



P.O. Box 164  
Wellington, Utah 84542  
435/637-4075 435/637-4073 Fax

February 1, 2005

Rich McClure  
Bureau of Land Management  
Moab Field Office  
82 East Dogwood  
Moab, Utah 84532

RE: Application for Permit to Drill—Elk Production Company, LLC  
Federal #23-5, 723' FNL, 712' FEL, NE/4 NE/4  
Section 23, T20S, R21E, SLB&M, Grand County, Utah

Dear Rich:

On behalf of Elk Production Company, LLC (Elk Production), Buys & Associates, Inc. respectfully submits the enclosed original and two copies of the *Application for Permit to Drill (APD)* for the above referenced well. Included with the APD is the following supplemental information:

Exhibit "A" - Survey plats, layouts and photos of the proposed well site;

Exhibit "B" - Proposed location maps with access and utility corridors;

Exhibit "C" - Drilling Plan;

Exhibit "D" - Surface Use Plan;

Exhibit "E" - Typical BOP and Choke Manifold diagrams.

Please accept this letter as Elk Production's, written request for confidential treatment of all information contained in and pertaining to this application.

Thank you very much for your timely consideration of this application. Please feel free to contact myself or Tom Young of Elk Production at 303-296-4505 if you have any questions or need additional information.

Sincerely,

*Don Hamilton*  
Don Hamilton  
Agent for Elk Production Company, LLC

cc: Diana Whitney, Division of Oil, Gas and Mining  
Tom Young, Elk Production Company, LLC

RECEIVED

FEB 03 2005

DIV. OF OIL, GAS & MINING

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UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

001

APPLICATION FOR PERMIT TO DRILL OR DEEPEN

1a. TYPE OF WORK <b>DRILL</b> <input checked="" type="checkbox"/> <b>DEEPEN</b> <input type="checkbox"/>		5. LEASE DESIGNATION AND SERIAL NO. <b>UTU-02139-A</b>
b. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER <input type="checkbox"/> SINGLE ZONE <input type="checkbox"/> MULTIPLE ZONE <input checked="" type="checkbox"/>		6. IF INDIAN, ALLOTTEE OR TRIBE NAME <b>N/A</b>
2. NAME OF OPERATOR <b>Elk Production Company, LLC</b>		7. UNIT AGREEMENT NAME <b>Greater Cisco Dome Unit</b>
3. ADDRESS AND TELEPHONE NO. <b>1401-17th Street, Suite 700, Denver, Colorado 80202 303-296-4505</b>		8. FARM OR LEASE NAME, WELL NO. <b>Federal #23-5</b>
4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements. *) At surface <b>624849X 743' FNL, 712' FEL NE/4 NE/4 39.057278</b> At proposed prod. zone <b>723' 4323915Y -109.557091</b>		9. API WELL NO. <b>43-019-31442</b>
14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE* <b>14.32 miles northwest of Cisco, Utah</b>		10. FIELD AND POOL, OR WILDCAT <b>Cisco Dome</b>
15. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drig. unit line, if any) <b>712'</b>	16. NO. OF ACRES IN LEASE	11. SEC., T., R., M., OR BLK. <b>Section 23, T20S, R21E, SLB&amp;M</b>
18. DISTANCE FROM PROPOSED LOCATION TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT. <b>+/- 1,400'</b>	19. PROPOSED DEPTH <b>3,000'</b>	12. COUNTY OR PARISH <b>Grand</b>
21. ELEVATIONS (Show whether DF, RT, GR, etc.) <b>5,143' GR</b>		13. STATE <b>Utah</b>
		17. NO. OF ACRES ASSIGNED TO THIS WELL <b>160 acres</b>
		20. ROTARY OR CABLE TOOLS <b>Rotary</b>
		22. APPROX. DATE WORK WILL START* <b>As soon as approved</b>

23. PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	GRADE, SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
9-1/2"	7" H-40 ST&C	17#	250'	100 sx Halliburton Type 5 with additives—see attached Drilling Plan
6-1/2"	4-1/2" K-55 LT&C	10.5#	3,000'	160 sx 50/50 Class "G" Poz with additives—see attached Drilling Plan

**Bond Information:**

Bond coverage is provided by US Specialty Insurance Company, Bond #B 000971

**Other Information:**

Drilling Plan and Surface Use Plan are attached.  
Elk Production Company, LLC requests that this complete application for permit to drill be held confidential.  
The wellsite and 950.60' of access corridor will be constructed on lands owned and managed by the Utah Division of Wildlife Resources—Southeast Region Office

**Federal Approval of this Action is Necessary**

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

24. SIGNED Don Hamilton Don Hamilton TITLE Agent for Elk Production Company, LLC DATE February 1, 2005

(This space for Federal or State office use)  
PERMIT NO. 43019-31442 APPROVAL DATE \_\_\_\_\_

Application approval does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.  
CONDITIONS OF APPROVAL, IF ANY:

APPROVED BY Bradley G. Hill TITLE BRADLEY G. HILL ENVIRONMENTAL SCIENTIST III DATE 02-07-05

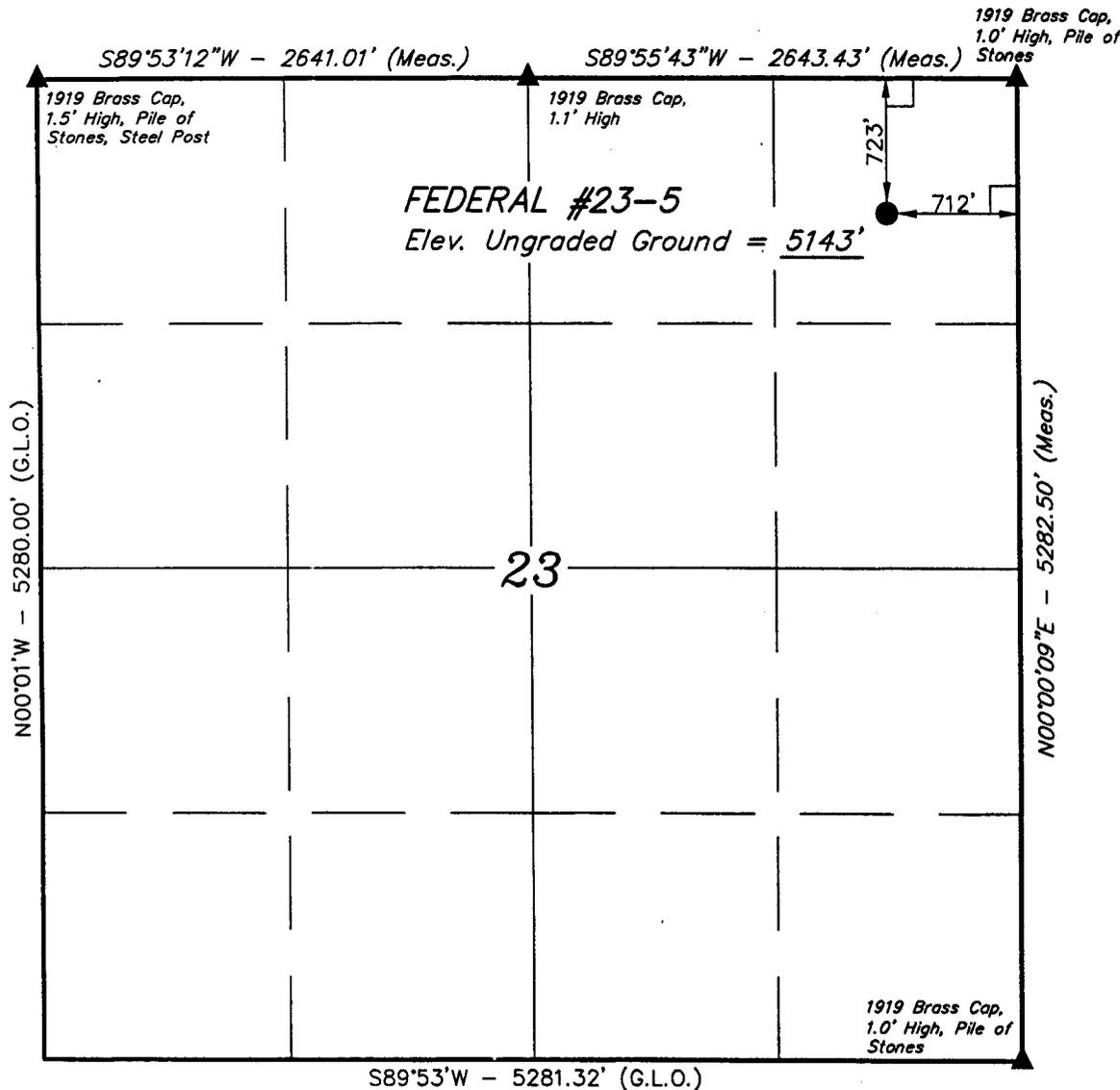
**\*See Instructions On Reverse Side**

Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency or the

# T20S, R21E, S.L.B.&M.

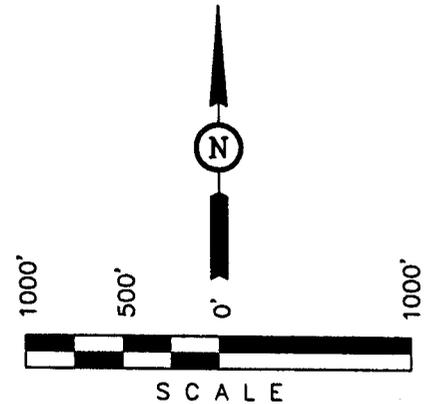
# ELK PRODUCTION, LLC

Well location, FEDERAL #23-5, located as shown in the NE 1/4 NE 1/4 of Section 23, T20S, R21E, S.L.B.&M. Grand County, Utah.



## BASIS OF ELEVATION

SPOT ELEVATION LOCATED AT THE SOUTHEAST CORNER OF SECTION 24, T20S, R21E, S.L.B.&M. TAKEN FROM THE CALF CANYON, QUADRANGLE, UTAH, GRAND COUNTY, 7.5 MINUTE QUAD. (TOPOGRAPHIC MAP) PUBLISHED BY THE UNITED STATES DEPARTMENT OF THE INTERIOR, GEOLOGICAL SURVEY. SAID ELEVATION IS MARKED AS BEING 5084 FEET.



## 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.

*Robert Gray*  
REGISTERED LAND SURVEYOR  
REGISTRATION NO. 161319  
STATE OF UTAH

## BASIS OF BEARINGS

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

(AUTONOMOUS NAD 83)  
LATITUDE = 39°03'26.17" (39.057269)  
LONGITUDE = 109°33'27.79" (109.557719)  
(AUTONOMOUS NAD 27)  
LATITUDE = 39°03'26.26" (39.057294)  
LONGITUDE = 109°33'25.34" (109.557039)

## LEGEND:

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

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

SCALE 1" = 1000'	DATE SURVEYED: 12-21-04	DATE DRAWN: 01-07-05
PARTY M.A. C.R. P.M.	REFERENCES G.L.O. PLAT	
WEATHER COLD	FILE ELK PRODUCTION, LLC	

## DRILLING PLAN

Elk Production Company LLC  
Federal #23-5  
NE/NE of Section 23, T-20-S, R-21-E  
Grand County, UT

### 1,2,3 Estimated Tops of Geological Markers and Formations Expected to Contain Water, Oil and Gas and Other Minerals

<u>Formation</u>	<u>Depth</u>
Mancos Shale	Surface
Greenhorn	2028'
Graneros	2053'
Dakota	2083'*
Cedar Mountain	2153'*
Morrison-Brushy Basin	2243'*
Morrison Salt Wash	2474'*
Summerville	2719'
Curtis Entrada	2799'**

PROSPECTIVE PAY\* oil and gas

\*\* POSSIBLE OIL OR WATER

### 4 Casing Program

<u>HOLE</u>	<u>SETTING DEPTH</u>		<u>SIZE</u>	<u>WEIGHT</u>	<u>GRADE</u>	<u>THREAD</u>	<u>COND.</u>
<u>SIZE</u>	<u>from</u>	<u>to</u>					
9-1/2	surface	250'	7"	17#	H40	ST&C	Recond.
6-1/4	surface	3,000'	4-1/2"	10.5#	K55	LT&C	New

### 5 Cementing Program

7" Surface Casing      approximately 100 sx Halliburton Type 5 containing 2% gel and 3% salt. Mixed at 14.8 ppg (yield – 1.37 ft<sup>3</sup>/sx) To be circulated to surface with 100% excess

4-1/2" Prod. Csg.      approximately 160 sx 50/50 Class "G" Poz cement containing 2% gel, .3% Halad 322, .6% Halad 23, .3% Versaset, and .2% Super CBL. To be mixed at 14.2 ppg (yield – 1.33 ft<sup>3</sup>/sx). Estimated TOC 1500'.

### 6 Mud Program

<u>INTERVAL</u>	<u>WEIGHT</u>	<u>VISCOSITY</u>	<u>FLUID LOSS</u>	<u>REMARKS</u>
Surf. - 250'	NA/Air drilled			
250' – 3000'	NA/Air drilled			

Sufficient KC1 brine water to contain "kick" will be available at wellsite.

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**7 BOP and Pressure Containment Data**

Depth Intervals

Surf. – 250'  
250' – TD

BOP Equipment

No pressure control required  
10" 2000# Ram Type double BOP  
8" 2000# Rotating Head

Drilling spool to accommodate choke and kill lines.  
Anticipated bottom hole pressure to be less than 1000 PSI

ANCILLARY EQUIPMENT AND CHOKE MANIFOLD RATED AT 2000#  
ALL BOP AND BOPE TESTS WILL BE IN ACCORDANCE WITH THE REQUIREMENTS  
OF ONSHORE ORDER NO. 2

THE BLM AND THE STATE OF UTAH DIVISION OF OIL, GAS AND MINING  
WILL BE NOTIFIED 24 HOURS IN ADVANCE OF ALL BOP PRESSURE TESTS.

**8 Auxiliary equipment**

- a) Lower Kelly cock will be installed while drilling
- b) Floor stabbing valve 5000#
- c) Safety valve(s) and subs to fit all string connections in use

**9 Testing, Logging and Core Programs**

Cores           None anticipated  
Testing         None anticipated  
Sampling       30' samples; surface casing to TD  
Surveys        Run every 1000' and on trips  
Logging        Resistivity, neutron density, temperature, gamma ray, and caliper from TD to surface casing

**10 Anticipated Abnormal Pressures or Temperatures**

No abnormal pressures or temperatures or other hazards are anticipated

**11 Drilling Schedule**

Spud           As soon as permits can be obtained  
Duration       4 - 5 days drilling time  
                  4 days completion time

**HAZARDOUS MATERIAL DECLARATION**

Federal #23-5

Elk Production Company, LLC guarantees that during the drilling and completion of the above referenced well, we will not use, produce, or store, transport or dispose 10,000# annually of any of the hazardous chemicals contained in the Environmental Protection Agency's consolidated list of chemicals subject to reporting under Title III Super Amendments and Reauthorization Act (SARA) of 1986.

Elk Production Company, LLC guarantees that during the drilling and completion of the above referenced well, we will use, produce, store, transport, or dispose less than the threshold planning quantity (TPQ) of any extremely hazardous substances as defined in 40 CFR 355.

# HALLIBURTON

Following is a summary of Cement Slurries developed in the Piceance Basin by the Casper and Vernal Labs. These slurries were developed as a result of the depletion of the Type III Cement typically used in the basin. The slurries were also developed with costs to Williams in mind while meeting the slurry specifications that Williams and the state require. More lab tests have been completed in this process but this report was put together to summarize the chosen slurries for Williams Production RMT. Please refer to the listed lab reports for additional slurries if this information is desired.

More testing is underway to continue to optimize the slurries for both cost and performance. As these results become available they will be shared with Williams for discussion purposes and to determine if a switch in slurry design is warranted.

## Surface Pipe Slurries

### Lead – Using Ashgrove Type V

**SLURRY COMPOSITION** #12 (from Lab Report HES C04-0414)

-----  
**Modified Mid-Con II**

**Ashgrove Type V #/sk 94.00**

CalSeal % bwc 2.00  
EX-1 % bwc 2.00  
Salt % bww 4.92  
Versaset % bwc 0.30

Lab Tap Water gal/sk 13.77  
Slurry Weight #/gal 12.30  
Slurry Volume ft3/sk 2.38

**THICKENING TIME TEST**

Initial Viscosity: Bc  
Final Temperature: 80 F  
Final Pressure: 1200 psi  
Time to Temperature: 0:17  
Time to 70 Bc: 4:41

**FREE WATER TEST**

0.23% at no angle at 80 F  
No settling observed

**UCA COMPRESSIVE STRENGTH TEST**

Pressure: 800 psi  
Temperature: 95 F

396 psi in 12 hours  
724 psi in 24 hours  
943 psi in 48 hours  
1057 psi in 72 hours

Set Time 50 psi 5:28  
WOC Time 500 psi 14:32  
Time to 800 psi 29:15

**Discounted, Delivered, Cost per Barrel \$53.30**

**Discounted, Delivered, Cost per Barrel Type III HLC \$43.18**

This report is based on sound engineering practices, but because of variable well conditions and other information which must be relied upon, Halliburton makes no warranty, express or implied, as to the accuracy of the data or of any calculations or opinions expressed herein. You agree that Halliburton shall not be liable for any loss or damage whether due to negligence or otherwise arising out of or in connection with such data, calculation or opinions.

# HALLIBURTON

## Tail – Using Ashgrove Type V

### **SLURRY COMPOSITION #4 (from Lab Report HES C04-0414)**

<b>Modified Mid-Con II</b>		
Ashgrove Type V	#/sk	94.00
CalSeal	% bwc	2.00
EX-1	% bwc	2.00
Salt	% bwc	6.00
Versaset	% bwc	0.30
Lab Tap Water	gal/sk	11.86
Slurry Weight	#/gal	12.78
Slurry Volume	ft <sup>3</sup> /sk	2.13

### **THICKENING TIME TEST**

Initial Viscosity:	10 Bc
Final Temperature:	80 F
Final Pressure:	1200 psi
Time to Temperature:	0:17
Time to 70 Bc:	5:25

### **FREE WATER TEST**

0.0% at no angle at 80 F  
No settling observed

### **UCA COMPRESSIVE STRENGTH TEST #1**

Start Date:	8 Oct 04
Pressure:	800 psi
Temperature:	95 F

525 psi in 12 hours  
914 psi in 24 hours  
1210 psi in 48 hours  
1362 psi in 72 hours

Set Time 50 psi	5:06
WOC Time 500 psi	11:32
Time to 800 psi	19:22

### **UCA COMPRESSIVE STRENGTH TEST #2**

Start Date:	29 Oct 04
Pressure:	800 psi
Temperature:	95 F

534 psi in 12 hours  
914 psi in 24 hours  
1212 psi in 48 hours  
psi in 72 hours

Set Time 50 psi	4:58
WOC Time 500 psi	11:22
Time to 800 psi	19:14

**Discounted, Delivered, Cost per Barrel**

**\$59.62**

**Discounted, Delivered, Cost per Barrel Type III**

**\$63.94**

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# HALLIBURTON

Tail – Using Ashgrove Type V. To be used when a heavy weight tail slurry is desired for surface pipes.

## SLURRY COMPOSITION #11 (from Lab Report HES C04-0414)

Ashgrove Type V	#/sk	94.00
Gel	% bwc	2.00
Salt	% bww	3.00

Lab Tap Water	gal/sk	6.53
Slurry Weight	#/gal	14.80
Slurry Volume	ft <sup>3</sup> /sk	1.37

## FREE WATER TEST

0.3% at no angle at 80 F

No settling observed

## RHEOLOGY TESTS

RPM surf.

600 124

300 94

200 90

100 86

## UCA COMPRESSIVE STRENGTH TEST

Pressure: 800 psi

Temperature: 95 F

1167 psi in 12 hours

1726 psi in 18 hours

Set Time 50 psi 3:48

WOC Time 500 psi 7:06

Time to 800 psi 8:57

**Discounted, Delivered, Cost per Barrel \$68.77**

**Discounted, Delivered, Cost per Barrel Type III \$63.94**

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# HALLIBURTON

## Long String Slurries

### Lead Cement – Using Ashgrove Type V

#### **SLURRY COMPOSITION #1-4 (from Lab Report HES C04-04161)**

##### **LEAD**

HLC	#/sk	85.78
Halad 322	% bwc	0.60
Versaset	% bwc	0.20
FWCA	% bwc	0.10
HR-5	(see below)	

Lab Tap Water	gal/sk	9.70
Slurry Weight	#/gal	12.70
Slurry Volume	ft <sup>3</sup> /sk	1.82

##### **THICKENING TIME TEST**

Final Temperature:	140 F
Final Pressure:	4500 psi
Time to Temperature:	0:39

##### HR-5 Visc. Time to 70 Bc

0.30	14 Bc	6:00+
0.10	7 Bc	4:15

##### **FLUID LOSS TEST**

368 cc/30 minutes at 140 F

##### **FREE WATER TEST**

0.36% at no angle at 140 F

##### **RHEOLOGY TEST w/ 0.1% HR-5**

##### RPM surf. 110 F 140 F

600	66	44	34
300	36	22	18
200	24	14	12
100	14	8	6

##### **UCA COMPRESSIVE STRENGTH TEST**

Pressure:	3000 psi
Temperature:	206 F

842 psi in 12 hours  
1093 psi in 24 hours  
1178 psi in 48 hours  
1200 psi in 60 hours

Set Time	50 psi	5:28
WOC Time	500 psi	9:00

**Discounted, Delivered, Cost per Barrel \$61.97**

**Discounted, Delivered, Cost per Barrel Dakota G 50/50 Poz Lead \$63.94**

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# HALLIBURTON

## Tail Cement – Using Mountain Class G

**Tail #1** – To be used when short transition times are desired and the Mud Weight is > 11 ppg

### **SLURRY COMPOSITION #2-7 (from Lab Report HES C04-04161)**

#### **TAIL #1**

50-50 Poz	#/sk	82.25
Gel	% bwc	2.00
Halad 322	% bwc	0.30
Halad 23	% bwc	0.60
Versaset	% bwc	0.30
Super CBL	% bwc	0.20
HR-5	% bwc	0.10

Lab Tap Water	gal/sk	5.42
Slurry Weight	#/gal	14.20
Slurry Volume	ft <sup>3</sup> /sk	1.23

#### **THICKENING TIME TEST**

Initial Viscosity	18 Bc
Final Temperature:	140 F
Final Pressure:	4500 psi
Time to Temperature:	0:39
Time to 70 Bc:	3:18

#### **FLUID LOSS TEST**

92 cc/30 minutes at 140 F

#### **FREE WATER TEST**

Trace at no angle at 140 F  
No settling observed

#### **RHEOLOGY TEST**

RPM	surf.	140 F
600	221	121
300	135	72
200	96	50
100	54	28

#### **MARSH FUNNEL TEST**

250 ml in 38 seconds

#### **UCA COMPRESSIVE STRENGTH TEST**

Pressure:	3000 psi
Temperature:	206 F

#### **Transition Time**

15 minutes

1228 psi in 12 hours  
1767 psi in 24 hours  
1887 psi in 48 hours

Set Time 50 psi	9:00	<b>Discounted, Delivered, Cost per Barrel</b>	<b>\$107.09</b>
WOC Time 500 psi	10:10	<b>Discounted, Delivered, Cost per Barrel Dakota G</b>	<b>\$105.79</b>

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# HALLIBURTON

**Tail #2** – To be used when short bonding times are not requested, e.g. the first well of a two well Pad.

**SLURRY COMPOSITION #2-8 (from Lab Report HES C04-04161)**

**TAIL #2**

50-50 Poz	#/sk	82.25
Gel	% bwc	2.00
CalSeal	#/sk	5.00
Comp. Silica.	#/sk	3.00
Halad 322	% bwc	0.70

Lab Tap Water	gal/sk	5.88
Slurry Weight	#/gal	14.20
Slurry Volume	ft3/sk	1.33

**THICKENING TIME TEST**

Initial Viscosity	10 Bc
Final Temperature:	140 F
Final Pressure:	4500 psi
Time to Temperature:	0:39
Time to 70 Bc:	3:26

**FLUID LOSS TEST**

355 cc/30 minutes at 140 F

**FREE WATER TEST**

Trace at no angle at 140 F  
No settling observed

**RHEOLOGY TEST**

RPM surf. 110 F 140 F

600	60	64	66
300	30	34	40
200	20	24	28
100	12	13	16

**UCA COMPRESSIVE STRENGTH TEST**

Pressure:	3000 psi
Temperature:	206 F

1757 psi in 12 hours  
2012 psi in 24 hours  
2089 psi in 48 hours

Set Time	50 psi	3:50
WOC Time	500 psi	5:48

**Discounted, Delivered, Cost per Barrel \$91.79**

**Discounted, Delivered, Cost per Barrel Dakota G \$91.79**

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**Tail #3** – Tail #1 with 8 lb/sack Gilsonite; were using this on Trail Ridge only

\*\*This slurry is still being tested and will be updated as results become available.

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# HALLIBURTON

**Tail #4** – To be used in Place of Tail #1 when short transition times are desired and the Mud Weight is  $\leq 11$  ppg.

## SLURRY COMPOSITION

(from Lab Report Williams C04-0442)

### TAIL

50-50 Poz	#/sk	82.25
(Prem MT G/JB Flyash)		
Gel	% bwc	2.00
Gilsonite	#/sk	5.00
Comp. Silica.	#/sk	3.00
Halad 322	% bwc	0.30
Halad 23	% bwc	0.60
Versaset	% bwc	0.30
Super CBL	% bwc	0.20
HR-5	% bwc	0.10

Lab Tap Water	gal/sk	6.37
Slurry Weight	#/gal	13.50
Slurry Volume	ft <sup>3</sup> /sk	1.45

### THICKENING TIME TEST

Initial Viscosity:	22 Bc
Final Temperature:	146 F
Final Pressure:	4500 psi
Time to Temperature:	0:39
Time to 70 Bc:	3:08

### FLUID LOSS TEST

108 cc/30 minutes at 146 F

### FREE WATER TEST

Trace at no angle at 146 F

### RHEOLOGY TEST

RPM surf. 146 F

600	264	74
300	104	52
200	70	36
100	38	20

### MARSH FUNNEL TEST

29 seconds for 250 ml

### UCA COMPRESSIVE STRENGTH TEST

Pressure:	3000 psi
Temperature:	212 F

1393 psi in 12 hours  
1605 psi in 24 hours  
1696 psi in 48 hours

Set Time 50 psi	5:52
WOC Time 500 psi	7:00

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## **SURFACE USE PLAN**

Elk Production Company LLC  
Federal #23-5  
NE/NE of Section 23, T-20-S, R-21-E  
Grand County, UT

The dirt contractor will be provided with an approved copy of the surface use plan of operations before initiating construction.

The onsite inspection for the referenced well was conducted on Wednesday, October 13, 2004.

1. Existing Roads:

- a. The proposed well site is located approximately 14.32 miles northwest of Cisco, Utah.
- b. Directions to the proposed well site have been attached at the end of Exhibit B.
- c. The use of roads under State and County Road Department maintenance are necessary to access the Greater Cisco Dome Unit. However, an encroachment permit is not anticipated since no upgrades to the State or County Road system are proposed at this time.
- d. All existing roads will be maintained and kept in good repair during all phases of operation.
- e. Vehicle operators will obey posted speed restrictions and observe safe speeds commensurate with road and weather conditions.
- f. Since no improvements are anticipated to the State, County or BLM access roads no topsoil striping will occur.
- g. An off-lease federal Right-of-Way is not anticipated for the access road or utility corridor since both are located on-lease and within in the Greater Cisco Dome Unit boundary.

2. Planned Access Roads:

- a. From the existing Strychnine Wash access road an access is proposed trending southwest approximately 0.3 miles to the proposed well site. The access consists of entirely existing graded unsurfaced access. A road design plan is not anticipated at this time.
- b. The proposed access road will consist of a 14' travel surface within a 30' disturbed area.
- c. BLM approval to construct and utilize the proposed access road is requested with this application.
- d. A maximum grade of 10% will be maintained throughout the project with no cuts and fills required to access the well.
- e. No turnouts are proposed since the access road is only 0.3 miles long and adequate site distance exists in all directions.
- f. Three 18" culverts and no low-water crossings are anticipated at this time. Adequate drainage structures will be incorporated into the remainder of the road.
- g. No surfacing material will come from federal or Indian lands.

- h. No gates or cattle guards are anticipated at this time.
- i. Surface disturbance and vehicular travel will be limited to the approved location access road.
- j. All access roads and surface disturbing activities will conform to the standards outlined in the Bureau of Land Management and Forest Service publication: Surface Operating Standards for Oil and Gas Exploration and Development, (1989).
- k. The operator will be responsible for all maintenance of the access road including drainage structures.

3. Location of Existing Wells:

- a. Topo C of Exhibit B has a map reflecting existing wells within a one mile radius of the proposed well.

4. Location of Production Facilities:

- a. All permanent structures will be painted a flat, non-reflective Olive Black to match the standard environmental colors. All facilities will be painted within six months of installation. Facilities required to comply with the Occupational Safety and Health Act (OSHA) may be excluded.
- b. Site security guidelines identified in 43 CFR 3163.7-5 and Onshore Oil and Gas Order No. 3 will be adhered to.
- c. A gas meter run will be constructed and located on lease within 500 feet of the wellhead. Meter runs will be housed and/or fenced. All gas production and measurement shall comply with the provisions of 43 CFR 3162.7-3, Onshore Oil and Gas Order No. 5, and American Gas Association (AGA) Report No. 3.
- d. A tank battery will be constructed on this lease, it will be surrounded by a dike of sufficient capacity to contain the storage capacity of the largest tank. All loading lines and valves will be placed inside the berm surrounding the tank battery. All liquid hydrocarbons production and measurement shall conform to the provisions of 43 CFR 3162.7-3 and Onshore Oil and Gas Order No. 4 and Onshore Oil and Gas Order No. 5 for natural gas production and measurement.
- e. Any necessary pits will be properly fenced to prevent any wildlife and livestock entry.
- f. All access roads will be maintained as necessary to prevent erosion and accommodate year-round traffic. The road will be maintained in a safe useable condition.
- g. The site will require periodic maintenance to ensure that drainages are kept open and free of debris, ice, and snow, and that surfaces are properly treated to reduce erosion, fugitive dust, and impacts to adjacent areas.
- h. A gas pipeline is associated with this application and is being applied for at this time. The proposed gas pipeline corridor will leave the southeast side of the well site and traverse 1' southeast to the existing pipeline corridor that presently services nearby wells.

- i. The gas pipeline will be a 4" or less steel surface line within a 20' wide utility corridor. The use of the proposed well site and access roads will facilitate the staging of the pipeline construction. A new pipeline length of approximately 1' is associated with this well.
- j. Elk Production Company, LLC intends on installing the pipeline on the surface by welding many joints into long lengths, dragging the long lengths into position and then completing a final welding pass to join the long lengths together. Elk Production Company, LLC intends on connecting the pipeline together utilizing conventional welding technology.

5. Location and Type of Water Supply:

- a. Since this well will be air drilled the use of water for drilling is not anticipated.
- b. Water for drilling and completion operations, if necessary, will be trucked over approved access roads from Thompson, Utah. The water will be obtained through a direction purchase agreement with a private owner.

6. Source of Construction Material:

- a. The use of materials will conform to 43 CFR 3610.2-3.
- b. No construction materials will be removed from BLM lands.
- c. If any gravel is used, it will be obtained from a state approved gravel pit.

7. Methods of Handling Waste Disposal:

- a. All wastes associated with this application will be contained and disposed of utilizing approved facilities.
- b. Drill cuttings will be contained and buried on site.
- c. The reserve pit will be located inboard of the location and along the southwest side of the pad.
- d. The reserve pit will be constructed so as not to leak, break, or allow any discharge.
- e. The reserve pit will be constructed of native material and will not be lined. Pit walls will be sloped no greater than 2:1. A minimum 2-foot freeboard will be maintained in the pit at all times during the drilling and completion operation.
- f. The reserve pit has been located in cut material. Three sides of the reserve pit will be fenced before drilling starts. The fourth side will be fenced as soon as drilling is completed, and shall remain until the pit is dry. After the reserve pit has dried, all areas not needed for production will be rehabilitated.
- g. No chemicals subject to reporting under SARA Title III (hazardous materials) in an amount greater than 10,000 pounds will be used, produced, stored, transported, or disposed of annually in association with the drilling, testing, or completion of the well. Furthermore, no extremely hazardous substances, as defined in 40 CFR 355, in threshold planning quantities, will be used, produced, stored, transported, or disposed of in association with the drilling, testing, or completion of the well.

- h. Trash will be contained in a trash cage and hauled away to an approved disposal site as necessary but no later than at the completion of drilling operations. The contents of the trash container will be hauled off periodically to the approved Emery County Landfill near Green River, Utah.
- i. Produced fluids from the well other than water will be produced into a test tank until such time as construction of production facilities is completed. Any spills of oil, gas, salt water or other produced fluids will be cleaned up and removed.
- j. After initial clean-up, a 400 bbl tank will be installed. These contents will be transported by truck from the tank to an approved disposal facility for disposal.
- k. Any salts and/or chemicals, which are an integral part of the drilling system, will be disposed of in the same manner as the drilling fluid.
- l. Sanitary facilities will be on site at all times during operations. Sewage will be placed in a portable chemical toilet and the toilet replaced periodically utilizing a licensed contractor to transport by truck the portable chemical toilet so that its contents can be delivered to the Green River Wastewater Treatment Facility in accordance with state and county regulations.

8. **Ancillary Facilities:**

- a. Garbage Containers and Portable Toilets are the only ancillary facilities proposed in this application.

9. **Well Site Layout:** (See Exhibit B)

- a. The well will be properly identified in accordance with 43 CFR 3162.6.
- b. Access to the well pad will be from the northeast.
- c. The pad and road designs are consistent with BLM specification
- d. A pre-construction meeting with responsible company representative, contractors, and the BLM will be conducted at the project site prior to commencement of surface-disturbing activities. The pad and road will be construction-staked prior to this meeting.
- e. The pad has been staked at its maximum size of 150' X 200'; however it will be constructed smaller if possible, depending upon rig availability. Should the layout change, this application will be amended and approved utilizing a sundry notice.
- f. All surface disturbing activities, will be supervised by a qualified, responsible company representative who is aware of the terms and conditions of the APD and specifications in the approved plans.
- g. All cut and fill slopes will be such that stability can be maintained for the life of the activity.
- h. Diversion ditches will be constructed as shown around the well site to prevent surface waters from entering the well site area.
- i. The site surface will be graded to drain away from the pit to avoid pit spillage during large storm events.

- j. The stockpiled topsoil (first 6 inches or maximum available) will be stored in a windrow on the uphill side of the location to prevent any possible contamination. All topsoil will be stockpiled for reclamation in such a way as to prevent soil loss and contamination.
- k. Pits will remain fenced until site cleanup.
- l. The blooie line will be located at least 100 feet from the well head.
- m. Water injection may be implemented if necessary to minimize the amount of fugitive dust.
- n. The well site is located on State of Utah, Division of Wildlife Resources surface.

10. Plans for Restoration of the Surface:

- a. Site reclamation for a producing well will be accomplished for portions of the site not required for the continued operation of the well.
- b. The Operator will control noxious weeds along access road use authorizations, pipeline route authorizations, well sites, or other applicable facilities by spraying or mechanical removal. A list of noxious weeds may be obtained from the BLM or the appropriate County Extension Office. On BLM administered land, it is required that a Pesticide Use Proposal be submitted and approved prior to the application of herbicides, pesticides or possibly hazardous chemicals.
- c. Upon well completion, any hydrocarbons in the pit shall be removed in accordance with 43 CFR 3162.7-1. Once the reserve pit is dry, the plastic nylon reinforced liner shall be torn and perforated before backfilling of the reserve pit. The reserve pit and that portion of the location not needed for production facilities/operations will be recontoured to the approximate natural contours.
- d. The cut and fill slopes and all other disturbed areas not needed for the production operation will be top soiled and re-vegetated. The stockpiled topsoil will be evenly distributed over the disturbed area.
- e. Prior to reseeding the site, all disturbed areas, including the access road, will be scarified and left with a rough surface. The site will then be seeded and/or planted as prescribed by the BLM. The BLM recommended seed mix will be detailed within their approval documents.

11. Surface and Mineral Ownership:

- a. Surface Ownership [**North Portion of the Road**] - Federal under the management of the Bureau of Land Management - Moab Field Office, 82 East Dogwood, Moab, Utah 84532; 435-259-2127.
- b. Surface Ownership [**Pad and South portion of the Road**] – State of Utah Division of Wildlife Resources - Southeastern Regional Office, 475 West Price River Drive, Suite C, Price, Utah 84501; 435-636-0271.
- c. Mineral Ownership – Federal under the management of the Bureau of Land Management - Moab Field Office, 82 East Dogwood, Moab, Utah 84532; 435-259-2127.

12. Other Information:

- a. Senco-Phenix Archaeological Consultants has conducted a Class III archeological survey. A copy of the report has been submitted under separate cover to the appropriate agencies by Senco-Phenix Archaeological Consultants.

b. Our understanding of the results of the onsite inspection are:

- a. No Threatened and Endangered flora and fauna species were found during the onsite inspection.
- b. No raptor habitat is know to exist within 1 mile of the proposed wellsite.
- c. No additional surface use agreements are necessary for the construction of this wellsite
- d. No drainage crossings that require additional State or Federal approval are being crossed.

13. Operator's Representative and Certification

<u>Title</u>	<u>Name</u>	<u>Office Phone</u>
Company Representative	Tom Young	1-303-339-1920
Agent for Elk Production Company, LLC	Don Hamilton	1-435-637-4075

**Certification:**

I hereby certify that I, or persons under my direct supervision, have inspected the proposed drill site and access route; that I am familiar with the conditions which currently exists; that the statements made in this APD package are, to the best of my knowledge, true and correct; and that the work associated with the operations proposed herein will be performed by Elk Production Company, LLC and its contractors and subcontractors in conformity with this APD package and the terms and conditions under which it is approved. I also certify responsibility for the operations conducted on that portion of the leased lands associated with this application, with bond coverage being provided under Elk Production's BLM bond. This statement is subject to the provisions of 18 U.S.C. 1001 for the filing of a false statement.

Signature: Don Hamilton Date: 2-1-05

**ELK PRODUCTION, LLC  
FEDERAL #23-5  
SECTION 23, T20S, R21E, S.L.B.&M.**

**PROCEED IN AN EASTERLY DIRECTION FROM GREEN RIVER, UTAH ALONG INTERSTATE-70 APPROXIMATELY 43.2 MILES TO THE WHITE HOUSE EXIT; EXIT AND PROCEED IN AN EASTERLY DIRECTION APPROXIMATELY 1.5 MILES TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE NORTHWEST; TURN LEFT AND PROCEED IN A NORTHWESTERLY DIRECTION APPROXIMATELY 11.8 MILES TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE NORTH; TURN RIGHT AND PROCEED IN A NORTHERLY, THEN NORTHWESTERLY DIRECTION APPROXIMATELY 1.4 MILES TO THE BEGINNING OF THE PROPOSED ACCESS TO THE SOUTHWEST; FOLLOW ROAD FLAGS IN A SOUTHWESTERLY DIRECTION APPROXIMATELY 0.3 MILES TO THE PROPOSED LOCATION.**

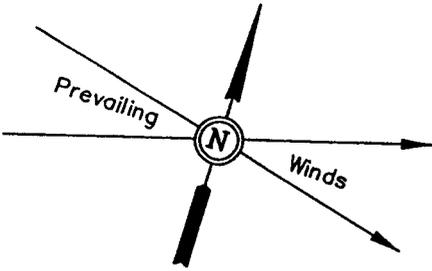
**TOTAL DISTANCE FROM GREEN RIVER, UTAH TO THE PROPOSED WELL LOCATION IS APPROXIMATELY 58.2 MILES.**

ELK PRODUCTION, LLC

LOCATION LAYOUT FOR

FEDERAL #23-5  
SECTION 23, T20S, R21E, S.L.B.&M.  
723' FNL 712' FEL

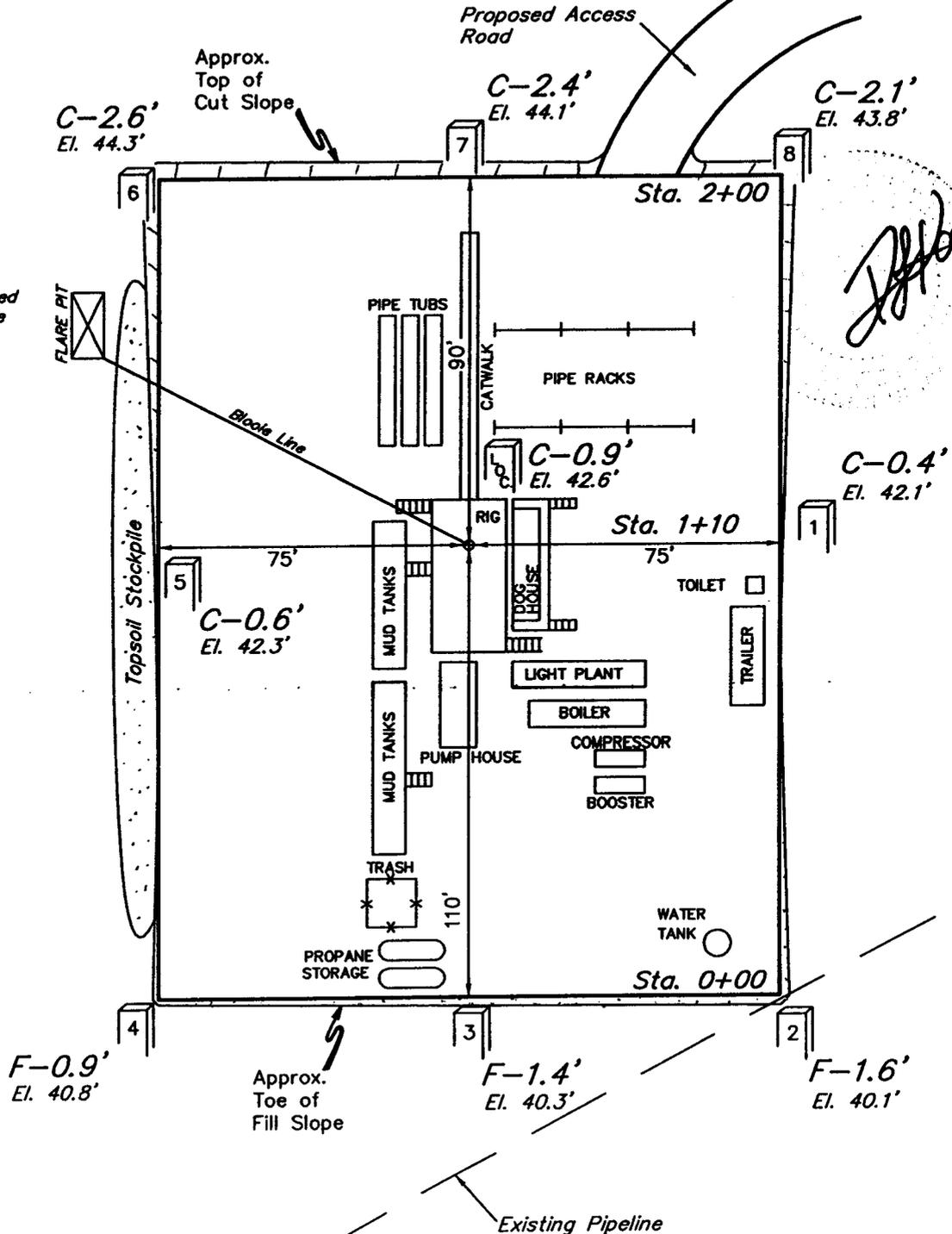
FIGURE #1



SCALE: 1" = 40'  
DATE: 01-07-05  
Drawn By: P.M.

NOTE:

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



*[Handwritten Signature]*

NOTES:

Elev. Ungraded Ground At Loc. Stake = 5142.6'  
FINISHED GRADE ELEV. AT LOC. STAKE = 5141.7'

ELK PRODUCTION, LLC

FIGURE #2

TYPICAL CROSS SECTIONS FOR

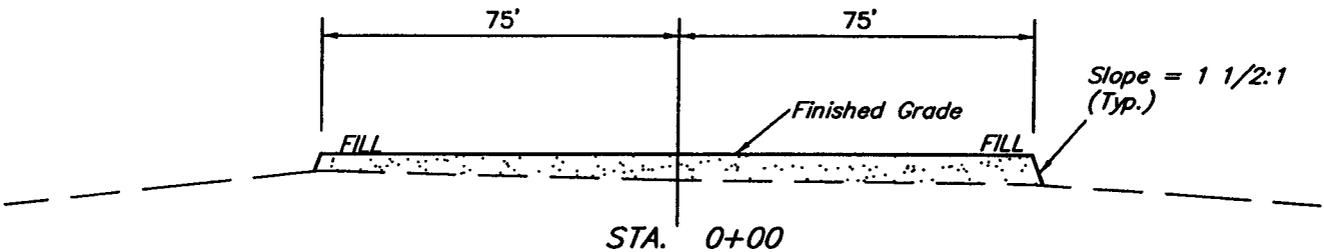
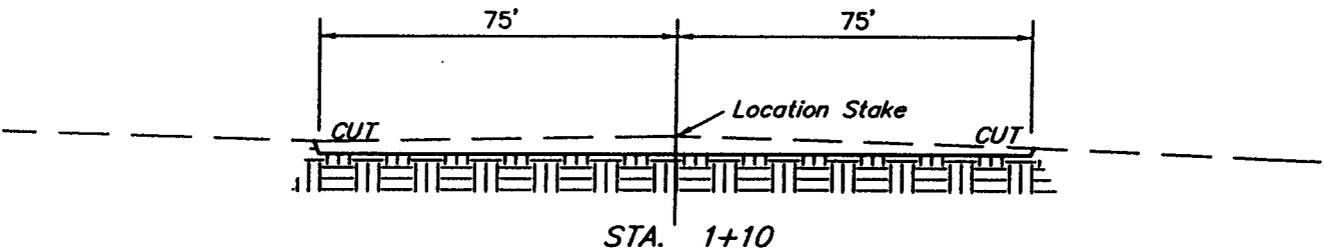
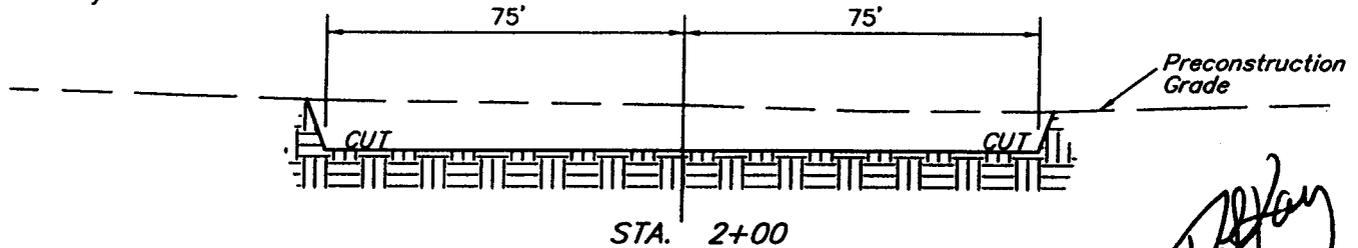
FEDERAL #23-5

SECTION 23, T20S, R21E, S.L.B.&M.

723' FNL 712' FEL

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

DATE: 01-07-05  
Drawn By: P.M.



NOTE:

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

\* NOTE:

FILL QUANTITY INCLUDES 5% FOR COMPACTION

APPROXIMATE YARDAGES

CUT		
(6") Topsoil Stripping	=	590 Cu. Yds.
Remaining Location	=	560 Cu. Yds.
<b>TOTAL CUT</b>	<b>=</b>	<b>1,150 CU.YDS.</b>
<b>FILL</b>	<b>=</b>	<b>560 CU.YDS.</b>

EXCESS MATERIAL	=	590 Cu. Yds.
Topsoil	=	590 Cu. Yds.

EXCESS UNBALANCE (After Rehabilitation)	=	0 Cu. Yds.
---	---	------------

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

# ELK PRODUCTION, LLC

FEDERAL #23-5

LOCATED IN GRAND COUNTY, UTAH

SECTION 23, T20S, R21E, S.L.B.&M.



PHOTO: VIEW FROM LOCATION STAKE TO CORNER #1

CAMERA ANGLE: NORTHEASTERLY

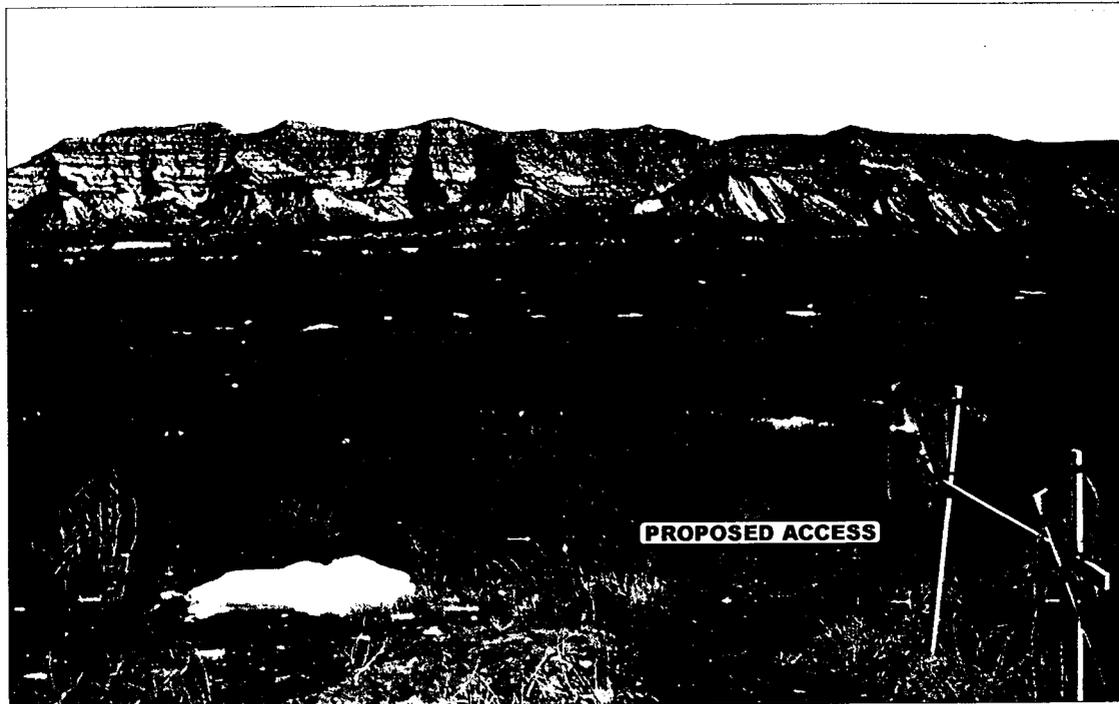


PHOTO: VIEW FROM BEGINNING OF PROPOSED ACCESS

CAMERA ANGLE: SOUTHWESTERLY



- Since 1964 -

**E&L**S

Uintah Engineering & Land Surveying

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

LOCATION PHOTOS

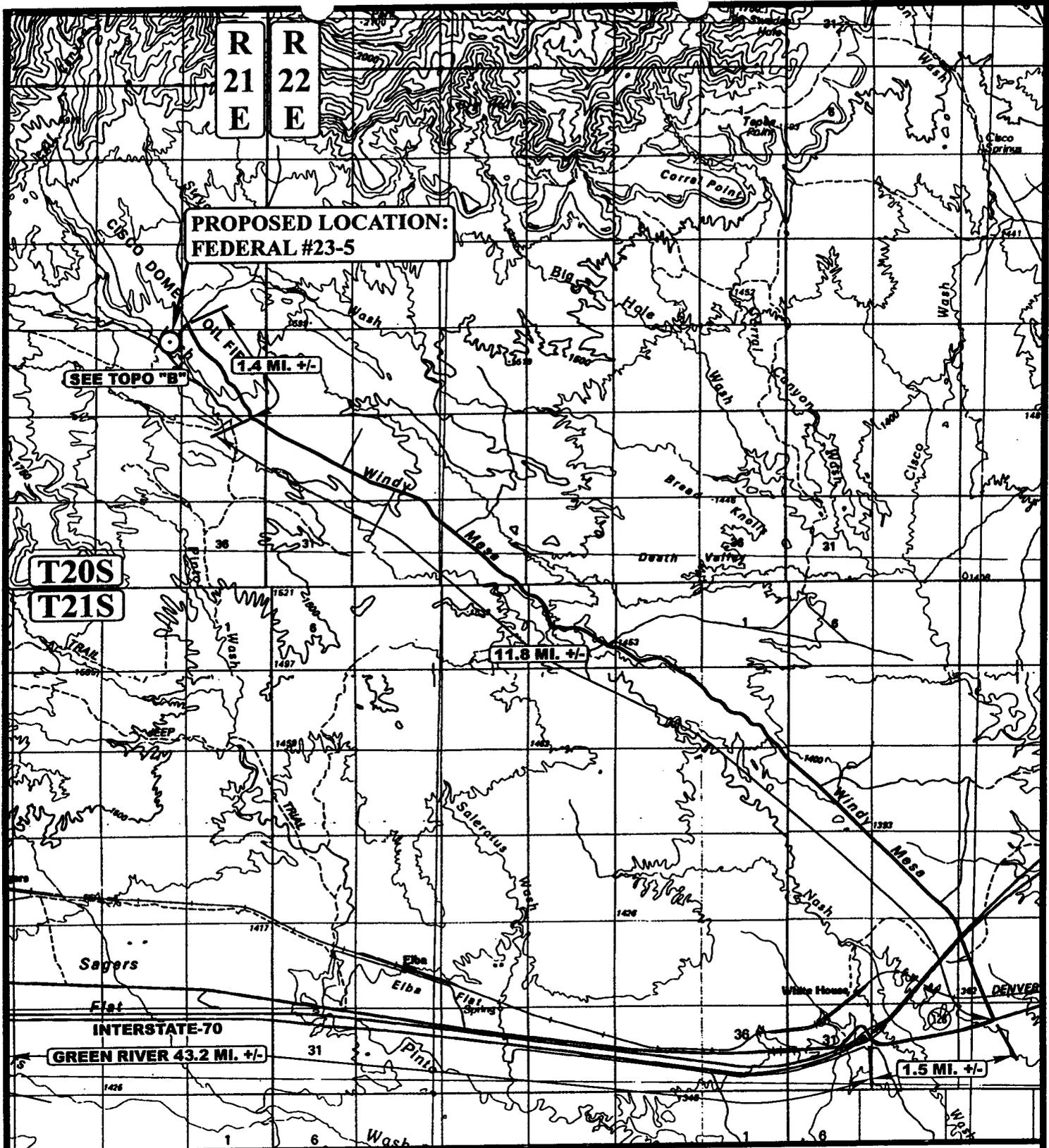
12 22 04  
MONTH DAY YEAR

PHOTO

TAKEN BY: M.A.

DRAWN BY: P.M.

REVISED: 00-00-00



**PROPOSED LOCATION:  
FEDERAL #23-5**

SEE TOPO "B"

1.4 MI. +/-

**T20S  
T21S**

11.8 MI. +/-

GREEN RIVER 43.2 MI. +/-

1.5 MI. +/-

**LEGEND:**

⊙ PROPOSED LOCATION



**ELK PRODUCTION, LLC**

**FEDERAL #23-5  
SECTION 23, T20S, R21E, S.L.B.&M.  
723' FNL 712' FEL**



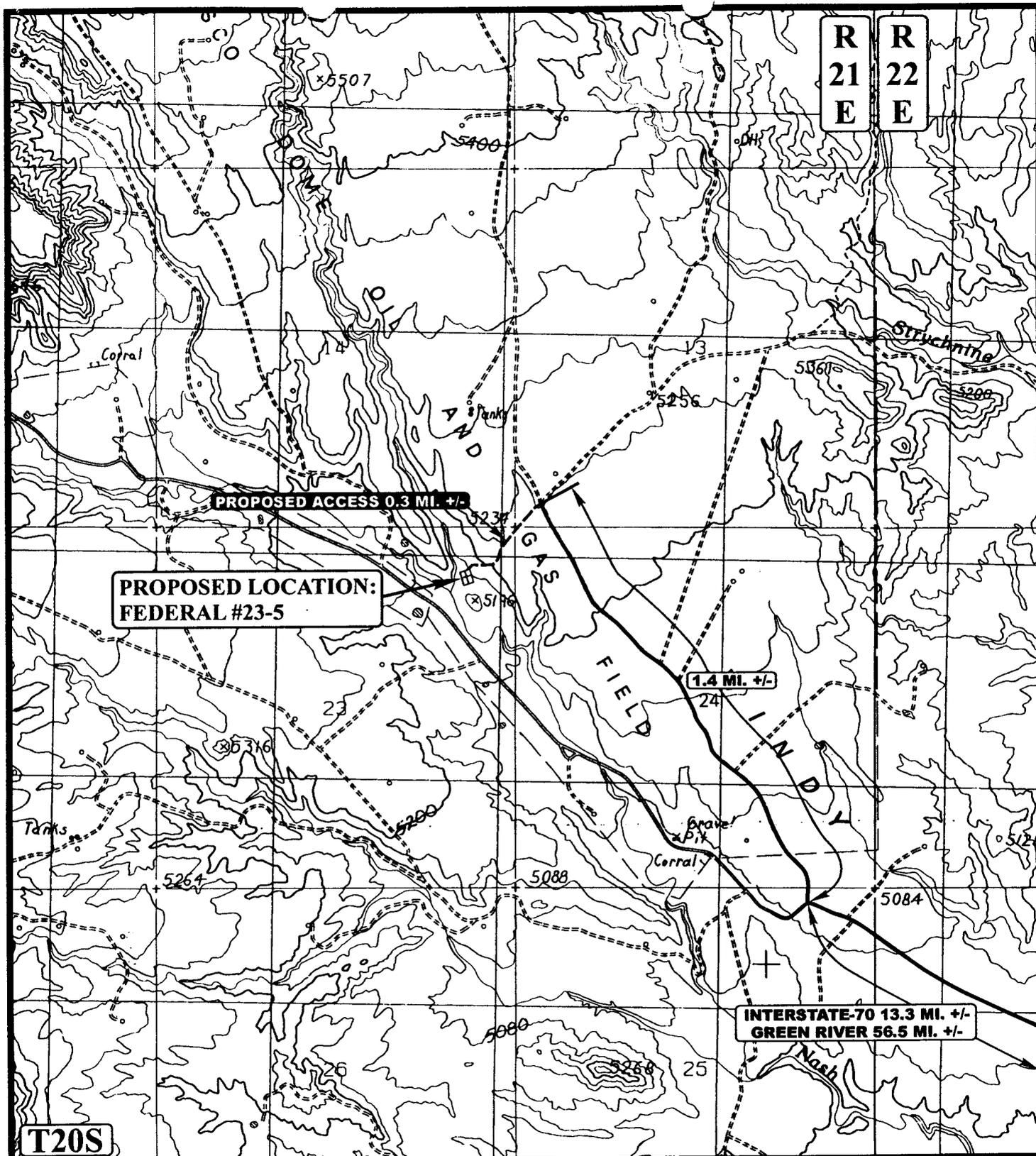
**Uintah Engineering & Land Surveying**  
85 South 200 East Vernal, Utah 84078  
(435) 789-1017 \* FAX (435) 789-1813

**TOPOGRAPHIC  
MAP**

**12 22 04**  
MONTH DAY YEAR

SCALE: 1:100,000 | DRAWN BY: P.M. | REVISED: 00-00-00





**LEGEND:**

- EXISTING ROAD
- - - - - PROPOSED ACCESS ROAD



**ELK PRODUCTION, LLC**

**FEDERAL #23-5**  
**SECTION 23, T20S, R21E, S.L.B.&M.**  
**723' FNL 712' FEL**



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

**TOPOGRAPHIC**  
**MAP**

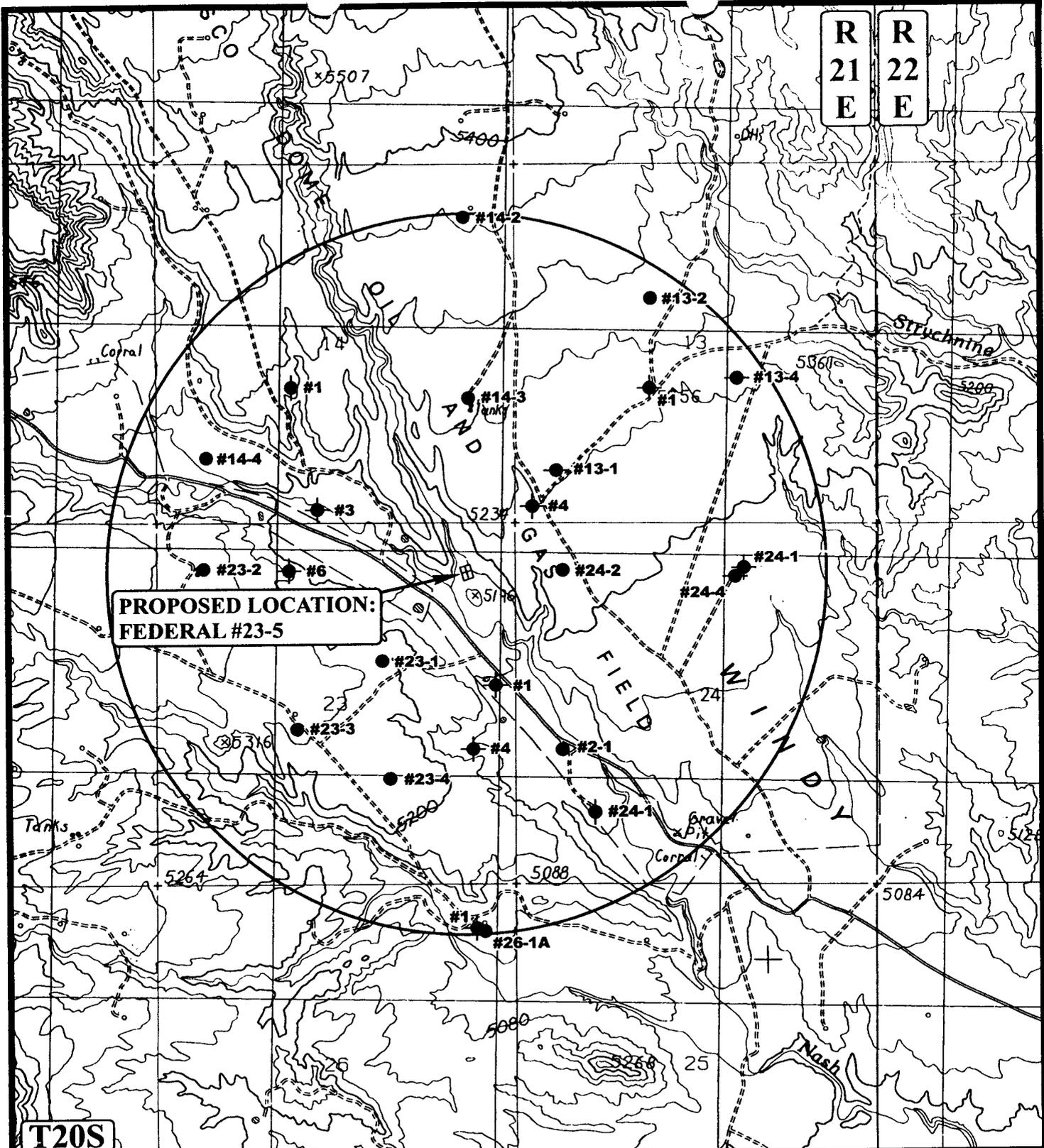
<b>12</b>	<b>22</b>	<b>04</b>
MONTH	DAY	YEAR

SCALE: 1" = 2000' DRAWN BY: P.M. REVISED: 00-00-00

**B**  
**TOPO**

R  
21  
E

R  
22  
E



**PROPOSED LOCATION:  
FEDERAL #23-5**

**T20S**

**LEGEND:**

- DISPOSAL WELLS
- PRODUCING WELLS
- SHUT IN WELLS
- WATER WELLS
- ABANDONED WELLS
- TEMPORARILY ABANDONED



**ELK PRODUCTION, LLC**

**FEDERAL #23-5**  
**SECTION 23, T20S, R21E, S.L.B.&M.**  
**723' FNL 712' FEL**



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

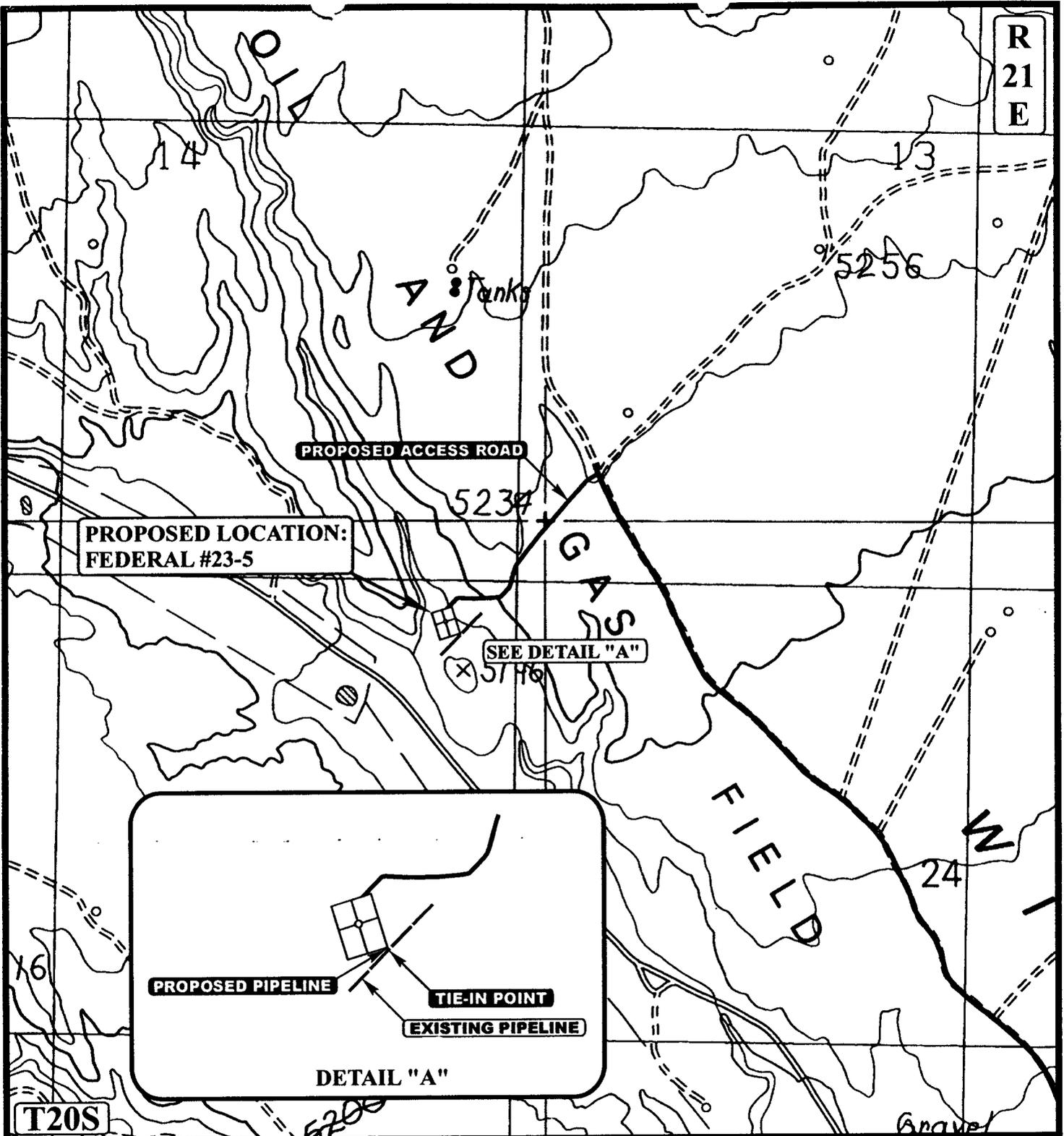
**TOPOGRAPHIC  
MAP**

<b>12</b>	<b>22</b>	<b>04</b>
MONTH	DAY	YEAR

**C  
TOPO**

SCALE: 1" = 2000' DRAWN BY: P.M. REVISED: 00-00-00

R  
21  
E



APPROXIMATE TOTAL PIPELINE DISTANCE = 1' +/-

**LEGEND:**

-  PROPOSED ACCESS ROAD
-  EXISTING PIPELINE
-  PROPOSED PIPELINE



**ELK PRODUCTION, LLC**

FEDERAL #23-5  
 SECTION 23, T20S, R21E, S.L.B.&M.  
 723' FNL 712' FEL



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

TOPOGRAPHIC  
 MAP

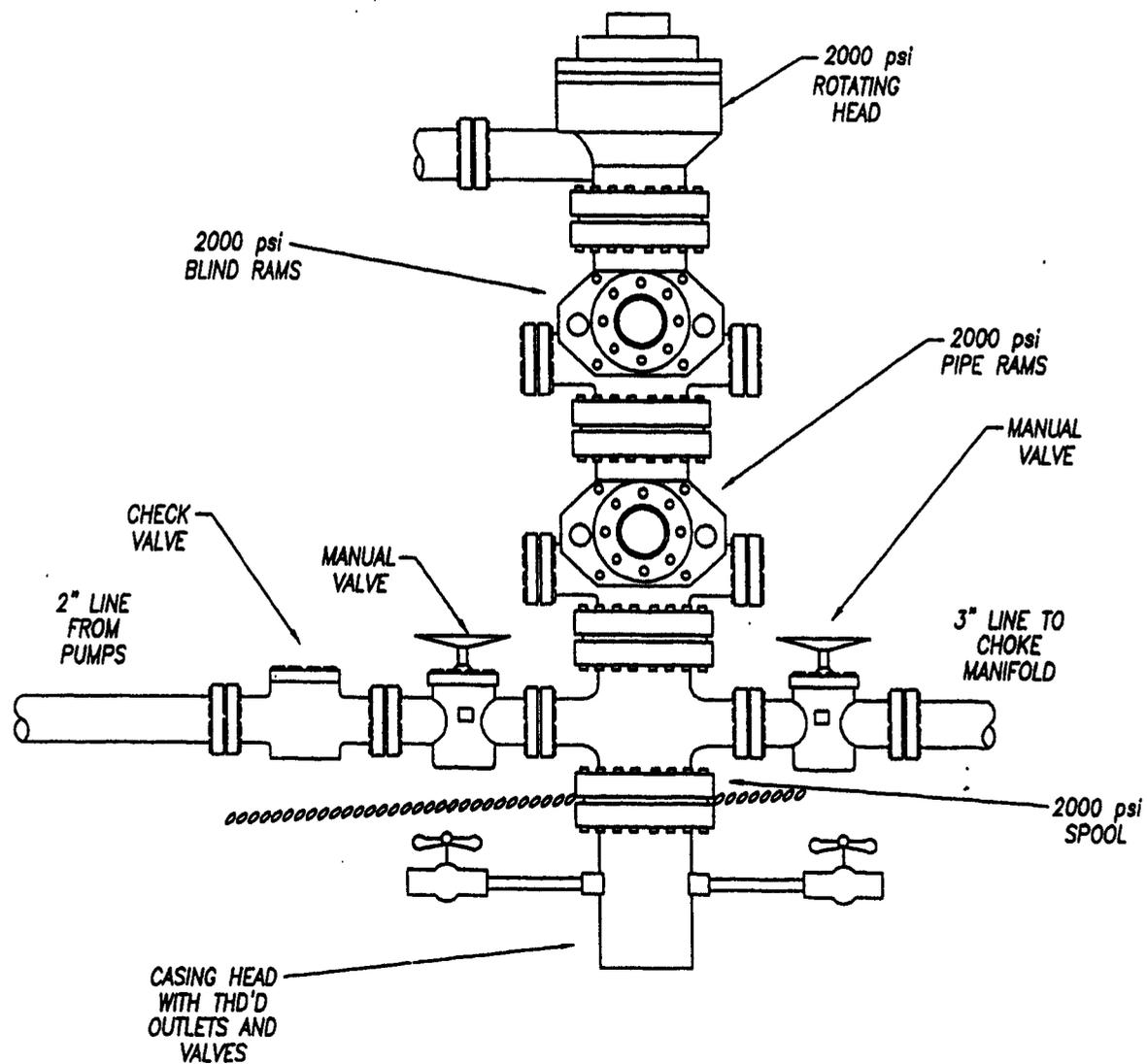
12	22	04
MONTH	DAY	YEAR

SCALE: 1" = 1000' DRAWN BY: P.M. REVISED: 00-00-00

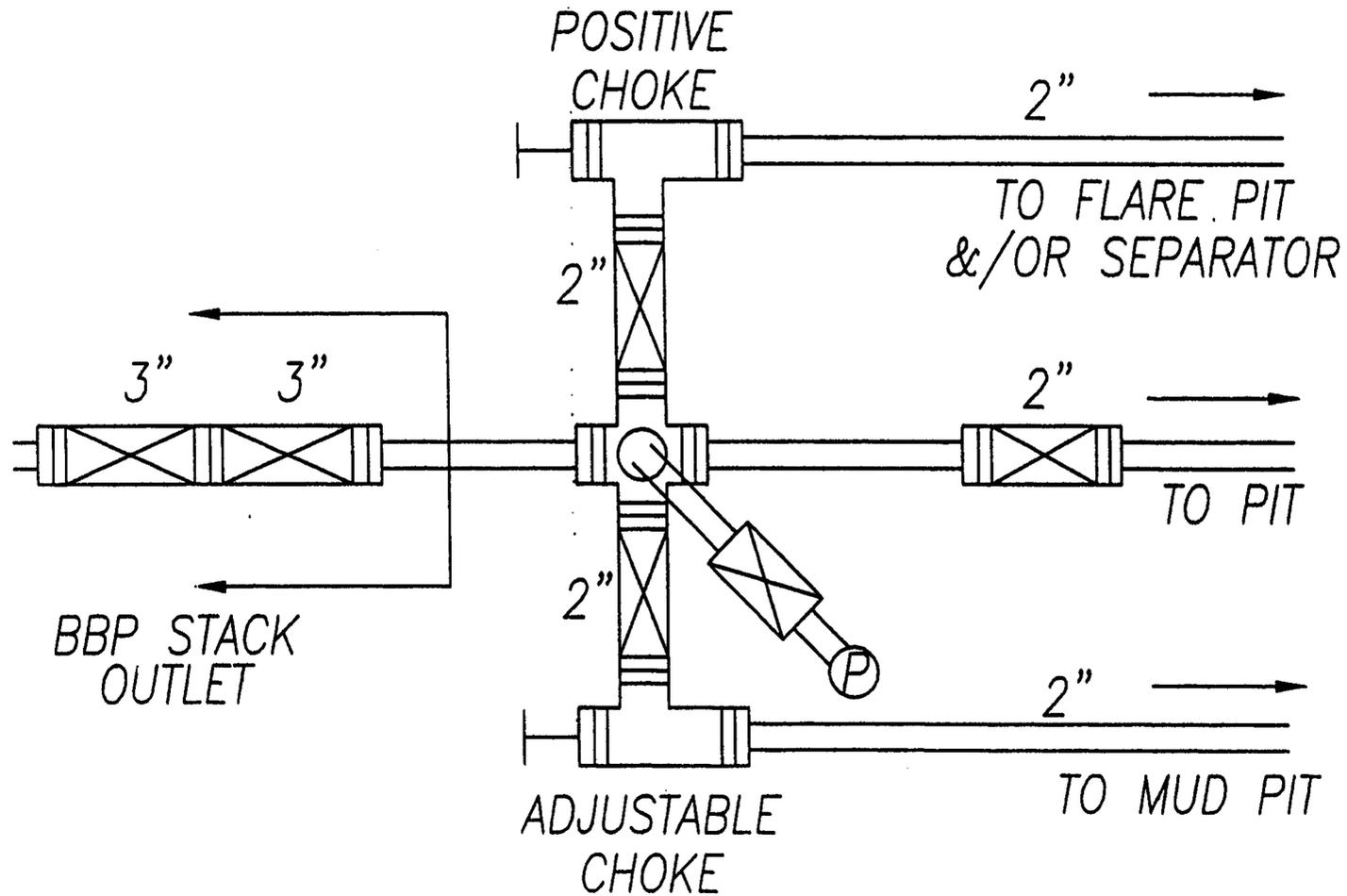
**D**  
 TOPO

# BOP Equipment

2000psi WP



# CHOKE MANIFOLD



WORKSHEET  
APPLICATION FOR PERMIT TO DRILL

APD RECEIVED: 02/03/2005

API NO. ASSIGNED: 43-019-31442

WELL NAME: FEDERAL 23-5  
OPERATOR: ELK PRODUCTION LLC ( N2650 )  
CONTACT: DON HAMILTON

PHONE NUMBER: 435-650-1886

PROPOSED LOCATION:

NENE 23 200S 210E  
SURFACE: 0723 FNL 0712 FEL  
BOTTOM: 0723 FNL 0712 FEL  
GRAND  
GREATER CISCO ( 205 )

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

LEASE TYPE: 1 - Federal  
LEASE NUMBER: UTU-02139-A  
SURFACE OWNER: 1 - Federal  
PROPOSED FORMATION: ENRD  
COALBED METHANE WELL? NO

LATITUDE: 39.05728  
LONGITUDE: -109.5571

RECEIVED AND/OR REVIEWED:

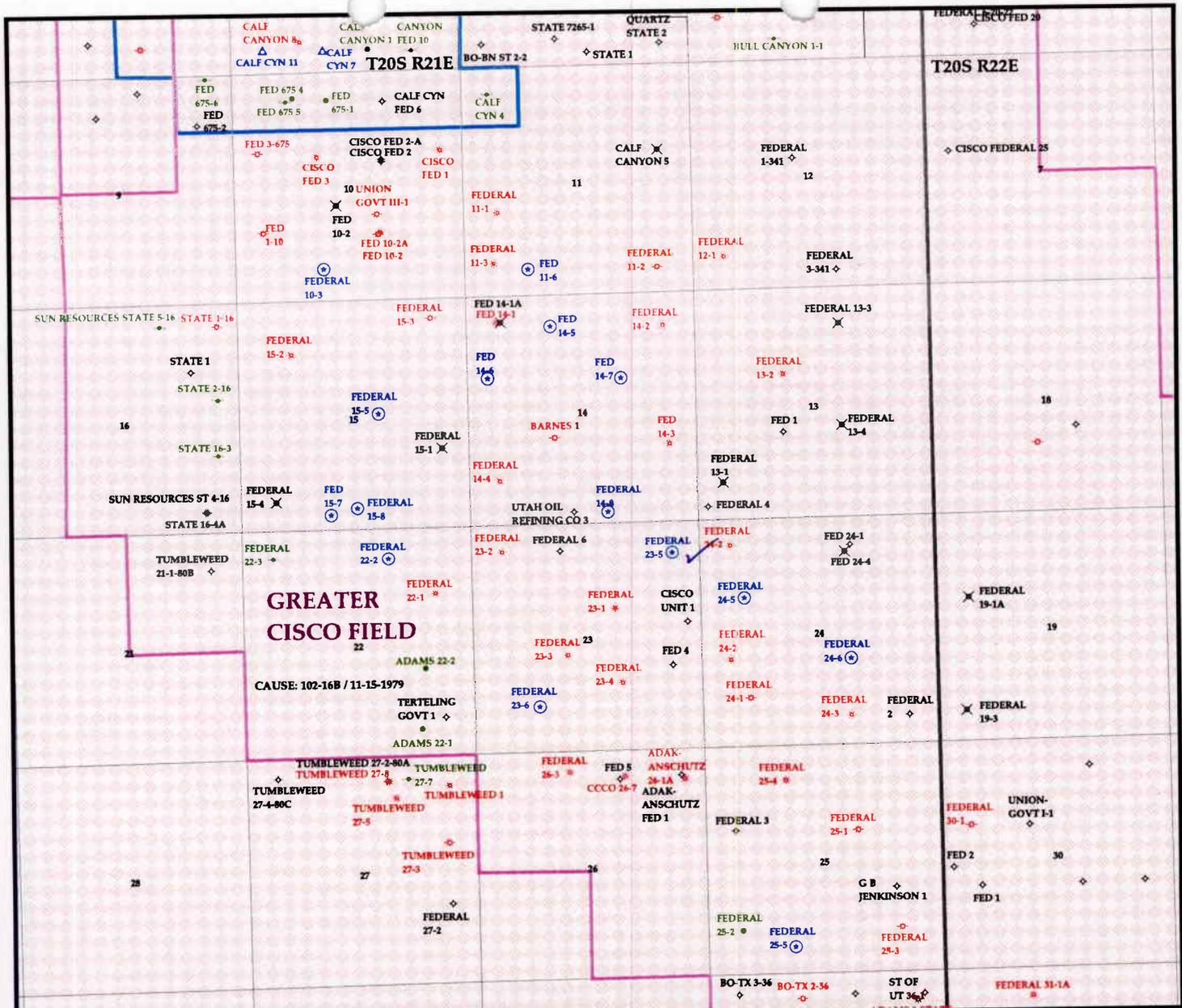
- Plat
- Bond: Fed[1] Ind[] Sta[] Fee[]  
(No. B 000971 )
- Potash (Y/N)
- Oil Shale 190-5 (B) or 190-3 or 190-13
- Water Permit  
(No. AIR DRILLE )
- RDCC Review (Y/N)  
(Date: )
- Fee Surf Agreement (Y/N)

LOCATION AND SITING:

- R649-2-3.  
Unit \_\_\_\_\_
- R649-3-2. General  
Siting: 460 From Qtr/Qtr & 920' Between Wells
- R649-3-3. Exception
- Drilling Unit  
Board Cause No: 102-14B  
Eff Date: 11-15-1979  
Siting: See Cause Order
- R649-3-11. Directional Drill

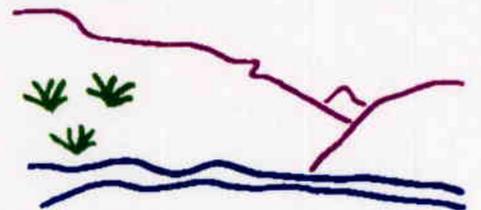
COMMENTS: \_\_\_\_\_

STIPULATIONS: 1- Federal Approval



**OPERATOR: ELK PRODUCTION CO (N2650)**  
**SEC. 10,14,15,22-25 T.20S R.21E**  
**FIELD: GREATER CISCO (205)**  
**COUNTY: GRAND**  
**CAUSE: 102-16B / 11-15-1979**

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		



Utah Oil Gas and Mining



PREPARED BY: DIANA WHITNEY  
 DATE: 4-FEBRUARY-2005



**State of Utah**

**Department of  
Natural Resources**

MICHAEL R. STYLER  
*Executive Director*

**Division of  
Oil, Gas & Mining**

MARY ANN WRIGHT  
*Acting Division Director*

JON M. HUNTSMAN, JR.  
*Governor*

GARY R. HERBERT  
*Lieutenant Governor*

February 7, 2005

Elk Production Company, LLC  
1401-17th Street, Suite 700  
Denver, CO 80202

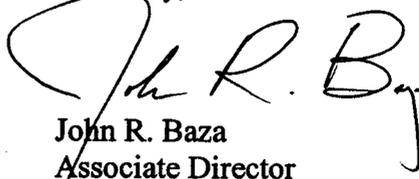
Re: Federal 23-5 Well, 723' FNL, 712' FEL, NE NE, Sec. 23, T. 20 South,  
R. 21 East, Grand County, Utah

Gentlemen:

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

This approval shall expire one year from the above date unless substantial and continuous operation is underway, or a request for extension is made prior to the expiration date. The API identification number assigned to this well is 43-019-31442.

Sincerely,



John R. Baza  
Associate Director

pab  
Enclosures

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

**Operator:** Elk Production Company, LLC

**Well Name & Number** Federal 23-5

**API Number:** 43-019-31442

**Lease:** UTU-02139-A

**Location:** NE NE                      **Sec.** 23                      **T.** 20 South                      **R.** 21 East

**Conditions of Approval**

1. General

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

2. Notification Requirements

Notify the Division within 24 hours of spudding the well.

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

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

- Contact Dan Jarvis at (801) 538-5338

3. Reporting Requirements

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

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

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

5. LEASE DESIGNATION AND SERIAL NO.  
**UTU-02139-A**

6. IF INDIAN, ALLOTTEE OR TRIBE NAME  
**N/A**

7. UNIT AGREEMENT NAME  
**Greater Cisco Dome Unit**

8. FARM OR LEASE NAME, WELL NO.  
**Federal #23-5**

9. API WELL NO.  
**43-019-31442**

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

11. SEC., T., R., M., OR BLK.  
**Section 23,  
T20S, R21E, SLB&M**

12. COUNTY OR PARISH  
**Grand**

13. STATE  
**Utah**

APPLICATION FOR PERMIT TO DRILL OR DEEPEN

1a. TYPE OF WORK  
**DRILL  DEEPEN**

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

2. NAME OF OPERATOR  
**Elk Production Company, LLC**

3. ADDRESS AND TELEPHONE NO.  
**1401-17th Street, Suite 700, Denver, Colorado 80202 303-296-4505**

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements. \*)  
At surface **743' FNL, 712' FEL NE/4 NE/4**  
At proposed prod. zone

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

15. DISTANCE FROM PROPOSED\* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drig. unit line, if any) **712'**

16. NO. OF ACRES IN LEASE

17. NO. OF ACRES ASSIGNED TO THIS WELL  
**160 acres**

18. DISTANCE FROM PROPOSED LOCATION TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT. **+/- 1,400'**

19. PROPOSED DEPTH  
**3,000'**

20. ROTARY OR CABLE TOOLS  
**Rotary**

21. ELEVATIONS (Show whether DF, RT, GR, etc.)  
**5,143' GR**

22. APPROX. DATE WORK WILL START\*  
**As soon as approved**

23. PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	GRADE, SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
9-1/2"	7" H-40 ST&C	17#	250'	100 sx Halliburton Type 5 with additives—see attached Drilling Plan
6-1/2"	4-1/2" K-55 LT&C	10.5#	3,000'	160 sx 50/50 Class "G" Poz with additives—see attached Drilling Plan

Bond Information:

Bond coverage is provided by US Specialty Insurance Company, Bond #B-000971

UTB000135

Other Information:

Drilling Plan and Surface Use Plan are attached.  
Elk Production Company, LLC requests that this complete application for permit to drill be held confidential.  
The wellsite and 950.60' of access corridor will be constructed on lands owned and managed by the Utah Division of Wildlife Resources—Southeast Region Office

RECEIVED  
SEP 20 2005

RECEIVED OFFICE  
2005 FEB -  
DEPT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT  
ORIGINAL  
CONFIDENTIAL

DIV. OF OIL, GAS & MINING

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

24. SIGNED Don Hamilton Don Hamilton TITLE Agent for Elk Production Company, LLC DATE February 1, 2005  
(This space for Federal or State office use)

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

Application approval does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon. CONDITIONS OF APPROVAL, IF ANY:

APPROVED BY K. A. Lynn Jackson TITLE Assistant Field Manager, Division of Resources DATE SEP 15 2005

\*See Instructions On Reverse Side

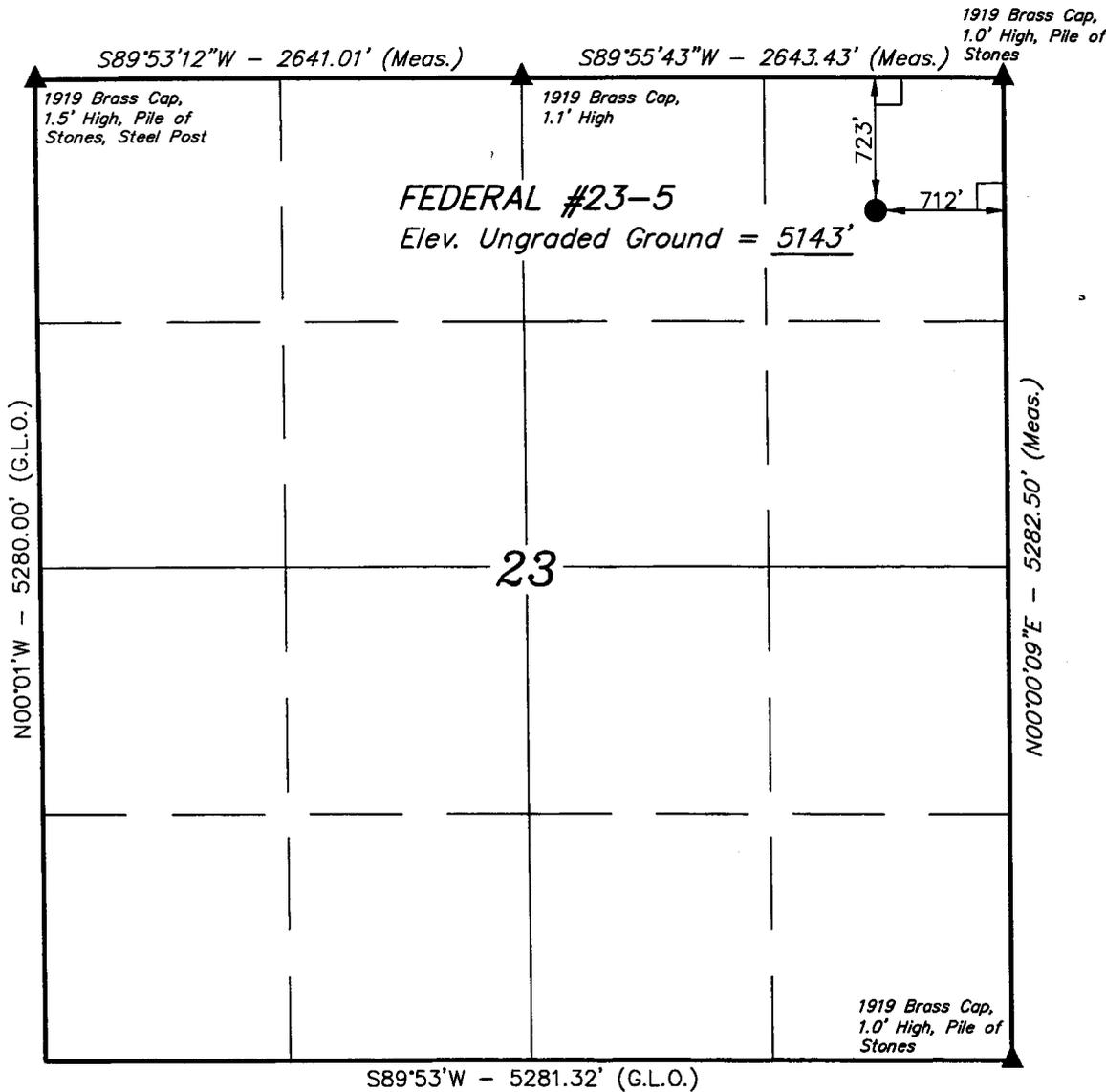
Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency or the

CONDITIONS OF APPROVAL ATTACHED

T20S, R21E, S.L.B.&M.

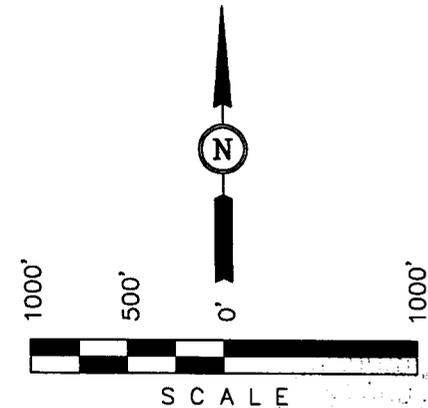
ELK PRODUCTION, LLC

Well location, FEDERAL #23-5, located as shown in the NE 1/4 NE 1/4 of Section 23, T20S, R21E, S.L.B.&M. Grand County, Utah.



BASIS OF ELEVATION

SPOT ELEVATION LOCATED AT THE SOUTHEAST CORNER OF SECTION 24, T20S, R21E, S.L.B.&M. TAKEN FROM THE CALF CANYON, QUADRANGLE, UTAH, GRAND COUNTY, 7.5 MINUTE QUAD. (TOPOGRAPHIC MAP) PUBLISHED BY THE UNITED STATES DEPARTMENT OF THE INTERIOR, GEOLOGICAL SURVEY. SAID ELEVATION IS MARKED AS BEING 5084 FEET.



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.

*Robert H. Gray*  
 REGISTERED LAND SURVEYOR  
 REGISTRATION NO. 161319  
 STATE OF UTAH

BASIS OF BEARINGS

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

(AUTONOMOUS NAD 83)  
 LATITUDE = 39°03'26.17" (39.057269)  
 LONGITUDE = 109°33'27.79" (109.557719)  
 (AUTONOMOUS NAD 27)  
 LATITUDE = 39°03'26.26" (39.057294)  
 LONGITUDE = 109°33'25.34" (109.557039)

LEGEND:

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

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

SCALE 1" = 1000'	DATE SURVEYED: 12-21-04	DATE DRAWN: 01-07-05
PARTY M.A. C.R. P.M.	REFERENCES G.L.O. PLAT	
WEATHER COLD	FILE ELK PRODUCTION, LLC	

Elk Production Company, LLC  
Well No. 23-5  
Lease U-02139-A  
NE/NE Section 23, T20S, R21E  
Grand County, Utah

**A COMPLETE COPY OF THIS PERMIT SHALL BE KEPT ON LOCATION from the beginning of site construction through well completion, and shall be available to contractors to ensure compliance.**

CONDITIONS OF APPROVAL

Approval of this application does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

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

Bond coverage for this well is provided by **UTB000135** (Principal – Elk Production Company, LLC) via surety consent as provided for in 43 CFR 3104.2.

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

This permit will be valid for a period of one year from the date of approval. After permit termination, a new application must be filed for approval.

All lease operations will be conducted in full compliance with applicable regulations (43 CFR 3100), Onshore Oil and Gas Orders, lease terms, notices to lessees, and the approved plan of operations. The operator is fully responsible for the actions of his subcontractors.

## A. DRILLING PROGRAM

1. The proposed 2M BOPE is adequate for anticipated conditions. Installation, testing and operation of the system shall be in conformance with Onshore Oil and Gas Order No. 2.
2. Concurrent approval from the State of Utah, Division of Oil, Gas & Mining (DOGGM) is required before conducting any surface disturbing activities.
3. When drilling with air, the requirements of Onshore Oil and Gas Order No. 2, part III, E, Special Drilling Operations, shall apply. Among the requirements in this section are:
  - Spark arresters
  - Blooie line discharge 100 feet from wellbore
  - Straight blooie line
  - Deduster equipment
  - Float valve above bit
  - Automatic igniter on the blooie line

## B. SURFACE USE PLAN

1. In order to protect watershed values, no road/well pad construction or drilling operations will be authorized between November 1 and April 30. The limitation does not apply to maintenance and operation of producing wells. Exceptions to this limitation may be specified in writing by the Moab Field Office.
2. In order to protect wintering bald eagles and big game animals, no road/well pad construction or drilling operations will be authorized between November 1 and May 15. The limitation does not apply to maintenance and operation of producing wells. Exceptions to this limitation may be specified in writing by the Moab Field Office.
3. In order to protect nesting raptors, Elk Production has committed to completing a raptor survey with the Utah Division of Wildlife Resources. No road/well pad construction or drilling operations will be authorized within 0.5 mile of raptor nesting sites between March 1 and August 31 (or January 1 to August 31 for golden eagles). The limitation does not apply to maintenance and operation of producing wells. Exceptions to this limitation may be specified in writing by the Moab Field Office.
4. The operator is responsible for informing all persons in the area who are associated with this project that they will be subject to prosecution for knowingly disturbing historic or archaeological sites, or for collecting artifacts. If historic or archaeological materials are uncovered during construction, the operator is to immediately stop work that might further disturb such materials, and contact the BLM Field Office. Within five (5) working days, the BLM will inform the operator as to:
  - whether the materials appear eligible for the National Register of Historic Places;
  - the mitigation measures the operator will likely have to undertake before the site can be used (assuming in situ preservation is not necessary); and
  - a time frame for the BLM to complete an expedited review under 36 CFR § 800.11 to confirm, through the State Historic Preservation Officer, that the findings of the BLM are correct and that mitigation is appropriate.

If the operator wishes, at any time, to relocate activities to avoid the expense of mitigation and/or the delays associated with this process, the BLM will assume responsibility for whatever recordation and stabilization of the exposed materials may be required. Otherwise, the operator will be responsible for mitigation costs. The BLM will provide technical and procedural guidelines for the conduct of mitigation. Upon verification from the BLM that the required mitigation has been completed, the operator will then be allowed to resume construction.

5. Dust control will be provided during construction and drilling operations by spraying fresh water on new road construction, roads being maintained, and the well pad.
6. If water is produced from the well, an application in conformance with Onshore Oil and Gas Order No. 7 will be submitted. The specifications for the pits or tanks used for the storage of produced water will be determined from the information in the application.
7. All wells, whether drilling, producing, suspended, or abandoned, will be identified in accordance with 43 CFR § 3162.6.

### C. REQUIRED APPROVALS, REPORTS AND NOTIFICATIONS

Required verbal notifications are summarized in Table 1, attached.

Building Location- Notify the Moab Field Office at least 48-hours prior to commencing construction of location.

Spud- Notify the Moab Field Office 24-hours prior to spudding. Submit written notification of spud (Sundry Notice, Form 3160-5) to the Moab Field Office within 24-hours after spudding, regardless of whether spud was made with a dry hole digger or big rig.

Daily Drilling Reports- Daily drilling reports that describe the progress and status of the well shall be submitted to the Moab Field Office on a weekly basis. This report may be in any format customarily used by the operator.

Oil and Gas Operations Reports (OGORs)- Production from this well shall be reported to Minerals Management Service (MMS) on a monthly basis.

Sundry Notices- Any modification to the proposed drilling program shall be submitted to the Moab Field Office on a Sundry Notice (Form 3160-5). Regulations at 43 CFR 3162.3-2 describe which operations require prior approval, and which require notification.

Drilling Suspensions- Operations authorized by this permit shall not be suspended for more than 30 days without prior approval of the Moab Field Office. All conditions of this approval shall be applicable during any operations conducted with a replacement rig.

Undesirable Events- Spills, blowouts, fires, leaks, accidents, or any other unusual occurrences shall be immediately reported to the BLM in accordance with requirements of NTL-3A.

Cultural Resources- If cultural resources are discovered during construction, immediately notify the Moab Field Office, and work that might disturb the cultural resources shall cease.

First Production- A first production conference will be scheduled as soon as the productivity of the well is apparent. This conference should be coordinated through the Moab Field Office.

Notify the Moab Field Office when the well is placed into production. Initial notification may be verbal, but must be confirmed in writing within five business days. Please include the date production started, the producing formation and production volumes.

Well Completion Report- Whether the well is completed as a dry hole or as a producer, a *Well Completion or Recompletion Report and Log* (Form 3160-4) shall be submitted to the Moab Field Office within thirty-days after completion of the well. Two copies of all logs, core descriptions, core analyses, well test data, geologic summaries, sample description, and all other surveys or data obtained and compiled during the drilling, workover, and/or completion operations, will be filed with Form 3160-4. When requested, samples (cuttings and/or samples) will be submitted to the Moab Field Office.

Venting/Flaring of Gas- Gas produced from this well may not be vented/flared beyond an initial, authorized test period of 30 days or 50 MMcf, whichever first occurs, without the prior, written approval of the Moab Field Office. Should gas be vented or flared without approval beyond the authorized test period, the well may be ordered to be shut-in until the gas can be captured or until approval to continue the venting/flaring pursuant to NTL-4A is granted. Compensation shall be due for gas that is vented/flared without approval.

Produced Water- An application for approval of a permanent disposal method and location will be submitted to the Moab Field Office for approval pursuant to Onshore Oil and Gas Order No.7.

Off-Lease Measurement, Storage, Commingling- Prior approval must be obtained from the Moab Field Office for off-lease measurement, off-lease storage and/or commingling of production prior to the sales measurement point. The term "commingling" describes both the combining of production from different geologic zones and/or combining production from different leases or agreement areas.

Plugging and Abandonment- If the well is a dry hole, plugging instructions must be obtained from the Moab Field Office prior to initiating plugging operations.

A "Subsequent Report of Abandonment" (Sundry Notice, Form 3160-5) will be filed with the Moab Field Office within thirty-days following completion of the well for abandonment. This report will indicate where plugs were placed and the current status of surface restoration. Upon completion of approved plugging, a regulation marker will be erected in accordance with 43 CFR 3162.6. Final abandonment will not be approved until the surface reclamation work required by the approved APD or approved abandonment notice has been completed to the satisfaction of the Moab Field Office or the appropriate surface managing agency.

TABLE 1

NOTIFICATIONS

Notify Rich McClure (435-259-2127) or Jack Johnson (435-259-2129) of the BLM Moab Field Office for the following:

2 days prior to constructing the location (McClure);

1 day prior to spudding (Johnson);

50 feet prior to reaching the surface casing setting depth (Johnson);

3 hours prior to testing BOPE (Johnson)

If the person at the above number cannot be reached, notify the BLM Moab Field Office at 435-259-2100.

Well abandonment operations require 24-hour advance notice and prior approval. In the case of newly drilled dry holes, verbal approval can be obtained from:

Eric Jones, Petroleum Engineer

Office: 435-259-2117

Home: 435-259-2214



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

September 20, 2005

Mr. Eric Jones  
Bureau of Land Management  
Moab Field Office  
82 East Dogwood Ave.  
Moab, UT 84532

**RE: Change of Plans to APD  
Increase Surface Casing and Change BOP Equipment  
Federal 15-5, 23-5, and 24-5  
Change BOP Equipment  
Federal 15-8 (Changes to casing previously requested)  
Greater Cisco Field, Grand County, Utah**

Dear Mr. Jones:

Enclosed are copies of "Sundry Notices" for each of the subject proposed drilling locations. Elk would like to increase the surface casing size from 7" to 8 5/8" and the production casing to an optional 5 1/2" from the 4 1/2" and change the BOP equipment.

Should you have any questions, please contact Tom Young at (303) 296-4505.

Regards,

  
Karin Kuhn  
Engineering Technician

Enclosures

cc: Dustin Doucet, DOGM, Box 145801, Salt Lake City, UT 84114-5801

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

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

**SUNDRY NOTICES AND REPORTS ON WELLS**

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

5. Lease Serial No.  
UTU-02139-A

6. If Indian, Allottee or Tribe Name  
N/A

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

8. Well Name and No.  
Federal #23-5

9. API Well No.  
4301931442

10. Field and Pool, or Exploratory Area  
Greater Cisco

11. County or Parish, State  
Grand County, Utah

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

1. Type of Well  
 Oil Well     Gas Well     Other    **CONFIDENTIAL**

2. Name of Operator  
Elk Production LLC

3a. Address  
1401 17th. Street, Suite 700, Denver Colorado, 80202

3b. Phone No. (include area code)  
303 296 4505

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)  
723' FNL, 712' FEL, NENE Section 23, T20S, R21E

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

TYPE OF SUBMISSION	TYPE OF ACTION			
<input checked="" type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input type="checkbox"/> Subsequent Report	<input checked="" type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input checked="" type="checkbox"/> Other <b>Increase surf csg</b>
	<input checked="" type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	<b>from 7" to 8 5/8"</b>
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	<b>Option for 5 1/2"</b>

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

With this Sundry Notice, Elk Production LLC requests permission to increase the surface casing size from 7" to 8 5/8" and the production casing to an optional 5 1/2" string from the 4 1/2". Hole sizes will be increased to accomodate the larger casing and cement volumes will be adjusted accordingly. Setting depth remains unchanged for the surface casing. The purpose for this is to allow a string of 5 1/2" casing to be run prior to reaching the planned TD if gas flow becomes excessive while drilling the shallower pay intervals. It is a concern to Elk that continuing the drilling with mud, should gas flows become too strong to continue on air, could be very damaging to zones exposed to drilling fluid. Casing the well through shallower pays with 5 1/2" casing will allow the well to be deepened at a later time to test for and produce the deeper pays.

Another change would be for the option to use of an External Casing Packer tool to place above pay intervals to prevent cement damage to pay intervals which exhibit good strength during drilling. As in the case of 5 1/2" versus 4 1/2", this would be an option on a well-by-well basis.

Elk Production LLC requests permission to change the BOP equipment from a 10" x 2000# ram-type double BOP to a 10" x 3000# annular-type BOP. The BOP would be tested to 2000#, approximately 2 1/2 times maximum possible SIP.

COMMENT TO OPERATOR  
Date: 9-22-05  
Initials: CKD

14. I hereby certify that the foregoing is true and correct  
Name (Printed/Typed) Karin Kuhn Title Engineering Technician

Signature *Karin Kuhn* Date 09/20/2005

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

Approved by \_\_\_\_\_ Title Accepted by the \_\_\_\_\_ Date \_\_\_\_\_  
Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon. Utah Division of Oil, Gas and Mining Federal Approval Of This Action Is Necessary

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

(Instructions on page 2)

By: *[Signature]*  
**RECEIVED**  
**SEP 21 2005**

**DIVISION OF OIL, GAS AND MINING**

**SPUDDING INFORMATION**

Name of Company: ELK PRODUCTION LLC

Well Name: FEDERAL 23-5

Api No: 43-019-31442 Lease Type: FEDERAL

Section 23 Township 20S Range 21E County GRAND

Drilling Contractor BEAMAN DRILLING RIG # 2

**SPUDDED:**

Date 10/21/05

Time \_\_\_\_\_

How DRY

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

Reported by DON

Telephone # 1-970-759-0007

Date 10/24/05 Signed CHD

ENTITY ACTION FORM

Operator: Elk Production LLC Operator Account Number: N 2650  
 Address: 1401 17th Street, Suite 700  
city Denver  
state CO zip 80202  
 Phone Number: (303) 296-4505

Well 1

API Number	Well Name		QQ	Sec	Twp	Rng	County
4301931442	Federal 23-5		NENE	23	20S	21E	Grand
Action Code	Current Entity Number	New Entity Number	Spud Date		Entity Assignment Effective Date		
A	99999	15007	10/21/2005		10/27/05		
Comments: <u>ENRD</u> <u>CONFIDENTIAL</u> <u>J</u>							

Well 2

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

Well 3

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

ACTION CODES:

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

Karin Kuhn

Name (Please Print)

Signature

Engineering Technician

Title

10/24/2005

Date

RECEIVED

OCT 24 2005

DIV. OF OIL, GAS & MINING

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

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

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

5. Lease Serial No.  
UTU-02139-A

6. If Indian, Allottee or Tribe Name  
N/A

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

8. Well Name and No.  
Federal #23-5

9. API Well No.  
4301931442

10. Field and Pool, or Exploratory Area  
Greater Cisco

11. County or Parish, State  
Grand County, Utah

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

1. Type of Well  
 Oil Well     Gas Well     Other

2. Name of Operator  
Elk Production LLC

3a. Address  
1401 17th. Street, Suite 700, Denver Colorado, 80202

3b. Phone No. (include area code)  
303 296 4505

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)  
723' FNL, 712' FEL, NENE Section 23, T20S, R21E

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

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

The subject well was spud on 10/21/2005. The Beeman Rig #20 was moved in and rigged up. A 12 3/4" hole was drilled to 40'; 12 1/4" conductor pipe was set @ 40' & cemented in place. An 11" hole was drilled to 230' & six jts of 8 5/8" surface casing was set @ 225'. It is anticipated that the surface casing will be cemented in place on Tuesday, 10/25/05.

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

Karin Kuhn

Title Engineering Technician

Signature



Date

10/24/2005

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

Approved by \_\_\_\_\_

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

Title

Date

Office

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

(Instructions on page 2)

RECEIVED

OCT 27 2005

DIV. OF OIL, GAS & MINING

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

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

**SUNDRY NOTICES AND REPORTS ON WELLS**

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

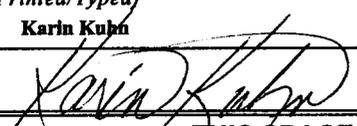
<b>SUBMIT IN TRIPLICATE- Other instructions on reverse side.</b>		5. Lease Serial No. UTU-02139-A
1. Type of Well <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other		6. If Indian, Allottee or Tribe Name N/A
2. Name of Operator Elk Production LLC		7. If Unit or CA/Agreement, Name and/or No. N/A
3a. Address 1401 17th. Street, Suite 700, Denver Colorado, 80202	3b. Phone No. (include area code) 303 296 4505	8. Well Name and No. Federal #23-5
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) 723' FNL, 712' FEL, NENE Section 23, T20S, R21E		9. API Well No. 4301931442
		10. Field and Pool, or Exploratory Area Greater Cisco
		11. County or Parish, State Grand County, Utah

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

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

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

**This sundry notice is submitted to request an extension to the Federal wildlife wintering stipulation for drilling, which is scheduled to go into effect November 1, 2005. Elk requests the BLM to extend this deadline to November 30 to make the deadline for cessation of drilling to correspond with that given us by the Utah Department of Wildlife on whose property we are drilling.**

14. I hereby certify that the foregoing is true and correct	
Name (Printed/Typed) Karln Kubn	Title <b>Engineering Technician</b>
Signature 	Date 10/27/2005

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

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

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(Instructions on page 2)

**RECEIVED**

**OCT 28 2005**

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

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

**SUNDRY NOTICES AND REPORTS ON WELLS**

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

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

1. Type of Well  
 Oil Well     Gas Well     Other

2. Name of Operator    **Elk Production LLC**

3a. Address  
**1401 17th. Street, Suite 700, Denver Colorado, 80202**

3b. Phone No. (include area code)  
**303 296 4505**

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)  
**723' FNL, 712' FEL, NENE Section 23, T20S, R21E**

5. Lease Serial No.  
**UTU-02139-A**

6. If Indian, Allottee or Tribe Name  
**N/A**

7. If Unit or CA/Agreement, Name and/or No.  
**N/A**

8. Well Name and No.  
**Federal #23-5**

9. API Well No.  
**4301931442**

10. Field and Pool, or Exploratory Area  
**Greater Cisco**

11. County or Parish, State  
**Grand County, Utah**

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

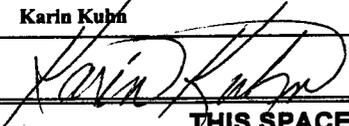
TYPE OF SUBMISSION	TYPE OF ACTION			
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<input checked="" type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input checked="" type="checkbox"/> Other <b>Extend Drilling</b>
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	<b>Deadline Date</b>
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	

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**This sundry notice is submitted to request an extension to the Federal wildlife wintering stipulation for drilling, which is scheduled to go into effect November 1, 2005. Elk requests the BLM to extend this deadline to November 30 to make the deadline for cessation of drilling to correspond with that given us by the Utah Department of Wildlife on whose property we are drilling.**

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

Name (Printed/Typed)    **Karin Kuhn**    Title    **Engineering Technician**

Signature        Date    **10/27/2005**

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

Approved by \_\_\_\_\_ Title \_\_\_\_\_ Date \_\_\_\_\_

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Office \_\_\_\_\_

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(Instructions on page 2)

**RECEIVED**

**OCT 28 2005**

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

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

**SUNDRY NOTICES AND REPORTS ON WELLS**

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

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

1. Type of Well  
 Oil Well     Gas Well     Other

**CONFIDENTIAL**

2. Name of Operator **Elk Production LLC**

3a. Address  
**1401 17th. Street, Suite 700, Denver Colorado, 80202**

3b. Phone No. (include area code)  
**303 296 4505**

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)  
**723' FNL, 712' FEL, NENE Section 23, T20S, R21E**

5. Lease Serial No.  
**UTU-02139-A**

6. If Indian, Allottee or Tribe Name  
**N/A**

7. If Unit or CA/Agreement, Name and/or No.  
**N/A**

8. Well Name and No.  
**Federal #23-5**

9. API Well No.  
**4301931442**

10. Field and Pool, or Exploratory Area  
**Greater Cisco**

11. County or Parish, State  
**Grand County, Utah**

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TYPE OF SUBMISSION	TYPE OF ACTION			
<input type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input checked="" type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input checked="" type="checkbox"/> Other <b>Operations Update</b>
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	<b>as of 110705</b>
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	

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Attached are copies of operation reports from 10/21-25/2005.

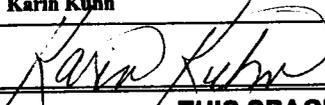
The 11" surface casing was set @ 225' and was cemented in place with 90 sx 14.2 ppg cement. The rig was released and the well was shut in waiting for a drilling rig.

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

**Karin Kuhn**

Title **Engineering Technician**

Signature



Date

**11/07/2005**

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

Approved by \_\_\_\_\_  
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Title

Date

Office

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**RECEIVED**

(Instructions on page 2)

**NOV 10 2005**

DIV. OF OIL, GAS & MINING

**Daily Drilling Report**

AFE NO.		WELL NAME & NO. <b>Federal 23-5</b>								DATE <b>10/21/05</b>	
API NO. <b>43-019-31442</b>		CURRENT OPERATIONS <b>Drill Surface hole</b>								NO. OF DAYS: <b>1</b>	
DEVIATION SURVEYS						CUMULATIVE ROTATING HRS. <b>7.5</b>		SPUD DATE: <b>10/21/05</b>			
DRILLED						FTG MADE <b>140</b>		HRS. DRILLED		HRS. TRIP	
FROM <b>40 TO 180</b>		MAKE		TYPE		SER. NO.		JETS		IN	
OUT		FEET		HRS		FT/HR.		WT		RPM	
BIT NO.		SIZE		MAKE		TYPE		SER. NO.		JETS	
IN		OD		L		B		G		O R	
PUMP #1		LINER & STROKE				SPM		GPM		PRESS	
PUMP #2		LINER & STROKE				SPM		GPM		PRESS	
MUD WT.		FUN VIS		HP/HT		API		FC		pH	
% OIL		% SOLIDS		% SANDS		SP. G. SOLIDS		MBT		LCM	
COMPRESSOR		PRIMARY		BOOSTER		DISCH PRESS		DISCH TEMP		DISCH RATE	
NO. UNITS / ON HOLE		W/O N2		W/N2		CFM		CFM		CFM	
MIST INJECTIONS/BHP:		WATER		bbbs.		SOAP/HR.		gal		COR INHIB	
WT IN MUD		DC'S		STRING UP - DN - ROT		SINCE LAST INSPECTION: HRS		DC		SHOCK TOOL	
FUEL USED		DAILY		CUM		SLOW PUMP RATE		STKS		PRESSURE	
MUD MATERIAL USED		gal		gal		#1-		#1-		#2-	
GEL		CMC		CAUSTIC		SODA ASH		WORK DESCRIPTION			
								16:00 to 20:00 Move to Federal 23-5 And rig up surface rig.			
								20:00 to 23:00 Drill F/ 0' to 40'.			
								23:00 to 00:00 Run 40' of 12 1/4" Conductor pipe.			
								00:00 to 01:00 Cement Conductor pipe.			
								01:00 to 02:00 WOC.			
								02:00 to 02:30 RIH with 11" bit			
								02:30 to 06:00 Drill 11" hole F/ 40' to 180'.			
								Notified Carol Daniels With UDOGM of spud date.			
								Notified Jack Johnson With BLM in Moab of spud date.			
TOTAL		0		0		0					
		DAY		TO DATE							
MUD COST		0		0							
TANGIBLE		0		0							
INTANGIBLE		15,838		15,838							
TOTAL COST										Submitted By: Don Vanhoutan	





UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

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

**SUNDRY NOTICES AND REPORTS ON WELLS**

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

<b>SUBMIT IN TRIPLICATE- Other instructions on reverse side.</b>		5. Lease Serial No. UTU-02139-A
1. Type of Well <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other		6. If Indian, Allottee or Tribe Name N/A
2. Name of Operator Elk Production LLC		7. If Unit or CA/Agreement, Name and/or No. N/A
3a. Address 1401 17th. Street, Suite 700, Denver Colorado, 80202		8. Well Name and No. Federal #23-5
3b. Phone No. (include area code) 303 296 4505		9. API Well No. 4301931442
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) 723' FNL, 712' FEL, NENE Section 23, T20S, R21E		10. Field and Pool, or Exploratory Area Greater Cisco
		11. County or Parish, State Grand County, Utah

CONFIDENTIAL

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

TYPE OF SUBMISSION	TYPE OF ACTION			
<input type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input checked="" type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input checked="" type="checkbox"/> Other <b>Operations Update</b>
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	<b>as of 111405</b>
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	

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

Attached are copies of operation reports from 11/7-13/05.

Moved in and rigged up Beeman Rig #20. Drilled out cement and iron from wellbore. Drilled and surveyed from 225'-2080'. Ran 46 jts 5.5" 15.5 LTC casing & set @ 2061'. Currently waiting on cement to cement casing in place.

14. I hereby certify that the foregoing is true and correct	
Name (Printed/Typed) Karin Kuhn	Title Engineering Technician
Signature 	Date 11/14/2005

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

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

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(Instructions on page 2)

RECEIVED  
NOV 17 2005









UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

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

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

1. Type of Well <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other		5. Lease Serial No. UTU-02139-A
2. Name of Operator Elk Production LLC		6. If Indian, Allottee or Tribe Name N/A
3a. Address 1401 17th. Street, Suite 700, Denver Colorado, 80202	3b. Phone No. (include area code) 303 296 4505	7. If Unit or CA/Agreement, Name and/or No. N/A
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) 723' FNL, 712' FEL, NENE Section 23, T20S, R21E		8. Well Name and No. Federal #23-5
		9. API Well No. 4301931442
		10. Field and Pool, or Exploratory Area Greater Cisco
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	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	<b>as of 112105</b>
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	

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Attached are copies of operation reports from 11/14-18/05.

Cemented 5.5" csg in place w/ 150 sx Type I cmt. Bumped plug, held and floats held. Moved in & rigged up. Drilled out cement and iron. Drilled new hole from 2080'-2107'. Shut well in & tied into sales line (ICP = 600# flowing @ 450 MCFPD thru 10/64" choke). Land tbg in live well. Install mandrel & strip into tbg head. ND BOPE and flange up wellhead. Rig down and move out.

RECEIVED  
NOV 25 2005

DIV. OF OIL, GAS & MINING

cc: DOGM

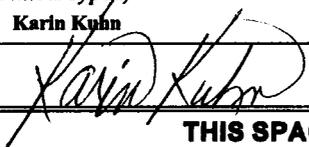
14. I hereby certify that the foregoing is true and correct

Name (Printed/Typed)

Karin Kuhn

Title Engineering Technician

Signature



Date

11/21/2005

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

Approved by

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Title

Date

Office

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(Instructions on page 2)







UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

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

**SUNDRY NOTICES AND REPORTS ON WELLS**

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2. Name of Operator Elk Production LLC		7. If Unit or CA/Agreement, Name and/or No. N/A
3a. Address 1401 17th. Street, Suite 700, Denver Colorado, 80202	3b. Phone No. (include area code) 303 296 4505	8. Well Name and No. Federal #23-5
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) 723' FNL, 712' FEL, NENE Section 23, T20S, R21E		9. API Well No. 4301931442
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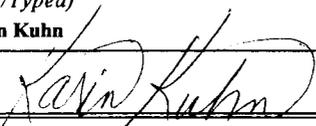
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TYPE OF SUBMISSION	TYPE OF ACTION			
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<input checked="" type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input checked="" type="checkbox"/> Other <b>Operations Update</b>
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	<b>as of 112805</b>
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	

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

**The well is on production. A well completion report will be submitted soon.**

cc: DOGM

14. I hereby certify that the foregoing is true and correct	
Name (Printed/Typed) <b>Karin Kuhn</b>	Title <b>Engineering Technician</b>
Signature 	Date <b>11/28/2005</b>

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

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(Instructions on page 2)

**RECEIVED**

**DEC 01 2005**

CONFIDENTIAL

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

AMENDED REPORT [ ] FORM 8
(highlight changes)

WELL COMPLETION OR RECOMPLETION REPORT AND LOG

1a. TYPE OF WELL: OIL WELL [ ] GAS WELL [x] DRY [ ] OTHER [ ]
b. TYPE OF WORK: NEW WELL [x] HORIZ. LATS. [ ] DEEP-EN [ ] RE-ENTRY [ ] DIFF. RESVR. [ ] OTHER [ ]
2. NAME OF OPERATOR: Elk Production LLC
3. ADDRESS OF OPERATOR: 1401 17th. St., #700 CITY Denver STATE CO ZIP 80202 PHONE NUMBER: (303) 296-4505
4. LOCATION OF WELL (FOOTAGES) AT SURFACE: 723' FNL, 712' FEL AT TOP PRODUCING INTERVAL REPORTED BELOW: 723' FNL, 712' FEL AT TOTAL DEPTH: 723' FNL, 712' FEL
7. UNIT or CA AGREEMENT NAME: NA
8. WELL NAME and NUMBER: Federal 23-5
9. API NUMBER: 4301931442
10. FIELD AND POOL, OR WILDCAT: Greater Cisco
11. QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NENE 23 20S 21E
12. COUNTY: Grand 13. STATE: UTAH

14. DATE SPUDDED: 10/21/2005 15. DATE T.D. REACHED: 11/17/2005 16. DATE COMPLETED: 11/18/2005 ABANDONED [ ] READY TO PRODUCE [x]
17. ELEVATIONS (DF, RKB, RT, GL): 5143' GR
18. TOTAL DEPTH: MD 2,107 TVD
19. PLUG BACK T.D.: MD TVD
20. IF MULTIPLE COMPLETIONS, HOW MANY? \* 1
21. DEPTH BRIDGE MD PLUG SET: TVD
22. TYPE ELECTRIC AND OTHER MECHANICAL LOGS RUN (Submit copy of each) None
23. WAS WELL CORED? NO [x] YES [ ] (Submit analysis) WAS DST RUN? NO [x] YES [ ] (Submit report) DIRECTIONAL SURVEY? NO [x] YES [ ] (Submit copy)

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

Table with 10 columns: 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. Rows include 12 3/4", 11", and 7 7/8" hole sizes.

25. TUBING RECORD

Table with 9 columns: SIZE, DEPTH SET (MD), PACKER SET (MD), SIZE, DEPTH SET (MD), PACKER SET (MD), SIZE, DEPTH SET (MD), PACKER SET (MD). Row: 2 7/8", 2,065.

26. PRODUCING INTERVALS DKTA

Table with 10 columns: FORMATION NAME, TOP (MD), BOTTOM (MD), TOP (TVD), BOTTOM (TVD), INTERVAL (Top/Bot - MD), SIZE, NO. HOLES, PERFORATION STATUS. Row (A) Dakota: 2,050, 2,107, 2,061, 2,107, OH, Open [ ] Squeezed [ ]

27. PERFORATION RECORD

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

Table with 2 columns: DEPTH INTERVAL, AMOUNT AND TYPE OF MATERIAL. Row: 2061'-2107', Open Hole Completion

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

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DEC 21 2005

31. INITIAL PRODUCTION

INTERVAL A (As shown in Item #26)

DATE FIRST PRODUCED: 11/17/2005		TEST DATE: 11/19/2005		HOURS TESTED: 24		TEST PRODUCTION RATES: →	OIL - BBL: 0	GAS - MCF: 415	WATER - BBL: 0	PROD. METHOD: Flowing
CHOKE SIZE: 10/64	TBG. PRESS.	CSG. PRESS. 560	API GRAVITY	BTU - GAS	GAS/OIL RATIO	24 HR PRODUCTION RATES: →	OIL - BBL: 0	GAS - MCF: 415	WATER - BBL: 0	INTERVAL STATUS: All

INTERVAL B (As shown in Item #26)

DATE FIRST PRODUCED: 11/17/2005		TEST DATE: 11/21/2005		HOURS TESTED: 24		TEST PRODUCTION RATES: →	OIL - BBL: 0	GAS - MCF: 690	WATER - BBL: 0	PROD. METHOD: Flowing
CHOKE SIZE: 23/64	TBG. PRESS.	CSG. PRESS. 540	API GRAVITY	BTU - GAS	GAS/OIL RATIO	24 HR PRODUCTION RATES: →	OIL - BBL: 0	GAS - MCF: 690	WATER - BBL: 0	INTERVAL STATUS: All

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)
				Mancos Shale	0
				Greenhorn	1,940
				Graneros	2,020
				Dakota	2,050

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) Karin Kuhn TITLE Engineering Technician  
 SIGNATURE *Karin Kuhn* DATE 12/12/2005

This report must be submitted within 30 days of

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

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

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

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

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

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

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

**SUNDRY NOTICES AND REPORTS ON WELLS**

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

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

1. Type of Well <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other		5. Lease Serial No. UTU-02139-A
2. Name of Operator Elk Production LLC		6. If Indian, Allottee or Tribe Name N/A
3a. Address 1401 17th. Street, Suite 700, Denver Colorado, 80202	3b. Phone No. (include area code) 303 296 4505	7. If Unit or CA/Agreement, Name and/or No. N/A
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) 723' FNL, 712' FEL, NENE Section 23, T20S, R21E		8. Well Name and No. Federal #23-5
		9. API Well No. 4301931442
		10. Field and Pool, or Exploratory Area Greater Cisco
		11. County or Parish, State Grand County, Utah

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

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

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

Elk plans to clean out fill from the well bore. Additionally, the drilling operations were suspended in the top of the Dakota @ 2107' when a very strong gas flow was encountered; consequently, all lower pay intervals remain untapped at this well site. Because of this, the well will be continued to the original ATD of 3000'. Upon reaching TD, a string of 3 1/2" casing will be run. If no water is encountered, it will remain uncemented; otherwise, it will be cemented back into the 5 1/2" casing set @ 2061' using premium cement and a calculated volume based on calliper plus 20%.

**THIS SUNDRY IS BEING RETURNED; INSUFFICIENT DATA WAS SUBMITTED TO APPROVE THE REQUESTED ACTION (An APD needs to be submitted and approved for deepening the well).**

*D. K. [Signature]*  
March 22, 2007  
Utah Division of Oil, Gas and Mining

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

Name (Printed/Typed) Karin Kuhn	Title Sr. Engineering Technician
Signature <i>Karin Kuhn</i>	Date 03/06/2007

3123107  
RM

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

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

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

(Instructions on page 2)

**RECEIVED**  
**MAR 12 2007**

DIV. OF OIL, GAS & MINING



April 2, 2007

**VIA OVERNIGHT MAIL**

Diana Mason  
Utah Division of Oil, Gas and Mining  
1594 West North Temple, Suite 1210  
Salt Lake City, UT 84116

**RE: Application for Permit to Drill – Deepen Existing Well  
Federal 23-5  
43-019-31442  
NENE Section 23-20S-21E  
Grand County, UT**

Dear Diana:

Enclosed is our Application to Deepen the subject well. Originally approval was given to drill to a depth of 3000'. In 2005, this well was drilled to a TD of 2107' in the Dakota; we now plan to finish drilling to 3000'.

Survey plats, location map with access corridors, and layouts of the proposed well site;  
Drilling Plan;  
Typical BOP and Choke Manifold diagrams;  
Surface Use Plan

Should you require any additional information, please contact me or Tom Young at (303) 296-4505.

Sincerely,

Karin Kuhn  
Sr. Engineering Technician

Enclosures

ELK PRODUCTION, LLC  
1401 17TH STREET, SUITE 700, DENVER, COLORADO 80202  
PHONE: (303) 296-4505 FAX: (303) 296-4506 E-MAIL: POSTMASTER@ELKRESOURCES.NET

**RECEIVED**

**APR 03 2007**

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

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

FORM 3

AMENDED REPORT   
(highlight changes)

<b>APPLICATION FOR PERMIT TO DRILL</b>			5. MINERAL LEASE NO: UTU-02139-A	6. SURFACE: Federal
1A. TYPE OF WORK: DRILL <input type="checkbox"/> REENTER <input type="checkbox"/> DEEPEN <input checked="" type="checkbox"/> <i>43-019-31442</i>			7. IF INDIAN, ALLOTTEE OR TRIBE NAME: NA	
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: NA	
2. NAME OF OPERATOR: Elk Production, LLC			9. WELL NAME and NUMBER: Federal 23-5	
3. ADDRESS OF OPERATOR: 1401 17th Street, #700 CITY Denver STATE CO ZIP 80202			PHONE NUMBER: (303) 296-4505	10. FIELD AND POOL, OR WILDCAT: Greater Cisco <i>205</i>
4. LOCATION OF WELL (FOOTAGES) AT SURFACE: 723' FNL, 712' FEL <i>624849X 39.057278</i> AT PROPOSED PRODUCING ZONE: 723' FNL, 712' FEL <i>4323915Y 7109.557091</i>			11. QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NENE 23 20S 21E	
14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE: 14.32 miles northwest of Cisco, UT			12. COUNTY: Grand	13. STATE: UTAH
15. DISTANCE TO NEAREST PROPERTY OR LEASE LINE (FEET) 712'	16. NUMBER OF ACRES IN LEASE:	17. NUMBER OF ACRES ASSIGNED TO THIS WELL: 160 acres		
18. DISTANCE TO NEAREST WELL (DRILLING, COMPLETED, OR APPLIED FOR) ON THIS LEASE (FEET) +/- 1400'	19. PROPOSED DEPTH: 3,000	20. BOND DESCRIPTION: B000969		
21. ELEVATIONS (SHOW WHETHER DF, RT, GR, ETC.): 5143' GR	22. APPROXIMATE DATE WORK WILL START: 4/10/2007	23. ESTIMATED DURATION: 4 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
11	8 5/8"	J55	24#	225	Existing
7 7/8"	5 1/2"	J55	15.5#	2,061	Existing
4 3/4"	4 1/2"	K55	10.5	3,000	See Drg Plan

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 type="checkbox"/> EVIDENCE OF DIVISION OF WATER RIGHTS APPROVAL FOR USE OF WATER <i>Air Drill</i>	<input type="checkbox"/> FORM 5, IF OPERATOR IS PERSON OR COMPANY OTHER THAN THE LEASE OWNER

NAME (PLEASE PRINT) Karin Kuhn TITLE Sr. Engineering Technician

SIGNATURE *Karin Kuhn* DATE 4/2/2007

(This space for State use only)

API NUMBER ASSIGNED: 43-019-31442

**Approved by the  
Utah Division of  
Oil, Gas and Mining**

**RECEIVED  
APR 03 2007**

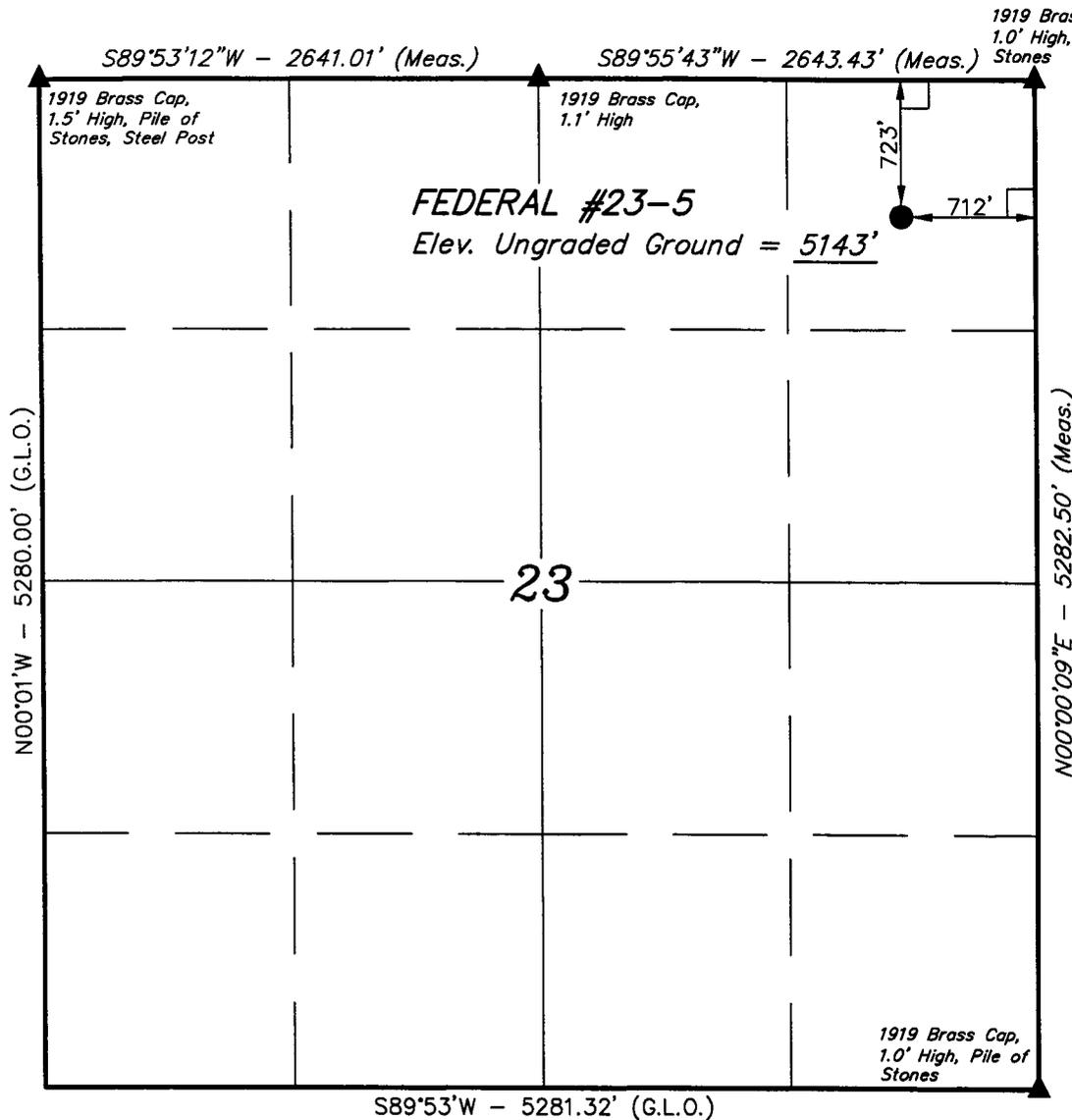
APPROVAL  
Date: 04-05-07  
By: *[Signature]*

DIV. OF OIL, GAS & MINING

# T20S, R21E, S.L.B.&M.

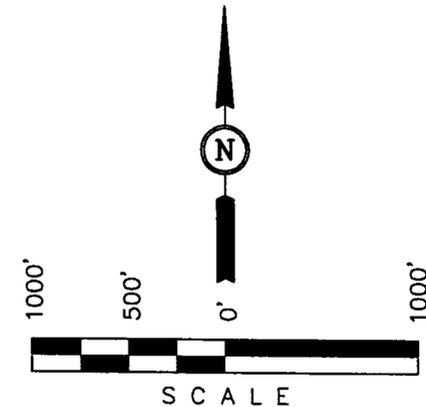
# ELK PRODUCTION, LLC

Well location, FEDERAL #23-5, located as shown in the NE 1/4 NE 1/4 of Section 23, T20S, R21E, S.L.B.&M. Grand County, Utah.



## BASIS OF ELEVATION

SPOT ELEVATION LOCATED AT THE SOUTHEAST CORNER OF SECTION 24, T20S, R21E, S.L.B.&M. TAKEN FROM THE CALF CANYON, QUADRANGLE, UTAH, GRAND COUNTY, 7.5 MINUTE QUAD. (TOPOGRAPHIC MAP) PUBLISHED BY THE UNITED STATES DEPARTMENT OF THE INTERIOR, GEOLOGICAL SURVEY. SAID ELEVATION IS MARKED AS BEING 5084 FEET.



## 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.

*Robert Gray*  
 REGISTERED LAND SURVEYOR  
 REGISTRATION NO. 161319  
 STATE OF UTAH

## BASIS OF BEARINGS

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

(AUTONOMOUS NAD 83)  
 LATITUDE =  $39^{\circ}03'26.17''$  (39.057269)  
 LONGITUDE =  $109^{\circ}33'27.79''$  (109.557719)  
 (AUTONOMOUS NAD 27)  
 LATITUDE =  $39^{\circ}03'26.26''$  (39.057294)  
 LONGITUDE =  $109^{\circ}33'25.34''$  (109.557039)

## LEGEND:

- = 90° SYMBOL
- = PROPOSED WELL HEAD.
- = SECTION CORNERS LOCATED.

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

SCALE 1" = 1000'	DATE SURVEYED: 12-21-04	DATE DRAWN: 01-07-05
PARTY M.A. C.R. P.M.	REFERENCES G.L.O. PLAT	
WEATHER COLD	FILE ELK PRODUCTION, LLC	

## DRILLING PLAN

Elk Production Company LLC  
Federal #23-5  
NE/NE of Section 23, T-20-S, R-21-E  
Grand County, UT

### DEEPEN WELL FROM 2107' TO 3000' MAX. DEPTH

#### 1,2,3 Estimated Tops of Geological Markers and Formations Expected to Contain Water, Oil and Gas and Other Minerals

<u>Formation</u>	<u>Depth</u>
Mancos Shale	Surface
Greenhorn	1940'
Graneros	2020'
Dakota	2050'*
Cedar Mountain	2153'*
Morrison-Brushy Basin	2243'*
Morrison Salt Wash	2474'*
Summerville	2719'
Curtis Entrada	2799'**

PROSPECTIVE PAY\* oil and gas

\*\* POSSIBLE OIL OR WATER

#### 4 Casing Program

<u>HOLE SIZE</u>	<u>SETTING DEPTH</u>		<u>SIZE</u>	<u>WEIGHT</u>	<u>GRADE</u>	<u>THREAD</u>	<u>COND.</u>
	<u>from</u>	<u>to</u>					
11"	surface	225'	8 5/8"	24#	J55	ST&C	New-Existing
7 7/8"	surface	2,061'	5 1/2"	15.5#	J55	LT&C	New-Existing
4 3/4"	1950'	3,000'	4 1/2"	10.5#	K55	FJ	New

#### 5 Cementing Program

8 5/8" Surf. Casing	Cemented with 90 sx Premium Neet. Mixed at 14.2 ppg (yield – 1.35 ft <sup>3</sup> /sx). Circulated to surface.
5 1/2" Intermediate Csg	Cemented with 150 sx Premium Neet. Mixed at 14.2 ppg (yield – 1.35 ft <sup>3</sup> /sx). Estimated TOC 1200'.
4 1/2" Liner	Uncemented (If no water is encountered, it will remain uncemented; otherwise, it will be cemented back into the 5 1/2" casing set @ 2061').

**6 Mud Program**

<u>INTERVAL</u>	<u>WEIGHT</u>	<u>VISCOSITY</u>	<u>FLUID LOSS</u>	<u>REMARKS</u>
Surf. - 250'	NA/Air drilled			
250' - 2061'	NA/Air drilled			
2061'-3000'	NA/Air drilled			

Sufficient KC1 brine water to contain "kick" will be available at wellsite.

**7 BOP and Pressure Containment Data**

<u>Depth Intervals</u>	<u>BOP Equipment</u>
Surf. - 250'	No pressure control required
250' - 2061'	10" 2000# Ram Type double BOP 8" 2000# Rotating Head
2061'-3000'	6" 2000# Ram-Type double BOP 6" Stripping Head

Drilling spool to accommodate choke and kill lines.  
Anticipated bottom hole pressure to be less than 1000 PSI

ANCILLARY EQUIPMENT AND CHOKE MANIFOLD RATED AT 2000#  
ALL BOP AND BOPE TESTS WILL BE IN ACCORDANCE WITH THE REQUIREMENTS  
OF ONSHORE ORDER NO. 2

THE BLM AND THE STATE OF UTAH DIVISION OF OIL, GAS AND MINING  
WILL BE NOTIFIED 24 HOURS IN ADVANCE OF ALL BOP PRESSURE TESTS.

**8 Auxiliary equipment**

- a) Drill string float will be installed while drilling
- b) Floor stabbing valve 5000#
- c) Safety valve(s) and subs to fit all string connections in use

**9 Testing, Logging and Core Programs**

Cores	None anticipated
Testing	None anticipated
Sampling	10' samples; 2107' to TD
Surveys	NA
Logging	Neutron density, temperature, gamma ray, and caliper from TD to intermediate casing

**10 Anticipated Abnormal Pressures or Temperatures**

No abnormal pressures or temperatures or other hazards are anticipated

**11 Drilling Schedule**

Spud	As soon as permits can be obtained
Duration	1 -2 days drilling time 2 days completion time

**HAZARDOUS MATERIAL DECLARATION**

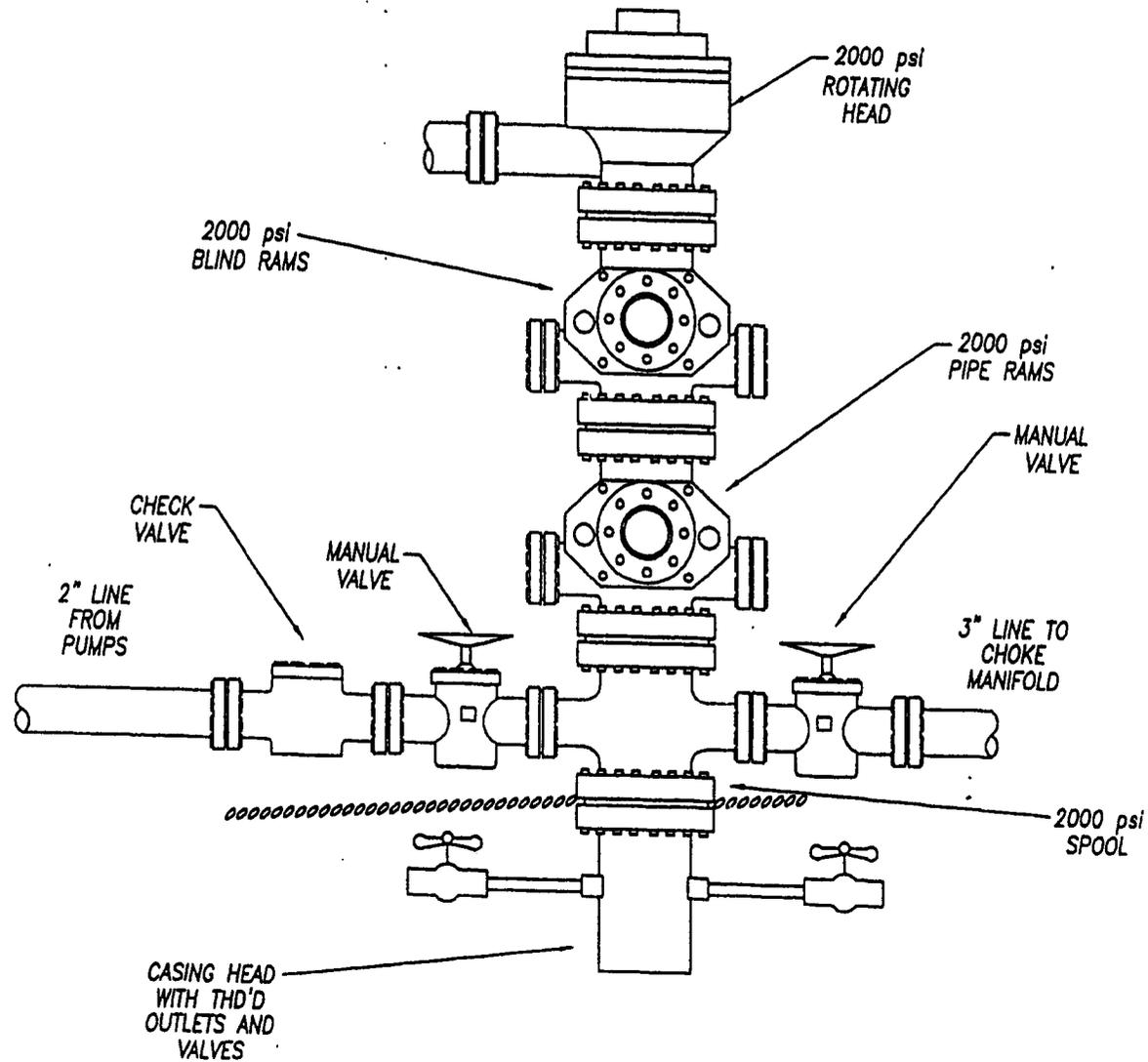
Federal #23-5

Elk Production Company, LLC guarantees that during the drilling and completion of the above referenced well, we will not use, produce, or store, transport or dispose 10,000# annually of any of the hazardous chemicals contained in the Environmental Protection Agency's consolidated list of chemicals subject to reporting under Title III Super Amendments and Reauthorization Act (SARA) of 1986.

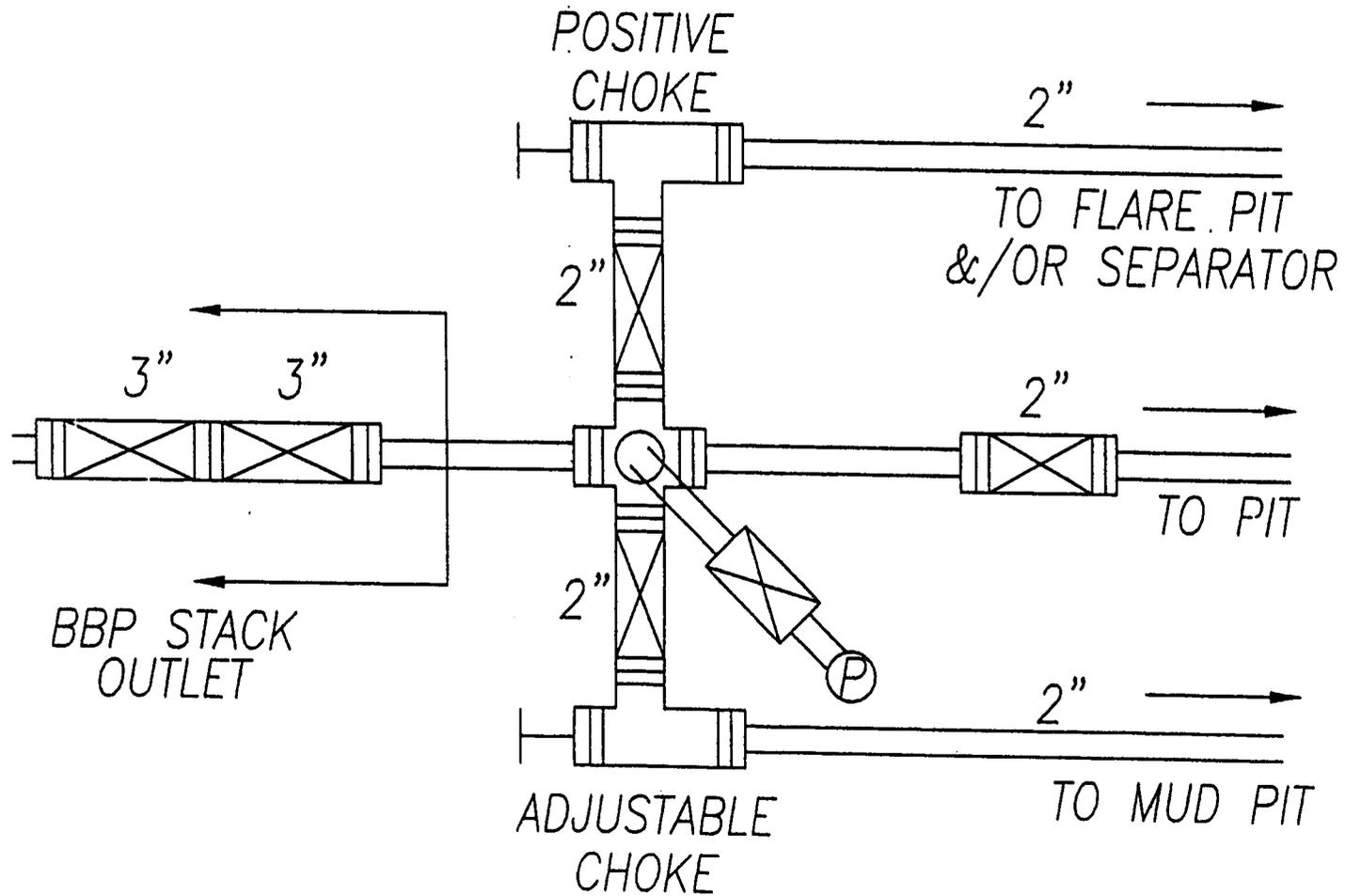
Elk Production Company, LLC guarantees that during the drilling and completion of the above referenced well, we will use, produce, store, transport, or dispose less than the threshold planning quantity (TPQ) of any extremely hazardous substances as defined in 40 CFR 355.

# BOP Equipment

2000psi WP



# CHOKE MANIFOLD



ELK PRODUCTION, LLC  
FEDERAL #23-5  
SECTION 23, T20S, R21E, S.L.B.&M.

PROCEED IN AN EASTERLY DIRECTION FROM GREEN RIVER, UTAH ALONG INTERSTATE-70 APPROXIMATELY 43.2 MILES TO THE WHITE HOUSE EXIT; EXIT AND PROCEED IN AN EASTERLY DIRECTION APPROXIMATELY 1.5 MILES TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE NORTHWEST; TURN LEFT AND PROCEED IN A NORTHWESTERLY DIRECTION APPROXIMATELY 11.8 MILES TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE NORTH; TURN RIGHT AND PROCEED IN A NORTHERLY, THEN NORTHWESTERLY DIRECTION APPROXIMATELY 1.4 MILES TO THE BEGINNING OF THE PROPOSED ACCESS TO THE SOUTHWEST; FOLLOW ROAD FLAGS IN A SOUTHWESTERLY DIRECTION APPROXIMATELY 0.3 MILES TO THE PROPOSED LOCATION.

TOTAL DISTANCE FROM GREEN RIVER, UTAH TO THE PROPOSED WELL LOCATION IS APPROXIMATELY 58.2 MILES.

## SURFACE USE PLAN

Elk Production Company LLC  
Federal #23-5  
NE/NE of Section 23, T-20-S, R-21-E  
Grand County, UT

The dirt contractor will be provided with an approved copy of the surface use plan of operations before initiating construction.

The onsite inspection for the referenced well was conducted on Wednesday, October 13, 2004.

1. Existing Roads:

- a. The proposed well site is located approximately 14.32 miles northwest of Cisco, Utah.
- b. Directions to the proposed well site have been attached at the end of Exhibit B.
- c. The use of roads under State and County Road Department maintenance are necessary to access the Greater Cisco Dome Unit. However, an encroachment permit is not anticipated since no upgrades to the State or County Road system are proposed at this time.
- d. All existing roads will be maintained and kept in good repair during all phases of operation.
- e. Vehicle operators will obey posted speed restrictions and observe safe speeds commensurate with road and weather conditions.
- f. Since no improvements are anticipated to the State, County or BLM access roads no topsoil striping will occur.
- g. An off-lease federal Right-of-Way is not anticipated for the access road or utility corridor since both are located on-lease and within in the Greater Cisco Dome Unit boundary.

2. Planned Access Roads:

- a. From the existing Strychnine Wash access road an access is proposed trending southwest approximately 0.3 miles to the proposed well site. The access consists of entirely existing graded unsurfaced access. A road design plan is not anticipated at this time.
- b. The proposed access road will consist of a 14' travel surface within a 30' disturbed area.
- c. BLM approval to construct and utilize the proposed access road is requested with this application.
- d. A maximum grade of 10% will be maintained throughout the project with no cuts and fills required to access the well.
- e. No turnouts are proposed since the access road is only 0.3 miles long and adequate site distance exists in all directions.
- f. Three 18" culverts and no low-water crossings are anticipated at this time. Adequate drainage structures will be incorporated into the remainder of the road.
- g. No surfacing material will come from federal or Indian lands.

- h. No gates or cattle guards are anticipated at this time.
- i. Surface disturbance and vehicular travel will be limited to the approved location access road.
- j. All access roads and surface disturbing activities will conform to the standards outlined in the Bureau of Land Management and Forest Service publication: Surface Operating Standards for Oil and Gas Exploration and Development, (1989).
- k. The operator will be responsible for all maintenance of the access road including drainage structures.

3. Location of Existing Wells:

- a. Topo C of Exhibit B has a map reflecting existing wells within a one mile radius of the proposed well.

4. Location of Production Facilities:

- a. All permanent structures will be painted a flat, non-reflective Olive Black to match the standard environmental colors. All facilities will be painted within six months of installation. Facilities required to comply with the Occupational Safety and Health Act (OSHA) may be excluded.
- b. Site security guidelines identified in 43 CFR 3163.7-5 and Onshore Oil and Gas Order No. 3 will be adhered to.
- c. A gas meter run will be constructed and located on lease within 500 feet of the wellhead. Meter runs will be housed and/or fenced. All gas production and measurement shall comply with the provisions of 43 CFR 3162.7-3, Onshore Oil and Gas Order No. 5, and American Gas Association (AGA) Report No. 3.
- d. A tank battery will be constructed on this lease, it will be surrounded by a dike of sufficient capacity to contain the storage capacity of the largest tank. All loading lines and valves will be placed inside the berm surrounding the tank battery. All liquid hydrocarbons production and measurement shall conform to the provisions of 43 CFR 3162.7-3 and Onshore Oil and Gas Order No. 4 and Onshore Oil and Gas Order No. 5 for natural gas production and measurement.
- e. Any necessary pits will be properly fenced to prevent any wildlife and livestock entry.
- f. All access roads will be maintained as necessary to prevent erosion and accommodate year-round traffic. The road will be maintained in a safe useable condition.
- g. The site will require periodic maintenance to ensure that drainages are kept open and free of debris, ice, and snow, and that surfaces are properly treated to reduce erosion, fugitive dust, and impacts to adjacent areas.
- h. A gas pipeline is associated with this application and is being applied for at this time. The proposed gas pipeline corridor will leave the southeast side of the well site and traverse 1' southeast to the existing pipeline corridor that presently services nearby wells.

- i. The gas pipeline will be a 4" or less steel surface line within a 20' wide utility corridor. The use of the proposed well site and access roads will facilitate the staging of the pipeline construction. A new pipeline length of approximately 1' is associated with this well.
- j. Elk Production Company, LLC intends on installing the pipeline on the surface by welding many joints into long lengths, dragging the long lengths into position and then completing a final welding pass to join the long lengths together. Elk Production Company, LLC intends on connecting the pipeline together utilizing conventional welding technology.

5. Location and Type of Water Supply:

- a. Since this well will be air drilled the use of water for drilling is not anticipated.
- b. Water for drilling and completion operations, if necessary, will be trucked over approved access roads from Thompson, Utah. The water will be obtained through a direction purchase agreement with a private owner.

6. Source of Construction Material:

- a. The use of materials will conform to 43 CFR 3610.2-3.
- b. No construction materials will be removed from BLM lands.
- c. If any gravel is used, it will be obtained from a state approved gravel pit.

7. Methods of Handling Waste Disposal:

- a. All wastes associated with this application will be contained and disposed of utilizing approved facilities.
- b. Drill cuttings will be contained and buried on site.
- c. The reserve pit will be located inboard of the location and along the southwest side of the pad.
- d. The reserve pit will be constructed so as not to leak, break, or allow any discharge.
- e. The reserve pit will be constructed of native material and will not be lined. Pit walls will be sloped no greater than 2:1. A minimum 2-foot freeboard will be maintained in the pit at all times during the drilling and completion operation.
- f. The reserve pit has been located in cut material. Three sides of the reserve pit will be fenced before drilling starts. The fourth side will be fenced as soon as drilling is completed, and shall remain until the pit is dry. After the reserve pit has dried, all areas not needed for production will be rehabilitated.
- g. No chemicals subject to reporting under SARA Title III (hazardous materials) in an amount greater than 10,000 pounds will be used, produced, stored, transported, or disposed of annually in association with the drilling, testing, or completion of the well. Furthermore, no extremely hazardous substances, as defined in 40 CFR 355, in threshold planning quantities, will be used, produced, stored, transported, or disposed of in association with the drilling, testing, or completion of the well.

- h. Trash will be contained in a trash cage and hauled away to an approved disposal site as necessary but no later than at the completion of drilling operations. The contents of the trash container will be hauled off periodically to the approved Emery County Landfill near Green River, Utah.
- i. Produced fluids from the well other than water will be produced into a test tank until such time as construction of production facilities is completed. Any spills of oil, gas, salt water or other produced fluids will be cleaned up and removed.
- j. After initial clean-up, a 400 bbl tank will be installed. These contents will be transported by truck from the tank to an approved disposal facility for disposal.
- k. Any salts and/or chemicals, which are an integral part of the drilling system, will be disposed of in the same manner as the drilling fluid.
- l. Sanitary facilities will be on site at all times during operations. Sewage will be placed in a portable chemical toilet and the toilet replaced periodically utilizing a licensed contractor to transport by truck the portable chemical toilet so that its contents can be delivered to the Green River Wastewater Treatment Facility in accordance with state and county regulations.

8. Ancillary Facilities:

- a. Garbage Containers and Portable Toilets are the only ancillary facilities proposed in this application.

9. Well Site Layout: (See Exhibit B)

- a. The well will be properly identified in accordance with 43 CFR 3162.6.
- b. Access to the well pad will be from the northeast.
- c. The pad and road designs are consistent with BLM specification
- d. A pre-construction meeting with responsible company representative, contractors, and the BLM will be conducted at the project site prior to commencement of surface-disturbing activities. The pad and road will be construction-staked prior to this meeting.
- e. The pad has been staked at its maximum size of 150' X 200'; however it will be constructed smaller if possible, depending upon rig availability. Should the layout change, this application will be amended and approved utilizing a sundry notice.
- f. All surface disturbing activities, will be supervised by a qualified, responsible company representative who is aware of the terms and conditions of the APD and specifications in the approved plans.
- g. All cut and fill slopes will be such that stability can be maintained for the life of the activity.
- h. Diversion ditches will be constructed as shown around the well site to prevent surface waters from entering the well site area.
- i. The site surface will be graded to drain away from the pit to avoid pit spillage during large storm events.

- j. The stockpiled topsoil (first 6 inches or maximum available) will be stored in a windrow on the uphill side of the location to prevent any possible contamination. All topsoil will be stockpiled for reclamation in such a way as to prevent soil loss and contamination.
- k. Pits will remain fenced until site cleanup.
- l. The blooie line will be located at least 100 feet from the well head.
- m. Water injection may be implemented if necessary to minimize the amount of fugitive dust.
- n. **The well site is located on State of Utah, Division of Wildlife Resources surface.**

10. Plans for Restoration of the Surface:

- a. Site reclamation for a producing well will be accomplished for portions of the site not required for the continued operation of the well.
- b. The Operator will control noxious weeds along access road use authorizations, pipeline route authorizations, well sites, or other applicable facilities by spraying or mechanical removal. A list of noxious weeds may be obtained from the BLM or the appropriate County Extension Office. On BLM administered land, it is required that a Pesticide Use Proposal be submitted and approved prior to the application of herbicides, pesticides or possibly hazardous chemicals.
- c. Upon well completion, any hydrocarbons in the pit shall be removed in accordance with 43 CFR 3162.7-1. Once the reserve pit is dry, the plastic nylon reinforced liner shall be torn and perforated before backfilling of the reserve pit. The reserve pit and that portion of the location not needed for production facilities/operations will be recontoured to the approximate natural contours.
- d. The cut and fill slopes and all other disturbed areas not needed for the production operation will be top soiled and re-vegetated. The stockpiled topsoil will be evenly distributed over the disturbed area.
- e. Prior to reseeding the site, all disturbed areas, including the access road, will be scarified and left with a rough surface. The site will then be seeded and/or planted as prescribed by the BLM. The BLM recommended seed mix will be detailed within their approval documents.

11. Surface and Mineral Ownership:

- a. **Surface Ownership [North Portion of the Road] - Federal under the management of the Bureau of Land Management - Moab Field Office, 82 East Dogwood, Moab, Utah 84532; 435-259-2127.**
- b. **Surface Ownership [Pad and South portion of the Road] – State of Utah Division of Wildlife Resources - Southeastern Regional Office, 475 West Price River Drive, Suite C, Price, Utah 84501; 435-636-0271.**
- c. **Mineral Ownership – Federal under the management of the Bureau of Land Management - Moab Field Office, 82 East Dogwood, Moab, Utah 84532; 435-259-2127.**

12. Other Information:

- a. Senco-Phenix Archaeological Consultants has conducted a Class III archeological survey. A copy of the report has been submitted under separate cover to the appropriate agencies by Senco-Phenix Archaeological Consultants.

**Operator's Representative and Certification:**

I hereby certify that I, or person under my direct supervision, have inspected the proposed drill site and access route; that I am familiar with the conditions which currently exist; that the statements made in the plan are, to the best of my knowledge, true and correct; and that the work associated with operations herein will be performed by \_\_\_\_\_, (construction contractor has not been determined) and its contractors and subcontractors in conformity with this plan and the terms and conditions under which it is approved. This statement is subject to the provisions of 18 U.S.C. 1001 for the filing of a false statement.

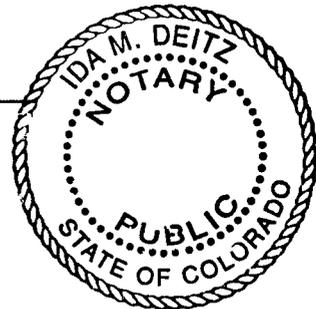
Name and Title Tom C. Young  
Tom C. Young, VP Southern Operations & Midstream

STATE OF COLORADO  
COUNTY OF DENVER

Subscribed and sworn to before me this 2nd day of April, 2007.

My commission Expires: 9/25/2007

Ida M. Deitz  
Notary Public



# ELK PRODUCTION, LLC

## FEDERAL #23-5

LOCATED IN GRAND COUNTY, UTAH  
SECTION 23, T20S, R21E, S.L.B.&M.



PHOTO: VIEW FROM LOCATION STAKE TO CORNER #1

CAMERA ANGLE: NORTHEASTERLY

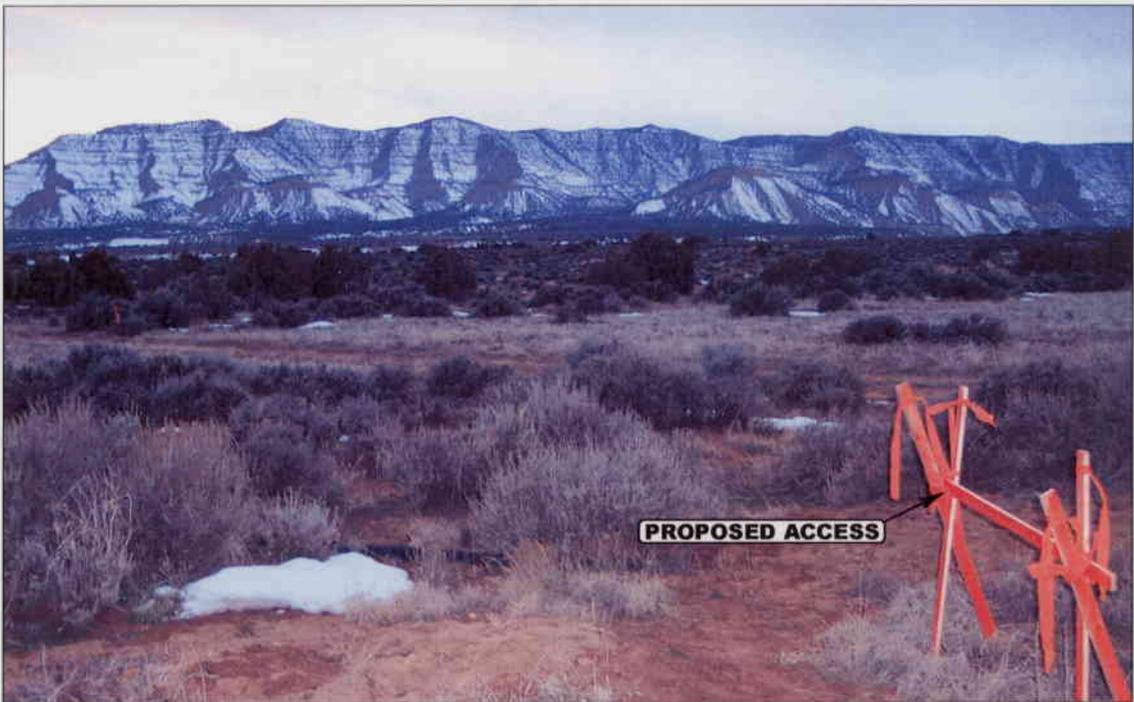


PHOTO: VIEW FROM BEGINNING OF PROPOSED ACCESS

CAMERA ANGLE: SOUTHWESTERLY



- Since 1964 -

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

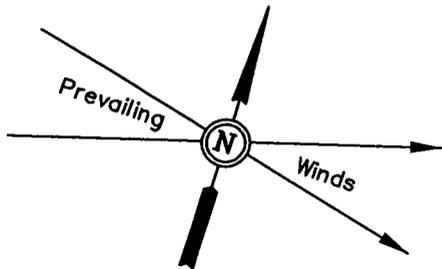
LOCATION PHOTOS	12	22	04	PHOTO
	MONTH	DAY	YEAR	
TAKEN BY: M.A.	DRAWN BY: P.M.	REVISED: 00-00-00		

**ELK PRODUCTION, LLC**

**FIGURE #1**

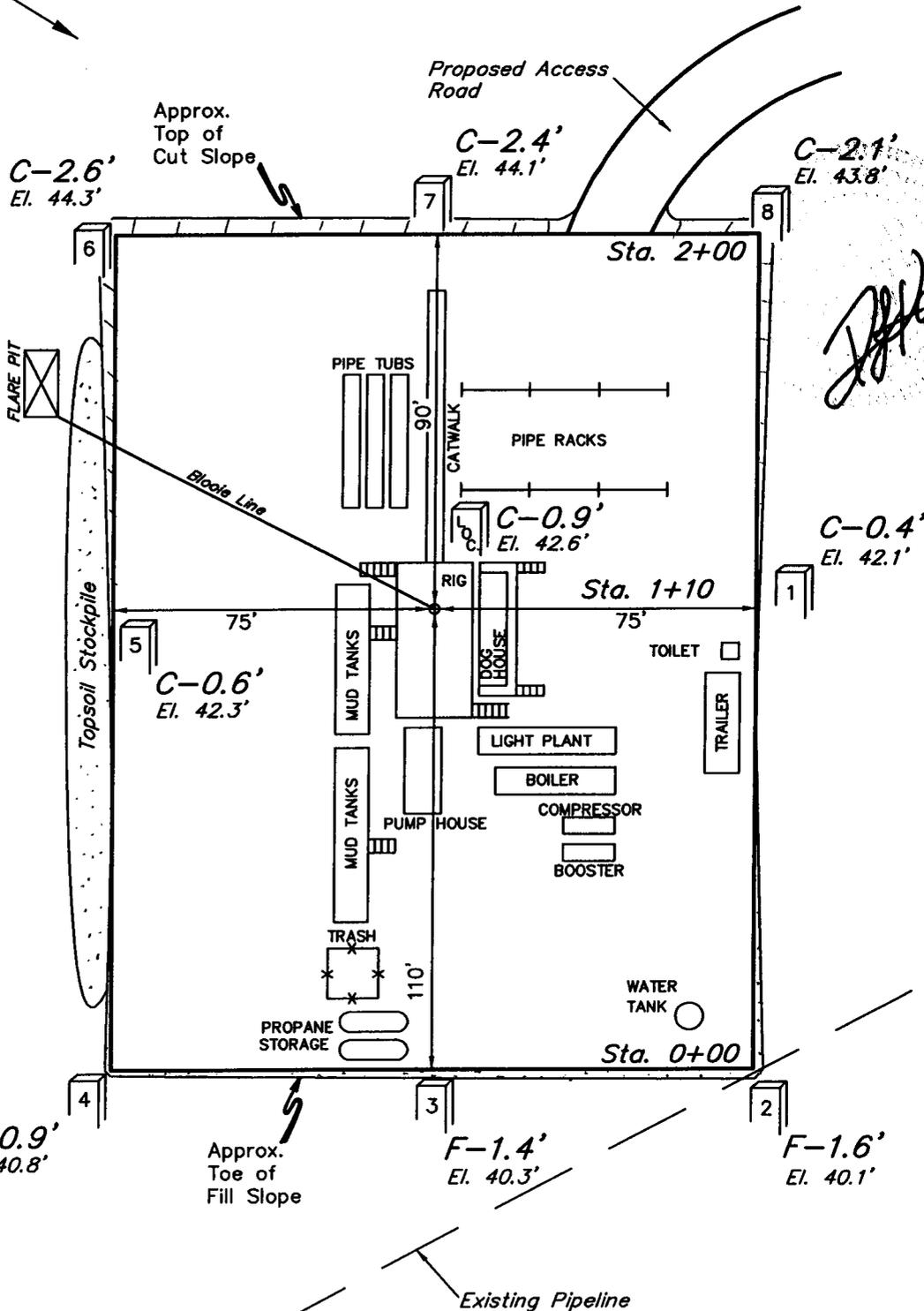
**LOCATION LAYOUT FOR**

**FEDERAL #23-5**  
**SECTION 23, T20S, R21E, S.L.B.&M.**  
**723' FNL 712' FEL**



SCALE: 1" = 40'  
 DATE: 01-07-05  
 Drawn By: P.M.

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



*[Handwritten signature]*

**NOTES:**

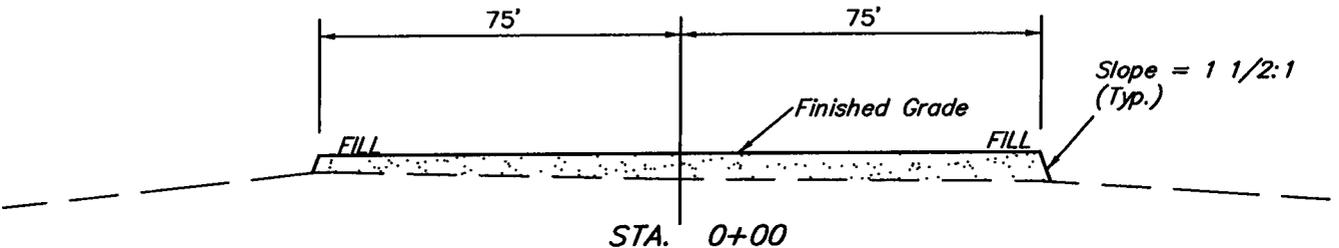
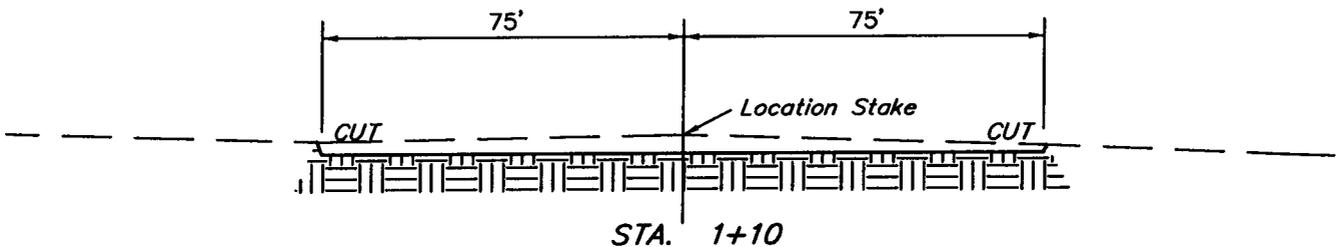
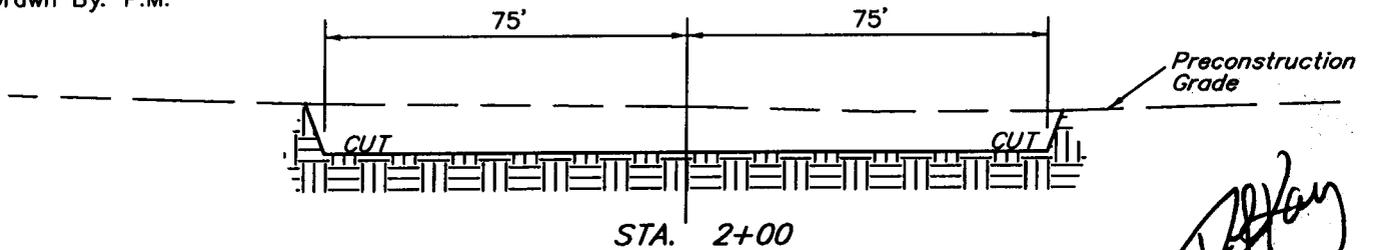
Elev. Ungraded Ground At Loc. Stake = 5142.6'  
 FINISHED GRADE ELEV. AT LOC. STAKE = 5141.7'

**ELK PRODUCTION, LLC**  
**TYPICAL CROSS SECTIONS FOR**  
**FEDERAL #23-5**  
**SECTION 23, T20S, R21E, S.L.B.&M.**  
**723' FNL 712' FEL**

**FIGURE #2**

X-Section Scale  
 1" = 40'

DATE: 01-07-05  
 Drawn By: P.M.



**NOTE:**

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

**\* NOTE:**

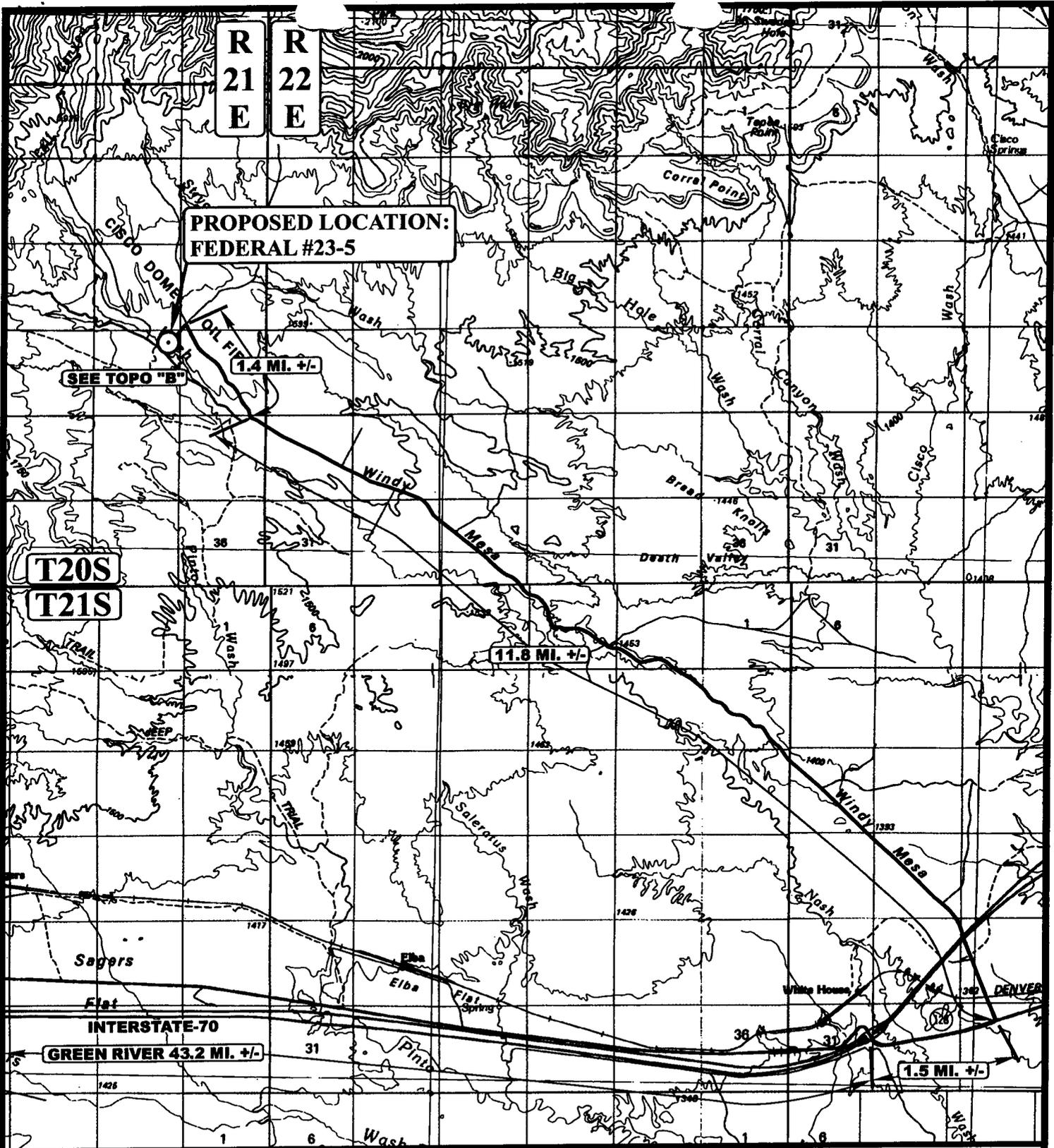
**FILL QUANTITY INCLUDES 5% FOR COMPACTION**

**APPROXIMATE YARDAGES**

<b>CUT</b>		
(6") Topsoil Stripping	=	590 Cu. Yds.
Remaining Location	=	560 Cu. Yds.
<b>TOTAL CUT</b>	=	<b>1,150 CU.YDS.</b>
<b>FILL</b>	=	<b>560 CU.YDS.</b>

<b>EXCESS MATERIAL</b>	=	590 Cu. Yds.
Topsoil	=	590 Cu. Yds.
<b>EXCESS UNBALANCE</b>	=	0 Cu. Yds.
(After Rehabilitation)		

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



**LEGEND:**

○ PROPOSED LOCATION



**ELK PRODUCTION, LLC**

**FEDERAL #23-5**  
**SECTION 23, T20S, R21E, S.L.B.&M.**  
**723' FNL 712' FEL**



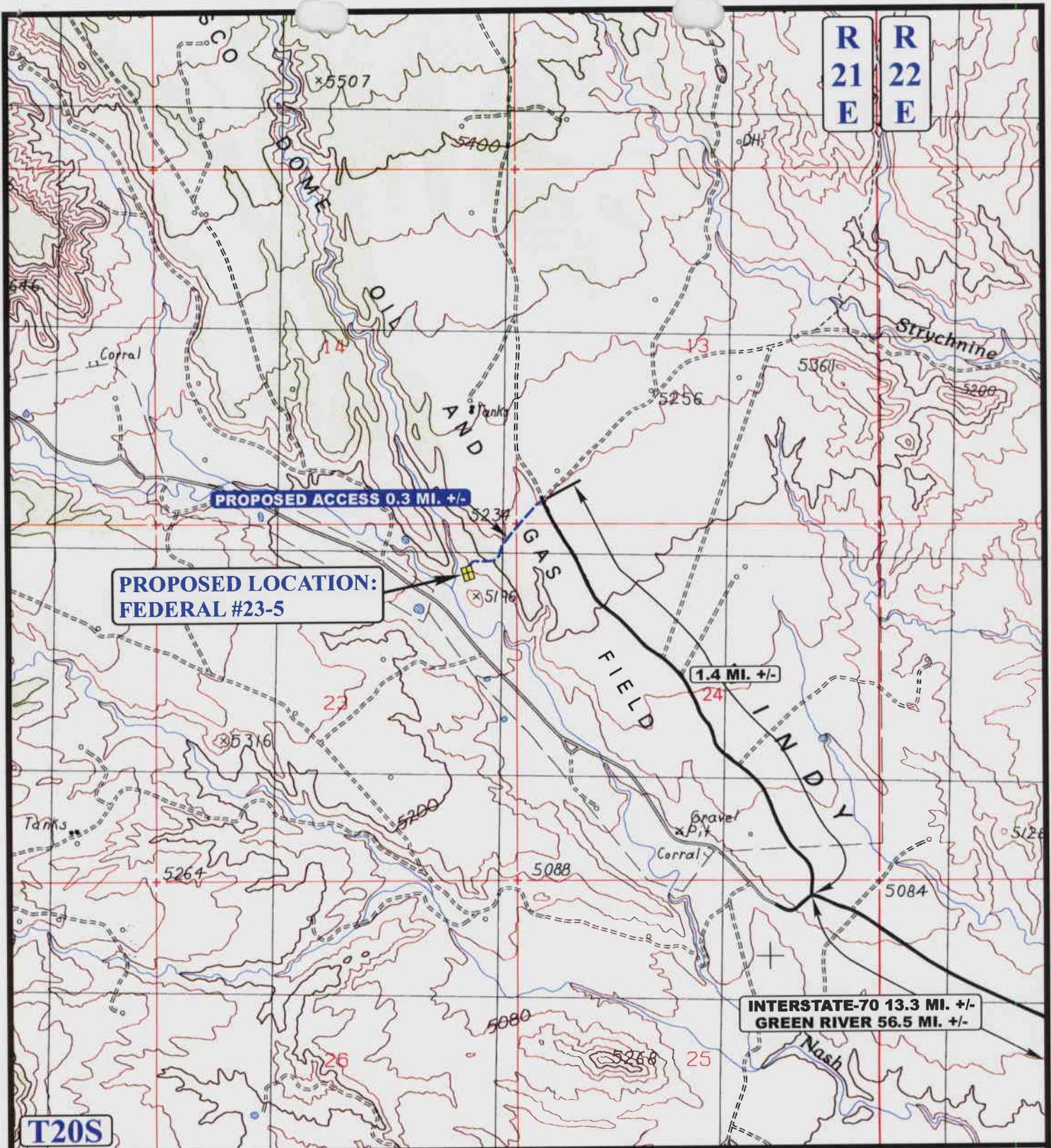
**Utah Engineering & Land Surveying**  
 85 South 200 East Vernal, Utah 84078  
 (435) 789-1017 \* FAX (435) 789-1813

**TOPOGRAPHIC**  
**MAP**

<b>12</b>	<b>22</b>	<b>04</b>
MONTH	DAY	YEAR

SCALE: 1:100,000 DRAWN BY: P.M. REVISED: 00-00-00





**PROPOSED LOCATION:  
FEDERAL #23-5**

**PROPOSED ACCESS 0.3 MI. +/-**

**1.4 MI. +/-**

**INTERSTATE-70 13.3 MI. +/-  
GREEN RIVER 56.5 MI. +/-**

**T20S**

**LEGEND:**

- EXISTING ROAD
- PROPOSED ACCESS ROAD

**ELK PRODUCTION, LLC**

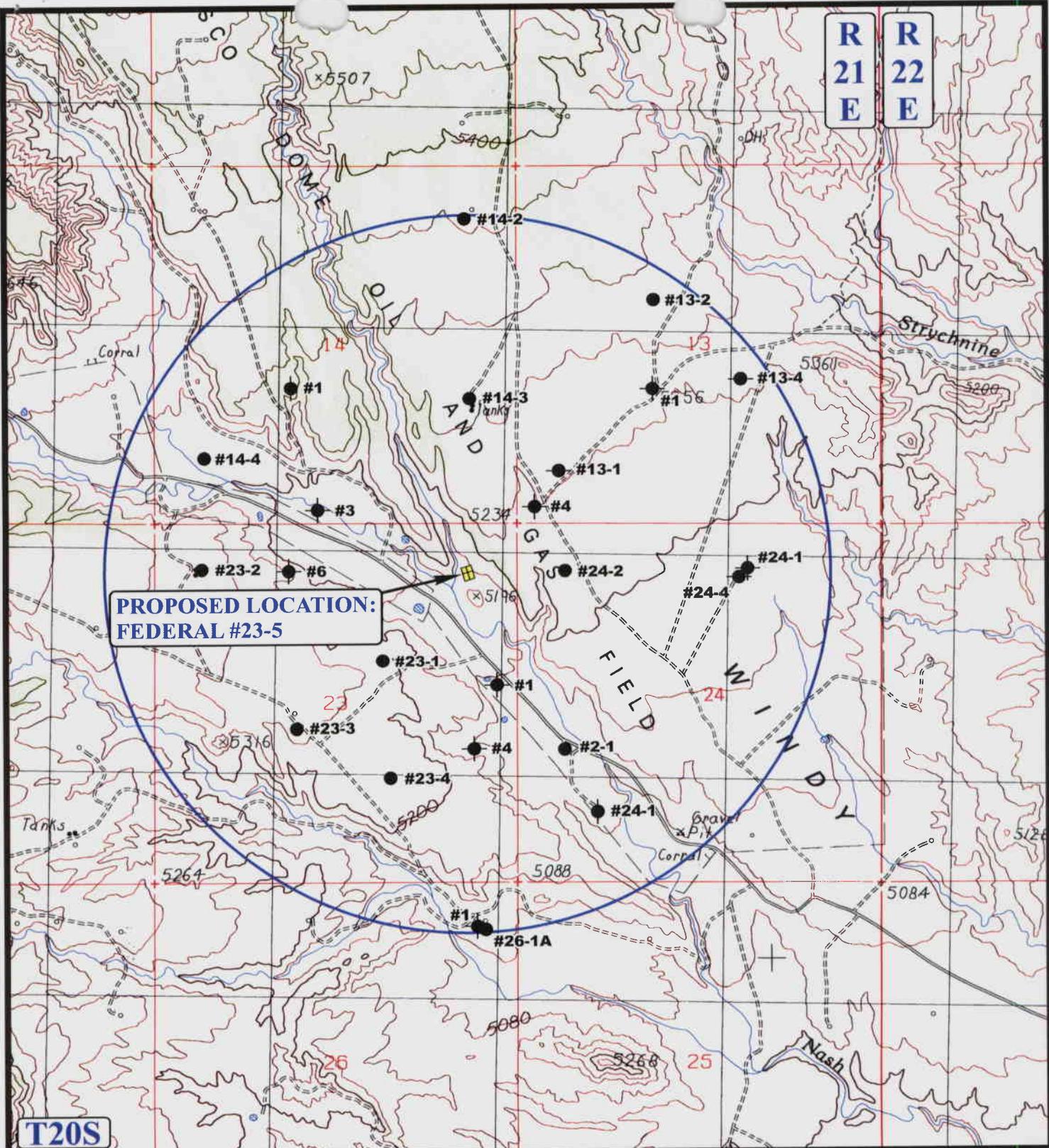
**FEDERAL #23-5  
SECTION 23, T20S, R21E, S.L.B.&M.  
723' FNL 712' FEL**



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



<b>TOPOGRAPHIC MAP</b>	<b>12</b>	<b>22</b>	<b>04</b>	<b>B TOPO</b>
	<small>MONTH</small>	<small>DAY</small>	<small>YEAR</small>	
<small>SCALE: 1" = 2000'</small>		<small>DRAWN BY: P.M.</small>		<small>REVISED: 00-00-00</small>



**LEGEND:**

- DISPOSAL WELLS
- ♣ WATER WELLS
- PRODUCING WELLS
- ABANDONED WELLS
- SHUT IN WELLS
- TEMPORARILY ABANDONED



**ELK PRODUCTION, LLC**

**FEDERAL #23-5**  
**SECTION 23, T20S, R21E, S.L.B.&M.**  
**723' FNL 712' FEL**



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

<b>TOPOGRAPHIC</b>	<b>12</b>	<b>22</b>	<b>04</b>	<b>C</b> <b>TOPO</b>
<b>MAP</b>	<small>MONTH</small>	<small>DAY</small>	<small>YEAR</small>	
<small>SCALE: 1" = 2000'</small>		<small>DRAWN BY: P.M.</small>		<small>REVISED: 00-00-00</small>

R  
21  
E

14

13

5256

Tanks

PROPOSED ACCESS ROAD

5237

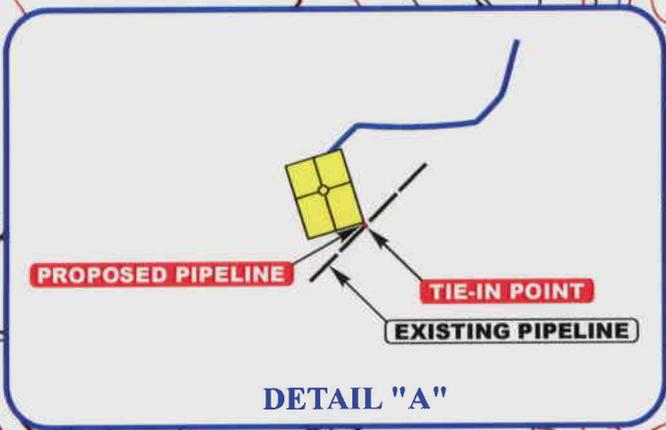
PROPOSED LOCATION:  
FEDERAL #23-5

SEE DETAIL "A"

5196

FIELD

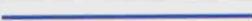
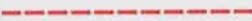
24



T20S

APPROXIMATE TOTAL PIPELINE DISTANCE = 1' +/-

LEGEND:

-  PROPOSED ACCESS ROAD
-  EXISTING PIPELINE
-  PROPOSED PIPELINE

ELK PRODUCTION, LLC

FEDERAL #23-5

SECTION 23, T20S, R21E, S.L.B.&M.

723' FNL 712' FEL



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



TOPOGRAPHIC  
MAP

12 22 04  
MONTH DAY YEAR

SCALE: 1" = 1000' DRAWN BY: P.M. REVISED: 00-00-00



**WORKSHEET  
APPLICATION FOR PERMIT TO DRILL**

APD RECEIVED: 04/03/2007

API NO. ASSIGNED: 43-019-31442

WELL NAME: FEDERAL 23-5  
 OPERATOR: ELK PRODUCTION LLC ( N2650 )  
 CONTACT: KARIN KUHN

PHONE NUMBER: 303-296-4505

PROPOSED LOCATION:

NENE 23 200S 210E  
 SURFACE: 0723 FNL 0712 FEL  
 BOTTOM: 0723 FNL 0712 FEL  
 COUNTY: GRAND  
 LATITUDE: 39.05728 LONGITUDE: -109.5571  
 UTM SURF EASTINGS: 624849 NORTHINGS: 4323915  
 FIELD NAME: GREATER CISCO ( 205 )

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

LEASE TYPE: 1 - Federal  
 LEASE NUMBER: UTU-02139-A  
 SURFACE OWNER: 1 - Federal

PROPOSED FORMATION: ENRD  
 COALBED METHANE WELL? NO

RECEIVED AND/OR REVIEWED:

- Plat
- Bond: Fed[1] Ind[] Sta[] Fee[]  
(No. B000969 )
- Potash (Y/N)
- Oil Shale 190-5 (B) or 190-3 or 190-13
- Water Permit  
(No. AIR DRILLE )
- RDCC Review (Y/N)  
(Date: \_\_\_\_\_ )
- Fee Surf Agreement (Y/N)
- Intent to Commingle (Y/N)

LOCATION AND SITING:

- R649-2-3.
- Unit: \_\_\_\_\_
- R649-3-2. General  
Siting: 460 From Qtr/Qtr & 920' Between Wells
- R649-3-3. Exception
- Drilling Unit  
Board Cause No: 102-16B  
Eff Date: 11-15-1979  
Siting: See Cause Order
- R649-3-11. Directional Drill

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

\_\_\_\_\_

\_\_\_\_\_

STIPULATIONS: 1. Feder Approved

\_\_\_\_\_

\_\_\_\_\_

UTAH OIL  
REFINING CO 3

FEDERAL  
14-8

FEDERAL  
4

T20S R21E

FEDERAL  
23-2

FEDERAL 6

FEDERAL  
23-5

FEDERAL  
24-2

### GREATER CISCO FIELD

CAUSE: 102-16B / 11-15-1979

FEDERAL  
23-1

CISCO  
UNIT 1

23

FEDERAL  
23-3

FEDERAL  
4

FEDERAL  
24-2  
UNION  
GOVT II-

FEDERAL  
23-4

FEDERAL  
23-6

FEDERAL  
23-7

FEDERAL  
23-7

FEDERAL 26-3

CCCQ 26-2

CCCO 26-7  
FEDERAL 5

ADAK-ANSCHUTZ  
FED 1  
ADAK-ANSCHUTZ  
26-1A

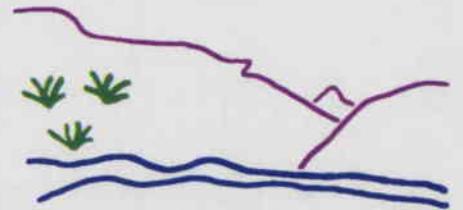
OPERATOR: ELK PROD LLC (N2650)

SEC: 23 T.20S R. 21E

FIELD: GREATER CISCO (205)

COUNTY: GRAND

CAUSE: 102-16B / 11-15-1979



Utah Oil Gas and Mining



PREPARED BY: DIANA MASON  
DATE: 04-APRIL-2007

- Field Status**
- ABANDONED
  - ACTIVE
  - COMBINED
  - INACTIVE
  - PROPOSED
  - STORAGE
  - TERMINATED

- Unit Status**
- EXPLORATORY
  - GAS STORAGE
  - NF PP OIL
  - NF SECONDARY
  - PENDING
  - PI OIL
  - PP GAS
  - PP GEOTHERML
  - PP OIL
  - SECONDARY
  - TERMINATED

**Wells Status**

- GAS INJECTION
- GAS STORAGE
- LOCATION ABANDONED
- NEW LOCATION
- PLUGGED & ABANDONED
- PRODUCING GAS
- PRODUCING OIL
- SHUT-IN GAS
- SHUT-IN OIL
- TEMP. ABANDONED
- TEST WELL
- WATER INJECTION
- WATER SUPPLY
- WATER DISPOSAL
- DRILLING



**State of Utah**

**Department of  
Natural Resources**

MICHAEL R. STYLER  
*Executive Director*

**Division of  
Oil, Gas & Mining**

JOHN R. BAZA  
*Division Director*

JON M. HUNTSMAN, JR.  
*Governor*

GARY R. HERBERT  
*Lieutenant Governor*

April 5, 2007

Elk Production, LLC  
1401 17th St., #700  
Denver, CO 80202

Re: Federal 23-5 Well, 723' FNL, 712' FNL, NE NE , Sec. 23, T. 20 South,  
R. 21 East, Grand County, Utah

Gentlemen:

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

This approval shall expire one year from the above date unless substantial and continuous operation is underway, or a request for extension is made prior to the expiration date. The API identification number assigned to this well is 43-019-31442.

Sincerely,

Gil Hunt  
Associate Director

pab  
Enclosures

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

**Operator:** Elk Production, LLC  
**Well Name & Number** Federal 23-5  
**API Number:** 43-019-31442  
**Lease:** UTU-02139-A

**Location:** NE NE                      **Sec.** 23                      **T.** 20 South                      **R.** 21 East

### Conditions of Approval

1. General

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

2. Notification Requirements

Notify the Division with 24 hours of spudding the well.

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

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

- Contact Dustin Doucet at (801) 538-5281 office  
(801) 733-0983 home

3. Reporting Requirements

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

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

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

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

**SUNDRY NOTICES AND REPORTS ON WELLS**

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

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

5. Lease Serial No.  
UTU-02139-A

6. If Indian, Allottee or Tribe Name  
N/A

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

8. Well Name and No.  
Federal #23-5

9. API Well No.  
4301931442

10. Field and Pool, or Exploratory Area  
Greater Cisco

11. County or Parish, State  
Grand County, Utah

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

TYPE OF SUBMISSION	TYPE OF ACTION			
<input type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input checked="" type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input checked="" type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input checked="" type="checkbox"/> Other Operations Update
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	as of 6/12/07
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	

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

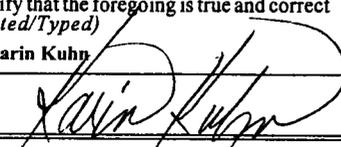
Operations to deepen subject well began on 6/6/07. MIRU Lobo Rig #1. Drilled from 2107' to 2750'; made TD on 6/8/07. Flow tested well. Put well to sales on 6/9/07; making approximately 500 MCFPD. After production levels out, a completion rig will be moved in and the well will be logged and casing will be run in well to TD.

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

RECEIVED  
JUN 18 2007  
DIV. OF OIL, GAS & MINING

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

Name (Printed/Typed) Karin Kuhn Title Sr. Engineering Technician

Signature  Date 06/13/2007

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

Approved by \_\_\_\_\_ Title \_\_\_\_\_ Date \_\_\_\_\_

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

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

## NOTICE

Utah Oil and Gas Conservation General Rule R649-3-21 states that,

- A well is considered completed when the well has been adequately worked to be capable of producing oil or gas or when well testing as required by the division is concluded.
- Within 30 days after the completion or plugging of a well, the following shall be filed:
  - Form 8, Well Completion or Recompletion Report and Log
  - A copy of electric and radioactivity logs, if run
  - A copy of drillstem test reports,
  - A copy of formation water analyses, porosity, permeability or fluid saturation determinations
  - A copy of core analyses, and lithologic logs or sample descriptions if compiled
  - A copy of directional, deviation, and/or measurement-while-drilling survey for each horizontal well

Failure to submit reports in a timely manner will result in the issuance of a Notice of Violation by the Division of Oil, Gas and Mining, and may result in the Division pursuing enforcement action as outlined in Rule R649-10, Administrative Procedures, and Section 40-6-11 of the Utah Code.

---

As of the mailing of this notice, the division has not received the required reports for

Operator: Elk Production, LLC Today's Date: 11/27/2007

Well:	API Number:	Drilling Commenced:
Federal 23-5 drlg rpts/wcr	4301931442	06/04/2007

To avoid compliance action, required reports should be mailed within 7 business days to:

Utah Division of Oil, Gas and Mining  
1594 West North Temple, Suite 1210  
P.O. Box 145801  
Salt Lake City, Utah 84114-5801

If you have questions or concerns regarding this matter, please call (801) 538-5284.

cc: Well File  
Compliance File

Elk Production LLC  
Field Activity Report

CISCO

FEDERAL 23-5

---

DK/MO/CM                      20S 21E 23 NENE                      2PBP                      43019314420000

---

**SYNOPSIS:** 6/5-9/07: Deepen well ff 2107' to 2750', made TD on 6/8/07. Flow tst well, put to sales on 6/9/07, making approx 517 MCFPD. WO completion rig. Plan to log & run csg when production levels out.

2/5-8/07: POH w/ 2 7/8" TBG ff 1400'. Tight in spots to 50K. RIH to 2,300' w/ bit & CSG scraper, working each stand or JT twice. POH, LD 2 7/8" TBG. PU string of 2 3/8" J-55 TBG w/ notched COL & SW, RIH. TBG fill @ 2070' (TD=2107'). Clean out REV CIRC to 2078', recovering various sized pieces of shale from open hole, large pieces hanging up in SN & elsewhere. Determined the best option was to clean out hole when ready to deepen well, as progress was slow. Hang off TBG @ 2047'. No fluid lost in hole while REV CIRC. Swab well to SN w/ little or no gas or WTR entry noted. SICP this A.M. 100 PSI. Return well to sales 2/8/07.

8/4-14/06: Attempt to pull tbg & bit. Bit started dragging on jt #17. Found well cuttings ff OH drlg. Well may not have cldn when drld. Found 5 bad pin & boxes. Pmpd 30 bbls FW dn csg; still won't come free. Run in w/ 11/4" tbg in 2 7/8" & cin out w/ air to bit sub. Won't circ. Bit stuck in csg @ 1400'; will do dn, but will not come up hole.

11/18 - 11/21: Drl ff 2080'-2107'. SWI. Tie into sales line. ICP = 600#, Flwg @ 450 MCFPD thru 10/64" chk.

11/14: POOH, LDDS. Run 46 jts 5.5" 15.5# LTC csg & set @ 2061', fill @ 2073'. Cmt'd 5.5" csg in place w/ 150 sx Ready Mix. Bumped plug, held 400#, floats held. Drl out cmt & iron.

11/11 - 11/15: Drl out cmt & iron, drl ff 225'-2080'. Soap up hole & pmp 70 bbls KCL to hold gas.

10/21/05: Spud.

---

**Daily Detail:**

6/6/2007 MIRU Lobo Rig #1. Anticipate begin drilling mid-day today.

6/7/2007 TD: 2435' (Made: 238') Drilling ahead. Encountered 555 US units at around 2300' & is currently around 650 US units.

6/8/2007 TD: 2750' (Made: 315'). Flow tested well. Drill 2435' to 2750'. Good gas flow while drilling. Strip out of hole to csg shoe (2100'), flow test well to pit ARO 1.3 M mcf/d. TIH to bottom, POH LD 20 units of 2 7/8" work string. Flow test well, 5 1/2 hrs, 90 psi, steady on 2" line.

6/11/2007 TD: 2750' (Made: 0'). Producing well to sales ARO 517 MCFD w/ FTP of 170 PSI. Land tbg in hanger w/ bit at 2080'. ND Bop, mv float in tbg & ND WH. RD & move out Lobo Rig#1.

6/12/2007 Well Flowing to sales at 500 MCFD. FINAL REPORT

RECEIVED

DEC 03 2007

DIV. OF OIL, GAS & MINING

Elk Production LLC  
Field Activity Report

CISCO

FEDERAL 23-5

RECEIVED

DEC 06 2007

DIV. OF OIL, GAS & MINING

DK/MO/CM

20S 21E 23 NENE

2PBP

43019314420000

**SYNOPSIS:** 6/5-9/07: Deepen well f/ 2107' to 2750', made TD on 6/8/07. Flow test well, put to sales on 6/9/07, making approx 517 MCFPD. WO completion rig. Plan to log & run csg when production levels out.

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6/11/2007 TD: 2750' (Made: 0'). Producing well to sales ARO 517 MCFD w/ FTP of 170 PSI. Land tbg in hanger w/ bit at 2060'. ND Bop, rmv float in tbg & ND WH. RD & move out Lobo Rig#1.

6/12/2007 Well Flowing to sales at 500 MCFD. FINAL REPORT

## NOTICE

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  - Form 8, Well Completion or Recompletion Report and Log
  - A copy of electric and radioactivity logs, if run
  - A copy of drillstem test reports,
  - A copy of formation water analyses, porosity, permeability or fluid saturation determinations
  - A copy of core analyses, and lithologic logs or sample descriptions if compiled
  - A copy of directional, deviation, and/or measurement-while-drilling survey for each horizontal well

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---

As of the mailing of this notice, the division has not received the required reports for

Operator: Elk Production, LLC

Today's Date: 02/14/2008

Well:

API Number:

Drilling Commenced:

Federal 23-5 deepen wcr

4301931442

06/04/2007

205 21E 23

To avoid compliance action, required reports should be mailed within 7 business days to:

Utah Division of Oil, Gas and Mining  
1594 West North Temple, Suite 1210  
P.O. Box 145801  
Salt Lake City, Utah 84114-5801

If you have questions or concerns regarding this matter, please call (801) 538-5284.

cc: Well File  
Compliance File

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

FORM APPROVED  
OMB NO. 1004-0137  
Expires: July 31, 2010

WELL COMPLETION OR RECOMPLETION REPORT AND LOG

5. Lease Serial No.  
UTU-02139A

a. Type of Well  Oil Well  Gas Well  Dry  Other  
b. Type of Completion:  New Well  Work Over  Deepen  Plug Back  Diff. Resrv.,  
Other: \_\_\_\_\_

6. If Indian, Allottee or Tribe Name  
NA

7. Unit or CA Agreement Name and No.  
NA

2. Name of Operator  
Elk Production, LLC

8. Lease Name and Well No.  
Federal 23-5

3. Address 1401 17th Street, Suite 700  
Denver, CO 80202

3a. Phone No. (include area code)  
(303) 296-4505

9. AFI Well No.  
4301931442

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

At surface 723' FNL, 712' FEL

At top prod. interval reported below 723' FNL, 712' FEL

At total depth 723' FNL, 712' FEL

10. Field and Pool or Exploratory  
Greater Cisco/DKTA/CDMN/MRSN/SMVL

11. Sec., T., R., M., on Block and  
Survey or Area NENE Section 23-T20S-R21E  
SLB&M

12. County or Parish  
Grand County

13. State  
UT

14. Date Spudded  
06/06/2007

15. Date T.D. Reached  
06/08/2007

16. Date Completed 06/09/2007  
 D & A  Ready to Prod.

17. Elevations (DF, RKB, RT, GL)\*  
5143' GR/5150' KB

18. Total Depth: MD 2750'  
TVD

19. Plug Back T.D.: MD  
TVD

20. Depth Bridge Plug Set: MD  
TVD

21. Type Electric & Other Mechanical Logs Run (Submit copy of each)  
Mudlog

22. Was well cored?  No  Yes (Submit analysis)  
Was DST run?  No  Yes (Submit report)  
Directional Survey?  No  Yes (Submit copy)

23. Casing and Liner Record (Report all strings set in well)

Hole Size	Size/Grade	Wt. (#/ft.)	Top (MD)	Bottom (MD)	Stage Cementer Depth	No. of Sks. & Type of Cement	Slurry Vol. (BBL)	Cement Top*	Amount Pulled
12 3/4"	12.25	--	0	40		20 sx Bag	4	Surf-CIR	0
11"	8 5/8"/J55	24#	0	225		90 sx Type I	14	Surf-CIR	0
7 7/8"	5 1/2"/J55	15.5#	0	2061		150 sx Type I	30	1200' - Calc	0

24. Tubing Record

Size	Depth Set (MD)	Packer Depth (MD)	Size	Depth Set (MD)	Packer Depth (MD)	Size	Depth Set (MD)	Packer Depth (MD)
2 3/8"	2080'							

25. Producing Intervals

Formation	Top	Bottom	Perforated Interval	Size	No. Holes	Perf. Status
A) Dakota	2057	2120	2061'-2750'			Open Hole
B) Cedar Mountain	2120	2260				
C) Morrison	2260	2700				
D) Summerville	2700	2750				

27. Acid, Fracture, Treatment, Cement Squeeze, etc.

Depth Interval	Amount and Type of Material

28. Production - Interval A

Date First Produced	Test Date	Hours Tested	Test Production	Oil BBL	Gas MCF	Water BBL	Oil Gravity Corr. API	Gas Gravity	Production Method
6/9/2007	6/11/07	24	→	0	509	0			Flowing
Choke Size	Tbg. Press. Flwg. SI	Csg. Press.	24 Hr. Rate	Oil BBL	Gas MCF	Water BBL	Gas/Oil Ratio	Well Status	
	170		→	0	509	0		Producing all intervals	

28a. Production - Interval B

Date First Produced	Test Date	Hours Tested	Test Production	Oil BBL	Gas MCF	Water BBL	Oil Gravity Corr. API	Gas Gravity	Production Method
			→						
Choke Size	Tbg. Press. Flwg. SI	Csg. Press.	24 Hr. Rate	Oil BBL	Gas MCF	Water BBL	Gas/Oil Ratio	Well Status	
			→						

\*(See instructions and spaces for additional data on page 2)

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FEB 22 2008  
DIV. OF OIL, GAS & MINING

28b. Production - Interval C

Date First Produced	Test Date	Hours Tested	Test Production	Oil BBL	Gas MCF	Water BBL	Oil Gravity Corr. API	Gas Gravity	Production Method
			→						
Choke Size	Tbg. Press. Flwg. SI	Csg. Press.	24 Hr. Rate	Oil BBL	Gas MCF	Water BBL	Gas/Oil Ratio	Well Status	
			→						

28c. Production - Interval D

Date First Produced	Test Date	Hours Tested	Test Production	Oil BBL	Gas MCF	Water BBL	Oil Gravity Corr. API	Gas Gravity	Production Method
			→						
Choke Size	Tbg. Press. Flwg. SI	Csg. Press.	24 Hr. Rate	Oil BBL	Gas MCF	Water BBL	Gas/Oil Ratio	Well Status	
			→						

29. Disposition of Gas (Solid, used for fuel, vented, etc.)

Sold

30. 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.

31. Formation (Log) Markers

Formation	Top	Bottom	Descriptions, Contents, etc.	Name	Top
					Meas. Depth
				Mancoes Shale	0
				Greenhorn Graneros	1940 2036
				Dakota Cedar Mountain	2057 2120
				Morrison Summerville	2280 2700

32. Additional remarks (include plugging procedure):

Plan to run casing to TD and run logs.

33. Indicate which items have been attached by placing a check in the appropriate boxes:

- Electrical/Mechanical Logs (1 full set req'd.)     
  Geologic Report     
  DST Report     
  Directional Survey  
 Sundry Notice for plugging and cement verification     
  Core Analysis     
 Other: Mudlog

34. I hereby certify that the foregoing and attached information is complete and correct as determined from all available records (see attached instructions)\*

Name (please print) Karin Kuhn      Title Sr. Engineering Technician  
 Signature *Karin Kuhn*      Date 02/19/2008

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

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

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

**SUNDRY NOTICES AND REPORTS ON WELLS**

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

<b>SUBMIT IN TRIPLICATE- Other instructions on reverse side.</b>		5. Lease Serial No. UTU-02139-A
1. Type of Well <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other		6. If Indian, Allottee or Tribe Name N/A
2. Name of Operator Elk Production LLC		7. If Unit or CA/Agreement, Name and/or No. N/A
3a. Address 1401 17th. Street, Suite 700, Denver Colorado, 80202	3b. Phone No. (include area code) 303 296 4505	8. Well Name and No. Federal #23-5
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) 723' FNL, 712' FEL, NENE Section 23, T20S, R21E		9. API Well No. 4301931442
		10. Field and Pool, or Exploratory Area Greater Cisco
		11. County or Parish, State Grand County, Utah

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

TYPE OF SUBMISSION	TYPE OF ACTION			
<input type="checkbox"/> Notice of Intent	<input checked="" type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input checked="" type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input checked="" type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input checked="" type="checkbox"/> Other <b>Run 3 1/2" Csg</b>
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	<b>Perforate and</b>
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	<b>Frac Stimulate</b>

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

Work began on 3/26/2008 to run 3 1/2" casing from surface to TD. Cleaned out wellbore to 2750' (TD). Set 86 jts 3 1/2", 9.2#, P110 casing @ 2734'. Cement 3 1/2" casing with 85 sx 50/50 Poz (23.5 bbls), dropped plug. Ran CBL & Pulse Neutron Logs (Schlumberger & BakerAtlas). Perf f/ 2633'-2634' (2 shots), 2617'-2619' (2 shots), 2304' (2 shots), 2484'-2486' (2 shots), 2355'-2356' (2 shots), 2212'-2213.5' (3 shots), 2191'-2196' (2 shots), 2170'-2173' (2 shots), 2106'-2108', 2112'-2114', 2120'-2122', 2124'-2127' (8 shots), 2072'-2074' (2 shots). Swab well. Acdz w/ 700 gals 15% w/ balls. Perf f/ 2288', 2291', 2294', 2297', 2300', 2302', 2305', 2308' (1 spf). Run GR-CCL. Swab well. Cover lower perfs (2706'-2280') w/ 48 - 50 lbs sx sand. Pmp 2 sx cmt @ 2250'. Pmpd 8 bbls 15% acid w/ flush & start N2. Shut down due to N2 unit not heating properly. RU to frac, start pad, N2 unit lost prime. Attempt to frac stimulate with 11,006 gals 20# Turquoise w/ 70Q N2 with 59,970 30/50 Proppant plus 20 ballsealers. Could not bring N2 up to finish job. Finished last stage without N2. Flush well. Flow well back, bringing back gelled up fluid. Swab well; lost sinker bars in hole. Fish sinker bars. Pmp N2 acid clean up. Pmp 71 bbls 7.5% HCL w/ 81,730 SCF of N2 w/ 7 bbls flush. Flow back N2 acid job. Swab well. Suspended operations due to gas plant shut down (high inerts); wait until gas plant is operational prior to testing well. Swabbed well. Returned well to production 9/27/08.

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

Name (Printed/Typed) Karin Kuhn	Title Sr. Engineering Technician
Signature 	Date 09/29/2008

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

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

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

(Instructions on page 2)

**RECEIVED**  
**SEP 30 2008**  
DIV. OF OIL, GAS & MINING

Division of Oil, Gas and Mining  
**OPERATOR CHANGE WORKSHEET (for state use only)**

**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:

**8/1/2011**

<b>FROM:</b> (Old Operator): N2650-Elk Production, LLC 1401 17th Street, Suite 700 Denver, CO 80202 Phone: 1 (303) 296-4505	<b>TO:</b> ( New Operator): N3785-SEP - Cisco Dome LLC 1245 Brickyard Rd, Suite 210 Salt Lake City, UT 84106 Phone: 1 (435) 940-9001
---	--

CA No.		Unit:						
WELL NAME	SEC	TWN	RNG	API NO	ENTITY NO	LEASE TYPE	WELL TYPE	WELL STATUS
SEE ATTACHED LIST - 54 WELLS								

**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: 9/6/2011
- (R649-8-10) Sundry or legal documentation was received from the **NEW** operator on: 9/6/2011
- The new company was checked on the **Department of Commerce, Division of Corporations Database** on: 7/18/2011
- Is the new operator registered in the State of Utah: Business Number: 7934251-0160
- (R649-9-2)Waste Management Plan has been received on: Requested 9/21/2011
- 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 not yet 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")** 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: 9/20/2011
- Changes have been entered on the **Monthly Operator Change Spread Sheet** on: 9/20/2011
- Bond information entered in RBDMS on: 9/6/2011
- Fee/State wells attached to bond in RBDMS on: 9/21/2011
- 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: UTB000465
- Indian well(s) covered by Bond Number: n/a
- (R649-3-1) The **NEW** operator of any state/fee well(s) listed covered by Bond Number 1481053, 1481056 and 1481054
- The **FORMER** operator has requested a release of liability from their bond on: not yet

**LEASE INTEREST OWNER NOTIFICATION:**

- (R649-2-10) The **NEW** 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

**SUNDRY NOTICES AND REPORTS ON WELLS**

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

		5. LEASE DESIGNATION AND SERIAL NUMBER:
		6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
		7. UNIT or CA AGREEMENT NAME:
1. TYPE OF WELL OIL WELL <input checked="" type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER _____		8. WELL NAME and NUMBER: <b>See attached list</b>
2. NAME OF OPERATOR: <b>SEP - CISCO DOME, LLC</b>		9. API NUMBER:
3. ADDRESS OF OPERATOR: 1245 Brickyard Rd., Ste 210 CITY Salt Lake City STATE UT ZIP 84106		10. FIELD AND POOL, OR WILDCAT:
PHONE NUMBER: <b>(435) 940-9001</b>		

4. LOCATION OF WELL

FOOTAGES AT SURFACE: \_\_\_\_\_ COUNTY: **Grand County**

QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: \_\_\_\_\_ STATE: **UTAH**

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

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

Previous Operator: <b>Elk Production, LLC</b> 1401 7th Street, Suite 700 Denver, Colorado 80202 303-296-4505	New Operator: <b>SEP - CISCO DOME, LLC</b> 1245 Brickyard Rd., Ste. 210 Salt Lake City, UT 435-940-9001
--	---

Utah DOGM Bond # *Thunderbird 2: 1481053-1481056; State 32-1; 1481054*  
BLM Bond # *4TB000465*

*effective 8/1/2011*

SEP - CISCO DOME, LLC representative:

Name (Please Print): *David Lillywhite*

Title: **President**

Signature \_\_\_\_\_

Date: *7/28/11*

NAME (PLEASE PRINT) <b>John Whisler</b>	TITLE <b>Chief Executive Officer</b>
SIGNATURE <i>John Whisler</i>	DATE <i>7/28/11</i>

(This space for State use only)

**APPROVED** *9/13/2011*  
*Earlene Russell*  
Division of Oil, Gas and Mining  
Earlene Russell, Engineering Technician

(5/2000)

(See Instructions on Reverse Side)

**RECEIVED**  
**SEP 06 2011**  
DIV. OF OIL, GAS & MINING

ELK PRODUCTION, LLC (N2650) to SEP-Cisco Dome, LLC (N3785)  
effective 8/1/2011

well name	sec	twp	rng	api	entity	well	stat
THUNDERBIRD 1	32	200S	240E	4301930058	10339	OW	P
FEDERAL 19-3	19	200S	220E	4301930302	8201	GW	TA
FEDERAL 31-1A	31	200S	220E	4301930308	8204	GW	P
STATE 32-1	32	200S	220E	4301930347	8206	GW	P
FEDERAL 13-1	13	200S	210E	4301930348	8146	GW	TA
FEDERAL 23-1	23	200S	210E	4301930355	11393	GW	P
FEDERAL 25-1	25	200S	210E	4301930359	11394	GW	S
CALF CANYON 5	11	200S	210E	4301930393	2490	OW	TA
FEDERAL 30-1	30	200S	220E	4301930429	8203	GW	S
FEDERAL 14-1	14	200S	210E	4301930430	8169	GW	P
FEDERAL 24-3	24	200S	210E	4301930432	11395	GW	S
FEDERAL 14-1A	14	200S	210E	4301930436	8150	GW	TA
FEDERAL 1-10	10	200S	210E	4301930484	8141	GW	S
FEDERAL 11-1	11	200S	210E	4301930485	8142	GW	P
FEDERAL 14-2	14	200S	210E	4301930487	8151	GW	S
FEDERAL 14-3	14	200S	210E	4301930488	8152	GW	S
FEDERAL 24-2	24	200S	210E	4301930530	8159	GW	S
FEDERAL 25-3	25	200S	210E	4301930575	8170	GW	S
FEDERAL 15-1	15	200S	210E	4301930585	11391	GW	TA
FEDERAL 23-2	23	200S	210E	4301930586	8140	GW	P
FEDERAL 25-2	25	200S	210E	4301930587	11392	OW	S
FEDERAL 23-3	23	200S	210E	4301930588	8157	GW	S
FEDERAL 22-1	22	200S	210E	4301930625	8156	GW	P
FEDERAL 15-2	15	200S	210E	4301930636	8154	GW	S
FEDERAL 15-3	15	200S	210E	4301930637	8155	GW	S
FEDERAL 13-2	13	200S	210E	4301930673	8147	GW	S
FEDERAL 25-4	25	200S	210E	4301930743	8181	GW	S
FEDERAL 23-4	23	200S	210E	4301930760	8158	GW	P
FEDERAL 18-1	18	200S	220E	4301930875	8200	GW	S
FEDERAL 14-4	14	200S	210E	4301930878	8153	GW	S
FEDERAL 12-1	12	200S	210E	4301930881	8145	GW	S
FEDERAL 11-2	11	200S	210E	4301930882	8143	GW	S
FEDERAL 13-3	13	200S	210E	4301930883	8148	GW	TA
FEDERAL 11-3	11	200S	210E	4301930884	8144	GW	S
FEDERAL 13-4	13	200S	210E	4301930885	8149	GW	TA
FEDERAL 15-4	15	200S	210E	4301930887	10140	GW	TA
FEDERAL 19-1A	19	200S	220E	4301930896	8201	GW	TA
FEDERAL 24-4	24	200S	210E	4301930900	8208	GW	TA
FED 3-675	10	200S	210E	4301931094	303	GW	S
FEDERAL 10-2	10	200S	210E	4301931210	8207	GW	TA
FEDERAL 14-6	14	200S	210E	4301931421	14803	GW	P
FEDERAL 14-7	14	200S	210E	4301931422	14780	GW	P
FEDERAL 24-6	24	200S	210E	4301931423	14779	GW	S
FEDERAL 23-6	23	200S	210E	4301931424	14848	GW	S
FEDERAL 15-8	15	200S	210E	4301931434	15006	GW	P
FEDERAL 15-7	15	200S	210E	4301931435	14868	GW	S
FEDERAL 14-5	14	200S	210E	4301931436	14805	GW	P
FEDERAL 11-6	11	200S	210E	4301931437	14869	GW	P
FEDERAL 14-8	14	200S	210E	4301931439	14804	GW	P
FEDERAL 22-2	22	200S	210E	4301931440	14847	GW	S
FEDERAL 15-5	15	200S	210E	4301931441	14952	GW	S
FEDERAL 23-5	23	200S	210E	4301931442	15007	GW	P
FEDERAL 24-5	24	200S	210E	4301931443	14960	GW	P
FEDERAL 25-5	25	200S	210E	4301931444	14849	GW	S

Division of Oil, Gas and Mining  
**OPERATOR CHANGE WORKSHEET (for state use only)**

**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:

**8/1/2011**

<b>FROM:</b> (Old Operator): N2650-Elk Production, LLC 1401 17th Street, Suite 700 Denver, CO 80202  Phone: 1 (303) 296-4505	<b>TO:</b> ( New Operator): N3785-SEP - Cisco Dome LLC 1245 Brickyard Rd, Suite 210 Salt Lake City, UT 84106  Phone: 1 (435) 940-9001
---	--

**CA No.**

**Unit:**

**CALF CANYON**

WELL NAME	SEC	TWN	RNG	API NO	ENTITY NO	LEASE TYPE	WELL TYPE	WELL STATUS
SEE ATTACHED LIST - 10 WELLS								

**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: 9/6/2011
- (R649-8-10) Sundry or legal documentation was received from the **NEW** operator on: 9/6/2011
- The new company was checked on the **Department of Commerce, Division of Corporations Database** on: 7/18/2011
- Is the new operator registered in the State of Utah: Business Number: 7934251-0160
- (R649-9-2)Waste Management Plan has been received on: Requested 9/21/2011
- 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 not yet 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")** 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: 9/20/2011
- Changes have been entered on the **Monthly Operator Change Spread Sheet** on: 9/20/2011
- Bond information entered in RBDMS on: 9/6/2011
- Fee/State wells attached to bond in RBDMS on: 9/21/2011
- 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: UTB000465
- Indian well(s) covered by Bond Number: n/a
- (R649-3-1) The **NEW** operator of any state/fee well(s) listed covered by Bond Number
- The **FORMER** operator has requested a release of liability from their bond on: not yet

**LEASE INTEREST OWNER NOTIFICATION:**

- (R649-2-10) The **NEW** 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:**

ELK PRODUCTION, LLC (N2650) to SEP-Cisco Dome, LLC (N3785)  
effective 8/1/2011

well_name	sec	twp	rng	api	entity	well	stat
CALF CANYON 1	03	200S	210E	4301930298	11666	OW	S
FEDERAL 675-1	10	200S	210E	4301930376	11666	OW	S
CALF CANYON 4	11	200S	210E	4301930392	2515	OW	S
CALF CYN 7	03	200S	210E	4301931168	11666	GW	S
FEDERAL 675 4	10	200S	210E	4301931187	11666	OW	P
CALF CANYON 8	03	200S	210E	4301931197	16780	GW	S
FEDERAL 675 5	10	200S	210E	4301931199	11666	OW	S
CALF CANYON FED 10	03	200S	210E	4301931203	11666	OW	S
FEDERAL 675-6	09	200S	210E	4301931208	11666	OW	S
CALF CANYON 11	03	200S	210E	4301931209	15278	GW	S

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

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

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

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

1. Type of Well <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other		5. Lease Serial No. <b>UTU-02139-A</b>
2. Name of Operator <b>SEP - CISCO DOME, LLC</b>		6. If Indian, Allottee or Tribe Name
3a. Address	3b. Phone No. (include area code)	7. If Unit or CA/Agreement, Name and/or No.
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) <b>T20S-R21E Sec 23- NENE</b>		8. Well Name and No. <b>Federal 23-5</b>
		9. API Well No. <b>4301931442</b>
		10. Field and Pool, or Exploratory Area
		11. County or Parish, State <b>Grand County, Utah</b>

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

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

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

**Change of Operator**

**Previous Operator:**  
Elk Production, LLC  
1401 17th Street, Ste 700  
Denver, Colorado 80202  
303-296-4505

**New Operator:**  
SEP - CISCO DOME, LLC  
1245 Brickyard Rd., Ste. 210  
Salk Lake City, Utah 84106  
435-940-9001

Please be advised that SEP-CISCO DOME, LLC is responsible under the terms and conditions of the lease for the operations conducted upon the leased lands. Bond coverage is provided by UTB 000465.

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

David Lillywhite

Title President

Signature



Date 7/28/11

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

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

Title Division of Resources **mas 9/19/11**  
Mcab Field Office  
Office

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

(Instructions on page 2)

cc: UDOEM

Conditions Attached

RECEIVED  
OCT 03 2011  
DIV. OF OIL, GAS & MINING

SEP-Cisco Dome, LLC

Lease UTU02139A

Wells 14-3, 14-4, 14-8, 23-1, 23-2, 23-3, 23-4, 23-5, 23-6, 24-2,  
24-3, 24-4, 24-5, 24-6, 25-3

Sections 14, 23, 24 and 25, T20S, R21E

Grand County, Utah

#### CONDITIONS OF ACCEPTANCE

Acceptance of these applications does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Be advised that SEP-Cisco Dome, LLC is considered to be the operator of the above wells effective September 1, 2011, and is responsible under the terms and conditions of the lease for the operations conducted on the leased lands.

Bond coverage for these wells is provided by UTB000465 (Principal – SEP-Cisco Dome, LLC) as provided for in 43 CFR 3104.2.

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

Effective Date: 9/1/2014

<b>FORMER OPERATOR:</b>	<b>NEW OPERATOR:</b>
SEP CISCO DOME, LLC N3785 10447 SOUTH JORDAN GATEWAY SOUTH JORDAN UT 84095 801-657-5780	ROSE PETROLEUM (UTAH), LLC N4095 383 INVERNESS PARKWAY SUITE 330 ENGLEWOOD CO 80112 720-390-3860
CA Number(s):	Unit(s):

**WELL INFORMATION:**

Well Name	Sec	TWN	RNG	API	Entity	Mineral	Surface	Type	Status
See Attached List									

**OPERATOR CHANGES DOCUMENTATION:**

- Sundry or legal documentation was received from the **FORMER** operator on: 1/26/2015
- Sundry or legal documentation was received from the **NEW** operator on: 1/26/2015
- New operator Division of Corporations Business Number: 9009626-0161

**REVIEW:**

- Surface Agreement Sundry from **NEW** operator on Fee Surface wells received on: N/A
- Receipt of Acceptance of Drilling Procedures for APD/New on: N/A
- Reports current for Production/Disposition & Sundries: 1/23/2015
- OPS/SI/TA well(s) reviewed for full cost bonding: N/A
- UIC5 on all disposal/injection/storage well(s) approved on: N/A
- Surface Facility(s) included in operator change: NONE
- Inspections of PA state/fee well sites complete on (only upon operators request): N/A

**NEW OPERATOR BOND VERIFICATION:**

- Federal well(s) covered by Bond Number: 1001696855
- Indian well(s) covered by Bond Number: N/A
- State/fee well(s) covered by Bond Number(s): N/A

**DATA ENTRY:**

- Well(s) update in the **OGIS** on: 1/27/2015
- Entity Number(s) updated in **OGIS** on: 1/27/2015
- Unit(s) operator number update in **OGIS** on: N/A
- Surface Facilities update in **OGIS** on: N/A
- State/Fee well(s) attached to bond(s) in **RBDMS** on: N/A
- Surface Facilities update in **RBDMS** on: N/A

**LEASE INTEREST OWNER NOTIFICATION:**

- The **NEW** operator of the Fee (Mineral) 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:**

---

SEP Cisco Dome, LLC N3785  
to Rose Petroleum (Utah), LLC N4095  
Effective 9/1/2014

Well Name	Sec	TWN	RNG	API	Entity	Mineral	Surface	Type	Status
UNION GOVT II-1	24	200S	210E	4301915107	680	Federal	State	GW	P
FEDERAL 31-1A	31	200S	220E	4301930308	8204	Federal	Federal	GW	P
FEDERAL 23-1	23	200S	210E	4301930355	11393	Federal	Federal	GW	P
FEDERAL 14-1	14	200S	210E	4301930430	8169	Federal	Federal	GW	P
FEDERAL 11-1	11	200S	210E	4301930485	8142	Federal	Federal	GW	P
FEDERAL 23-2	23	200S	210E	4301930586	8140	Federal	Federal	GW	P
FEDERAL 14-4	14	200S	210E	4301930878	8153	Federal	Federal	GW	P
FEDERAL 11-3	11	200S	210E	4301930884	8144	Federal	Federal	GW	P
FEDERAL 14-6	14	200S	210E	4301931421	14803	Federal	Federal	GW	P
FEDERAL 14-7	14	200S	210E	4301931422	14780	Federal	Federal	GW	P
FEDERAL 15-8	15	200S	210E	4301931434	15006	Federal	Federal	GW	P
FEDERAL 11-6	11	200S	210E	4301931437	14869	Federal	Federal	GW	P
FEDERAL 14-8	14	200S	210E	4301931439	14804	Federal	Federal	GW	P
FEDERAL 22-2	22	200S	210E	4301931440	14847	Federal	Federal	GW	P
FEDERAL 24-5	24	200S	210E	4301931443	14960	Federal	Federal	GW	P
FEDERAL 13-1	13	200S	210E	4301930348	8146	Federal	Federal	GW	S
FEDERAL 25-1	25	200S	210E	4301930359	11394	Federal	State	GW	S
FEDERAL 30-1	30	200S	220E	4301930429	8203	Federal	Federal	GW	S
FEDERAL 24-3	24	200S	210E	4301930432	11395	Federal	Federal	GW	S
FEDERAL 14-2	14	200S	210E	4301930487	8151	Federal	Federal	GW	S
FEDERAL 14-3	14	200S	210E	4301930488	8152	Federal	Federal	GW	S
FEDERAL 24-2	24	200S	210E	4301930530	8159	Federal	Federal	GW	S
FEDERAL 25-3	25	200S	210E	4301930575	8170	Federal	Federal	GW	S
FEDERAL 25-2	25	200S	210E	4301930587	11392	Federal	Federal	OW	S
FEDERAL 23-3	23	200S	210E	4301930588	8157	Federal	Federal	GW	S
FEDERAL 22-1	22	200S	210E	4301930625	8156	Federal	Federal	GW	S
FEDERAL 15-2	15	200S	210E	4301930636	8154	Federal	Federal	GW	S
FEDERAL 15-3	15	200S	210E	4301930637	8155	Federal	Federal	GW	S
FEDERAL 13-2	13	200S	210E	4301930673	8147	Federal	Federal	GW	S
FEDERAL 25-4	25	200S	210E	4301930743	8181	Federal	State	GW	S
FEDERAL 23-4	23	200S	210E	4301930760	8158	Federal	Federal	GW	S
FEDERAL 12-1	12	200S	210E	4301930881	8145	Federal	Federal	GW	S
FEDERAL 11-2	11	200S	210E	4301930882	8143	Federal	Federal	GW	S
FEDERAL 24-1	24	200S	210E	4301931010	11189	Federal	Federal	GW	S
FEDERAL 10-2A	10	200S	210E	4301931400	14043	Federal	Federal	GW	S
FEDERAL 24-6	24	200S	210E	4301931423	14779	Federal	Federal	GW	S
FEDERAL 23-6	23	200S	210E	4301931424	14848	Federal	Federal	GW	S
FEDERAL 15-7	15	200S	210E	4301931435	14868	Federal	Federal	GW	S
FEDERAL 14-5	14	200S	210E	4301931436	14805	Federal	Federal	GW	S
FEDERAL 15-5	15	200S	210E	4301931441	14952	Federal	Federal	GW	S
FEDERAL 23-5	23	200S	210E	4301931442	15007	Federal	Federal	GW	S
FEDERAL 25-5	25	200S	210E	4301931444	14849	Federal	Federal	GW	S
FEDERAL 19-3	19	200S	220E	4301930302	8201	Federal	Federal	GW	TA
FEDERAL 14-1A	14	200S	210E	4301930436	8150	Federal	Federal	GW	TA
FEDERAL 15-1	15	200S	210E	4301930585	11391	Federal	Federal	GW	TA
FEDERAL 13-4	13	200S	210E	4301930885	8149	Federal	Federal	GW	TA
FEDERAL 19-1A	19	200S	220E	4301930896	8201	Federal	Federal	GW	TA
FEDERAL 24-4	24	200S	210E	4301930900	8208	Federal	Federal	GW	TA
FEDERAL 10-2	10	200S	210E	4301931210	8207	Federal	Federal	GW	TA

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

FORM 9

**SUNDRY NOTICES AND REPORTS ON WELLS**

5. LEASE DESIGNATION AND SERIAL NUMBER:

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 depths, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.

8. WELL NAME and NUMBER:  
SEE ATTACHED LIST

9. API NUMBER:  
SEE LIST

10. FIELD AND POOL, OR WILDCAT:  
GREATER CISCO

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

2. NAME OF OPERATOR:  
ROSE PETROLEUM (UTAH) LLC

3. ADDRESS OF OPERATOR:  
383 INVERNESS PARKWAY CITY ENGLEWOOD STATE CO ZIP 80112 PHONE NUMBER: (720) 390-3860

4. LOCATION OF WELL  
FOOTAGES AT SURFACE COUNTY: GRAND  
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN. 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 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"/> 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.

CHANGE OF OPERATOR- Effective as of September 1, 2014

PREVIOUS OPERATOR:

NEW OPERATOR:

SEP - CISCO DOME N3785  
10447 SOUTH JORDAN GATEWAY  
SOUTH JORDAN, UT 84095  
(801) 657-5780

ROSE PETROLEUM (UTAH), LLC DIV. OF OIL, GAS & MINING  
383 INVERNESS PARKWAY, SUITE 330  
ENGLEWOOD, CO 80112  
(720) 390-3860 N4095

Name: ~~Doris D. White~~ Larry R. Williams  
Title: Resident Land Manager & Corporate Counsel

Be advised that Rose Petroleum (Utah), LLC is responsible under the terms and conditions of the related lease for the operations conducted upon the leased lands. Bond coverage is provided by Bond No. 1001696855.

NAME (PLEASE PRINT) John M. Blair TITLE CEO  
SIGNATURE [Signature] DATE 1-23-15

**APPROVED**

JAN 27 2015

DIV. OIL GAS & MINING  
BY: Rachel Medina

**WELLS**

<b>API NUMBER</b>	<b>WELL NAME</b>	<b>LOCATION</b>
43-019-31210-00-00	FEDERAL 10-2	20S-21E, SEC 10:NESW, GRAND CO., UT
43-019-31400-00-00	FEDERAL 10-2A	20S-21E, SEC 10:NWSE, GRAND CO., UT
43-019-30485-00-00	FEDERAL 11-1	20S-21E, SEC 11:NWSW, GRAND CO., UT
43-019-30882-00-00	FEDERAL 11-2	20S-21E, SEC 11:SESE, GRAND CO., UT
43-019-30884-00-00	FEDERAL 11-3	20S-21E, SEC 11:SWSW, GRAND CO., UT
43-019-31437-00-00	FEDERAL 11-6	20S-21E, SEC 11:SESW, GRAND CO., UT
43-019-30881-00-00	FEDERAL 12-1	20S-21E, SEC 12:SWSW, GRAND CO., UT
43-019-30348-00-00	FEDERAL 13-1	20S-21E, SEC 13:SWSW, GRAND CO., UT
43-019-30673-00-00	FEDERAL 13-2	20S-21E, SEC 13:SESW, GRAND CO., UT
43-019-30885-00-00	FEDERAL 13-4	20S-21E, SEC 13:NWSE, GRAND CO., UT
43-019-30430-00-00	FEDERAL 14-1	20S-21E, SEC 14:NWNW, GRAND CO., UT
43-019-30436-00-00	FEDERAL 14-1A	20S-21E, SEC 14:NWNW, GRAND CO., UT
43-019-30487-00-00	FEDERAL 14-2	20S-21E, SEC 14:NENE, GRAND CO., UT
43-019-30488-00-00	FEDERAL 14-3	20S-21E, SEC 14:NESE, GRAND CO., UT
43-019-30878-00-00	FEDERAL 14-4	20S-21E, SEC 14:SWSW, GRAND CO., UT
43-019-31436-00-00	FEDERAL 14-5	20S-21E, SEC 14:NENW, GRAND CO., UT
43-019-31421-00-00	FEDERAL 14-6	20S-21E, SEC 14:SWNW, GRAND CO., UT
43-019-31422-00-00	FEDERAL 14-7	20S-21E, SEC 14:SWNE, GRAND CO., UT
43-019-31439-00-00	FEDERAL 14-8	20S-21E, SEC 14:SWSE, GRAND CO., UT
43-019-30585-00-00	FEDERAL 15-1	20S-21E, SEC 15:NESE, GRAND CO., UT
43-019-30636-00-00	FEDERAL 15-2	20S-21E, SEC 15:NWNW, GRAND CO., UT
43-019-30637-00-00	FEDERAL 15-3	20S-21E, SEC 15:NENE, GRAND CO., UT
43-019-31441-00-00	FEDERAL 15-5	20S-21E, SEC 15:NWSE, GRAND CO., UT
43-019-31435-00-00	FEDERAL 15-7	20S-21E, SEC 15:SESW, GRAND CO., UT
43-019-31434-00-00	FEDERAL 15-8	20S-21E, SEC 15:SWSE, GRAND CO., UT
43-019-30898-00-00	FEDERAL 19-1A	20S-21E, SEC 19:SWNW, GRAND CO., UT
43-019-30302-00-00	FEDERAL 19-3	20S-21E, SEC 19:SWSW, GRAND CO., UT
43-019-30625-00-00	FEDERAL 22-1	20S-21E, SEC 22:SENE, GRAND CO., UT

**WELLS**

<b>API NUMBER</b>	<b>WELL NAME</b>	<b>LOCATION</b>
43-019-31440-00-00	FEDERAL 22-2	20S-21E, SEC 22:NWNE, GRAND CO., UT
43-019-30355-00-00	FEDERAL 23-1	20S-21E, SEC 23:SWNE, GRAND CO., UT
43-019-30588-00-00	FEDERAL 23-2	20S-21E, SEC 23:NWNW, GRAND CO., UT
43-019-30588-00-00	FEDERAL 23-3	20S-21E, SEC 23:SESW, GRAND CO., UT
43-019-30760-00-00	FEDERAL 23-4	20S-21E, SEC 23:NWSE, GRAND CO., UT
43-019-31442-00-00	FEDERAL 23-5	20S-21E, SEC 23:NENE, GRAND CO., UT
43-019-31424-00-00	FEDERAL 23-6	20S-21E, SEC 23:SESW, GRAND CO., UT
43-019-31010-00-00	FEDERAL 24-1	20S-21E, SEC 24:SWSW, GRAND CO., UT
43-019-30530-00-00	FEDERAL 24-2	20S-21E, SEC 24:NWNW, GRAND CO., UT
43-019-30432-00-00	FEDERAL 24-3	20S-21E, SEC 24:SWSE, GRAND CO., UT
43-019-30900-00-00	FEDERAL 24-4	20S-21E, SEC 24:NWNE, GRAND CO., UT
43-019-31443-00-00	FEDERAL 24-5	20S-21E, SEC 24:SWNW, GRAND CO., UT
43-019-31423-00-00	FEDERAL 24-6	20S-21E, SEC 24:NWSE, GRAND CO., UT
43-019-30359-00-00	FEDERAL 25-1	20S-21E, SEC 25:SWNE, GRAND CO., UT
43-019-30587-00-00	FEDERAL 25-2	20S-21E, SEC 25:SWSW, GRAND CO., UT
43-019-30575-00-00	FEDERAL 25-3	20S-21E, SEC 25:SESE, GRAND CO., UT
43-019-30743-00-00	FEDERAL 25-4	20S-21E, SEC 25:NENW, GRAND CO., UT
43-019-31444-00-00	FEDERAL 25-5	20S-21E, SEC 25:SESW, GRAND CO., UT
43-019-30429-00-00	FEDERAL 30-1	20S-22E, SEC 30:SWNW, GRAND CO., UT
43-019-30308-00-00	FEDERAL 31-1A	20S-22E, SEC 31:NENW, GRAND CO., UT
43-019-15107-00-00	UNION GOVT II-1	20S-21E, SEC 24:NWSW, GRAND CO., UT

Division of Oil, Gas and Mining  
 Operator Change/Name Change Worksheet-for State use only

Effective Date: 7/1/2016

<b>FORMER OPERATOR:</b> Rose Petroleum (Utah), LLC N4095 383 Inverness Parkway, Suite 330 Englewood, CO 80112	<b>NEW OPERATOR:</b> Rockies Standard Oil Company, LLC N3735 1411 East 840 North Orem, UT 84097
<b>CA Number(s):</b>	<b>Unit(s):</b> Gunnison Valley

**WELL INFORMATION:**

Well Name	Sec	TWN	RNG	API	Entity	Mineral	Surface	Type	Status
See Attached List									

**OPERATOR CHANGES DOCUMENTATION:**

1. Sundry or legal documentation was received from the **FORMER** operator on: 7/27/2016
2. Sundry or legal documentation was received from the **NEW** operator on: 7/27/2016
3. New operator Division of Corporations Business Number: 7698560-0161

**REVIEW:**

1. Surface Agreement Sundry from **NEW** operator on Fee Surface wells received on: N/A
2. Receipt of Acceptance of Drilling Procedures for APD on: N/A
3. Reports current for Production/Disposition & Sundries: 9/14/2016
4. OPS/SI/TA well(s) reviewed for full cost bonding: 8/24/2016
5. UIC5 on all disposal/injection/storage well(s) approved on: N/A
6. Surface Facility(s) included in operator change: N/A
7. Inspections of PA state/fee well sites complete on (only upon operators request): N/A

**NEW OPERATOR BOND VERIFICATION:**

1. Federal well(s) covered by Bond Number: 1001696855
2. Indian well(s) covered by Bond Number: 1001696855
3. State/fee well(s) covered by Bond Number(s): 1001696885a,b,c,d,e

**DATA ENTRY:**

1. Well(s) update in the **OGIS** on: 9/14/2016
2. Entity Number(s) updated in **OGIS** on: 9/14/2016
3. Unit(s) operator number update in **OGIS** on: 9/14/2016
4. Surface Facilities update in **OGIS** on: N/A
5. State/Fee well(s) attached to bond(s) in **RBDMS** on: 9/14/2016
6. Surface Facilities update in **RBDMS** on: N/A

**COMMENTS:**

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From Rose Petroleum (Utah), LLC  
 To Rockies Standard Oil Company, LLC  
 Effective July 1, 2016

Well Name	Sec	TWN	RNG	API Number	Entity	Mineral	Surface	Type	Status	Unit
THUNDERBIRD 1	32	200S	240E	4301930058	10339	State	State	OW	P	
CPSKY PHLPS FEE 8-1	8	200S	240E	4301915100	2800	Fee	Fee	GW	S	
UNION GOVT II-1	24	200S	210E	4301915107	680	Federal	State	GW	S	
FEDERAL 19-3	19	200S	220E	4301930302	8201	Federal	Federal	GW	S	
FEDERAL 31-1A	31	200S	220E	4301930308	8204	Federal	Federal	GW	S	
STATE 32-1	32	200S	220E	4301930347	8206	State	State	GW	S	
FEDERAL 13-1	13	200S	210E	4301930348	8146	Federal	Federal	GW	S	
FEDERAL 23-1	23	200S	210E	4301930355	11393	Federal	Federal	GW	S	
FEDERAL 25-1	25	200S	210E	4301930359	11394	Federal	State	GW	S	
FEDERAL 30-1	30	200S	220E	4301930429	8203	Federal	Federal	GW	S	
FEDERAL 14-1	14	200S	210E	4301930430	8169	Federal	Federal	GW	S	
FEDERAL 24-3	24	200S	210E	4301930432	11395	Federal	Federal	GW	S	
FEDERAL 14-1A	14	200S	210E	4301930436	8150	Federal	Federal	GW	S	
FEDERAL 11-1	11	200S	210E	4301930485	8142	Federal	Federal	GW	S	
FEDERAL 14-2	14	200S	210E	4301930487	8151	Federal	Federal	GW	S	
FEDERAL 14-3	14	200S	210E	4301930488	8152	Federal	Federal	GW	S	
FEDERAL 24-2	24	200S	210E	4301930530	8159	Federal	Federal	GW	S	
FEDERAL 25-3	25	200S	210E	4301930575	8170	Federal	Federal	GW	S	
FEDERAL 15-1	15	200S	210E	4301930585	11391	Federal	Federal	GW	S	
FEDERAL 23-2	23	200S	210E	4301930586	8140	Federal	Federal	GW	S	
FEDERAL 25-2	25	200S	210E	4301930587	11392	Federal	Federal	OW	S	
FEDERAL 23-3	23	200S	210E	4301930588	8157	Federal	Federal	GW	S	
FEDERAL 22-1	22	200S	210E	4301930625	8156	Federal	Federal	GW	S	
FEDERAL 15-2	15	200S	210E	4301930636	8154	Federal	Federal	GW	S	
FEDERAL 15-3	15	200S	210E	4301930637	8155	Federal	Federal	GW	S	
FEDERAL 13-2	13	200S	210E	4301930673	8147	Federal	Federal	GW	S	
FEDERAL 25-4	25	200S	210E	4301930743	8181	Federal	State	GW	S	
FEDERAL 23-4	23	200S	210E	4301930760	8158	Federal	Federal	GW	S	
FEDERAL 14-4	14	200S	210E	4301930878	8153	Federal	Federal	GW	S	
FEDERAL 12-1	12	200S	210E	4301930881	8145	Federal	Federal	GW	S	
FEDERAL 11-2	11	200S	210E	4301930882	8143	Federal	Federal	GW	S	
FEDERAL 11-3	11	200S	210E	4301930884	8144	Federal	Federal	GW	S	
FEDERAL 13-4	13	200S	210E	4301930885	8149	Federal	Federal	GW	S	
FEDERAL 19-1A	19	200S	220E	4301930896	8201	Federal	Federal	GW	S	
FEDERAL 24-4	24	200S	210E	4301930900	8208	Federal	Federal	GW	S	
FEDERAL 24-1	24	200S	210E	4301931010	11189	Federal	Federal	GW	S	
FEDERAL 10-2	10	200S	210E	4301931210	8207	Federal	Federal	GW	S	
FEDERAL 10-2A	10	200S	210E	4301931400	14043	Federal	Federal	GW	S	
FEDERAL 14-6	14	200S	210E	4301931421	14803	Federal	Federal	GW	S	
FEDERAL 14-7	14	200S	210E	4301931422	14780	Federal	Federal	GW	S	
FEDERAL 24-6	24	200S	210E	4301931423	14779	Federal	Federal	GW	S	
FEDERAL 23-6	23	200S	210E	4301931424	14848	Federal	Federal	GW	S	
FEDERAL 15-8	15	200S	210E	4301931434	15006	Federal	Federal	GW	S	
FEDERAL 15-7	15	200S	210E	4301931435	14868	Federal	Federal	GW	S	
FEDERAL 14-5	14	200S	210E	4301931436	14805	Federal	Federal	GW	S	
FEDERAL 11-6	11	200S	210E	4301931437	14869	Federal	Federal	GW	S	
FEDERAL 14-8	14	200S	210E	4301931439	14804	Federal	Federal	GW	S	
FEDERAL 22-2	22	200S	210E	4301931440	14847	Federal	Federal	GW	S	
FEDERAL 15-5	15	200S	210E	4301931441	14952	Federal	Federal	GW	S	
FEDERAL 23-5	23	200S	210E	4301931442	15007	Federal	Federal	GW	S	
FEDERAL 24-5	24	200S	210E	4301931443	14960	Federal	Federal	GW	S	
FEDERAL 25-5	25	200S	210E	4301931444	14849	Federal	Federal	GW	S	
STATE 16-42	16	220S	170E	4301931605	17278	State	State	GW	S	GUNNISON VALLEY
State 1-34	34	210S	230E	4301950067	19876	State	State	OW	S	

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

FORM 9

<b>SUNDRY NOTICES AND REPORTS ON WELLS</b>		5. LEASE DESIGNATION AND SERIAL NUMBER: <b>SEE ATTACHED LIST</b>
Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.		6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
		7. UNIT or CA AGREEMENT NAME:
1. TYPE OF WELL OIL WELL <input checked="" type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER _____	8. WELL NAME and NUMBER: <b>SEE ATTACHED LIST</b>	
2. NAME OF OPERATOR: <b>Rockies Standard Oil Company, LLC</b>		9. API NUMBER: <b>SEE LIST</b>
3. ADDRESS OF OPERATOR: 1411 E 840 N CITY Orem STATE UT ZIP 84097	PHONE NUMBER: <b>(801) 224-4771</b>	10. FIELD AND POOL, OR WILDCAT: <b>Greater Cisco</b>
4. LOCATION OF WELL FOOTAGES AT SURFACE: <b>SEE ATTACHED LIST</b>		COUNTY: <b>Grand County</b>
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN:		STATE: <b>UTAH</b>

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA			
TYPE OF SUBMISSION	TYPE OF ACTION		
<input type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: _____	<input 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 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 checked="" 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.

**CHANGE OF OPERATOR**

PREVIOUS OPERATOR:  
Rose Petroleum (Utah), LLC  
383 Inverness Parkway, Ste 330  
Englewood, CO 80112  
(303) 814-0388

*Jy Wilson*

NEW OPERATOR:  
Rockies Standard Oil Company, LLC  
1411 East 840 North  
Orem, UT 84097  
(801) 224-4771

Be advised that Rockies Standard Oil Company, LLC is responsible under the terms and conditions of the related leases for the operations conducted upon the leased lands. Bond coverage is covered by Bond No. 1001696855.A

NAME (PLEASE PRINT) <u>Kimball Hodges</u>	TITLE <u>Manager</u>
SIGNATURE	DATE <u>7/20/16</u>

(This space for State use only)

**APPROVED**

RECEIVED

JUL 27 2016

SEP 14 2016

(See Instructions on Reverse Side)

DIV. OIL GAS & MINING  
BY: Rachel Medina

DIV. OF OIL, GAS & MINING

**WELLS**

<b>API NUMBER</b>	<b>WELL NAME</b>	<b>LOCATION</b>
43-019-31210-00-00	FEDERAL 10-2	20S-21E, SEC 10:NESW, GRAND CO., UT
43-019-31400-00-00	FEDERAL 10-2A	20S-21E, SEC 10:NWSE, GRAND CO., UT
43-019-30485-00-00	FEDERAL 11-1	20S-21E, SEC 11:NWSW, GRAND CO., UT
43-019-30882-00-00	FEDERAL 11-2	20S-21E, SEC 11:SESE, GRAND CO., UT
43-019-30884-00-00	FEDERAL 11-3	20S-21E, SEC 11:SWSW, GRAND CO., UT
43-019-31437-00-00	FEDERAL 11-6	20S-21E, SEC 11:SESW, GRAND CO., UT
43-019-30881-00-00	FEDERAL 12-1	20S-21E, SEC 12:SWSW, GRAND CO., UT
43-019-30348-00-00	FEDERAL 13-1	20S-21E, SEC 13:SWSW, GRAND CO., UT
43-019-30673-00-00	FEDERAL 13-2	20S-21E, SEC 13:SESW, GRAND CO., UT
43-019-30885-00-00	FEDERAL 13-4	20S-21E, SEC 13:NWSE, GRAND CO., UT
43-019-30430-00-00	FEDERAL 14-1	20S-21E, SEC 14:NWNW, GRAND CO., UT
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43-019-30488-00-00	FEDERAL 14-3	20S-21E, SEC 14:NESE, GRAND CO., UT
43-019-30878-00-00	FEDERAL 14-4	20S-21E, SEC 14:SWSW, GRAND CO., UT
43-019-31436-00-00	FEDERAL 14-5	20S-21E, SEC 14:NENW, GRAND CO., UT
43-019-31421-00-00	FEDERAL 14-6	20S-21E, SEC 14:SWNW, GRAND CO., UT
43-019-31422-00-00	FEDERAL 14-7	20S-21E, SEC 14:SWNE, GRAND CO., UT
43-019-31439-00-00	FEDERAL 14-8	20S-21E, SEC 14:SWSE, GRAND CO., UT
43-019-30585-00-00	FEDERAL 15-1	20S-21E, SEC 15:NESE, GRAND CO., UT
43-019-30636-00-00	FEDERAL 15-2	20S-21E, SEC 15:NWNW, GRAND CO., UT
43-019-30637-00-00	FEDERAL 15-3	20S-21E, SEC 15:NENE, GRAND CO., UT
43-019-31441-00-00	FEDERAL 15-5	20S-21E, SEC 15:NWSE, GRAND CO., UT
43-019-31435-00-00	FEDERAL 15-7	20S-21E, SEC 15:SESW, GRAND CO., UT
43-019-31434-00-00	FEDERAL 15-8	20S-21E, SEC 15:SWSE, GRAND CO., UT
43-019-30896-00-00	FEDERAL 19-1A	20S-21E, SEC 19:SWNW, GRAND CO., UT
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43-019-30625-00-00	FEDERAL 22-1	20S-21E, SEC 22:SENE, GRAND CO., UT

**WELLS**

<b>API NUMBER</b>	<b>WELL NAME</b>	<b>LOCATION</b>
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43-019-30588-00-00	FEDERAL 23-3	20S-21E, SEC 23:SESW, GRAND CO., UT
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43-019-31424-00-00	FEDERAL 23-6	20S-21E, SEC 23:SESW, GRAND CO., UT
43-019-31010-00-00	FEDERAL 24-1	20S-21E, SEC 24:SWSW, GRAND CO., UT
43-019-30530-00-00	FEDERAL 24-2	20S-21E, SEC 24:NWNW, GRAND CO., UT
43-019-30432-00-00	FEDERAL 24-3	20S-21E, SEC 24:SWSE, GRAND CO., UT
43-019-30900-00-00	FEDERAL 24-4	20S-21E, SEC 24:NWNE, GRAND CO., UT
43-019-31443-00-00	FEDERAL 24-5	20S-21E, SEC 24:SWNW, GRAND CO., UT
43-019-31423-00-00	FEDERAL 24-6	20S-21E, SEC 24:NWSE, GRAND CO., UT
43-019-30359-00-00	FEDERAL 25-1	20S-21E, SEC 25:SWNE, GRAND CO., UT
43-019-30587-00-00	FEDERAL 25-2	20S-21E, SEC 25:SWSW, GRAND CO., UT
43-019-30575-00-00	FEDERAL 25-3	20S-21E, SEC 25:SESE, GRAND CO., UT
43-019-30743-00-00	FEDERAL 25-4	20S-21E, SEC 25:NENW, GRAND CO., UT
43-019-31444-00-00	FEDERAL 25-5	20S-21E, SEC 25:SESW, GRAND CO., UT
43-019-30429-00-00	FEDERAL 30-1	20S-22E, SEC 30:SWNW, GRAND CO., UT
43-019-30308-00-00	FEDERAL 31-1A	20S-22E, SEC 31:NENW, GRAND CO., UT
43-019-15107-00-00	UNION GOVT II-1	20S-21E, SEC 24:NWSW, GRAND CO., UT

**WELLS**

<b>API NUMBER</b>	<b>WELL NAME</b>	<b>LOCATION</b>
43-019-15100-00-00	CPSKY PHLPS FEE 8-1	20S-24E, SEC 08:NWNW, GRAND CO., UT
43-019-30347-00-00	STATE 32-1	20S-22E, SEC 32:SEW, GRAND CO., UT
43-019-30058-00-00	THUNDERBIRD 1	20S-24E, SEC 32:NWNW, GRAND CO., UT

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

FORM 9

<b>SUNDRY NOTICES AND REPORTS ON WELLS</b>		5. LEASE DESIGNATION AND SERIAL NUMBER: <b>ML 48144</b>
Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.		6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
1. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER _____		7. UNIT or CA AGREEMENT NAME: <b>Gunnison Valley Unit</b>
2. NAME OF OPERATOR: <b>Rockies Standard Oil Company, LLC</b>		8. WELL NAME and NUMBER: <b>State 16-42</b>
3. ADDRESS OF OPERATOR: 1411 E 840 N <small>CITY</small> <b>Orem</b> <small>STATE</small> <b>UT</b> <small>ZIP</small> <b>84097</b>	PHONE NUMBER: <b>(801) 224-4771</b>	9. API NUMBER: <b>4301931605</b>
4. LOCATION OF WELL FOOTAGES AT SURFACE: <b>2108' FNL, 0559' FEL</b>		10. FIELD AND POOL, OR WILDCAT: <b>Wildcat</b>
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: <b>SENE 16 22S 17E S</b>		COUNTY: <b>Grand County</b>
		STATE: <b>UTAH</b>

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

TYPE OF SUBMISSION	TYPE OF ACTION		
<input type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: _____	<input 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 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 checked="" 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.  
**CHANGE OF OPERATOR**

PREVIOUS OPERATOR:  
Rose Petroleum (Utah), LLC  
383 Inverness Parkway, Ste 330  
Englewood, CO 80112  
(303) 814-0388  
*[Signature]*

NEW OPERATOR:  
Rockies Standard Oil Company, LLC  
1411 East 840 North  
Orem, UT 84097  
(801) 224-4771

Be advised that Rockies Standard Oil Company, LLC is responsible under the terms and conditions of the related lease for the operations conducted upon the leased lands. Bond coverage is covered by Bond No. 1001696855.A

NAME (PLEASE PRINT) <u>Kimball Hodges</u>	TITLE <u>Manager</u>
SIGNATURE <i>[Signature]</i>	DATE <u>7/20/16</u>

(This space for State use only)

**APPROVED**

**SEP 14 2016**

DIV OIL GAS & MINING  
*[Signature]*  
(See Instructions on Reverse Side)

**RECEIVED**

**JUL 27 2016**

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

FORM 9

<b>SUNDRY NOTICES AND REPORTS ON WELLS</b>			5. LEASE DESIGNATION AND SERIAL NUMBER: <b>ML 49496</b>
Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.			6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
1. TYPE OF WELL OIL WELL <input checked="" type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER _____			7. UNIT or CA AGREEMENT NAME:
2. NAME OF OPERATOR: <b>Rockies Standard Oil Company, LLC</b>			8. WELL NAME and NUMBER: <b>State 1-34</b>
3. ADDRESS OF OPERATOR: 1411 E 840 N CITY <b>Orem</b> STATE <b>UT</b> ZIP <b>84097</b>		PHONE NUMBER: <b>(801) 224-4771</b>	9. API NUMBER: <b>4301950067</b>
4. LOCATION OF WELL FOOTAGES AT SURFACE: <b>0521' FNL, 0712' FEL</b> COUNTY: <b>Grand County</b> QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: <b>NENE 34 21S 23E S</b> STATE: <b>UTAH</b>			10. FIELD AND POOL, OR WILDCAT: <b>Greater Cisco</b>

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA			
TYPE OF SUBMISSION	TYPE OF ACTION		
<input type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: _____	<input 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 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 checked="" 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.

**CHANGE OF OPERATOR**

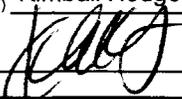
PREVIOUS OPERATOR:  
Rose Petroleum (Utah), LLC  
383 Inverness Parkway, Ste 330  
Englewood, CO 80112  
(303) 814-0388



NEW OPERATOR:  
Rockies Standard Oil Company, LLC  
1411 East 840 North  
Orem, UT 84097  
(801) 224-4771



Be advised that Rockies Standard Oil Company, LLC is responsible under the terms and conditions of the related lease for the operations conducted upon the leased lands. Bond coverage is covered by Bond No. 1001696855.A

NAME (PLEASE PRINT) <u>Kimball Hodges</u>	TITLE <u>Manager</u>
SIGNATURE 	DATE <u>7/20/16</u>

(This space for State use only)

**APPROVED**

**SEP 14 2016**

(See Instructions on Reverse Side)

DIV OIL GAS & MINING  
BY: *Derek Medina*

RECEIVED  
JUL 27 2016

DIV. OF OIL, GAS & MINING

## ASSIGNMENT AND BILL OF SALE OF BONDS

THIS ASSIGNMENT AND BILL OF SALE (this "Assignment") executed by **ROSE PETROLEUM (UTAH) LLC**, a Delaware limited liability company (hereinafter called "Assignor"), with an office at 383 Inverness Parkway, Suite 330, Englewood, CO 80112, to **ROCKIES STANDARD OIL COMPANY, LLC**, a Delaware limited liability company (hereinafter called "Assignee"), with an office at 1411 East 840 North, Orem, Utah, 84097, dated effective April 1, 2016 (said day being hereinafter called the "Effective Time").

All capitalized terms not defined herein shall have the meanings ascribed to them in that certain Purchase and Sale Agreement dated March 13, 2014, executed by and between Assignor and Assignee and/or that certain Side Agreement to Purchase and Sale Agreement between Assignor and Assignee dated effective April 1, 2016.

### **ARTICLE I** **Assignment of Bonds**

Assignor, for Ten and No/100 Dollars (\$10.00) and other good and valuable consideration in hand paid by Assignee, the receipt and sufficiency of which consideration are hereby acknowledged and confessed, by these presents does hereby ASSIGN, TRANSFER, SET OVER, RELEASE and DELIVER unto Assignee ALL (100.0%) of Assignor's right, title, and interest in and to the following described bonds and/or bonding instruments:

- (a) State of Utah School and Institutional Trust Lands Administration Bond # 5605 in the amount of \$15,000.00;
- (b) Utah Division of Oil Gas and Mining statewide blanket bond #1001696855 in the amount of \$120,000.00; and
- (c) United States Department of the Interior Bureau of Land Management bond #UTB000645 in the amount of \$280,000.00;

as well as, without limitation, any and all proceeds and/or refunds of the same. All of the bonds and/or bonding instruments (a) through (c) above are hereinafter collectively called the "Bonds".

TO HAVE AND TO HOLD the Bonds unto Assignee, its respective successors and assigns forever, subject, however, to the matters set forth herein. The Bonds are assigned by Assignor and accepted by Assignee expressly subject to the terms and conditions of that Side Agreement to Purchase and Sale Agreement dated effective April 1, 2016 executed by and between Assignor and Assignee.

**ARTICLE III**  
**Miscellaneous**

Section 3.1 Further Assurances. Assignor covenants and agrees to execute and deliver to Assignee all such other and additional instruments and other documents and will do all such other acts and things as may be necessary more fully to assure to Assignee or its successors or assigns, all of the respective rights and interests herein and hereby assigned or intended to be assigned, including without limitation, executing separate assignments of individual bonds or bonding instruments, which are included in the Bonds and which are necessary to facilitate the recognition of Assignee's ownership of the Bonds.

Section 3.2 Successors and Assigns. All of the provisions hereof shall inure to the benefit of and be binding upon the respective successors and assigns of Assignor and Assignee. All references herein to either Assignor or Assignee shall include their respective successors and assigns.

Section 3.3 Counterparts. This Assignment is being executed in several original counterparts, no fewer than four (4), all of which are identical, and each such counterpart hereof shall be deemed to be an original instrument, but all such counterparts shall constitute but one and the same assignment.

IN WITNESS WHEREOF, the parties hereto have caused this Assignment to be executed on the dates of their respective acknowledgments set forth below, to be effective, however, as of the Effective Time.

**Assignor**

ROSE Petroleum (UTAH) LLC

By: \_\_\_\_\_

Ty Watson, its President

**Assignee**

ROCKIES STANDARD OIL COMPANY, LLC

By: \_\_\_\_\_

Name: KIMBAU HODGES

Title: Manager of Petro Fuego, LLC; Petro Fuego, LLC as Manager of Rockies Standard Oil Company, LLC.



Rachel Medina &lt;rachelmedina@utah.gov&gt;

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**Bonding**

1 message

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**Rachel Medina** <rachelmedina@utah.gov>  
To: Kimball Hodges <khodges@rockiesstandard.com>

Wed, Aug 24, 2016 at 3:37 PM

Hi Kimball,

We will be able to move forward with moving the statewide blanket bond from Rose to individual bonds with Rockies. Below is the break down of what Dustin is going to require for each well.

CPSKY PHLPS FEE 8-1 \$15,000

Thunderbird 1 \$1,500

State 32-1 \$15,000.00

State 16-42 \$30,000

State 1-34 \$30,000.00-Once you have final inspection on this well you can submit a letter requesting a bond release on the funds.

Bring a total of \$91,500.00. What I need from Rockies now is a Form 4B.2 on each well. The bond number is going to be the check number (1001696885), then if you could add an alpha character to the end (e.g 1001696885a, 1001696885b) this help to keep the records clear in our system.

Rockies currently has two cash bonds with the Division, but as a precaution if you could also submit a current IRS W-9 form for the bank that holds our bonds that would be greatly appreciated.

Also, to have a clear account, if you would submit a letter with the above forms stating that you're using the blanket bond as individual bond. Follow that up with a request to release the remaining \$28,500 that per the submitted agreement needs to be sent to Rockies Standard and the address we should mail the check to.

To answer Brad's question the two years audited financials would need to be reviewed by an independent certified public accountant.

If you have any question please let me know. In regards to this matter...because I am handling multiple task that take me away from my desk recently, if you try to call or email me and I'm not available you may call my cell phone [REDACTED]

Thanks!

—  
Rachel Medina  
Division of Oil, Gas & Mining  
Bonding Technician  
801-538-5260



1411 East 840 North, Orem, Utah 84097

RECEIVED  
AUG 31 2016  
DIV. OF OIL, GAS & MINING

August 30, 2016

To: Utah Department of Oil, Gas, and Mining – Department of Natural Resources  
ATTN: Rachel Medina  
1594 W North Temple, Suite 1210  
Salt Lake City, UT 84116

**RE: Moving Rose Blanket Bond to Rockies Individual Bonds 1001696885a, 1001696885b, 1001696885c, 1001696885d, and 1001696885e and Releasing Balance to Rockies**

Enclosed is a completed Form 4B.2 for each of five wells recently acquired from Rose Petroleum (Utah), LLC (“Rose”) for which Rockies Standard Oil Company, LLC (“RSOC”) will assume operations. Rose assigned its blanket DOGM bond (1001696855) to Rockies, but Rockies requests that Rose’s statewide bond instead be used to bond these wells on an individual basis rather than blanket.

Rockies further requests that the balance of the Rose blanket bond (such balance in the amount of \$28,500.00) be released to Rockies at:

Rockies Standard Oil Company, LLC  
Attn: Operations  
1411 East 840 North  
Orem, UT 84097

Your help and prompt attention to this matter is greatly appreciated.

Sincerely,

Kimball Hodges  
Manager of PetroFuego, LLC  
Manager for Rockies Standard Oil Company, LLC