No. 0279083450)
- Potash (Y/N)
- Oil Shale 190-5 (B) or 190-3 or 190-13
- Water Permit
(No. 43-10447)
- RDCC Review (Y/N)
(Date: 10/20/2004)
- Fee Surf Agreement (Y/N)

LOCATION AND SITING:

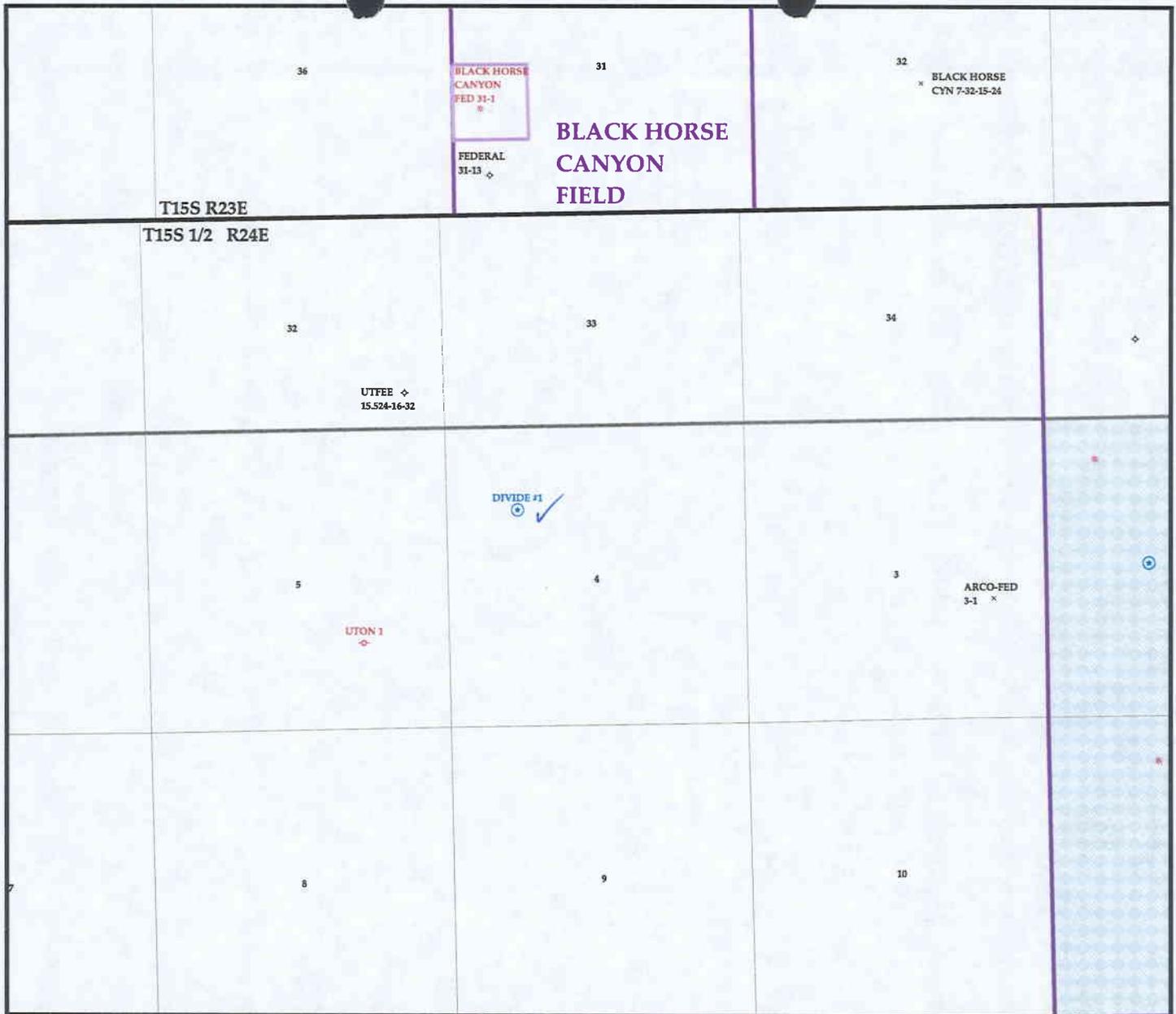
- R649-2-3.
Unit _____
- R649-3-2. General
Siting: 460 From Qtr/Qtr & 920' Between Wells
- R649-3-3. Exception
- Drilling Unit
Board Cause No: _____
Eff Date: _____
Siting: _____
- R649-3-11. Directional Drill

COMMENTS:

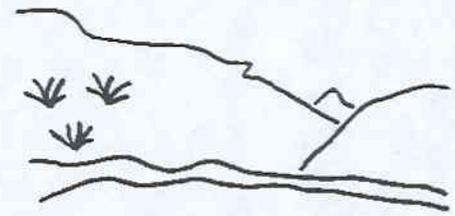
Needs Permit (10-20-04)

STIPULATIONS:

- 1- Spacing Strip
- 2- Surface Csg Cont Strip (t 620 SKS)
- 3- STATEMENT OF BASIS



OPERATOR: COCHRANE RES INC (N7015)
SEC. 4 T.16S R.24E
FIELD: WILDCAT (001)
COUNTY: GRAND
SPACING: R649-3-3 / EXCEPTION LOCATION



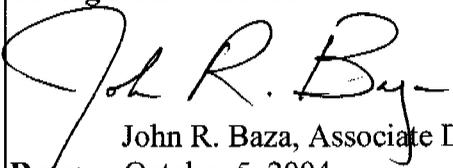
Utah Oil Gas and Mining

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: 5-OCTOBER-2004

STATE ACTIONS
Resource Development Coordinating Committee
Governor's Office of Planning and Budget
5110 State Office Building
SLC, UT 84114
Phone No. 537-9230

1. State Agency Oil, Gas and Mining 1594 West North Temple, Suite 1210 Salt Lake City, UT 84114-5801	2. Approximate date project will start: Upon Approval or October 25, 2004
3. Title of proposed action: Application for Permit to Drill	
4. Description of Project: Cochrane Resources, Inc. proposes to drill the Divide #1 Well (wildcat) on a State lease ML-46756, Grand County, Utah. This action is being presented to the RDCC for consideration of resource issues affecting state interests. The Division of Oil, Gas and Mining is the primary administrative agency in this action and must issue approval before operations commence.	
5. Location and detailed map of land affected (site location map required, electronic GIS map preferred) (include UTM coordinates where possible) (indicate county) 1457' FNL 1256' FWL, SW/4 NW/4, Section 4, Township 16 South, Range 24 East, Grand County, Utah	
6. Possible significant impacts likely to occur: Surface impacts include up to five acres of surface disturbance during the drilling and completion phase (estimated for five weeks duration). If oil and gas in commercial quantities is discovered, the location will be reclaimed back to a net disturbance of between one and two acres – not including road, pipeline, or utility infrastructure. If no oil or gas is discovered, the location will be completely reclaimed.	
7. Identify local government affected a. Has the government been contacted? No. b. When? c. What was the response? d. If no response, how is the local government(s) likely to be impacted?	
8. For acquisitions of land or interests in land by DWR or State Parks please identify state representative and state senator for the project area. Name and phone number of state representative, state senator near project site, if applicable: a. Has the representative and senator been contacted? N/A	
9. Areawide clearinghouse(s) receiving state action: (to be sent out by agency in block 1) Southeastern Utah Association of Governments	
10. For further information, contact: Diana Whitney Phone: (801) 538-5312	11. Signature and title of authorized officer  John R. Baza, Associate Director Date: October 5, 2004

Engineering
Wellsite Supervision
Lease Operating

COCHRANE RESOURCES, INC.

P.O. Box 1656
Roosevelt, Utah 84066
Phone (801) 722-5081

October 12, 2004

State of Utah Division of Oil Gas and Mining
1694 West North Temple, Suite 1210
Box 145801
Salt Lake City, Utah 84114-5801

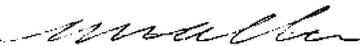
Re: State Divide #1
Sec 4, T16S, R24E.
Grand County Utah

Dear Diana:

Cochrane resources would like to request a spacing exception for the subject well due to geologic considerations. We feel that this is the best location for the well.

Also, please be advised that there are no other lease owners within 460 ft. of the proposed well.

Yours truly,



Ken Allen

RECEIVED
OCT 14 2004
DIV. OF OIL, GAS & MINING

SOUTHEASTERN UTAH ASSOCIATION OF LOCAL GOVERNMENTS

DREW SITTERUD
CHAIRMAN

WILLIAM D. HOWELL
EXECUTIVE DIRECTOR



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

AREA WIDE CLEARINGHOUSE REVIEW

Federal Action _____ State Action _____ Approved () Yes () No
SEUAOG x

Applicant Address:

Oil, Gas & Mining

1594 West North Temple #1210

SLC, UT 84114-5801

Name/Phone # Daina Whitney 801-538-5312

Title/Project Description Application for Permit to Drill - Cochrane Resources, Inc. proposes to
drill the Divide #1 Well (wildcat) on a State Lease ML-46756, Grand County, Utah. This action is being
presented to RDCC for consideration of resources issues affecting state interests. The Division of OGM is
the primary administrative agency in this action and must issue approval before operations commence.

- No Comment
 See comment below

Comments: Favorable comment recommended.

RECEIVED

OCT 26 2004

DIV. OF OIL, GAS & MINING

Lorraine Benefield
SEUALG

10/21/04
DATE

October 25, 2004

Chairperson
Resource Development Coordinating Committee

Via e-mail

RE: Application for Permit to Drill RDCC No. 4572

In Reply Please Refer to Case No. 04-1162

Dear Chairperson:

The Utah State Historic Preservation Office received the referenced information. After consideration of the consultation request in behalf of the Division of Oil, Gas and Mining, the Utah Preservation Office provides the following comments per U.A.C. 9-8-404.

Section 404 Consultation DOGM; the application did not indicate that a cultural resource survey had been completed, if one has not been done, USHPO recommends that a survey be completed.

This information is provided on request to assist with state law responsibilities as specified in U.A.C. 9-8-404. If you have questions, please contact me at (801) 533-3555. My email address is: jdykman@utah.gov

As ever,

James L. Dykman
Deputy State Historic
Preservation Officer - Archaeology

JLD:04-1162 OR

Well name:	10-04 Cochrane Divide #1	
Operator:	Cochrane Resources, Inc.	Project ID:
String type:	Surface	43-019-31413
Location:	Grand County	

Design parameters:

Collapse
Mud weight: 8.400 ppg
Design is based on evacuated pipe.

Minimum design factors:

Collapse:
Design factor 1.125

Environment:

H2S considered? No
Surface temperature: 75 °F
Bottom hole temperature: 89 °F
Temperature gradient: 1.40 °F/100ft
Minimum section length: 450 ft

Burst

Max anticipated surface pressure: 880 psi
Internal gradient: 0.120 psi/ft
Calculated BHP 1,000 psi

Burst:
Design factor 1.00

Cement top: Surface

No backup mud specified.

Tension:
8 Round STC: 1.80 (J)
8 Round LTC: 1.80 (J)
Buttress: 1.60 (J)
Premium: 1.50 (J)
Body yield: 1.50 (B)

Non-directional string.

Re subsequent strings:

Next setting depth: 9,000 ft
Next mud weight: 8.800 ppg
Next setting BHP: 4,114 psi
Fracture mud wt: 19.250 ppg
Fracture depth: 1,000 ft
Injection pressure 1,000 psi

Tension is based on buoyed weight.
Neutral point: 874 ft

Run Seq	Segment Length (ft)	Size (in)	Nominal Weight (lbs/ft)	Grade	End Finish	True Vert Depth (ft)	Measured Depth (ft)	Drift Diameter (in)	Internal Capacity (ft³)
1	1000	8.625	24.00	J-55	ST&C	1000	1000	7.972	48.2
Run Seq	Collapse Load (psi)	Collapse Strength (psi)	Collapse Design Factor	Burst Load (psi)	Burst Strength (psi)	Burst Design Factor	Tension Load (Kips)	Tension Strength (Kips)	Tension Design Factor
1	436	1370	3.140	1000	2950	2.95	21	244	11.63

Prepared by: Clinton Dworshak
Utah Div. of Oil & Mining

Phone: 810-538-5280
FAX: 801-359-3940

Date: October 21,2004
Salt Lake City, Utah

Remarks:
Collapse is based on a vertical depth of 1000 ft, a mud weight of 8.4 ppg. The casing is considered to be evacuated for collapse purposes.
Collapse strength is based on the Westcott, Dunlop & Kemler method of biaxial correction for tension.

Burst strength is not adjusted for tension.

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

Well name:

10-04 Cochrane Divide #1

Operator: **Cochrane Resources, Inc.**

String type: Production

Project ID:

43-019-31413

Location: Grand County

Design parameters:

Collapse

Mud weight: 8.800 ppg
Design is based on evacuated pipe.

Minimum design factors:

Collapse:

Design factor 1.125

Environment:

H2S considered? No
Surface temperature: 75 °F
Bottom hole temperature: 201 °F
Temperature gradient: 1.40 °F/100ft
Minimum section length: 1,500 ft

Burst:

Design factor 1.00

Cement top: Surface

Burst

Max anticipated surface pressure: -14 psi
Internal gradient: 0.459 psi/ft
Calculated BHP 4,114 psi

No backup mud specified.

Tension:

8 Round STC: 1.80 (J)
8 Round LTC: 1.80 (J)
Buttress: 1.60 (J)
Premium: 1.50 (J)
Body yield: 1.50 (B)

Non-directional string.

Tension is based on buoyed weight.
Neutral point: 7,816 ft

Run Seq	Segment Length (ft)	Size (in)	Nominal Weight (lbs/ft)	Grade	End Finish	True Vert Depth (ft)	Measured Depth (ft)	Drift Diameter (in)	Internal Capacity (ft ³)
1	9000 ✓	4.5 ✓	11.60 ✓	N-80 ✓	LT&C	9000	9000	3.875	208.6
Run Seq	Collapse Load (psi)	Collapse Strength (psi)	Collapse Design Factor	Burst Load (psi)	Burst Strength (psi)	Burst Design Factor	Tension Load (Kips)	Tension Strength (Kips)	Tension Design Factor
1	4114	6350	1.543 ✓	4114	7780	1.89 ✓	91	223	2.46 J ✓

Prepared by: Clinton Dworshak
Utah Div. of Oil & Mining

Phone: 810-538-5280
FAX: 801-359-3940

Date: October 21, 2004
Salt Lake City, Utah

Remarks:

Collapse is based on a vertical depth of 9000 ft, a mud weight of 8.8 ppg. The casing is considered to be evacuated for collapse purposes. Collapse strength is based on the Westcott, Dunlop & Kemler method of biaxial correction for tension.

Burst strength is not adjusted for tension.

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

10-04 Cochrane Divide #1

Casing Schematic

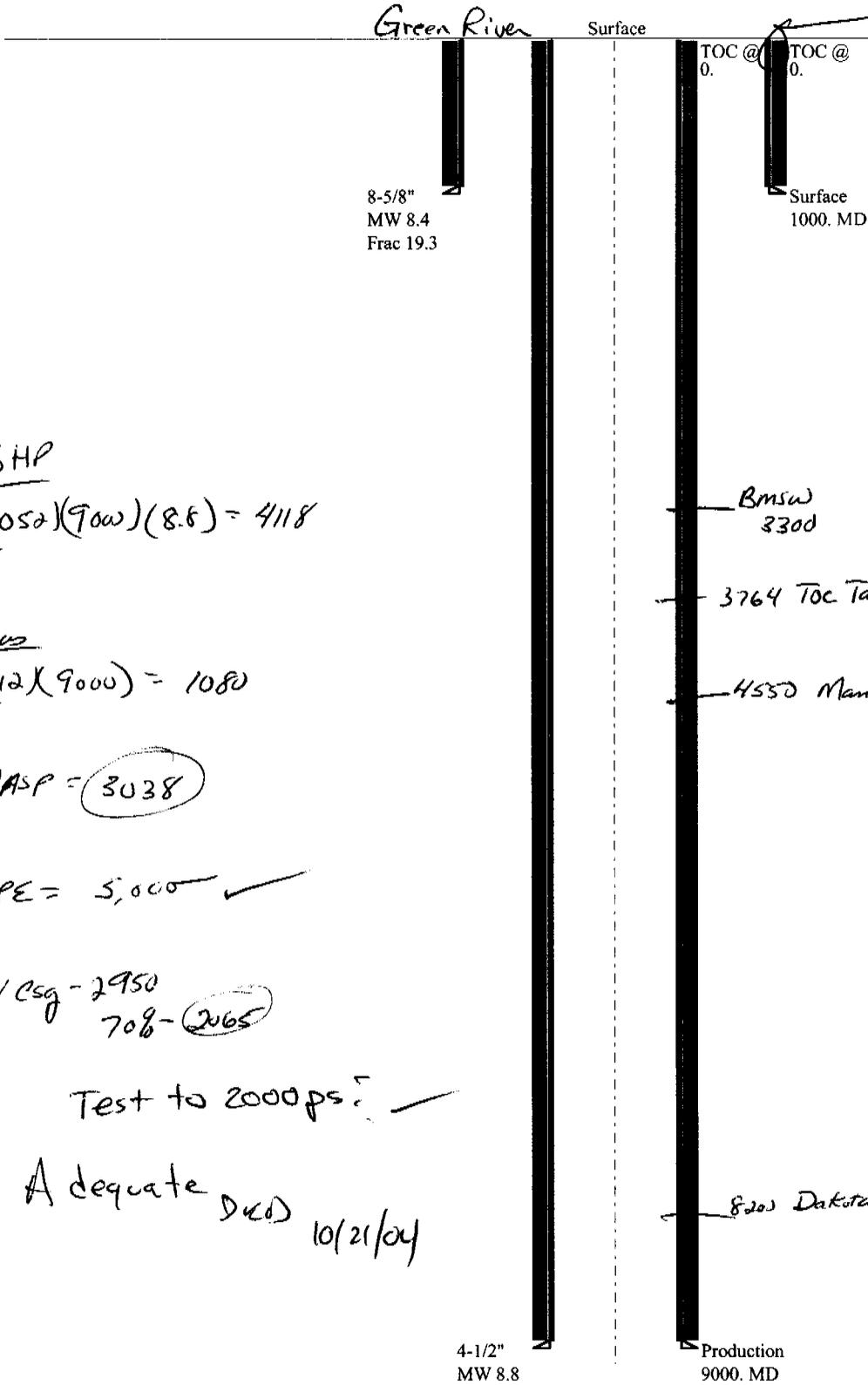
* STIP

Propose Cement To Surface

1.26 cflsk

of sacks not given

(Require 620 sks w/ 1.26 cfls w/ 18% Washout)



BHP
 $(.052)(9000)(8.6) = 4118$

Gas
 $(.12)(9000) = 1080$

MASP = 3038

BOPE = 5,000 ✓

Surf Csg - 2950
 708 - 2065

Test to 2000 ps ✓

A dequate DKO 10/21/04

Bmsw 3300
 3764 TOC Tail
 w/15% Washout

4550 Mancus

8200 Dakota

8-5/8"
 MW 8.4
 Frac 19.3

Surface
 1000. MD

4-1/2"
 MW 8.8

Production
 9000. MD

**DIVISION OF OIL, GAS AND MINING
APPLICATION FOR PERMIT TO DRILL
STATEMENT OF BASIS**

OPERATOR: Cochrane Resources, Inc.
WELL NAME & NUMBER: Divide #1
API NUMBER: 40-019-31413
LOCATION: 1/4,1/4 SWNW Sec:4 TWP: 16S RNG: 24E 1457 FNL 1256 FWL

Geology/Ground Water:

Cochrane proposes to set 1,000' of surface casing at this location. The base of the moderately saline water is at approximately 3,300 feet in this area. This location lies on the Green River Formation. The proposed location is in a recharge area for the aquifers of the Green River Formation and fresh water can be expected to be found in the Green River. A search of Division of Water Rights records indicates no water wells within a 10,000 foot radius of the proposed location. The proposed casing and cement program should adequately protect any useable ground water.

Reviewer: Brad Hill **Date:** 10-21-2004

Surface:

On-site conducted October 20, 2004. In attendance: Bart Kettle (DOGM), Ken Allen (Cochrane), invited but choosing not to attend Ed Bonner (SITLA) and Mary Hofhine (Grand County), unable to attend but providing written comments Tony Wright (DWR).

Proposed location lies within DWR classified "critical" mule deer and elk summer range, therefore request made to avoid construction and drilling from May 15 to July 5. Location is one of few areas DWR is allowed to release problem bears, concern that bears will quickly identify rig as a food source. Division concerned that such bears will eventually create problems with campers and have to be dispatched. DWR request that measures be taken to keep bears from foraging in trash containers, and that rig hands or associated service personal not leave food out for them. DWR request that operator inspect location for birds killed by colliding into guy wires during drilling. The higher precipitation zone increases the risk for snowmelt or rainwaters to flood location. To assure that location does not become flooded diversion ditches will be constructed on the southwest portion of the location.

Reviewer: Bart Kettle **Date:** October 20, 2004

Conditions of Approval/Application for Permit to Drill:

1. Construct diversion ditch around higher portions of location.
2. A synthetic liner with a minimum thickness of 12 mils shall be properly installed and maintained in the reserve pit.

ON-SITE PREDRILL EVALUATION
Division of Oil, Gas and Mining

OPERATOR: Cochrane Resources, Inc.

WELL NAME & NUMBER: Divide #1

API NUMBER: 43-019-31413

LEASE: State FIELD/UNIT: Wildcat

LOCATION: 1/4,1/4 SWNW Sec: 4 TWP: 16S RNG: 24E 1457 FNL 1256 FWL

LEGAL WELL SITING: 460 F SEC. LINE; 460 F 1/4,1/4 LINE; 920 F ANOTHER WELL.

GPS COORD (UTM): X =648160 E; Y =4367697 N SURFACE OWNER: SITLA

PARTICIPANTS

Bart Kettle(DOGM), Ken Allen (Cochrane)

REGIONAL/LOCAL SETTING & TOPOGRAPHY

Proposed location is 39 miles northwest of Mack Colorado in Grand County Utah. The proposed location is atop of the Bookcliffs divide located adjacent to the Winter Ridge/Hay Canyon Road in an 18-20" precipitation zone. Mountain Browse rangelands cut by deep rocky pinion/juniper and Douglas fir canyons surround the well site. Topography to the south drops off quickly into a narrow band of P/J woodlands, with extensive salt scrub clay flats in the valley floor. Slopes are more gradual to the north, with extensive P/J woodlands eventually giving way to the salt scrub communities. Due to the dry nature of the surrounding terrain the divide portion of the Bookcliffs is classified as critical summer wildlife habitat. The Bookcliffs divide separates watersheds that drain to the north into Sweetwater Creek and the south into the Colorado River. The proposed location is located near the center of the ridge top, there are no perennial streams located in close proximity to the location. Drainages in the immediate area are ephemeral in nature, being dry throughout the warmer months of the year. Perennial and intermittent springs are located near the bottom of adjacent canyons, water bodies located near the ridge tops are predominantly dirt tanks developed to trap monsoon moisture for livestock watering. Access to the well site can be gained via the Hay Canyon road from the Grand Valley, or the Seep Ridge Road from the Uintah Basin.

SURFACE USE PLAN

CURRENT SURFACE USE: Early fall cattle grazing, summer big game habitat, seasonal recreation, oil and gas development.

PROPOSED SURFACE DISTURBANCE: 266' x 325'

LOCATION OF EXISTING WELLS WITHIN A 1 MILE RADIUS:

LOCATION OF PRODUCTION FACILITIES AND PIPELINES: Production facilities such as separators, dehydrators, flow meters and tanks will be located on-site. The Sales Gas line will be installed to the north staying on existing lease where it will be connected to an existing pipeline.

SOURCE OF CONSTRUCTION MATERIAL: On-site

ANCILLARY FACILITIES: None required

WILL DRILLING AT THIS LOCATION GENERATE PUBLIC INTEREST OR CONCERNS? (EXPLAIN): Drilling at this location is not expected to generate significant public concern. With the exception of the fall hunting seasons there is limited public visitation into this portion of the Bookcliffs. The closest residence are located ~15 miles away at the Cripple Cowboy Ranch in the head of Bitter Creek, and the DeLambert Ranch in Main Canyon.

WASTE MANAGEMENT PLAN:

Garbage and other trash will be contained in an acceptable trash container. Refuse will be transported to an approved sanitary landfill. Sewage will be handled in self-contained portable toilets and contents hauled off location to an authorized facility in accordance with State and local regulations.

Reserve pit will be fenced and lined with a 12-mil liner prior to use. Drill cuttings will be constrained in the reserve pit. Produced liquid hydrocarbons will be constrained in test tanks during completion and testing.

ENVIRONMENTAL PARAMETERS

AFFECTED FLOODPLAINS AND/OR WETLANDS: No floodplains or wetlands will be affected by the drilling of this well. Proposed location is located above the head of an ephemeral wash, pad construction is not expected to alter drainage function or sediment load.

FLORA/FAUNA: Elk, Mule Deer, Black Bear, Cougar, Bobcat, rabbits, songbirds, raptors, and lizards.

Grasses: June grass, Mutton grass, Elk sedge, Lettermens needlegrass, Nevada blue grass, Crested wheatgrass and other agropyrene species.

Forbs: Vetch, and Long leaf phlox. Shrubs: Buckwheat, Bitterbrush, Alderleaf mountain mahogany, Utah service berry, Douglas rabbit brush, Wyoming sage, Common snowberry, and Gamble oak. Trees: Douglas fir.

SOIL TYPE AND CHARACTERISTICS: Dark brown Clay Loam, sandstone fragments present in close proximity.

SURFACE FORMATION & CHARACTERISTICS: Alternating sandstone and shale layers cut by deep canyons. Soils are erosive in nature due to lack of litter/vegetation and steep slopes.

EROSION/SEDIMENTATION/STABILITY: Fine soils prone to wind and water erosion when disturbed. Excessive sedimentation and erosion is not expected.

PALEONTOLOGICAL POTENTIAL: None noted

RESERVE PIT

CHARACTERISTICS: 75'x147'x12'

LINER REQUIREMENTS (Site Ranking Form attached): Liner Required

SURFACE RESTORATION/RECLAMATION PLAN

The pit will be backfilled when the contents have been sufficiently dewatered. If the well is productive areas not required for operations will be seeded. Noxious weeds will be controlled on the location in accordance with State guidelines. In the event of a dry hole the location will re re-contoured, the topsoil distributed evenly over the location and then re-seeded.

SURFACE AGREEMENT: As per SITLA mineral lease.

CULTURAL RESOURCES/ARCHAEOLOGY: Class III Cultural Resource Inventory has been conducted by Uncompahgre Archaeological Consultants.

OTHER OBSERVATIONS/COMMENTS

DWR classifies area as critical summer range for elk and mule deer, request to restrict construction and drilling between May 15 and July 5. DWR request that operator take actions to prevent bears from associating operations as a food source. Maintain food in bear proof containers, place trash in an enclosed container, assure that container remains closed to prevent access by foraging bears. DWR request operator inspect guy wires for bird carcasses.

ATTACHMENTS

Photos of this location were taken and placed on file.

Bart Kettle
DOGDM REPRESENTATIVE

October 20, 2004 10:51 A.M.
DATE/TIME

**Evaluation Ranking Criteria and Ranking Score
For Reserve and Onsite Pit Liner Requirements**

<u>Site-Specific Factors</u>	<u>Ranking</u>	<u>Site Ranking</u>
Distance to Groundwater (feet)		
>200	0	
100 to 200	5	
75 to 100	10	
25 to 75	15	
<25 or recharge area	20	<u>0</u>
Distance to Surf. Water (feet)		
>1000	0	
300 to 1000	2	
200 to 300	10	
100 to 200	15	
< 100	20	<u>2</u>
Distance to Nearest Municipal Well (feet)		
>5280	0	
1320 to 5280	5	
500 to 1320	10	
<500	20	<u>0</u>
Distance to Other Wells (feet)		
>1320	0	
300 to 1320	10	
<300	20	<u>0</u>
Native Soil Type		
Low permeability	0	
Mod. permeability	10	
High permeability	20	<u>10</u>
Fluid Type		
Air/mist	0	
Fresh Water	5	
TDS >5000 and <10000	10	
TDS >10000 or Oil Base Mud Fluid	15	
containing significant levels of hazardous constituents	20	<u>5</u>
Drill Cuttings		
Normal Rock	0	
Salt or detrimental	10	<u>0</u>
Annual Precipitation (inches)		
<10	0	
10 to 20	5	
>20	10	<u>5</u>
Affected Populations		
<10	0	
10 to 30	6	
30 to 50	8	
>50	10	<u>0</u>
Presence of Nearby Utility Conduits		
Not Present	0	
Unknown	10	
Present	15	<u>0</u>

Final Score 22 (Level I Sensitivity)

Sensitivity Level I = 20 or more; total containment is required, consider criteria for excluding pit use.

Sensitivity Level II = 15-19; lining is discretionary.

Sensitivity Level III = below 15; no specific lining is required.





DWR COMMENTS:

Presite Gas well Inspection - *Cochran Resources*

Divide #1: (UTM 12N NAD27 648152E. 4367691N) This area is within critical value elk and mule deer summer range, therefore big game seasonal restrictions for construction and drilling (parturition closure May 15 - July 5) should be followed. DWR requests all food and trash of crews staying onsite be secured in a manner that is bear-proof. If a lighted drill rig is onsite at this ridge top location during March through May or September through November DWR requests the area beneath the tower and guy wires be checked daily for bird carcasses. Carcasses should be kept cold and DWR notified for pickup.

People present: Bart Kettle - DOGM
 Tony Wright - DWR

C: DOGM

G:\Habitat\Industry\Onsites\Comments\Merrion_04_08_25

From: Ed Bonner
To: Whitney, Diana
Date: 12/29/2004 4:36:31 PM
Subject: Well Clearance

The following wells have been given cultural resource clearance by the Trust Lands Cultural Resources Group:

The Houston Exploration Company

Rockhouse 11-2
Rockhouse 16-2
East Bench 1-16
East Bench 3-16
East Bench 7-16
East Bench 15-16

Gasco Production Company

Wilkin Ridge State 34-16-10-17
Wilkin Ridge State 24-32-10-17
Wilkin Ridge State 31-32-10-17

Cochrane Resources, Inc
Divide #1

If you have any questions regarding this matter please give me a call.

CC: Garrison, LaVonne; Hill, Brad; Hunt, Gil



State of Utah

Department of
Natural Resources

ROBERT L. MORGAN
Executive Director

Division of
Oil, Gas & Mining

MARY ANN WRIGHT
Acting Division Director

OLENE S. WALKER
Governor

GAYLE F. McKEACHNIE
Lieutenant Governor

December 30, 2004

Cochrane Resources, Inc.
P O Box 1656
Roosevelt, UT 84066

Re: Divide #1 Well, 1457' FNL, 1256' FWL, SW NW, Sec. 4, T. 16 South,
R. 24 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.

Appropriate information has been submitted to DOGM and administrative approval of the requested exception location is hereby 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 43-019-31413.

Sincerely,

John R. Baza
Associate Director

pab
Enclosures

cc: Grand County Assessor
SITLA

Operator: Cochrane Resources, Inc.

Well Name & Number Divide #1

API Number: 43-019-31413

Lease: ML-46756

Location: SW NW **Sec.** 4 **T.** 16 South **R.** 24 East

Conditions of Approval

1. General

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

2. Notification Requirements

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

- 24 hours prior to cementing or testing casing
- 24 hours prior to testing blowout prevention equipment
- 24 hours prior to spudding the well
- within 24 hours of any emergency changes made to the approved drilling program
- prior to commencing operations to plug and abandon the well

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

- Dan Jarvis at (801) 538-5338
- Carol Daniels at (801) 538-5284 (spud)

3. Reporting Requirements

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

4. Compliance with the State of Utah Antiquities Act forbids disturbance of archeological, historical, or paleontological remains. Should archeological, historical or paleontological remains be encountered during your operations, you are required to immediately suspend all operations and immediately inform the Trust Lands Administration and the Division of State History of the discovery of such remains.

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

6. Surface casing shall be cemented to the surface. (±620 sks)

7. This proposed well is located in an area for which drilling units (well spacing patterns) have not been established through an order of the Board of Oil, Gas and Mining (the "Board"). In order to avoid the possibility of waste or injury to correlative rights, the operator is requested, once the well has been drilled, completed, and has produced, to analyze geological and engineering data generated therefrom, as well as any similar data from surrounding areas if available. As soon as is practicable after completion of its analysis, and if the analysis suggests an area larger than the quarter-quarter section upon which the well is located is being drained, the operator is requested to seek an appropriate order from the Board establishing drilling and spacing units in conformance with such analysis by filing a Request for Agency Action with the Board.
8. Operator shall comply with applicable recommendations resulting from Resource Development Coordinating Committee review. Statements attached.

005

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

FORM 9

SUNDRY NOTICES AND REPORTS ON WELLS

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

1. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER _____		5. LEASE DESIGNATION AND SERIAL NUMBER: ML46756
2. NAME OF OPERATOR: Cochrane Resources, Inc.		6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
3. ADDRESS OF OPERATOR: PO Box 1656 CITY Roosevelt STATE UT ZIP 84066		7. UNIT or CA AGREEMENT NAME:
PHONE NUMBER: (435) 722-5081		8. WELL NAME and NUMBER: Divide #1
4. LOCATION OF WELL FOOTAGES AT SURFACE: 1457 FNL 1256 FWL		9. API NUMBER: 4301931413
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: SWNW 4 16S 24E		10. FIELD AND POOL, OR WILDCAT:
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"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion: _____	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> SIDETRACK TO REPAIR WELL
	<input type="checkbox"/> CASING REPAIR	<input type="checkbox"/> NEW CONSTRUCTION	<input type="checkbox"/> TEMPORARILY ABANDON
	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> TUBING REPAIR
	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> VENT OR FLARE
	<input type="checkbox"/> CHANGE WELL NAME	<input type="checkbox"/> PLUG BACK	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> PRODUCTION (START/RESUME)	<input type="checkbox"/> WATER SHUT-OFF
	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input checked="" type="checkbox"/> OTHER: <u>Move Location</u>
	<input type="checkbox"/> CONVERT WELL TYPE	<input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION	

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

Cochrane Resources would like to move the subject location to the NE of the NW section 4, due to ne seismic interpretation. The new location is on the same lease. Attached are three copies of the new survey and cut and fill sheet. An arch study will be scheduled in the next few weeks. Please advise if you require additional information.

1045' FNL 1715' FWL
648296 X 39,449108
43678254 - 109,276555

COPY SENT TO OPERATOR
Date: 7-13-05
Initials: CHD

Approved by the
Utah Division of
Oil, Gas and Mining

Date: 07-13-05
By: *[Signature]*

RECEIVED
JUN 03 2005
DIV. OF OIL, GAS & MINING

NAME (PLEASE PRINT) <u>Ken Allen</u>	TITLE <u>President</u>
SIGNATURE <i>[Signature]</i>	DATE <u>6/2/2005</u>

(This space for State use only)

COCHRANE RESOURCES, INC.

Engineering
Wellsite Supervision
Lease Operating

P.O. Box 1656
Roosevelt, Utah 84066
Phone (801) 722-5081

June 20, 2005

State of Utah
Division of Oil, Gas, & Mining
1594 West North Temple, Suite 1210
Box 145801
Salt lake City, Utah 84114-5801

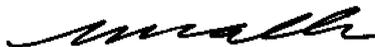
Re: State Divide #1
Sec 4, T16S, R24E
Grand County, Utah

Dear Diana:

Cochrane Resources would like to request a spacing exception for the subject well for geologic reasons.

Please be advised that there are no other lease owners within 460' of the proposed well.

Yours truly,



Ken Allen

RECEIVED
JUN 21 2005
DIV. OF OIL, GAS & MINING

**DIVISION OF OIL, GAS AND MINING
APPLICATION FOR PERMIT TO DRILL
STATEMENT OF BASIS**

OPERATOR: Cochrane Resources, Inc.
WELL NAME & NUMBER: Divide #1
API NUMBER: 40-019-31413
LOCATION: 1/4,1/4 SWNW Sec:4 TWP: 16S RNG: 24E 1048 FNL 1715 FWL

Geology/Ground Water:

Cochrane proposes to set 1,000' of surface casing at this location. The base of the moderately saline water is at approximately 3,300 feet in this area. This location lies on the Green River Formation. The proposed location is in a recharge area for the aquifers of the Green River Formation and fresh water can be expected to be found in the Green River. A search of Division of Water Rights records indicates no water wells within a 10,000 foot radius of the proposed location. The proposed casing and cement program should adequately protect any useable ground water.

Reviewer: Brad Hill **Date:** 07-13-2005

Surface:

On-site conducted October 20, 2004. In attendance: Bart Kettle (DOGM), Ken Allen (Cochrane), invited but choosing not to attend Ed Bonner (SITLA) and Mary Hofhine (Grand County), unable to attend but providing written comments Tony Wright (DWR). Due to moving location further north a second on-site visit was conducted on July 5, 2005, present where Bart Kettle and Ken Allen.

Proposed location lies within DWR classified "critical" mule deer and elk summer range, therefore request made to avoid construction and drilling from May 15 to July 5. Location is one of few areas DWR is allowed to release problem bears, concern that bears will quickly identify rig as a food source. Division concerned that such bears will eventually create problems with campers and have to be dispatched. DWR request that measures be taken to keep bears from foraging in trash containers, and that rig hands or associated service personal not leave food out for them. DWR request that operator inspect location for birds killed by colliding into guy wires during drilling. The higher precipitation zone increases the risk for snowmelt or rainwaters to flood location. To assure that location does not become flooded diversion ditches will be constructed on the northeastern portion of the location. Due to resource concerns created as a result of previous drilling activities conducted during spring thaw, discussed that drilling be avoided if at all possible during the months of February through April.

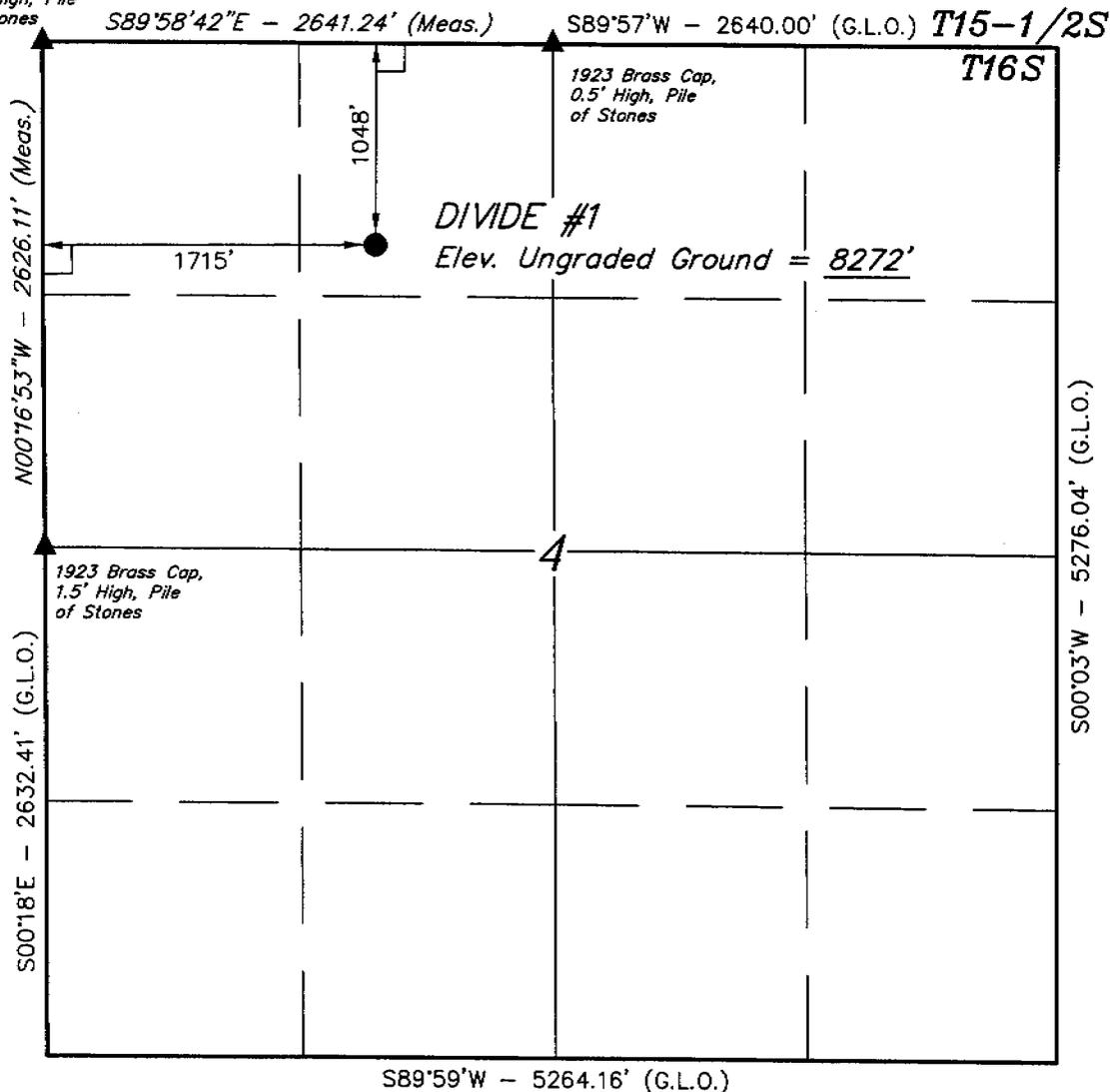
Reviewer: Bart Kettle **Date:** July 12, 2005

Conditions of Approval/Application for Permit to Drill:

1. Construct diversion ditch around higher portions of location to keep spring melt from entering well pad.

T16S, R24E, S.L.B.&M.

1923 Brass Cap,
1.2' High, Pile
of Stones



LEGEND:

- └─┘ = 90° SYMBOL
- = PROPOSED WELL HEAD.
- ▲ = SECTION CORNERS LOCATED.

(NAD 83)
 LATITUDE = 39°26'56.95" (39.449153)
 LONGITUDE = 109°16'38.04" (109.277233)
 (NAD 27)
 LATITUDE = 39°26'57.05" (39.449181)
 LONGITUDE = 109°16'35.62" (109.276561)

COCHRANE RESOURCES, INC.

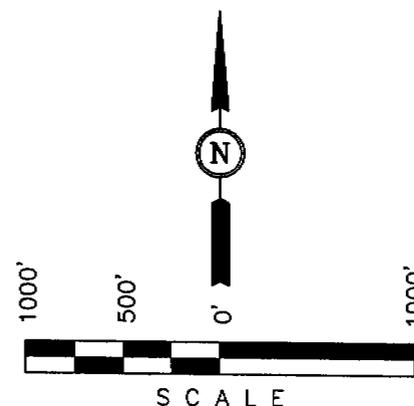
Well location, DIVIDE #1, located as shown in the NE 1/4 NW 1/4 of Section 4, T16S, R24E, S.L.B.&M. Grand County, Utah.

BASIS OF ELEVATION

HORN TRIANGULATION STATION LOCATED IN THE SE 1/4 OF SECTION 26, T15S, R23E, S.L.B.&M. TAKEN FROM THE P R SPRING, QUADRANGLE, UTAH, 7.5 MINUTE QUAD. (TOPOGRAPHIC MAP) PUBLISHED BY THE UNITED STATES DEPARTMENT OF THE INTERIOR, GEOLOGICAL SURVEY. SAID ELEVATION IS MARKED AS BEING 8200 FEET.

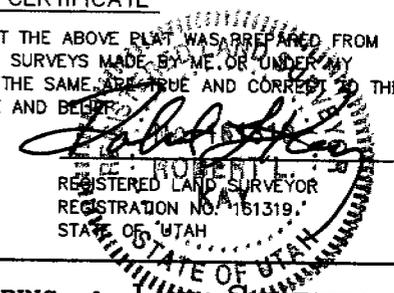
BASIS OF BEARINGS

BASIS OF BEARINGS IS A G.P.S. OBSERVATION.



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.



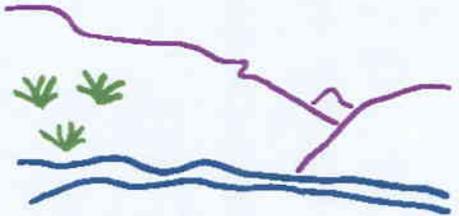
REVISED: 05-18-05

UINTAH ENGINEERING & LAND SURVEYING
 85 SOUTH 200 EAST - VERNAL, UTAH 84078
 (435) 789-1017

SCALE 1" = 1000'	DATE SURVEYED: 8-26-04	DATE DRAWN: 8-26-04
PARTY B.B. M.A. C.G.	REFERENCES G.L.O. PLAT	
WEATHER WARM	FILE COCHRANE RESOURCES, INC.	



OPERATOR: COCHRANE RES INC (N7015)
SEC: 4 T. 16S R. 24E
FIELD: WILDCAT (001)
COUNTY: GRAND
SPACING: R649-3-3 / EXCEPTION LOCATION



Utah Oil Gas and Mining

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: 17-JUNE-2005

COCHRANE RESOURCES, INC

DIVIDE #1

LOCATED IN GRAND COUNTY, UTAH
SECTION 4, T16S, R24E, S.L.B.&M.

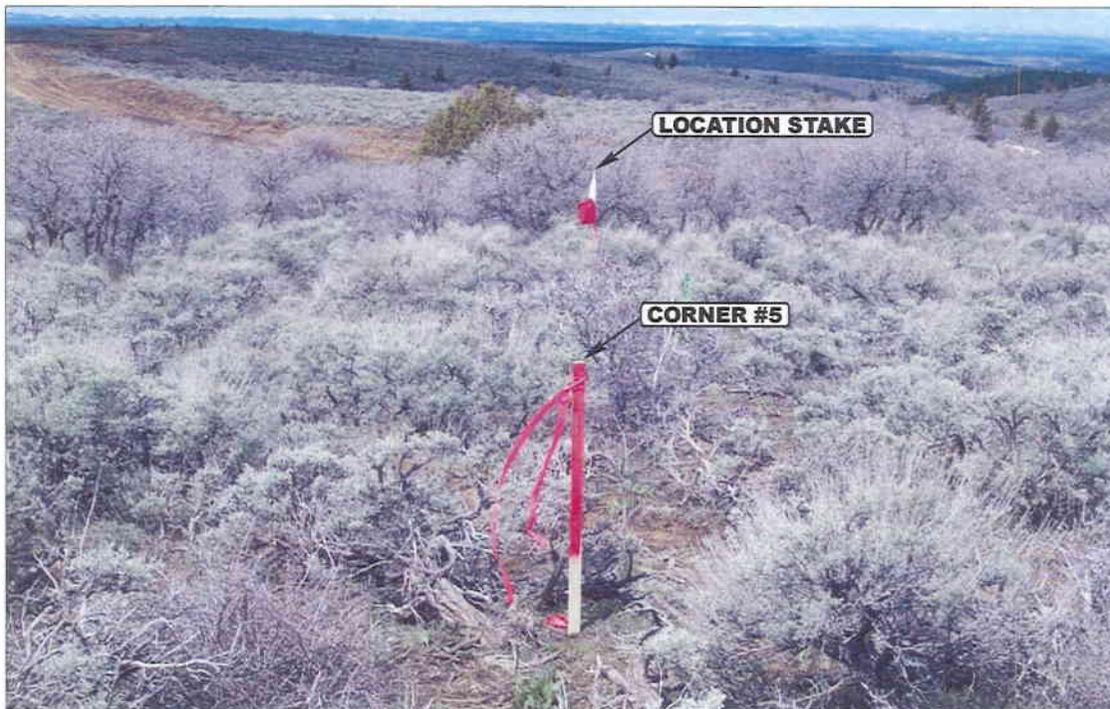


PHOTO: VIEW FROM CORNER #5 TO LOCATION STAKE

CAMERA ANGLE: NORTHERLY



PHOTO: VIEW FROM BEGINNING OF PROPOSED ACCESS

CAMERA ANGLE: SOUTHERLY



- Since 1964 -

Uintah Engineering & Land Surveying

85 South 200 East Vernal, Utah 84078
435-789-1017 uels@uelsinc.com

LOCATION PHOTOS

09 16 05
MONTH DAY YEAR

PHOTO

TAKEN BY: G.O.

DRAWN BY: L.K.

REVISED: 05-24-05

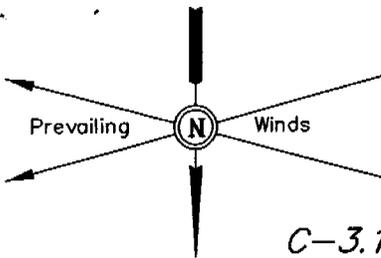
COCHRANE RESOURCES, INC.

LOCATION LAYOUT FOR

DIVIDE #1

SECTION 4, T16S, R24E, S.L.B.&M.

1048' FNL 1715' FWL



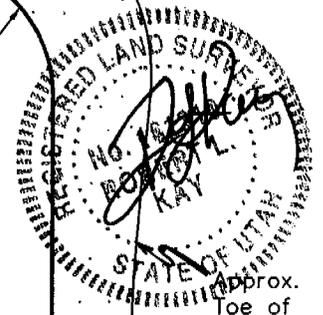
C-3.1'
El. 293.4'

F-3.3'
El. 287.0'

F-16.7'
El. 273.6'

SCALE: 1" = 50'
DATE: 05-18-05
Drawn By: C.G.

NOTE:
Flare Pit is to
be located a min.
of 100' from the
Well Head.



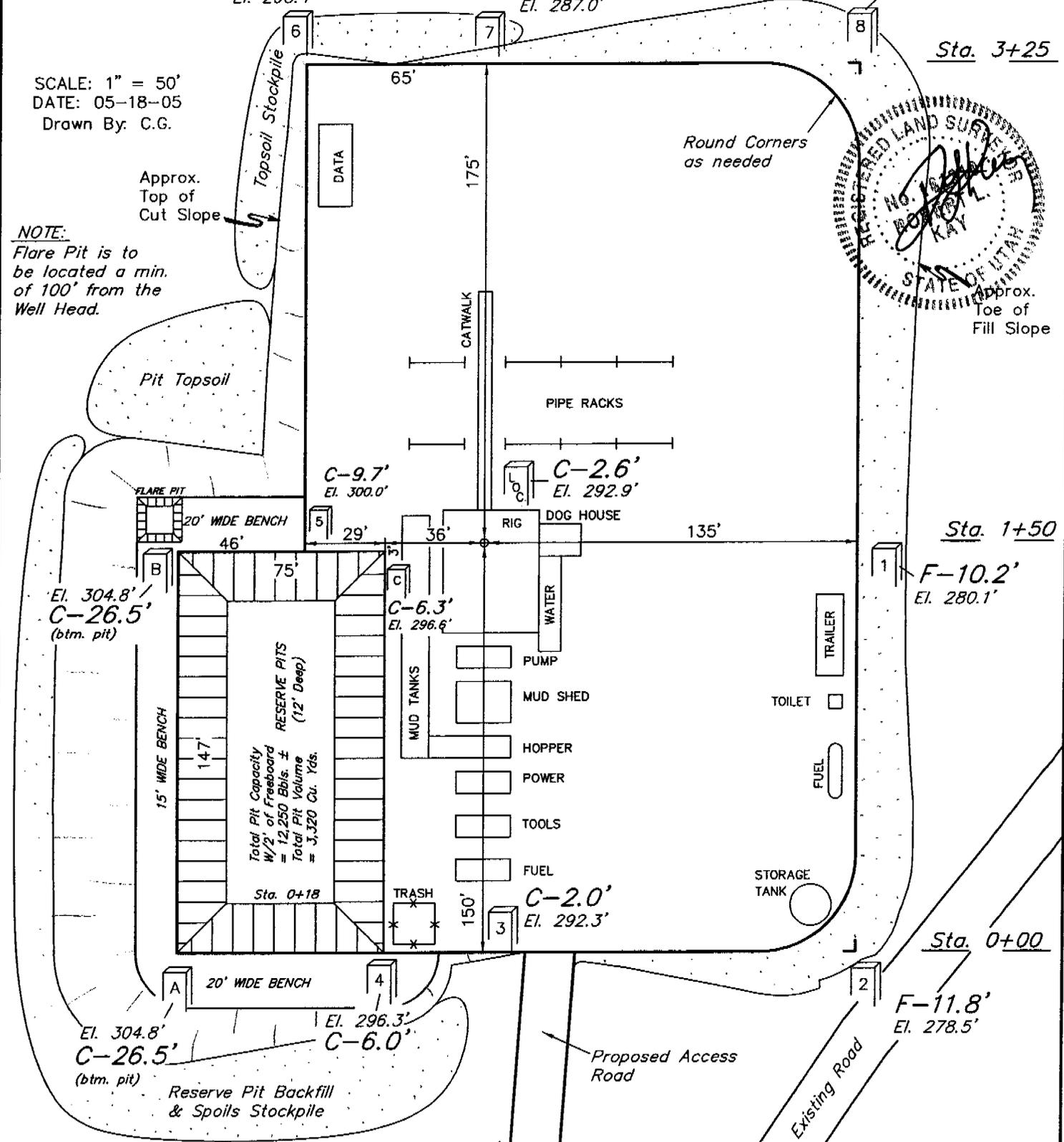
Sta. 3+25

Sta. 1+50

F-10.2'
El. 280.1'

Sta. 0+00

F-11.8'
El. 278.5'



Elev. Ungraded Ground at Location Stake = 8292.9'
Elev. Graded Ground at Location Stake = 8290.3'

UINTAH ENGINEERING & LAND SURVEYING
86 So. 200 East * Vernal, Utah 84078 * (435) 789-1017

COCHRANE RESOURCES, INC.

TYPICAL CROSS SECTIONS FOR

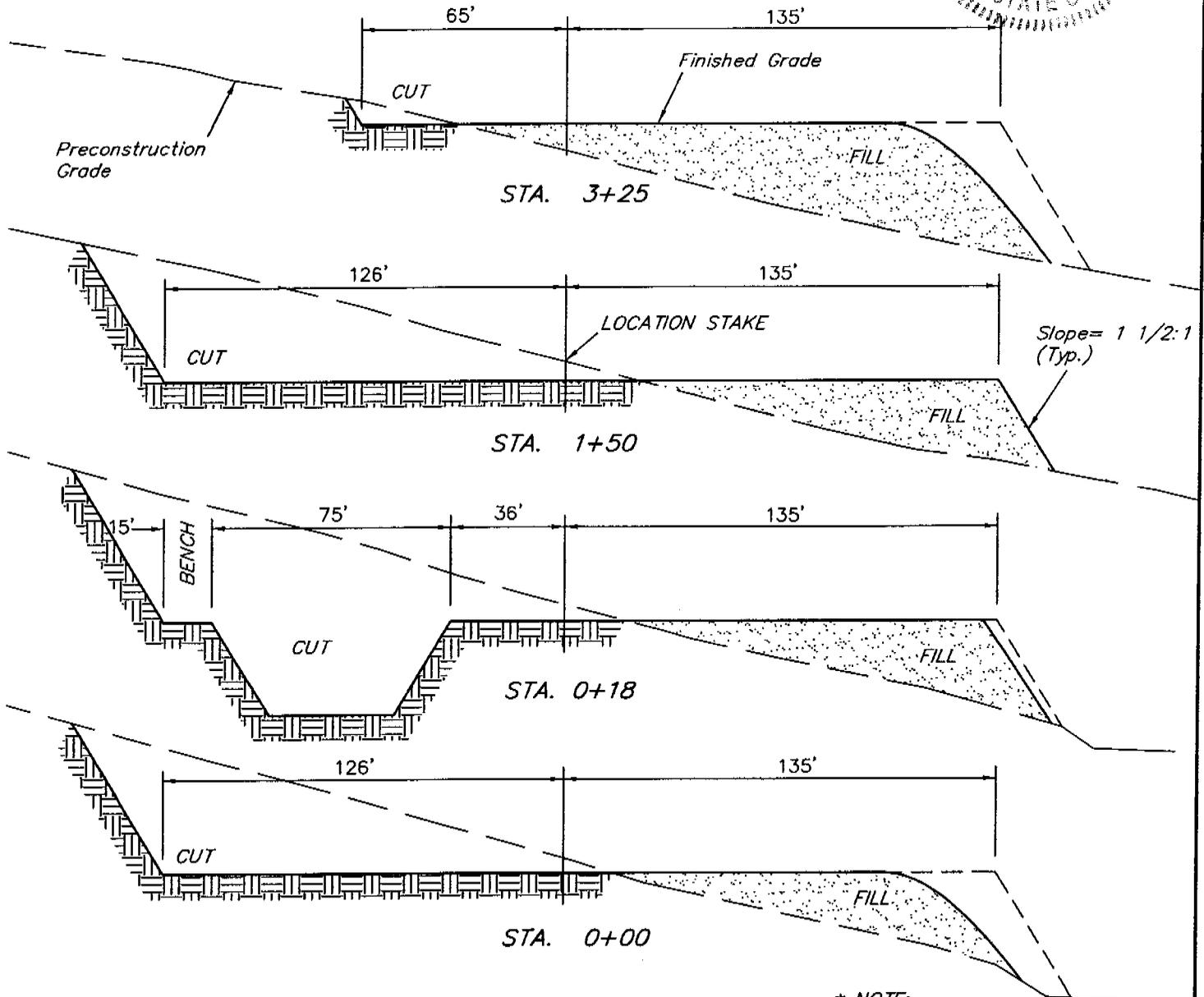
DIVIDE #1

**SECTION 4, T16S, R24E, S.L.B.&M.
1048' FNL 1715' FWL**



1" = 20'
X-Section
Scale
1" = 50'

DATE: 05-18-05
Drawn By: C.G.



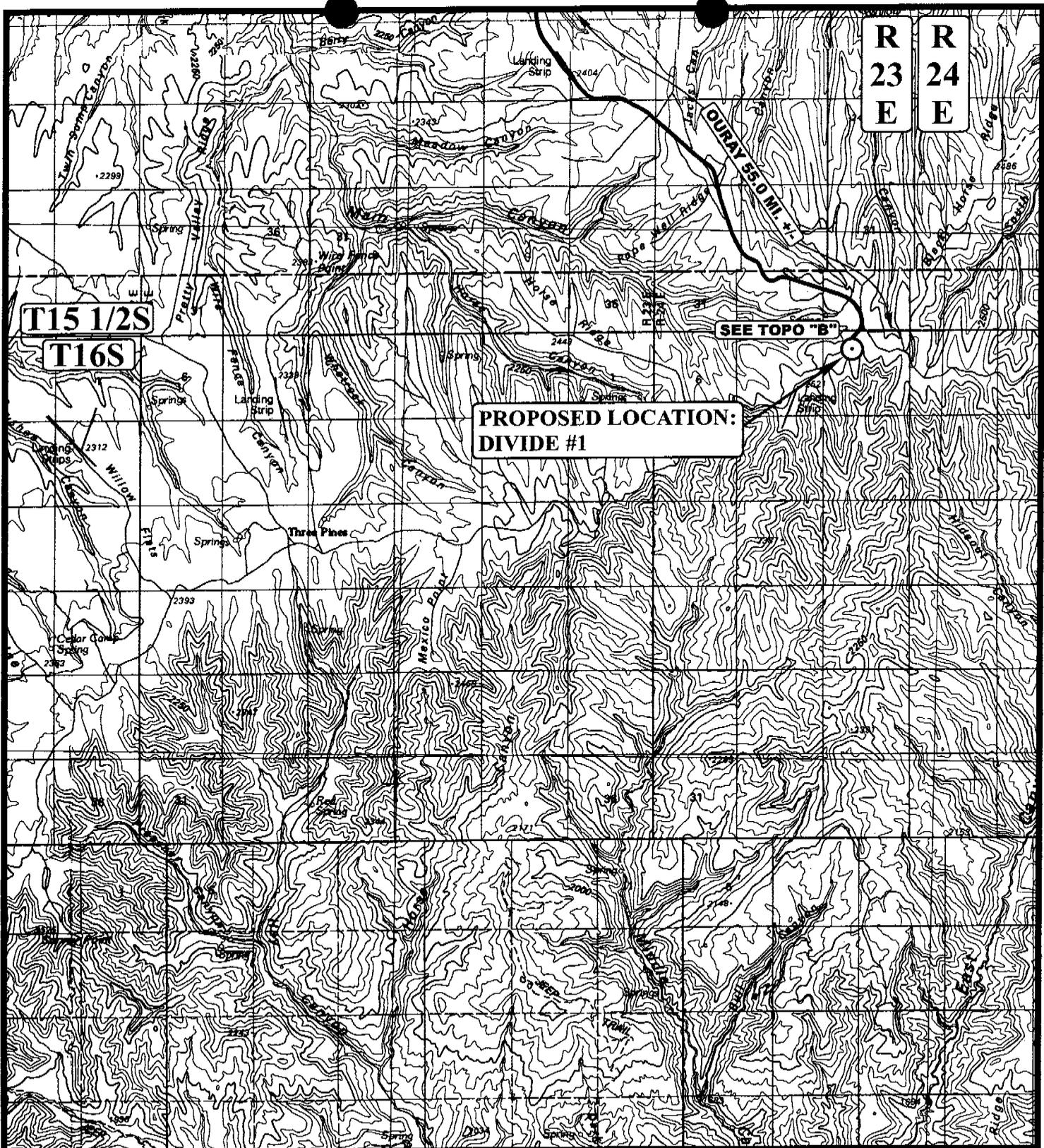
*** NOTE:**
FILL QUANTITY INCLUDES
5% FOR COMPACTION

APPROXIMATE YARDAGES

(6") Topsoil Stripping	=	1,910 Cu. Yds.
Remaining Location	=	14,560 Cu. Yds.
TOTAL CUT	=	16,470 CU.YDS.
FILL	=	12,900 CU.YDS.

EXCESS MATERIAL	=	3,570 Cu. Yds.
Topsoil & Pit Backfill (1/2 Pit Vol.)	=	3,570 Cu. Yds.
EXCESS UNBALANCE (After Rehabilitation)	=	0 Cu. Yds.

UINTAH ENGINEERING & LAND SURVEYING
85 So. 200 East * Vernal, Utah 84078 * (435) 789-1017



LEGEND:

○ PROPOSED LOCATION

N



COCHRANE RESOURCES, INC

DIVIDE #1
SECTION 4, T16S, R24E, S.L.B.&M.
1048' FNL 1715' FWL



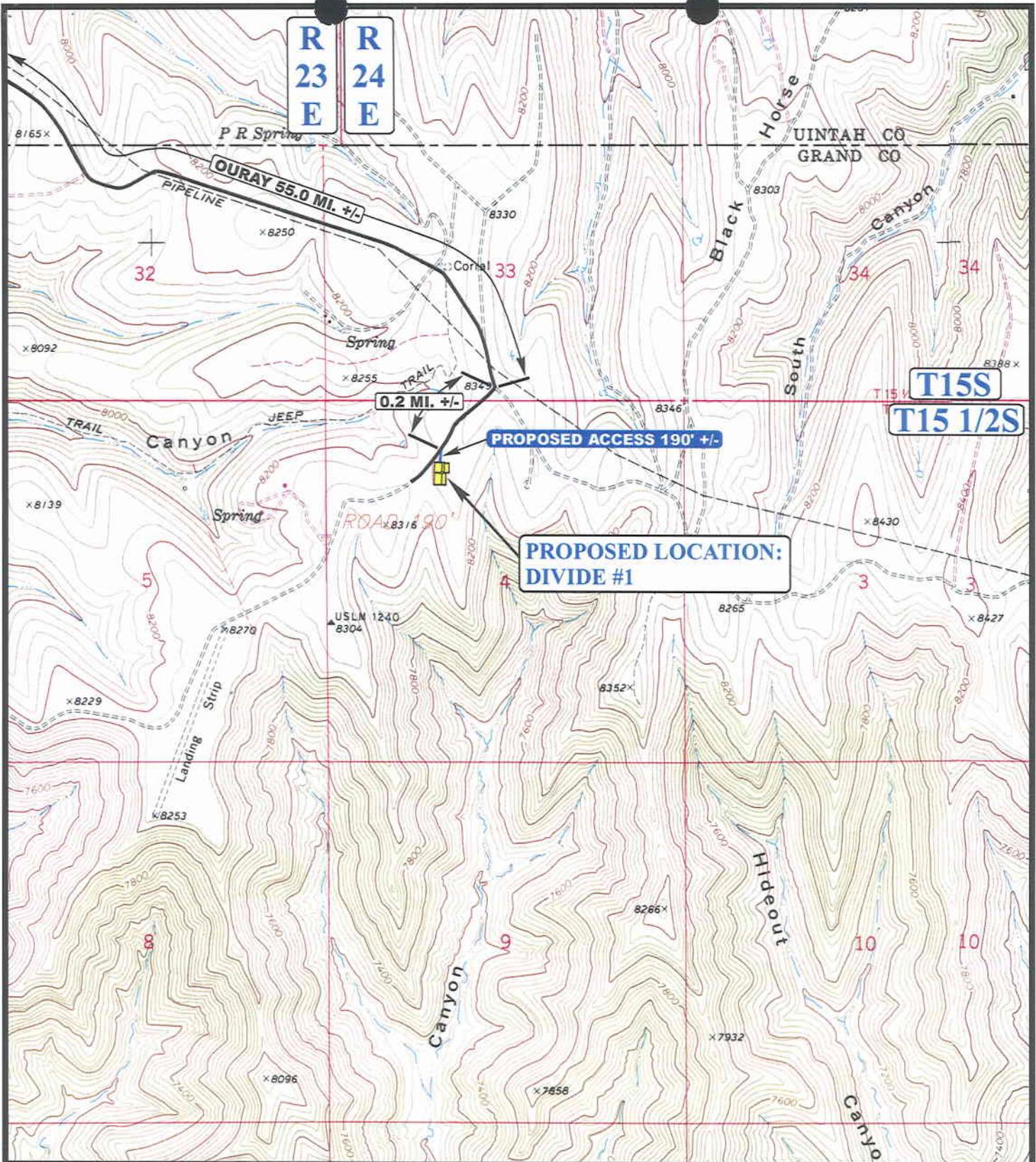
Utah Engineering & Land Surveying
 85 South 200 East Vernal, Utah 84078
 (435) 789-1017 * FAX (435) 789-1813

TOPOGRAPHIC
MAP

09 16 05
 MONTH DAY YEAR

SCALE: 1:100,000 | DRAWN BY: L.K. | REVISED: 05-24-05





LEGEND:

- EXISTING ROAD
- PROPOSED ACCESS ROAD

COCHRANE RESOURCES, INC

DIVIDE #1
SECTION 4, T16S, R24E, S.L.B.&M.
1048' FNL 1715' FWL

UELS Uintah Engineering & Land Surveying
 85 South 200 East Vernal, Utah 84078
 (435) 789-1017 * FAX (435) 789-1813



TOPOGRAPHIC	09	16	05	B TOPO
MAP	MONTH	DAY	YEAR	
SCALE: 1" = 2000'		DRAWN BY: L.K.		REVISED: 05-24-05

**DIVISION OF OIL, GAS AND MINING
APPLICATION FOR PERMIT TO DRILL
STATEMENT OF BASIS**

OPERATOR: Cochrane Resources, Inc.
WELL NAME & NUMBER: Divide #1
API NUMBER: 40-019-31413
LOCATION: 1/4,1/4 SWNW Sec:4 TWP: 16S RNG: 24E 1048 FNL 1715 FWL

Geology/Ground Water:

Cochrane proposes to set 1,000' of surface casing at this location. The base of the moderately saline water is at approximately 3,300 feet in this area. This location lies on the Green River Formation. The proposed location is in a recharge area for the aquifers of the Green River Formation and fresh water can be expected to be found in the Green River. A search of Division of Water Rights records indicates no water wells within a 10,000 foot radius of the proposed location. The proposed casing and cement program should adequately protect any useable ground water.

Reviewer: Brad Hill **Date:** 07-13-2005

Surface:

On-site conducted October 20, 2004. In attendance: Bart Kettle (DOGM), Ken Allen (Cochrane), invited but choosing not to attend Ed Bonner (SITLA) and Mary Hofhine (Grand County), unable to attend but providing written comments Tony Wright (DWR). Due to moving location further north a second on-site visit was conducted on July 5, 2005, present where Bart Kettle and Ken Allen.

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Reviewer: Bart Kettle **Date:** July 12, 2005

Conditions of Approval/Application for Permit to Drill:

1. Construct diversion ditch around higher portions of location to keep spring melt from entering well pad.

ON-SITE PREDRILL EVALUATION
Division of Oil, Gas and Mining

OPERATOR: Cochrane Resources, Inc.

WELL NAME & NUMBER: Divide #1

API NUMBER: 43-019-31413

LEASE: State **FIELD/UNIT:** Wildcat

LOCATION: 1/4,1/4 SWNW Sec: 4 TWP: 16S RNG: 24E 1048 FNL 1715 FWL

LEGAL WELL SITING: 460 F SEC. LINE; 460 F 1/4,1/4 LINE; 920 F ANOTHER WELL.

GPS COORD (UTM): X = E; Y = N **SURFACE OWNER:** SITLA

PARTICIPANTS

Bart Kettle (DOGM), Ken Allen (Cochrane)

REGIONAL/LOCAL SETTING & TOPOGRAPHY

Proposed location is 39 miles northwest of Mack Colorado in Grand County Utah. The proposed location is atop of the Bookcliffs divide located adjacent to the Winter Ridge/Hay Canyon Road in an 18-20" precept zone. Mountain Browse rangelands cut by deep rocky pinion/juniper and Douglas fir canyons surround the well site. Topography to the south drops off quickly into a narrow band of P/J woodlands, with extensive salt scrub clay flats in the valley floor. Slopes are more gradual to the north, with extensive P/J woodlands eventually giving way to the salt scrub communities. Due to the dry nature of the surrounding terrain the divide portion of the Bookcliffs is classified as critical summer wildlife habitat. The Bookcliffs divide separates watersheds that drain to the north into Sweetwater Creek and the south into the Colorado River. The proposed location is located near the top of a ridge top, there was no perennial water observed in close proximity to the location. Drainages in the immediate area are ephemeral in nature, being dry throughout the warmer months of the year. Perennial and intermittent springs are located near the bottom of adjacent canyons, water bodies located near the ridge tops are predominantly dirt tanks developed to trap monsoon moisture for livestock watering. Access to the well site can be gained via the Hay Canyon road from the Grand Valley, or the Seep Ridge Road from the Uintah Basin.

SURFACE USE PLAN

CURRENT SURFACE USE: Early fall cattle grazing, summer big game habitat, seasonal recreation, oil and gas development.

PROPOSED SURFACE DISTURBANCE: 266' x 325'

LOCATION OF EXISTING WELLS WITHIN A 1 MILE RADIUS:

LOCATION OF PRODUCTION FACILITIES AND PIPELINES: Production facilities such as separators, dehydrators, flow meters and tanks will be located on-site. The Sales Gas line will be installed to the north staying on existing lease where it will be connected to an existing pipeline.

SOURCE OF CONSTRUCTION MATERIAL: On-site

ANCILLARY FACILITIES: None required

WILL DRILLING AT THIS LOCATION GENERATE PUBLIC INTEREST OR CONCERNS? (EXPLAIN): Drilling at this location is not expected to generate significant public concern. With the exception of the fall hunting seasons there is limited public visitation into this portion of the Bookcliffs. The closest residence are located ~15 miles away at the Cripple Cowboy Ranch in the head of Bitter Creek, and the DeLambert Ranch in Main Canyon.

WASTE MANAGEMENT PLAN:

Garbage and other trash will be contained in an acceptable trash container. Refuse will be transported to an approved sanitary landfill. Sewage will be handled in self-contained portable toilets and contents hauled off location to an authorized facility in accordance with State and local regulations.

Reserve pit will be fenced and lined with a 12-mil liner prior to use. Drill cuttings will be constrained in the reserve pit. Produced liquid hydrocarbons will be constrained in test tanks during completion and testing.

ENVIRONMENTAL PARAMETERS

AFFECTED FLOODPLAINS AND/OR WETLANDS: No floodplains or wetlands will be affected by the drilling of this well. Proposed location is located above the head of an ephemeral wash, pad construction is not expected to alter drainage function or sediment load.

FLORA/FAUNA: Elk, Mule Deer, Black Bear, Cougar, Bobcat, rabbits, songbirds, raptors, and lizards.

Grasses: June grass, Mutton grass, Elk sedge, Lettermens needlegrass, Nevada blue grass, and other agropyron species. Forbs: Vetch, tapertip hawksbeard, blue flax, dandelion, arrowleaf balsamroot, silver lupine and western yarrow. Shrubs: Buckwheat, Bitterbrush, Alderleaf mountain mahogany, Utah service berry, antelope bitterbrush, Douglas rabbit brush, Wyoming sage, Common snowberry, and Gamble oak. Trees: None.

SOIL TYPE AND CHARACTERISTICS: Dark brown Clay Loam, sandstone fragments.

SURFACE FORMATION & CHARACTERISTICS: Alternating sandstone and shale layers cut by deep canyons. Soils are erosive in nature due to lack of litter/vegetation and steep slopes.

EROSION/SEDIMENTATION/STABILITY: Fine soils prone to wind and water erosion when disturbed. Excessive sedimentation and erosion is not expected at this site.

PALEONTOLOGICAL POTENTIAL: None noted

RESERVE PIT

CHARACTERISTICS: 75'x147'x12'

LINER REQUIREMENTS (Site Ranking Form attached): Liner Required

SURFACE RESTORATION/RECLAMATION PLAN

The pit will be backfilled when the contents have been sufficiently dewatered. If the well is productive areas not required for operations will be seeded. Noxious weeds will be controlled on the location in accordance with State guidelines. In the event of a dry hole the location will re re-contoured, the topsoil distributed evenly over the location and then re-seeded.

SURFACE AGREEMENT: As per SITLA mineral lease.

CULTURAL RESOURCES/ARCHAEOLOGY: Class III Cultural Resource Inventory has been conducted by Uncompahgre Archaeological Consultants.

OTHER OBSERVATIONS/COMMENTS

DWR classifies area as critical summer range for elk and mule deer, request to restrict construction and drilling between May 15 and July 5. DWR request that operator take actions to prevent bears from associating operations as a food source. Maintain food in bear proof containers, place trash in an enclosed container, assure that container remains closed to prevent access by foraging bears. DWR request operator inspect guy wires for bird carcasses.

ATTACHMENTS

Photos of this location were taken and placed on file.

Bart Kettle
DOG M REPRESENTATIVE

July 12, 2005 10:51 A.M.
DATE/TIME

**Evaluation Ranking Criteria and Ranking Score
For Reserve and Onsite Pit Liner Requirements**

<u>Site-Specific Factors</u>	<u>Ranking</u>	<u>Site Ranking</u>
Distance to Groundwater (feet)		
>200	0	
100 to 200	5	
75 to 100	10	
25 to 75	15	
<25 or recharge area	20	<u>0</u>
Distance to Surf. Water (feet)		
>1000	0	
300 to 1000	2	
200 to 300	10	
100 to 200	15	
< 100	20	<u>2</u>
Distance to Nearest Municipal Well (feet)		
>5280	0	
1320 to 5280	5	
500 to 1320	10	
<500	20	<u>0</u>
Distance to Other Wells (feet)		
>1320	0	
300 to 1320	10	
<300	20	<u>0</u>
Native Soil Type		
Low permeability	0	
Mod. permeability	10	
High permeability	20	<u>0</u>
Fluid Type		
Air/mist	0	
Fresh Water	5	
TDS >5000 and <10000	10	
TDS >10000 or Oil Base Mud Fluid	15	
containing significant levels of hazardous constituents	20	<u>5</u>
Drill Cuttings		
Normal Rock	0	
Salt or detrimental	10	<u>0</u>
Annual Precipitation (inches)		
<10	0	
10 to 20	5	
>20	10	<u>5</u>
Affected Populations		
<10	0	
10 to 30	6	
30 to 50	8	
>50	10	<u>0</u>
Presence of Nearby Utility Conduits		
Not Present	0	
Unknown	10	
Present	15	<u>0</u>

Final Score 12 (Level II Sensitivity)

Sensitivity Level I = 20 or more; total containment is required, consider criteria for excluding pit use.

Sensitivity Level II = 15-19; lining is discretionary.

Sensitivity Level III = below 15; no specific lining is required.



JUL 5 2005

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

FORM 9

SUNDRY NOTICES AND REPORTS ON WELLS

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

1. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER _____		5. LEASE DESIGNATION AND SERIAL NUMBER: ML46756
2. NAME OF OPERATOR: Cochrane Resources, Inc.		6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
3. ADDRESS OF OPERATOR: PO Box 1656 CITY Roosevelt STATE UT ZIP 84066		7. UNIT or CA AGREEMENT NAME:
4. LOCATION OF WELL FOOTAGES AT SURFACE: 1048 FNL 1715 FWL COUNTY: Grand QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NENW 4 16S 24E STATE: UTAH		8. WELL NAME and NUMBER: Divide #1
PHONE NUMBER: (435) 722-5081		9. API NUMBER: 4301931413
10. FIELD AND POOL, OR WILDCAT:		

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

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

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.
Cochrane Resources would like to change the purposed surface casing for the Divide #1 Well. We would like to set 2000" of 9 5/8", 32.2# casing and drill the hole with air. The surface casing will be cemented to surface. Please advise if you have any questions. *Rotating head used from Conductor Setting depth to 2000' Surface Setting depth.*

COPY SENT TO OPERATOR
Date: 9-16-05
Initials: CHD

NAME (PLEASE PRINT) <u>Ken Allen</u>	TITLE <u>President</u>
SIGNATURE <u>[Signature]</u>	DATE <u>9/13/2005</u>

(This space for State use only)

APPROVED BY THE STATE
OF UTAH DIVISION OF
OIL, GAS AND MINING
DATE: 9/15/05 (See Instructions on Reverse Side)

RECEIVED
SEP 14 2005

DIV. OF OIL, GAS & MINING

(5/2000)

BY: [Signature]
** Surface casing shall be cemented from setting depth back to surface*

Well name:	09-05 Cochrane Divide #1 rev.	
Operator:	Cochrane Resources, Inc.	Project ID:
String type:	Surface	43-019-31413
Location:	Grand County	

Design parameters:

Collapse
 Mud weight: 8.400 ppg
 Design is based on evacuated pipe.

Burst
 Max anticipated surface pressure: 1,760 psi
 Internal gradient: 0.120 psi/ft
 Calculated BHP: 2,000 psi
 No backup mud specified.

Minimum design factors:

Collapse:
 Design factor: 1.125

Burst:
 Design factor: 1.00

Tension:
 8 Round STC: 1.80 (J)
 8 Round LTC: 1.80 (J)
 Buttress: 1.60 (J)
 Premium: 1.50 (J)
 Body yield: 1.50 (B)
 Tension is based on buoyed weight.
 Neutral point: 1,753 ft

Environment:

H2S considered? No
 Surface temperature: 75 °F
 Bottom hole temperature: 103 °F
 Temperature gradient: 1.40 °F/100ft
 Minimum section length: 450 ft
 Cement top: 853 ft

Non-directional string.

Re subsequent strings:
 Next setting depth: 9,000 ft
 Next mud weight: 8.800 ppg
 Next setting BHP: 4,114 psi
 Fracture mud wt: 19.250 ppg
 Fracture depth: 2,000 ft
 Injection pressure: 2,000 psi

Run Seq	Segment Length (ft)	Size (in)	Nominal Weight (lbs/ft)	Grade	End Finish	True Vert Depth (ft)	Measured Depth (ft)	Drift Diameter (in)	Internal Capacity (ft³)
1	2000	9.625	32.30	H-40	ST&C	2000	2000	8.876	126.8
Run Seq	Collapse Load (psi)	Collapse Strength (psi)	Collapse Design Factor	Burst Load (psi)	Burst Strength (psi)	Burst Design Factor	Tension Load (Kips)	Tension Strength (Kips)	Tension Design Factor
1	873	1370	1.570	2000	2270	1.13	57	254	4.48 J

Prepared by: Clinton Dworshak
 Utah Div. of Oil & Mining

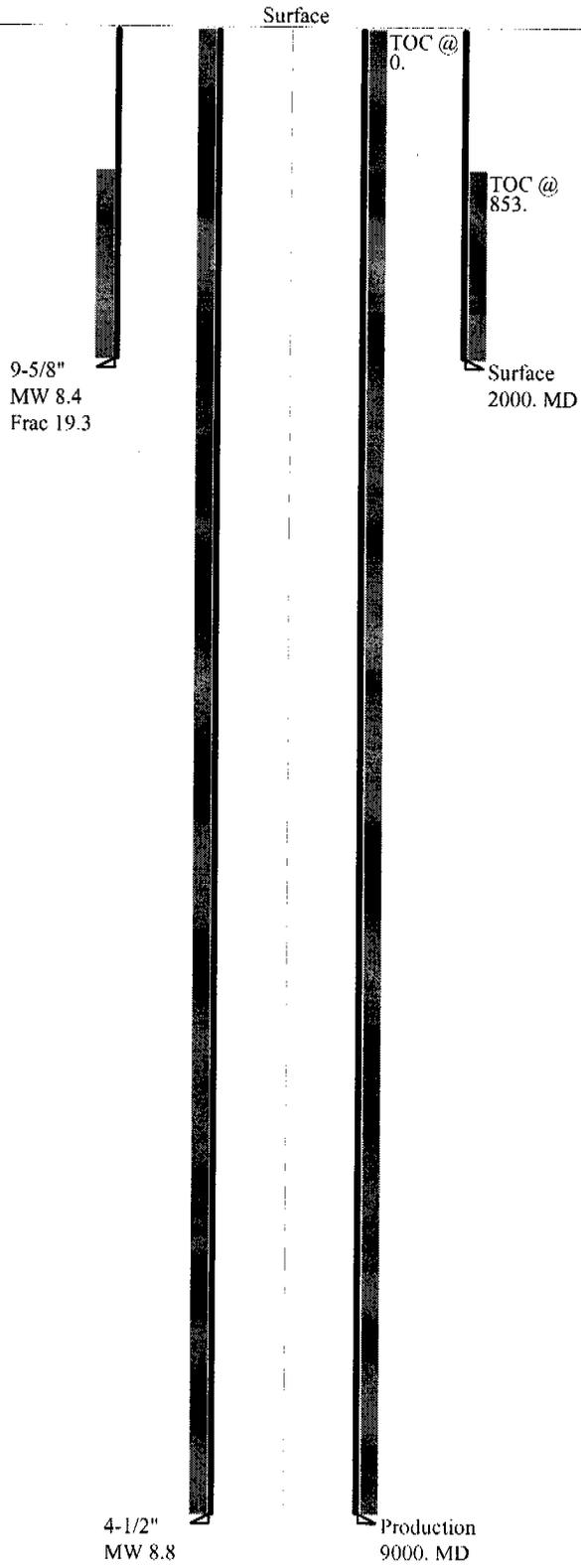
Phone: 810-538-5280
 FAX: 801-359-3940

Date: September 15, 2005
 Salt Lake City, Utah

Remarks:
 Collapse is based on a vertical depth of 2000 ft, a mud weight of 8.4 ppg. The casing is considered to be evacuated for collapse purposes. Collapse strength is based on the Westcott, Dunlop & Kemler method of biaxial correction for tension.

Burst strength is not adjusted for tension.

09-05 Cochrane Divide #1 Rev.
Casing Schematic



Engineering
Wellsite Supervision
Lease Operating

COCHRANE RESOURCES, INC.

P.O. Box 1656
Roosevelt, Utah 84066
Phone (801) 722-5081

September 26, 2005

State of Utah
Division of Oil, Gas, & Mining
1594 West North Temple, Suite 1210
Box 145801
Salt Lake City, Utah 84114-5801

T16S R24E S-04
43-019-31413

Re: Cochrane Resources, Inc.
Divide #1 Well

Dear Sir:

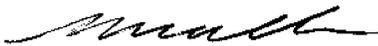
Please be advised that the subject well was spudded on September 19, 2005 at 5:30 PM.

A 17 1/2" hole was drilled to 40' and 40' of 14" conductor pipe was set and cemented with 3 yards of ready mix cement. Rat hole and mouse hose were also drilled.

We are currently waiting on EOS Rig 12, which should be ready to move at the end of the month.

Please advise if you have any questions.

Yours truly,



Ken Allen

RECEIVED
SEP 2 / 2005
DIV. OF OIL, GAS & MINING

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

ENTITY ACTION FORM

Operator: Cochrane Resources, Inc.
Address: PO Box 1656
city Roosevelt
state Ut zip 84066

Operator Account Number: N 7015
Phone Number: (435) 722-5081

Well 1		Well Name	QQ	Sec	Twp	Range	County
API Number	Divide #1		NWSE	4	16S	24E	Grand
Action Code	Current Entity Number	New Entity Number	Spud Date		Entity Assignment Effective Date		
A	99999	14954	9/19/2005		9/29/05		
Comments: <u>Waiting on drilling rig. DKTA</u>							

Well 2		Well Name	QQ	Sec	Twp	Range	County
API Number							
Action Code	Current Entity Number	New Entity Number	Spud Date		Entity Assignment Effective Date		
Comments:							

Well 3		Well Name	QQ	Sec	Twp	Range	County
API Number							
Action Code	Current Entity Number	New Entity Number	Spud Date		Entity Assignment Effective Date		
Comments:							

ACTION CODES:

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

Ken Allen

Name (Please Print)

Ken Allen
Signature
President
Title

9/29/2005
Date

RECEIVED

SEP 29 2005

DIV. OF OIL, GAS & MINING

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

FORM 9

5. LEASE DESIGNATION AND SERIAL NUMBER:
ML-49572-OBA

6. IF INDIAN, ALLOTTEE OR TRIBE NAME:

7. UNIT or CA AGREEMENT NAME:

8. WELL NAME and NUMBER:
Divide #1

9. API NUMBER:
4301931413

10. FIELD AND POOL, OR WILDCAT:

SUNDRY NOTICES AND REPORTS ON WELLS

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

1. TYPE OF WELL
OIL WELL GAS WELL OTHER _____

2. NAME OF OPERATOR:
Cochrane Resources, Inc.

3. ADDRESS OF OPERATOR: PO Box 1656 Roosevelt UT 84066
PHONE NUMBER: (435) 722-5081

4. LOCATION OF WELL
FOOTAGES AT SURFACE: **1048 FNL 1715 FWL**
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: **NENW 4 16S 24E**

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

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.
The subject well was approved under lease No. ML-46756. The lease was reissued by SITLA as lease No. ML-49572-OBA. We would like to confirm that the well is approved for and is drilling on lease No. ML-49572-OBA.

Accepted by the
Utah Division of
Oil, Gas and Mining
FOR RECORD ONLY

NAME (PLEASE PRINT) Ken Allen TITLE President
SIGNATURE *Ken Allen* DATE 10/12/2005

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OCT 13 2005

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

CONFIDENTIAL FORM 9

SUNDRY NOTICES AND REPORTS ON WELLS

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

1. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER _____		5. LEASE DESIGNATION AND SERIAL NUMBER: ML46756
2. NAME OF OPERATOR: Cochrane Resources, Inc.		6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
3. ADDRESS OF OPERATOR: PO Box 1656 Roosevelt STATE UT ZIP 84066		7. UNIT or CA AGREEMENT NAME:
4. LOCATION OF WELL FOOTAGES AT SURFACE: 1048 FNL 1715 FWL		8. WELL NAME and NUMBER: Divide #1
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NENW 4 16S 24E		9. API NUMBER: 4301931413
COUNTY: Grand		10. FIELD AND POOL, OR WILDCAT:
STATE: UTAH		

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

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

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

Cochrane Resources would like to request that information from the subject well be held tight for the allowed time period.

Thank you for your consideration.

NAME (PLEASE PRINT) <u>Ken Allen</u>	TITLE <u>President</u>
SIGNATURE <u><i>Ken Allen</i></u>	DATE <u>11/3/2005</u>

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NOV 04 2005
DIV. OF OIL, GAS & MINING

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

CONFIDENTIAL

AMENDED REPORT FORM 8
(highlight changes)

WELL COMPLETION OR RECOMPLETION REPORT AND LOG

5. LEASE DESIGNATION AND SERIAL NUMBER:
ML-49572-OBA

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

7. UNIT OR CA AGREEMENT NAME

8. WELL NAME and NUMBER:
Divide No.1

9. API NUMBER:
4301931413

10. FIELD AND POOL, OR WILDCAT

11. QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN:
NENW 4 16S 24E

12. COUNTY: Grand 13. STATE: UTAH

14. DATE SPUDED: 9/19/2005 15. DATE T.D. REACHED: 10/28/2005 16. DATE COMPLETED: 11/28/2005
ABANDONED READY TO PRODUCE

17. ELEVATIONS (DF, RKB, RT, GL): 8272 G.L.

18. TOTAL DEPTH: MD 8,050 TVD 8,050 19. PLUG BACK T.D.: MD 7,898 TVD 7,898 20. IF MULTIPLE COMPLETIONS, HOW MANY? *

21. DEPTH BRIDGE MD 0 PLUG SET: TVD

22. TYPE ELECTRIC AND OTHER MECHANICAL LOGS RUN (Submit copy of each)
FDC - DNL, Sonic - Dual Induction

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

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

HOLE SIZE	SIZE/GRADE	WEIGHT (#/ft.)	TOP (MD)	BOTTOM (MD)	STAGE CEMENTER DEPTH	CEMENT TYPE & NO. OF SACKS	SLURRY VOLUME (BBL)	CEMENT TOP **	AMOUNT PULLED
17 1/2	14"	Conductor	0	40			3	0	0
12 1/4	9 5/8 J-55	32.3#	0	1,295		lite 191			
						G 190		0	0
7/8"	4 1/2 M-80	11.6#	0	8,043		Hy Fill 675			
						50-50 210		2000	0

25. TUBING RECORD

SIZE	DEPTH SET (MD)	PACKER SET (MD)	SIZE	DEPTH SET (MD)	PACKER SET (MD)	SIZE	DEPTH SET (MD)	PACKER SET (MD)
2.375	7.678	0						

26. PRODUCING INTERVALS *DK-CM*

FORMATION NAME	TOP (MD)	BOTTOM (MD)	TOP (TVD)	BOTTOM (TVD)	INTERVAL (Top/Bot - MD)	SIZE	NO. HOLES	PERFORATION STATUS
(A) Dakota-Ceder Mtn	7,692	7,852	7,692	7,852	7,708 7,716	.48	32	Open <input checked="" type="checkbox"/> Squeezed <input type="checkbox"/>
(B)					7,720 7,726	.48	24	Open <input checked="" type="checkbox"/> Squeezed <input type="checkbox"/>
(C)								Open <input type="checkbox"/> Squeezed <input type="checkbox"/>
(D)								Open <input type="checkbox"/> Squeezed <input type="checkbox"/>

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

DEPTH INTERVAL	AMOUNT AND TYPE OF MATERIAL
7708 - 7726	No Stimulation

29. ENCLOSED ATTACHMENTS:

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

30. WELL STATUS: **Producing**

31. INITIAL PRODUCTION

INTERVAL A (As shown in Item #26)

DATE FIRST PRODUCED: 12/24/2005		TEST DATE: 11/23/2005		HOURS TESTED: 6		TEST PRODUCTION RATES: →	OIL - BBL: 0	GAS - MCF: 462	WATER - BBL: 0	PROD. METHOD: Flow
CHOKE SIZE: 24/64	TBG. PRESS. 450	CSG. PRESS. 820	API GRAVITY 44.00	BTU - GAS	GAS/OIL RATIO	24 HR PRODUCTION RATES: →	OIL - BBL: 0	GAS - MCF: 1,850	WATER - BBL: 0	INTERVAL STATUS: Producing

INTERVAL B (As shown in Item #26)

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

INTERVAL C (As shown in Item #26)

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

INTERVAL D (As shown in Item #26)

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

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

Sold

33. SUMMARY OF POROUS ZONES (Include Aquifers):

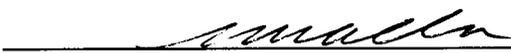
Show all important zones of porosity and contents thereof: Cored intervals and all drill-stem tests, including depth interval tested, cushion used, time tool open, flowing and shut-in pressures and recoveries.

34. FORMATION (Log) MARKERS:

Formation	Top (MD)	Bottom (MD)	Descriptions, Contents, etc.	Name	Top (Measured Depth)
				Wasatch	1,258
				Mesaverde	2,152
				Buck Tongue	3,710
				Castle Gate	3,930
				Mancos B	4,005
				Mancos Shale	4,829
				Dakota Silt	7,652
				Dakota	7,692
				Cedar Mtn	7,737
				Morrison	7,852

35. ADDITIONAL REMARKS (Include plugging procedure)

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

NAME (PLEASE PRINT) Ken Allen TITLE President
 SIGNATURE  DATE 12/27/2005

This report must be submitted within 30 days of

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

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

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

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

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

Division of Oil, Gas and Mining
OPERATOR CHANGE WORKSHEET

ROUTING

1. DJJ
2. CDW

X Change of Operator (Well Sold)

Operator Name Change/Merger

The operator of the well(s) listed below has changed, effective:		6/1/2006
FROM: (Old Operator): N7015-Cochrane Resources, Inc. PO Box 1656 Roosevelt, UT 84066 Phone: 1 (435) 722-5081	TO: (New Operator): N3090-Moose Mountain Divide #1, LLC 935 E South Union Ave, Suite D2 Midvale, UT 84047 Phone: 1 (801) 561-3121	

WELL NAME	CA No.			Unit:				WELL STATUS
	SEC	TWN	RNG	API NO	ENTITY NO	LEASE TYPE	WELL TYPE	
DIVIDE #1	04	160S	240E	4301931413	14954	State	GW	P

OPERATOR CHANGES DOCUMENTATION

Enter date after each listed item is completed

- (R649-8-10) Sundry or legal documentation was received from the **FORMER** operator on: 7/13/2006
- (R649-8-10) Sundry or legal documentation was received from the **NEW** operator on: 7/10/2006
- The new company was checked on the **Department of Commerce, Division of Corporations Database** on: 8/29/2006
- Is the new operator registered in the State of Utah: YES Business Number: 6010521-0160
- If **NO**, the operator was contacted on:
- (R649-9-2)Waste Management Plan has been received on: IN PLACE
- Inspections of LA PA state/fee well sites complete on: n/a
- Reports current for Production/Disposition & Sundries on: ok
- Federal and Indian Lease Wells:** The BLM and or the BIA has approved the merger, name change, or operator change for all wells listed on Federal or Indian leases on: BLM n/a BIA n/a
- Federal and Indian Units:**
The BLM or BIA has approved the successor of unit operator for wells listed on: n/a
- Federal and Indian Communization Agreements ("CA"):**
The BLM or BIA has approved the operator for all wells listed within a CA on: n/a
- 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:

- Changes entered in the **Oil and Gas Database** on: 8/29/2006
- Changes have been entered on the **Monthly Operator Change Spread Sheet** on: 8/29/2006
- Bond information entered in RBDMS on: 8/29/2006
- Fee/State wells attached to bond in RBDMS on: 8/29/2006
- Injection Projects to new operator in RBDMS on: n/a
- Receipt of Acceptance of Drilling Procedures for APD/New on: n/a

BOND VERIFICATION:

- Federal well(s) covered by Bond Number: n/a
- Indian well(s) covered by Bond Number: n/a
- (R649-3-1) The **NEW** operator of any fee well(s) listed covered by Bond Number 419053939
- a. The **FORMER** operator has requested a release of liability from their bond on: 7/13/2006
The Division sent response by letter on: Cochrane Bond to be used for Divide 32-32

LEASE INTEREST OWNER NOTIFICATION:

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

COMMENTS:

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

FORM 9

5. LEASE DESIGNATION AND SERIAL NUMBER:
ML-49572-OBA

SUNDRY NOTICES AND REPORTS ON WELLS

6. IF INDIAN, ALLOTTEE OR TRIBE NAME:

7. UNIT or CA AGREEMENT NAME:

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

1. TYPE OF WELL OIL WELL GAS WELL OTHER _____

8. WELL NAME and NUMBER:
Divide #1

2. NAME OF OPERATOR:
Moose Mountain Divide #1, LLC **N3090**

9. API NUMBER:
4301931413

3. ADDRESS OF OPERATOR:
935 E So. Union Ave, Ste D2 CITY **Midvale** STATE **UT** ZIP **84047**

PHONE NUMBER:
(801) 561-3121

10. FIELD AND POOL, OR WILDCAT:

4. LOCATION OF WELL
FOOTAGES AT SURFACE: _____ COUNTY: **Grand**
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: **NENW 4 16S 24E S** STATE: **UTAH**

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

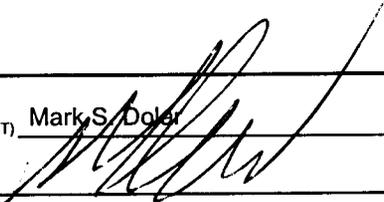
TYPE OF SUBMISSION	TYPE OF ACTION		
<input type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: _____	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> REPERFORATE CURRENT FORMATION
	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> SIDETRACK TO REPAIR WELL
<input checked="" type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion: _____	<input type="checkbox"/> CASING REPAIR	<input type="checkbox"/> NEW CONSTRUCTION	<input type="checkbox"/> TEMPORARILY ABANDON
	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input 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.

Moose Mountain Divide #1, LLC shall assume operations of the Divide #1 well from Cochrane Resources, Inc. effective June 1, 2006. Bond shall be held by certificate of deposit account number 0419053939 held by Zions Bank.

RECEIVED
JUL 10 2006

DIV. OF OIL, GAS & MINING

NAME (PLEASE PRINT) Mark S. Doler
SIGNATURE 

TITLE Manager
DATE 7/6/2006

(This space for State use only)

APPROVED 8/29/06
Earlene Russell
Earlene Russell, Engineering Technician

(5/2000)

(See Instructions on Reverse Side)

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

FORM 9

5. LEASE DESIGNATION AND SERIAL NUMBER:
ML-49572-OBA

SUNDRY NOTICES AND REPORTS ON WELLS

6. IF INDIAN, ALLOTTEE OR TRIBE NAME:

7. UNIT or CA AGREEMENT NAME:

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

1. TYPE OF WELL OIL WELL GAS WELL OTHER _____

8. WELL NAME and NUMBER:
Divide #1

2. NAME OF OPERATOR:
Cochrane Resources, Inc. N 7015

9. API NUMBER:
4301931413

3. ADDRESS OF OPERATOR:
P.O. Box 1656 CITY **Roosevelt** STATE **UT** ZIP **84066**

PHONE NUMBER:
(435) 722-5081

10. FIELD AND POOL, OR WILDCAT:
Divide

4. LOCATION OF WELL
FOOTAGES AT SURFACE: _____
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: **NENW 4 16S 24E S**

COUNTY: **Grand**

STATE: **UTAH**

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

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NAME (PLEASE PRINT) Ken Allen

TITLE President

SIGNATURE *Ken Allen*

DATE 7/6/2006

(This space for State use only)

APPROVED 8129106

(5/2000)

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

(See Instructions on Reverse Side)

RECEIVED

JUL 13 2006

DIV. OF OIL, GAS & MINING