INTREPID

The Intrepid Companies
700 17th Street, Suite 1700
Denver, CO 80202
303.296.3006
303.298.7502 fax

November 9, 2004

Bureau of Land Management
Moab Field Office
82 E. Dogwood
Moab, UT 84532

Attn: Minerals

Re: Cane Creek Unit
T26S, R19 & 20E
Grand County, UT

Gentlemen:

This letter is to inform you that Permitco Inc. is authorized to act as Agent and to sign documents on behalf of Intrepid Oil & Gas when necessary for filing county, state and federal permits including Onshore Order No. 1, Right of Way applications, etc., for the above mentioned well.

It should be understood that Permitco is acting as Agent only in those matters stated above and is not responsible for drilling, completion, production or compliance with regulations.

Intrepid Oil & Gas agrees to accept full responsibility for operations conducted in order to drill, complete and produce the above mentioned well.

Sincerely,

Richard Miller
Special Projects Manager

CORNERS
ARCHAEOLOGICAL SERVICES

P.O. Box 418
Moab, UT 84532
(435) 259-2777

Ms. Donna Turnipseed, Area Archaeologist
Bureau of Land Management
Moab Field Office
P.O. Box 970
Moab, Utah 84532

January 4, 2005

Dear Donna:

Please find enclosed two copies of our archaeological report for Intrepid Oil & Gas Company's proposed Cane Creek #1-1 well pad, Cane Creek #8-1 & #24-1 well pads and access routes. The project is located near Big Flat and Little Valley in Grand County, Utah, approximately twenty miles northwest of the town of Moab. A total of 64.7 acres were inventoried for cultural resources on lands administered by the Utah Bureau of Land Management's - Moab Field Office.

Two archaeological sites (42GR3540 & 42GR3541) were found in the project area. Site 442GR3540 was found near the abandoned Cane Creek #8-1 alternate well location and site 42GR3541 was identified along the access route leading into the proposed #8-1 well location. Because of the potential for significant subsurface cultural deposits, site 42GR3540 is considered eligible to the National Register of Historic Places. Therefore, the alternate location has been subsequently abandoned. Site 42GR3541 is bisected by a bladed road that will be used to access the proposed #8-1 well location. The site is considered a surface manifestation and is not considered eligible to the N.R.H.P. No other cultural resources were identified in the project area. Because the sites should not be affected by project activities, no further management recommendations are necessary.

Also please find enclosed two copies of the Utah State IMAC forms for the newly recorded sites.

Sincerely,

Carol S. DeFrancia
Principal Investigator

CSD/distribution:.
Mr. Richard Miller, Intrepid Oil & Gas LCC., Denver
Ms. Libby Einhorn, Pure Resources, Midland

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Ms. Donna Turnipseed, Area Archaeologist
Bureau of Land Management
Moab Field Office
P.O. Box 970
Moab, Utah 84532

February 18, 2005

Dear Donna:

The following is an **addendum report for Intrepid Oil & Gas Company's proposed Cane Creek #1-1 road access in Grand County, Utah. (4-CAS #2429a).** The additional cultural inventory for the project was conducted to provide an alternative access route into the proposed Cane Creek #1-1 well location: T26S, R19E; section 1, Grand County, Utah, which are located on lands administered by the Bureau of Land Management's Monticello Field Office. The proposed access route follows in it's entirety an existing bladed trail.

Approximately 3100' of the proposed access route (7.1 acres) were inventoried for cultural resources on lands administered by the Utah Bureau of Land Management's - Moab Field Office (map attachment).

Proposed CC#1-1 access route:

UTM Coordinates*		Easting	Northing
(*all in zone 12)	N side	606240m	4270040m (county road junction)
	bend	606360m	4269860m
	bend	606240m	4269600m
	bend	606260m	4269560m
	bend	606340m	4269480m
	bend	606500m	4269440m
	bend	606540m	4269440m
	S end	606550m	4269460m (well tie)

Project Area:	3100' length, maximum 16' wide (1.1 acres)
Surveyed Area:	3100' x 100' (7.1 acres)
Results:	No cultural resources found

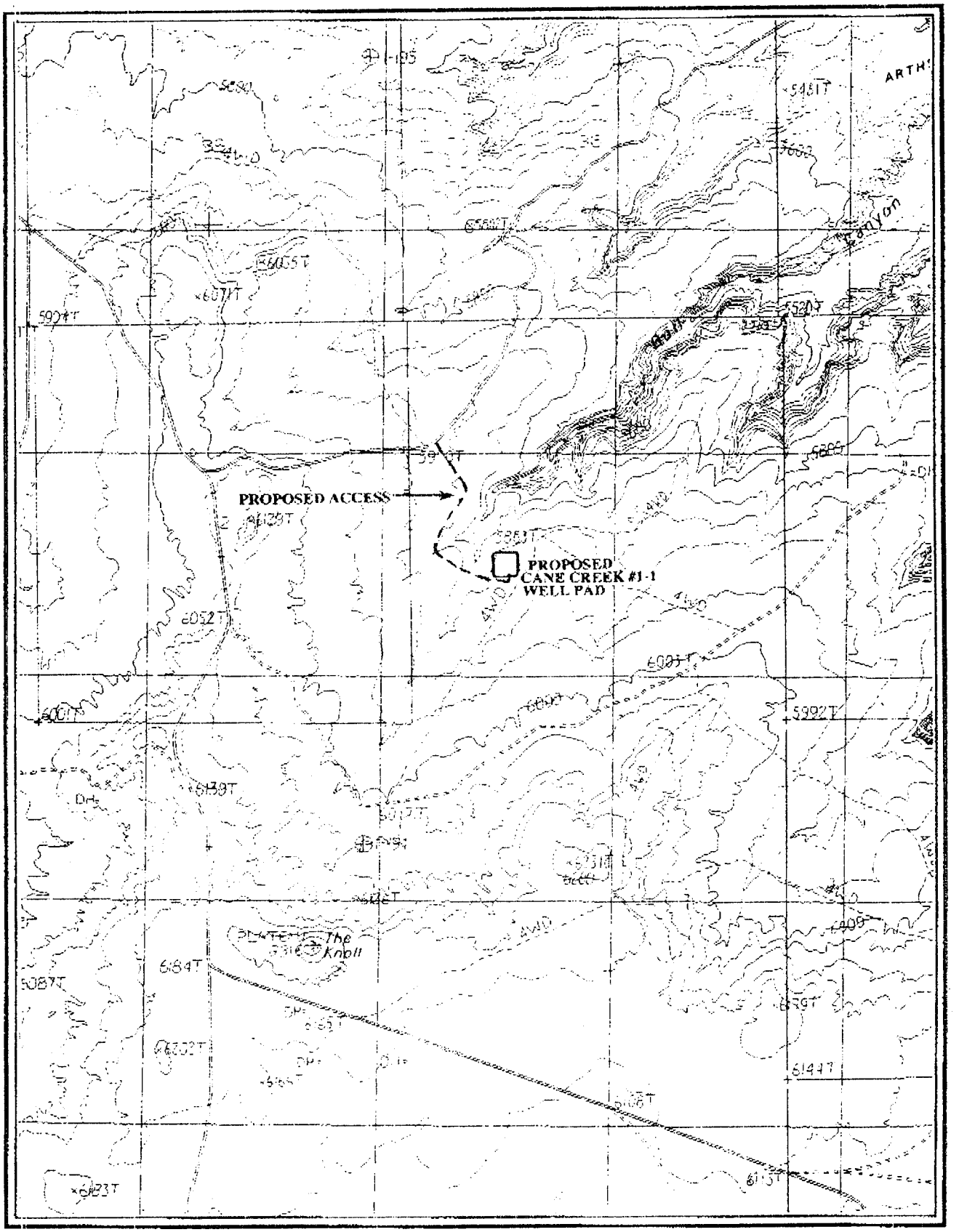
Based on the recent cultural inventory, no further management recommendations are necessary.

Sincerely,

Carol DeFrancia/P.I.

CSD/distribution:

Ms. Libby Einhorn, Pure Resources, Midland
Mr. Richard Miller, Intrepid Oil & Gas Co., Denver



PROJECT AREA

T26S, R19E: Sec. 1

Grand County, Utah - S.L.B. & M.

USGS The Knoll, UT (1988) 7.5' series map

SCALE: 1:24000

(Figure 1)

003

PERMITCO
PETROLEUM PERMITTING COMPANY

14421 County Rd. 10 • Ft. Lupton, Colorado 80621 • (303) 857-9999 • FAX (303) 857-0577 • E-MAIL Permitco 1@aol.com

March 2, 2005

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

Attn: Diana Whitney

Re: Intrepid Oil & Gas, LLC
Cane Creek #1-1
2240' FSL and 1317' FWL
NW SW Section 1, T26S - R19E
Grand County, Utah
Lease No. UTU-65972

Dear Diana,

Enclosed please find two copies of the A.P.D. for the above mentioned well along with one copy of the Onshore Order No. 1 which has been filed with the BLM office in Moab, Utah.

Please note that this well is within the Cane Creek Unit which is operated by Intrepid Oil & Gas, LLC, however was staked at non-standard spacing due to geological considerations. Intrepid is the only working interest owner within a 460 foot radius and we are requesting administrative approval of this exception to spacing.

If you should have any questions regarding the enclosed material, please don't hesitate to contact me. Your early approval of this application would be greatly appreciated.

Sincerely,

PERMITCO INC.

Venessa Langmacher

Venessa Langmacher
Consultant for:
Intrepid Oil & Gas, LLC

RECEIVED
MAR 04 2005
DIV. OF OIL, GAS & MINING

Enc.

cc: Intrepid Oil & Gas, LLC - Denver, CO
Pure Resources - Midland, TX

Form 3160-3
(August 1999)

FORM APPROVED
OMB No. 1004-0136
Expires November 30, 2000

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

001

APPLICATION FOR PERMIT TO DRILL OR REENTER

5. Lease Serial No.: **UTU-65972**

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

1a. Type of Work: [X] DRILL [ ] REENTER

7. If Unit or CA Agreement, Name and No.: **Cane Creek Unit**

b. Type of Well: [X] Oil Well [ ] Gas Well [ ] Other [ ] Single Zone [ ] Multiple Zone

8. Lease Name and Well No.: **Cane Creek #1-1**

2. Name of Operator: **Intrepid Oil & Gas, LLC.** — 303/296-3006 — **700 - 17th St., Suite 1700, Denver, CO 80202**

9. API Well No.: **43-019-31446**

3. Name of Agent: **Permitco Inc. - Agent** — 303-857-9999 — **14421 County Road 10, Fort Lupton, CO 80621**

10. Field and Pool, or Exploratory: ~~Wildcat~~ undesignated

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

At surface: **2240' FSL and 1317' FWL** 606521X 38.569223

At proposed prod. zone: **NW SW** 4269476Y -109.777283

11. Sec., T., R., M., or Blk, and Survey or Area: **Sec. 1, T26S-R19E**

14. Distance in miles and direction from nearest town or post office*: **Approximately 25.4 miles northwest of Moab, Utah**

12. County or Parish: **Grand**

13. State: **Utah**

15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any): **1317'**

16. No. of Acres in lease: **2037.50**

17. Spacing Unit dedicated to this well: **N/A**

18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft.: **2450'**

19. Proposed Depth: **7,725'**

20. BLM/BIA Bond No. on file: **Statewide Bond Number UTB000029**

21. Elevations (Show whether DF, KDB, RT, GL, etc.): **5,887' GL**

22. Approximate date work will start*: **ASAP**

23. Estimated duration: **25 Days**

24. Attachments

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

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

CONFIDENTIAL-TIGHT HOLE

25. Signature: Venessa Langmacher — Name *(Printed/Typed)*: **Venessa Langmacher** — Date: **3/2/2005**

Title: **Authorized Agent for Intrepid Oil & Gas, LLC.**

Approved by *(Signature)*: — Name *(Printed/Typed)*: **BRADLEY G. HILL** — Date: 03-08-05

Title: **ENVIRONMENTAL SCIENTIST III** — Office:

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

Conditions of approval, if any, are attached.

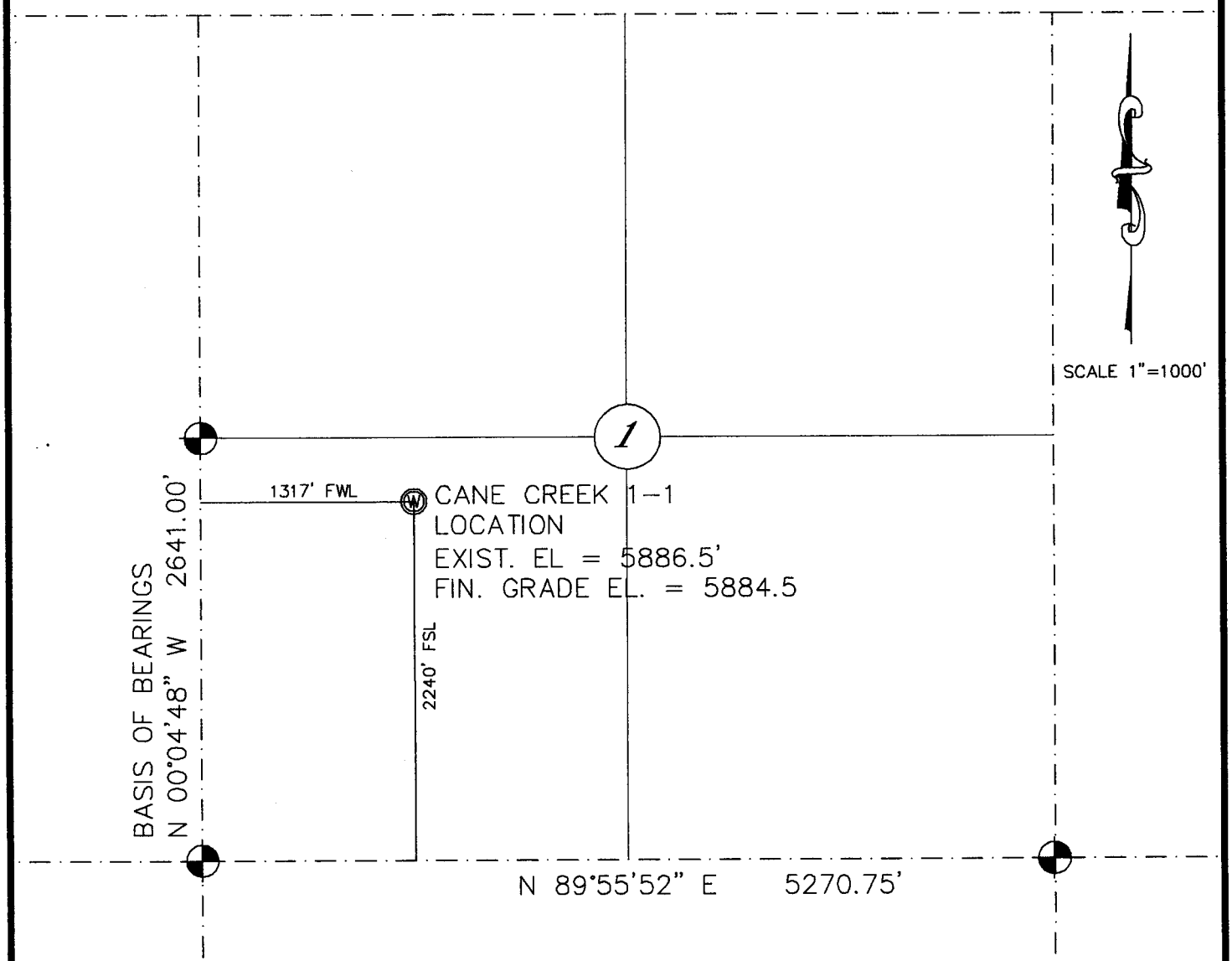
Title 18 U.S.C. Section 1001and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

**(Instructions on reverse)*

Federal Approval of this Action is Necessary

RECEIVED
MAR - 4 2005
DIV OF OIL, GAS & MINING

SECTION 1, T 26 S, R 19 E, SLM



LEGEND

- FOUND GOVERNMENT BRASS MONUMENT
- SET SPIKE WITH LATH AT PROPOSED WELL LOCATION

NOTE: ELEVATIONS BASED ON USC&G "PLATEAU" (ELEV = 6316).

TIMOTHY M. KEOGH

Feb. 28/05
DATE

REGISTERED LAND SURVEYOR
No171004
TIMOTHY M. KEOGH
STATE OF UTAH

KEOGH LAND SURVEYING
45 EAST CENTER STREET MOAB, UTAH, 84532

A SURVEY OF

CANE CREEK 1-1

WITHIN SECTION 1, T 26 S, R 19 E, SLM,
GRAND COUNTY, UTAH

PREPARED FOR

INTREPID OIL & GAS, LLC.

DATE: 12-07-04	DRAWN BY: EJ	CHECKED BY: TMK
SCALE: 1"=1000'	F.B.# 141	INTREPID

CONFIDENTIAL - TIGHT HOLE

004

ONSHORE OIL & GAS ORDER NO. 1

Approval of Operations on Onshore
Federal and Indian Oil & Gas Leases

Cane Creek #1-1
2240' FSL and 1317' FWL
NW SW Section 1, T26S - R19E
Grand County, Utah

Prepared For:

INTREPID OIL & GAS, LLC

By:

PERMITCO INC.
14421 County Road 10
Ft. Lupton, Colorado 80621
303/857-9999

CONFIDENTIAL-TIGHT HOLE

Copies Sent To:

4 - BLM - Moab, UT
2 - Utah Division of Oil, Gas & Mining - SLC, UT
2 - Intrepid Oil & Gas, LLC - Denver, CO
2 - Pure Resources - Midland, TX

24. Attachments

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

1. Well plat certified by a registered surveyor.
   Attached.

2. A Drilling Plan

3. A Surface Use Plan (if the location is on National Forest System Lands, the SUPO shall be filed with the Appropriate Forest Service Office.
   See Surface Use Plan Attached.

4. Bond to cover the operations unless covered by an existing bond on file (see Item 20).
   Bond coverage for this well is provided by Intrepid Oil & Gas, LLC. under their BLM Bond No. Statewide Bond Number UTB000029.

5. Operator certification.
   Please be advised that Intrepid Oil & Gas, LLC. is considered to be the operator of the above mentioned well. Intrepid Oil & Gas, LLC. agrees to be responsible under the terms and conditions of the lease for the operations conducted upon the leased lands.

6. Such other site specific information and/or plans as may be required by the authorized officer.

ONSHORE OIL & GAS ORDER NO. 1
Approval of Operations on Onshore
Federal and Indian Oil and Gas Leases

Based on out interpretation on the 3D seismic data, the proposed Cane Creek 1-1 appears to be across a fault from the recently drilled Cane Creek 2-1. Drilling the Cane Creek 1-1 will test our geologic model, and determine if the well is actually in a separate fault block. We are interested in determining if a well on the other side of a fault from a successful well produces from the same set of fractures, or a completely separate fracture system, thereby potentially producing from a different reservoir.

All lease and/or unit operations will be conducted in such a manner that full compliance is made with applicable laws, regulations (43 CFR 3100), Onshore Oil and Gas Order No. 1, and the approved plan of operations. The operator is fully responsible for the actions of his subcontractors. A copy of these conditions will be furnished the field representative to insure compliance.

1. ESTIMATED TOPS/ GEOLOGIC MARKERS

The estimated tops of important geologic markers are as follows:

Formation	*Measured Depth*	*Subsea*
Navajo/Kayenta	Surface	+5,870'
Wingate Ss	330'	+5,553'
Chinle	455'	+5,428'
Moenkopi	720'	+5,163'
Cutler	1,195'	+4,688'
Hermosa	1,895'	+3,988'
1st Salt	3,995'	+1,888'
Clastic 3	4,415'	+1,468'
Clastic 15	5,995'	-112'
Cane Creek	7,155'	-1,272'

Formation	*Measured Depth*	*Subsea*
Pinkerton Trail	7,625'	-1,742'
T.D.	7,725'	-1,842'

2. ESTIMATED DEPTH OF OIL, GAS WATER AND OTHER MINERAL BEARING ZONES

The estimated depths at which the top and bottom of the anticipated water, oil, gas or other mineral bearing formations are expected to be encountered are as follows:

Substance	*Formation*	*Depth*
Brine	Clastic 15	5,995'
Oil	Cane Creek	7,155'

All fresh water and prospectively valuable minerals encountered during drilling, will be recorded by depth and will be cased and cemented. When possible, water flow rates will be measured and samples will be taken and analyzed with the results being submitted to the BLM. All oil and gas shows will be tested to determine commercial potential.

3. BLOWOUT PREVENTER (BOP) EQUIPMENT

Intrepid Oil & Gas, LLC's minimum specifications for pressure control equipment are as follows:

Ram Type: 11" Hydraulic double, 10,000 psi w.p.

BOP systems will be consistent with API RP 53 and Onshore Oil and Gas Order No. 2. Pressure tests of the surface casing and all BOP equipment potentially subject to pressure will be conducted before drilling the surface casing shoe. Blowout preventer controls will be installed prior to drilling the surface casing shoe and will remain in use until the well is completed or abandoned. Ram preventers will be inspected and operated each trip (no more than once a day is necessary), and annular preventers will be inspected and operated weekly to ensure good mechanical working order. These inspections shall be recorded in the drilling log and in the daily drilling report.

Ram type preventers and associated equipment shall be tested to approved stack working pressure if isolated by test plug or to 70 percent of internal yield pressure of casing. Pressure shall be maintained for at least 10 minutes or until requirements of test are met, whichever is longer. If a test plug is utilized, no bleed-off pressure is acceptable. For a test not utilizing a test plug, if a decline in pressure of more than 10 percent in 30 minutes occurs, the test shall be considered to have failed. Valve on casing head below test plug shall be open during test of BOP stack.

Annular type preventers (if used) shall be tested to 50 percent of rated working pressure. Pressure shall be maintained at least 10 minutes or until provisions of test are met, whichever is longer.

Valves shall be tested from working pressure side during BOPE tests with all down stream valves open.

When testing the kill line valve(s) the check valve shall be held open or the ball removed.

A BOPE pit level drill shall be conducted weekly for each drilling crew.

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

Pressure tests shall apply to all related well control equipment.

All of the above described tests and/or drills shall be recorded in the drilling log. Test charts, with individual test results identified, shall be maintained on location while drilling and shall be made available to a BLM representative upon request.
Pressure tests shall apply to all related well control equipment.

a. The size and rating of the BOP stack is shown on the attached diagram. Although a rig has not been chosen to drill this well, most of the equipment for this depth of hole in the area use a 11", 10,000 psi working pressure blowout preventor.

b. A choke line and a kill line are to be properly installed. The kill line is not to be used as a fill-up line.

c. The accumulator system shall have a pressure capacity to provide for repeated operation of hydraulic preventers.

d. Drill string safety valve(s), to fit all tools in the drill string, are to be maintained on the rig floor while drilling operations are in progress.

4. CASING AND CEMENTING PROGRAM

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

b. Casing design shall assume formation pressure gradients of 0.44 to 0.50 psi per foot for exploratory wells (lacking better data).

c. Casing design shall assume fracture gradients from 0.70 to 1.00 psi per foot for exploratory wells (lacking better data)

d. Casing collars shall have a minimum clearance of 0.422 inches of all sides in the hole/casing annulus, with recognition that variances can be granted for justified exceptions.

e. All waiting on cement times shall be adequate to achieve a minimum of 500 psi compressive strength at the casing shoe prior to drilling out.

f. All casing except the conductor casing, shall be new or reconditioned and tested used casing that meets or exceeds API standards for new casing.

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

h. All indications of usable water shall be reported to the authorized officer prior to running the next string of casing or before plugging orders are requested, whichever occurs first.

i. Three centralizers will be run on the bottom three joints of surface casing with a minimum of one centralizer per joint starting with the shoe joint.

j. Top plugs shall be used to reduce contamination of cement by displacement fluid. A bottom plug or other acceptable technique, such as a suitable preflush fluid, inner string cement method, etc. shall be utilized to help isolate the cement from contamination by the mud fluid being displaced ahead of the cement slurry.

k. All casing strings below the conductor shall be pressure tested to 0.22 psi per foot of casing string length or 1500 psi, whichever is greater, but not to exceed 70 percent of the minimum internal yield. If pressure declines more than 10 percent in 30 minutes, corrective action shall be taken.

l. On all exploratory wells, and on that portion of any well approved for a 5M BOPE system or greater, a pressure integrity test of each casing shoe shall be performed. Formation at the shoe shall be tested to a minimum of the mud weight equivalent anticipated to control the formation pressure to the next casing depth or at total depth of the well. This test shall be performed before drilling more than 20 feet of new hole.

m. The proposed casing program will be as follows:

Purpose	*Depth*	*Hole Size*	*O.D.*	*Weight*	*Grade*	*Type*	*New/Used*
Surface	0' - 500'	17-1/2"	13-3/8"	48#	H-40	ST&C	New
Intermediate	0' - 4,425'	12-1/4"	9-5/8"	40#	N-80	LT&C	New
Production	0' - 7,725'	8-3/4"	7"	26#	P-110	LT&C	New

n. Casing design subject to revision based on geologic conditions encountered.

o. The cement program will be as follows:

Surface	***Type and Amount***
0 - 500'	604 sx Class G (694 cubic feet), 0.25 pps D29, 1% S1, +/- 15.8 ppg, 1.15 ft3/sk
Intermediate	***Type and Amount***
0 - 4,425'	**Lead:** 5283 sx (2183 cubic feet), Premium Lite, 5% Salt, 8% Bentonite, 3#/sk Kol Seal, 0.5% Sodium Metasilicate, 1/4 pps celloflake, +/- 15.8 ppg, 2.42 ft3/sk. **Tail:** 284 sx (243 cubic feet) Class G, 5% Salt, 0.2% Sodium Metasilicate, 1/4 pps celloflake, 15.8 ppg, 1.17 ft3/sk.
Production	***Type and Amount***
3,800' - 7,725'	828 sx (767 cubic feet) Class G, 0.45% D065, 0.25% D167, 0.35% D800, 0.2% D121, 0.2% D046, +/- 16.4 ppg, 1.08 ft3/sk.

p. After cementing but before commencing any test, the casing string shall stand cemented until the cement has reached a compressive strength of at least 500 psi at the shoe. WOC time shall be recorded in the driller's log.

q. The following reports shall be filed with the District Manager within 30 days after the work is completed.

1. Progress reports, Form 3160-5 (formerly 9-331) "Sundry Notices and Reports on Wells", must include complete information concerning:

   a. Setting of each string of casing, showing the size, grade, weight of casing set, hole size, setting depth, amounts and type of cement used, whether cement circulated or the top of the cement behind the casing, depth of cementing tools used, casing test method and results, and the date work was done. Show the spud date on the first reports submitted.

   b. Temperature or bond logs must be submitted for each well where the casing cement was not circulated to the surface.

r. Auxiliary equipment to be used is as follows:

1. Kelly cock
2. No bit float is deemed necessary.
3. A sub with a full opening valve.

s. The drilling procedure will be as follows:

1. Drill into the Cane Creek formation at 7,155', and TD the straight hole at 7,725'
2. Test or evaluate the Cane Creek or other zones of interest as deemed necessary.
3. Set 7" casing at 7,725' and cement to 3,800'.

5. MUD PROGRAM

a. The proposed circulating mediums to be employed in drilling are as follows:

Interval	*Mud Type*	*Mud Wt.*	*Visc.*	*F/L*
0' - 4,425'	Air or Fresh Water Gel	8.8-9.4	30-38	20-30
4,425' - 7,725'	80/20 Oil Base Mud	10-16	50-60	10-20

Sufficient mud materials will be stored on location to maintain well control and combat lost circulation problems that might reasonably be expected.

b. Due to potential for contamination of usable quality water aquifers, chromates are banned from Federal leases.

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

6. TESTING, LOGGING AND CORING

The anticipated type and amount of testing, logging and coring are as follows:

a. No drill stem tests are anticipated. However, if DST's are run, the following requirements will be adhered to:

Initial opening of drill stem test tools shall be restricted to daylight hours unless specific approval to start during other hours is obtained from the authorized officer. However, DST's may be allowed to continue at night if the test was initiated during daylight hours and the rate of flow is stabilized and if adequate lighting is available (i.e. lighting which is adequate for visibility and vapor-proof for safe operations). Packers can be released, but tripping shall not begin before daylight, unless prior approval is obtained from the authorized officer. Closed chamber DSTs may be accomplished day or night.

A DST that flows to the surface with evidence of hydrocarbons shall be either reversed out of the testing string under controlled surface conditions. This would involve provided some means for reverse circulation.

Separation equipment required for the anticipated recovery shall be properly installed before a test starts.

All engines within 100 feet of the wellbore that are required to "run" during the test shall have spark arresters or water cooled exhausts.

b. The logging program will consist of (at a minimum), Gamma Ray, Density Neutron and Sonic Logs from surface casing to TD.

c. No cores are anticipated.

d. Whether the well is completed as a dry hole or as a producer, "Well Completion and Recompletion Report and Log" (Form 3160-4) will be submitted not later than 30 days after completion of the well or after completion of operations being performed, in accordance with 43 CFR 3164. 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. Samples (cuttings, fluids, and/or gases) will be submitted when requested by the authorized officer (AO).

e. The anticipated completion program is as follows:

Perforate zones of interest and place on production.

7. ANTICIPATED PRESSURES AND H_2S

a. The expected maximum bottom hole pressure is +/- 6000 psi. No abnormal pressures are anticipated.

b. No Hydrogen sulfide gas was encountered on the Cane Creek #2-1, therefore the need for an H2S plan is not anticipated.

c. As per Onshore Order No. 6, III,A,2.b., if hydrogen sulfide is present the "operator shall initially test the H_2S concentration of the gas stream for each well or production facility..." Submit the results of this test within 30 days of filing Form 3160-4, "Well Completion or Recompletion Report and Log".

8. OTHER INFORMATION AND NOTIFICATION REQUIREMENTS

a. Should the well be successfully completed for production, the AO will be notified when the well is placed in a producing status. Such notification will be sent by telegram or other written communications, not later than 5 days following the date on which the well is placed on production.

b. Production data shall be reported to the MMS pursuant to 30 CFR 216.5 using form MMS/3160.

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

d. Pursuant to NTL-4A, lessees or operators are authorized to vent/flare gas during initial well evaluation tests, not exceeding a period of 30 days or the production of 50 MMCF of gas, whichever occurs first. An application must be filed with the District Engineer and approval received, for any venting/flaring of gas beyond the initial 30 day or authorized test period.

e. Gas produced from this well may not be vented or flared beyond an initial authorized test period of 30 days or 50 MMCF following its completion, whichever occurs first, without the prior written approval of the Authorized Officer. Should gas be vented or flared without approval beyond the authorized test period, the operator may be directed to shut-in the well until the gas can be captured or the operator shall be required to compensate the lessor for that portion of the gas vented or flared without approval which is determined to have been avoidably lost.

f. A schematic facilities diagram as required by 43 CFR 3162.7-2, 3162.7-3 and 3162.7-4 shall be submitted to the appropriate District Office within 30 days of installation or first production, whichever occurs first. All site security regulations as specified in 43 CFR 3162.7 and Onshore Order No. 3 shall be adhered to. All product lines entering and leaving hydrocarbon storage tanks will be effectively sealed in accordance with 43 CFR 3162.7-4.

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

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

h. Drilling operations are planned to commence upon approval of this application.

i. It is anticipated that the drilling of this well will take approximately 25 days.

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PERMITCO
COMPANY

j. No location will be constructed or moved, no well will be plugged, and no drilling or workover equipment will be removed from a well to be placed in a suspended status without prior approval of the AO. If operations are to be suspended, prior approval of the AO will be obtained and notification given before resumption of operations.

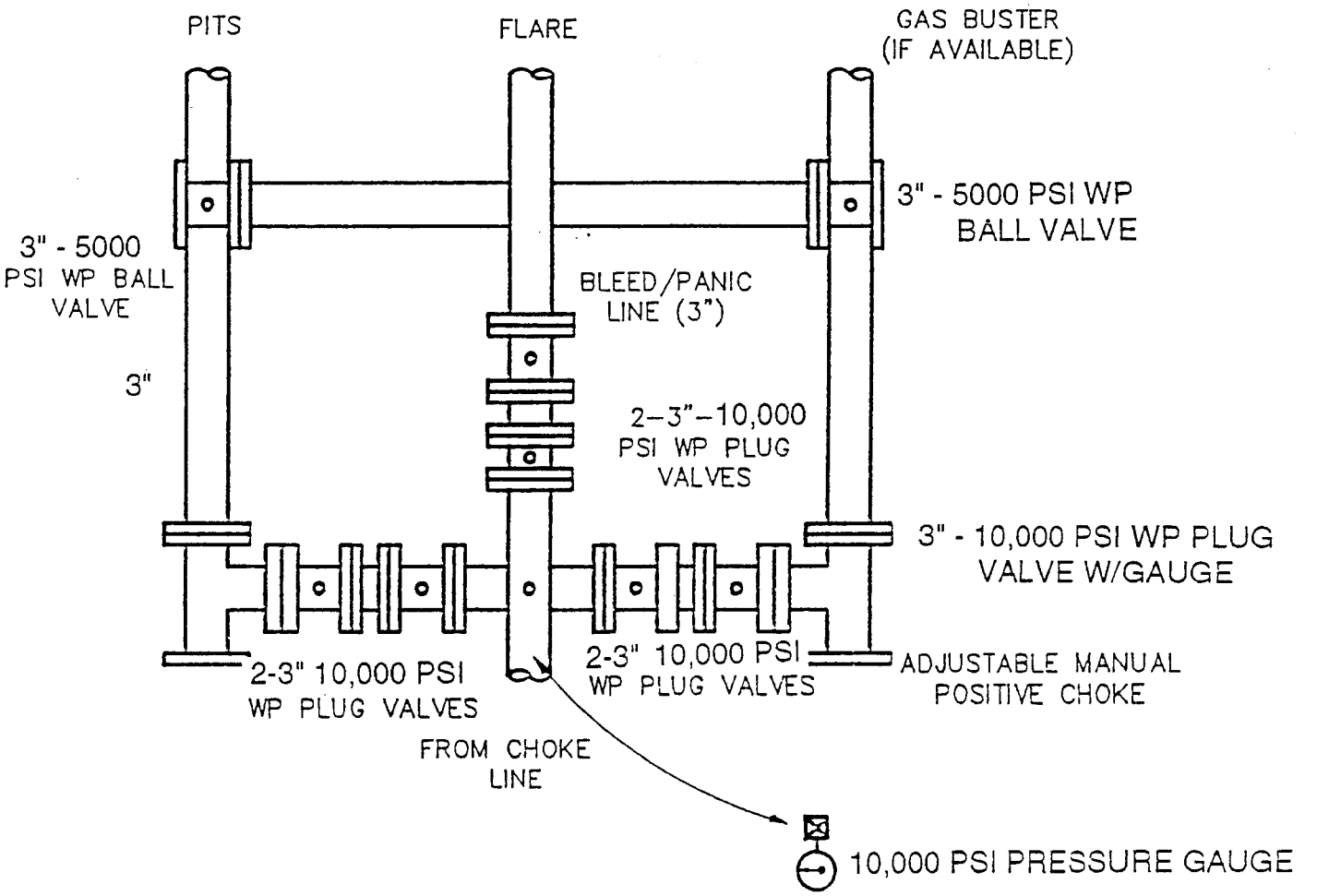
k. Immediate Report: Spills, blowouts, fires, leaks, accidents, or any other unusual occurrences shall be promptly reported in accordance with the requirements of NTL-3A or its revision.

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

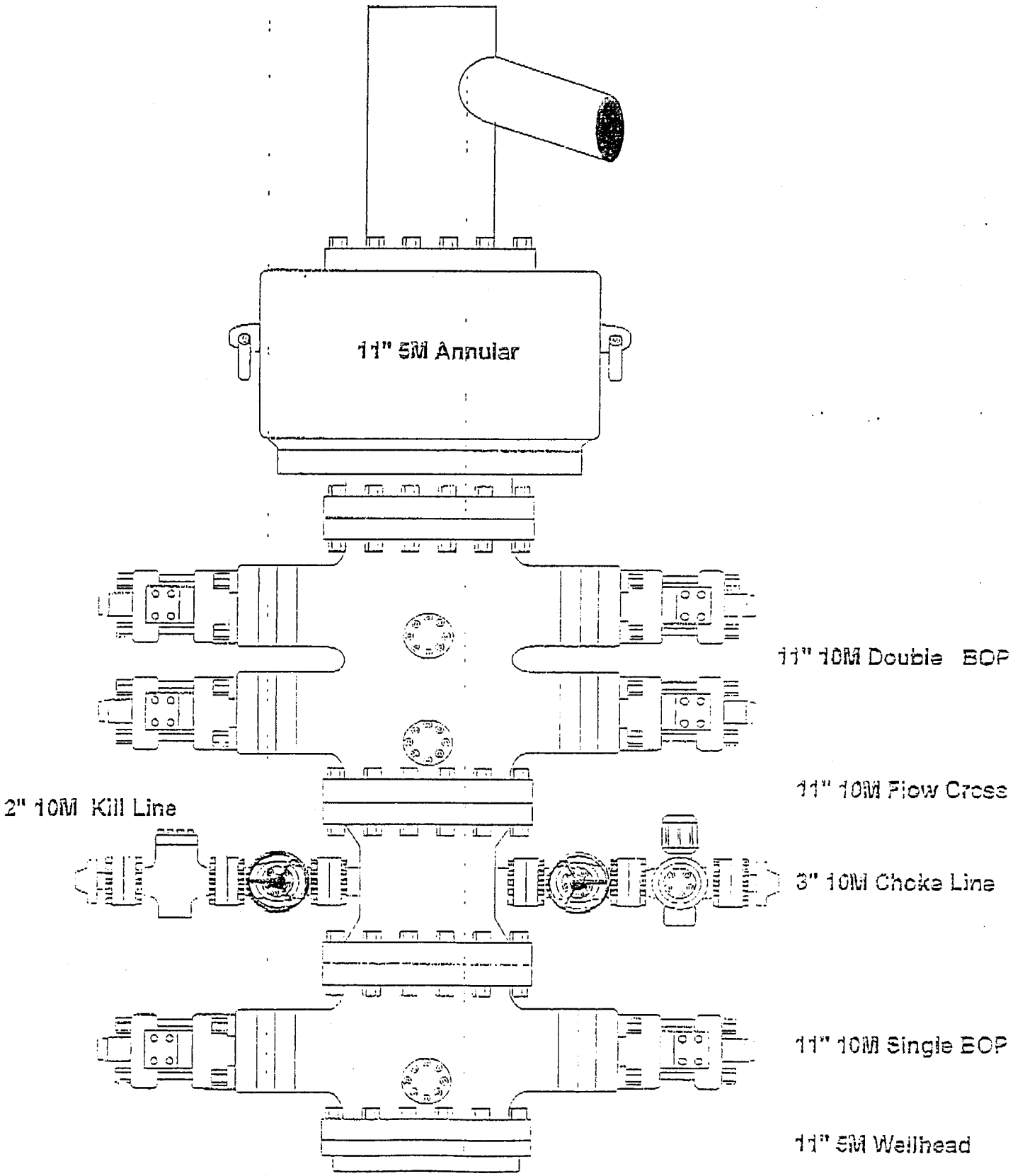
m. Pursuant to Onshore Order No. 7, with the approval of the District Engineer, produced water may be temporarily disposed of into unlined pits for a period of up to 90 days. During the period so authorized, an application for approval of the permanent disposal method, along with the required water analysis and other information, must be submitted to the District Engineer.

n. No well abandonment operations will be commenced without the prior approval of the AO. In the case of newly drilled dry holes or failures, and in emergency situations, oral approval will be obtained from the SO. A "Subsequent Report of Abandonment" Form 3160-5, will be filed with the AO within 30 days following completion of the well for abandonment. This report will indicate where plugs were placed and the current status of surface restoration. 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 AO or his representative. or the appropriate Surface Managing Agency.

PLAN VIEW CHOKE MANIFOLD



Proposed BOP Schematic



ONSHORE OIL & GAS ORDER NO. 1
Thirteen Point Surface Use Plan

1. EXISTING ROADS

a. The proposed well site is located approximately 24 miles northwest of Moab, Utah.

b. Directions to the location from Moab, Utah are as follows:

From, Moab, Utah proceed north on Highway 191 for 11.2 miles. Turn left on Highway 313 and proceed southwesterly for 13 miles. Turn left onto an existing access road and proceed easterly then southerly 1.17 miles. Turn left and proceed northerly onto the new access for approximately 220' until reaching the proposed location.

c. For location of access roads within a 2-Mile radius, see Maps A & B. The existing road will be realigned as shown on Map B.

d. Improvement to the existing access will not be necessary since all roads are maintained by the Grand County Road Department or Utah State Highway department.

e. All existing roads will be maintained and kept in good repair during all drilling and completion operations associated with this well.

f. Existing roads and newly constructed roads on surface under the jurisdiction of any Surface Managing Agency shall be maintained in accordance with the standards of the SMA.

2. PLANNED ACCESS ROADS

a. The last 220 feet will be new construction.

b. The maximum width of the bladed road will be 21 feet. If production is established the running surface of the road will be 15 to 21 feet with a maximum disturbed width of 35 feet.

c. The maximum grade of the new access is approximately 2 percent.

d. No turnouts will be necessary.

e. No culverts or low water crossings will be necessary.

f. The proposed access road was centerline flagged at the time of staking.

g. Surfacing of the pad and new access may be necessary, depending on the weather conditions at the time of drilling.

h. No cattle guards will be necessary.

i. Surface disturbance and vehicular travel will be limited to the approved location and approved access route. Any additional area needed will be approved by the Field Manager in advance.

j. If at any time the facilities located on public lands authorized by the terms of the lease are no longer included in the lease (due to a contraction in the unit or other lease or unit boundary change) the BLM will process a change in authorization to the appropriate statute. The authorization will be subject to appropriate rental, or other financial obligations determined by the authorized officer.

k. No road right of way will be necessary.

3. LOCATION OF EXISTING WELLS WITHIN A 1-MILE RADIUS OF THE PROPOSED LOCATION. SEE MAP "C"

a. Water wells - none

b. Injection wells - none

c. Producing wells - one

d. Drilling wells - none

e. Shut In wells - none

f. Abandoned wells - one

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4. PROPOSED PRODUCTION FACILITIES

a. Production facilities will be located on the well pad. A Production Facilities Layout will be submitted via Sundry notice prior to installation of facilities.

b. All permanent structures (onsite for six months or longer) constructed or installed (including oil well pump jacks) will be painted a flat, nonreflective color to match the standard environmental colors, as determined by the Rocky Mountain Five-State Interagency Committee. 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. Colors will match the adjacent vegetation. The actual color will be specified by the Bureau of Land Management or the Utah Division of Oil, Gas and Mining.

c. All site security guidelines identified in 43 CFR 3162.7-5 and Onshore Oil and Gas Order No. 3 shall be followed:

d. If a gas meter run is constructed, it will be located within 500 feet of the wellhead. The gas flowline will be buried from the wellhead to the meter and will be buried downstream of the meter until it leaves the pad. Meter runs will be housed and/or fenced. The gas meter shall be calibrated prior to first sales and shall be calibrated quarterly thereafter. All gas production and measurement shall comply with the provision of 43 CFR 3162.7-3, Onshore Order No. 5 and American Gas Association (AGA) Report No. 3.

e. The tank battery will be surrounded by a berm of sufficient capacity to contain 1-1/2 times the storage capacity of the largest tank. All loading lines and valves will be placed inside the berm surrounding the tank battery. All oil production and measurement shall conform to the provisions of 43 CFR 3162.7-3 and Onshore Oil and Gas Order No. 4.

f. Production facilities on location may include a lined or unlined produced water pit as specified in Onshore Order No. 7. If water is produced from the well, an Onshore Order No. 7 application must be submitted.

g. Any necessary pits will be properly fenced to prevent any wildlife entry.

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

i. All access roads will be maintained as necessary to prevent erosion and accommodate year-round traffic.

j. The road will be maintained in a safe useable condition.

5. LOCATION AND TYPE OF WATER SUPPLY

a. All water needed for drilling purposes will be obtained from the municipal water supply in Moab, Utah.

b. Water will be hauled to location over the roads marked on Maps A and B.

c. No water well is to be drilled on this lease.

d. The water hauler will notify the appropriate authorities prior to utilizing the municipal water source.

6. CONSTRUCTION MATERIALS

a. Pad construction material will be native (that found in the well pad).

b. Native material found in the pad may also be used for road upgrading.

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

d. No construction materials will be removed from Federal land.

7. METHODS OF HANDLING WASTE DISPOSAL

a. All fluids contained within the reserve pit will be allowed to evaporate and the pit will be backfilled. The reserve pit will be lined with a 12 mil liner as requested by the Utah Division of Oil, Gas and Mining.

b. Burning will not be allowed. All trash will be contained in a trash cage and its contents removed at the end of drilling operations and hauled to an approved disposal sight. Trash will be hauled as necessary, but not later than at the completion of drilling operations.

c. 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.

d. Sewage will be placed in a portable chemical toilet or holding tank and disposed of in accordance with state and county regulations.

e. The produced fluids (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.

8. ANCILLARY FACILITIES

There are no airstrips, camps, or other facilities planned during the drilling of the proposed well.

9. WELLSITE LAYOUT

a. See Location Layout and Typical Cross Sections for orientation of rig, cross section of drill pad and cuts and fills.

b. Six inches of topsoil (or the maximum available) will be salvaged during construction and reserved for use in reclamation.

c. Any sage brush or trees will be stockpiled separately from the topsoil.

d. The location of mud tanks; reserve pit, trash cage; pipe racks; living facilities and soil stockpiles is shown on the Typical Rig Layout.

e. The flare pit will be located a minimum of 30 feet from the edge of the reserve pit and a minimum of 150 feet from the well head.

f. The reserve pit will be fenced on three sides with 3 strands of barbed wire.

f. Any pits containing fluid will be fenced to prevent wildlife entry.

g. Any proposed pipelines will be submitted via Sundry Notice.

h. Prior to excavating the pipeline route, the contractor will meet with the BLM to stake the route for the pipeline. BLM will inspect the pipeline prior to being covered.

i. Any buried pipelines will be seeded with the same seed mixture to be specified by the BLM.

j. All wells, whether drilling, producing, suspended, or abandoned, will be identified in accordance with 43 CFR 3162.6

10. PLANS FOR RESTORATION OF SURFACE

a. Immediately upon completion of drilling, all equipment that is not necessary for production shall be removed.

b. The reserve pit will be allowed to dry and will then be backfilled.

c. Immediately upon well completion, the location and surrounding area will be cleared of all unused tubing, equipment, debris, materials, trash and junk not required for production.

d. Seeding will be done in the fall as required by the BLM.

e. The abandonment marker will be at least four feet above ground level and will be inscribed with the following: operator name, lease number, well name and surveyed description (township, range, section and either quarter-quarter or footages).

f. At such time as the well is plugged and abandoned, the operator shall submit a subsequent report of abandonment.

11. SURFACE/MINERAL OWNERSHIP

Access Roads - All roads are maintained by the Grand County Road Department or Utah State Highway Department or are located on BLM Lands within the unit boundary.

Well pad - The well pad is located on Bureau of Land Management.

12. OTHER INFORMATION

a. A Class III archeological has been conducted by Four Corners Archeological. A copy of this report is attached.

b. The operator is responsible for informing all persons in the areas 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 authorized officer (AO). Within five working days the AO 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 AO to complete and expedited review under 36 CFR 800.11 to confirm, through the State Historic Preservation Officer, that the findings of the AO 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 AO 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 AO will provide technical and procedural guidelines for the conduct of mitigation. Upon verification from the AO that required mitigation has been completed, the operator will then be allowed to resume construction.

c. All lease and/or unit operations will be conducted in such a manner that full compliance is made with all applicable laws, regulations, Onshore Oil and Gas Orders, the approved plan of operations, and any applicable Notice to Lessees. The operator is fully responsible for the actions of his subcontractors. A copy of these conditions will be furnished the field representative to insure compliance.

d. A complete copy of the approved APD shall be on location during construction of the location and drilling activities.

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

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

g. This permit will be valid for a period of one year from the date of approval. An extension period may be granted, if requested, prior to the expiration of the original approval period.

h. The operator or his contractor shall contact the BLM Offices at 435/259-6111 48 hours prior to construction activities.

13. LESSEE'S OR OPERATOR'S REPRESENTATIVE AND CERTIFICATION

Permit Matters
PERMITCO INC.
Lisa L. Smith
14421 County Road 10
Ft. Lupton, CO 80621
303/857-9999 (Office)
303/857-0577 (Fax)

Drilling & Completion Matters
INTREPID OIL & GAS LLC
700-17th Street, Suite 1700
Denver, CO 80202
Richard Miller
303/296-3006 (0ffice)
303/298-7502 (Fax)

CERTIFICATION

I hereby certify that I, or persons under my direct supervision, have inspected the proposed drill site and access route; that I am familiar with the conditions which currently exist; that the statements made in this plan are, to the best of my knowledge, true and correct; and that the work associated with the operations proposed herein will be performed by Intrepid Oil & Gas, LLC and their 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.

March 2, 2005
Date:

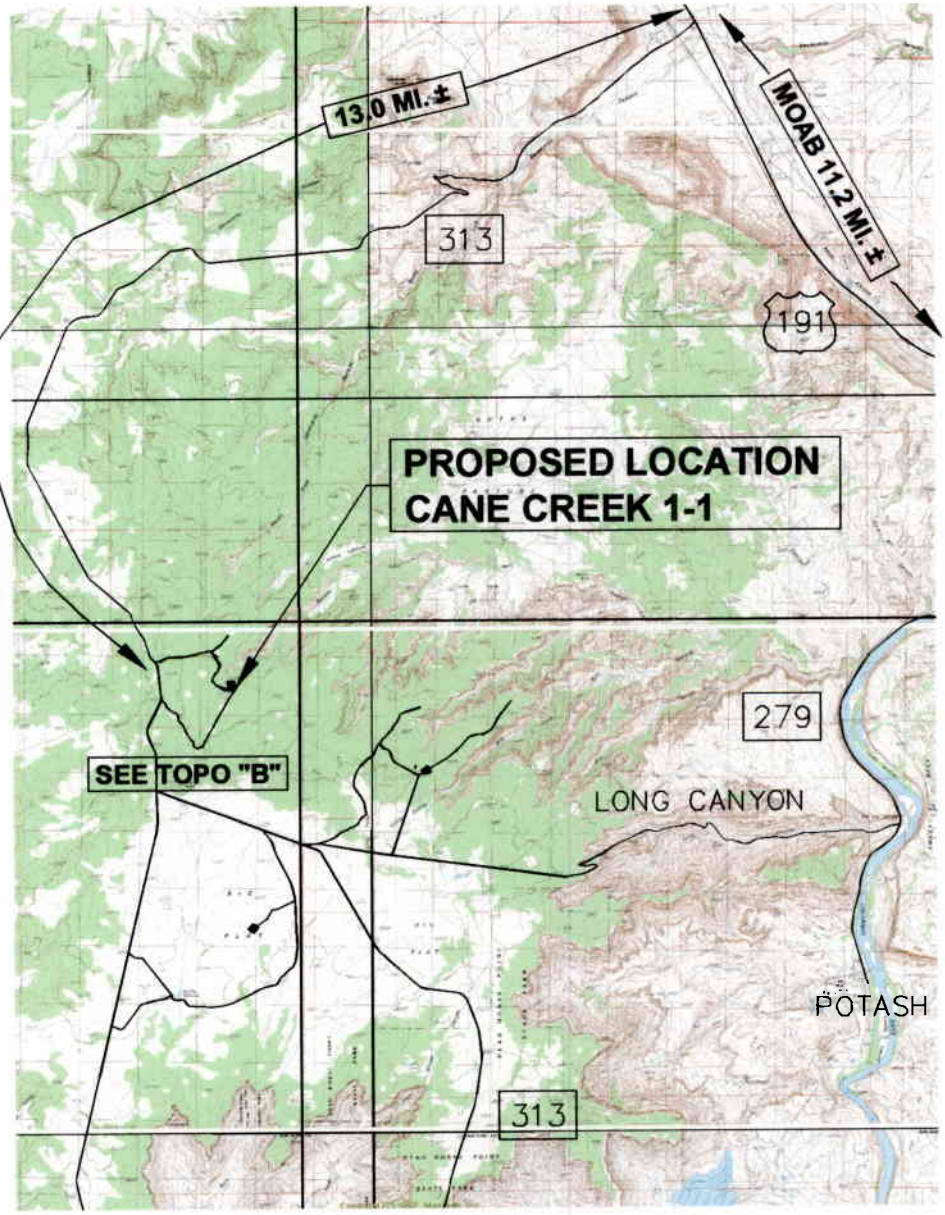
Venessa Langmacher
Venessa Langmacher - PERMITCO INC.
Authorized Agent for:
Intrepid Oil & Gas, LLC

PETROLEUM PERMITTING PERMITCO COMPANY

KEOGH LAND SURVEYING
45 EAST CENTER STREET MOAB, UTAH, 84532
DATE: 12-7-04 DRAWN BY: EJ CHECKED BY: TMK

TO I-70 &
GREEN RIVER

R19E R20E



SCALE: 1" = 2 MILES

T25S
T26S

TO MOAB &
US HWY 191

TO CANYONLANDS NAT'L
PARK - ISLAND IN THE
SKY DISTRICT

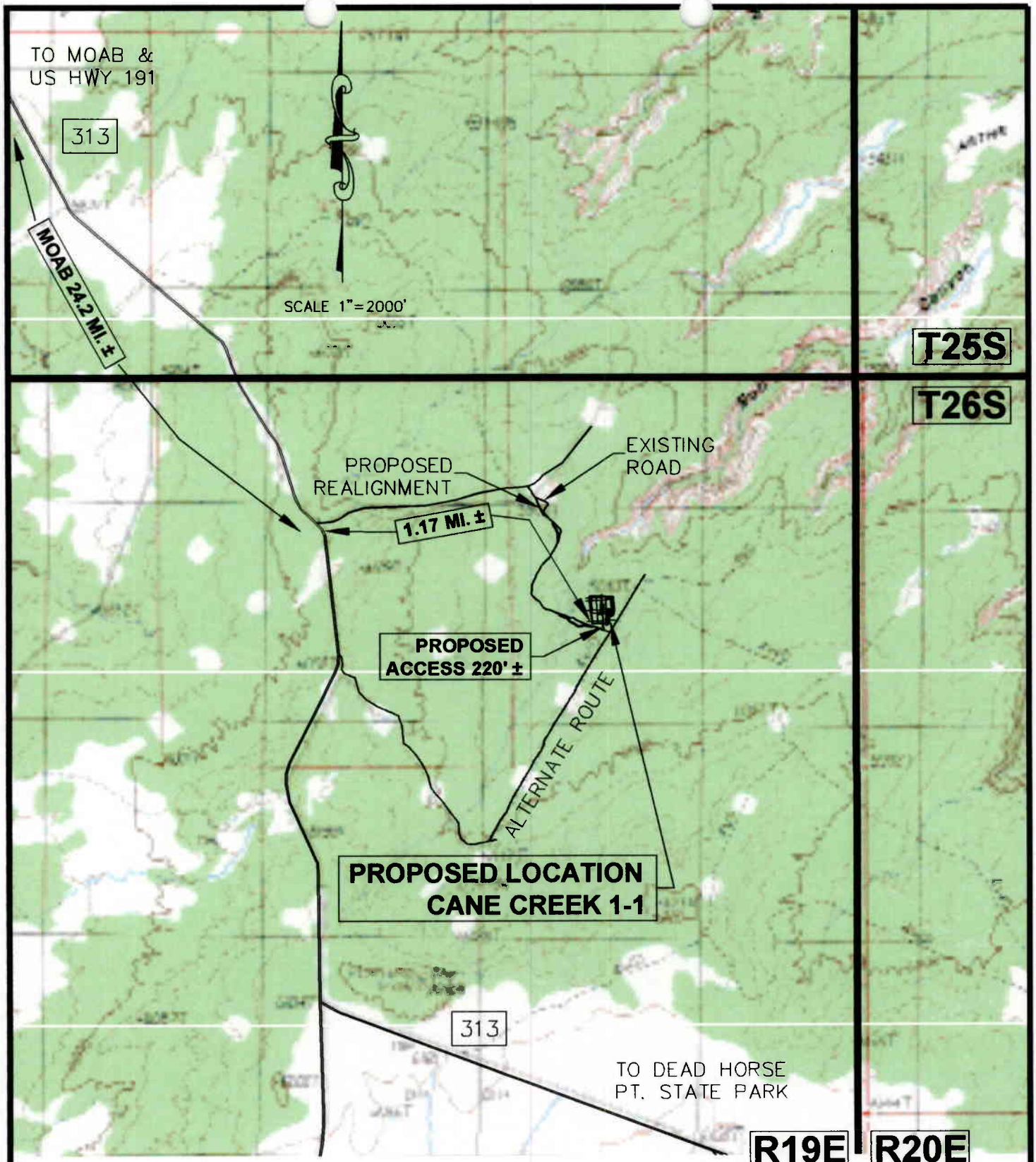
TO DEAD HORSE
PT. STATE PARK

INTREPID OIL + GAS LLC.

STATE HWY. 313 MOAB, UTAH

LOCATION LAYOUT FOR
CANE CREEK 1-1
SECTION 1, T26S R19E S.L.B.+M
1317' FWL, 2240' FSL

SHEET
A
TOPO



TO CANYONLANDS NAT'L
PARK – ISLAND IN THE
SKY DISTRICT

INTREPID OIL + GAS LLC.

STATE HWY. 313 MOAB, UTAH

LOCATION LAYOUT FOR
CANE CREEK 1-1
SECTION 1, T26S R19E S.L.B.+M
1317' FWL, 2240' FSL

SHEET

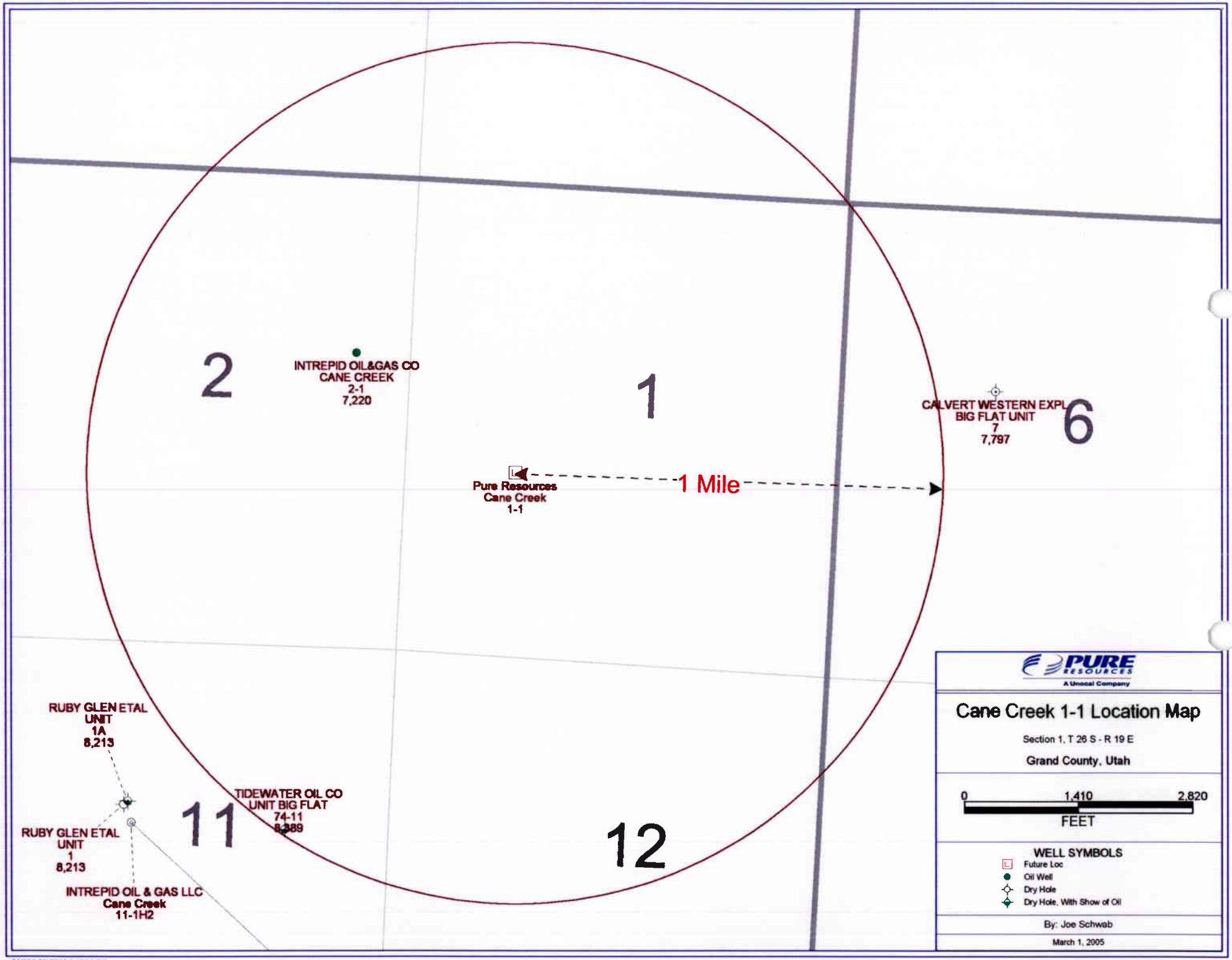
B

TOPO

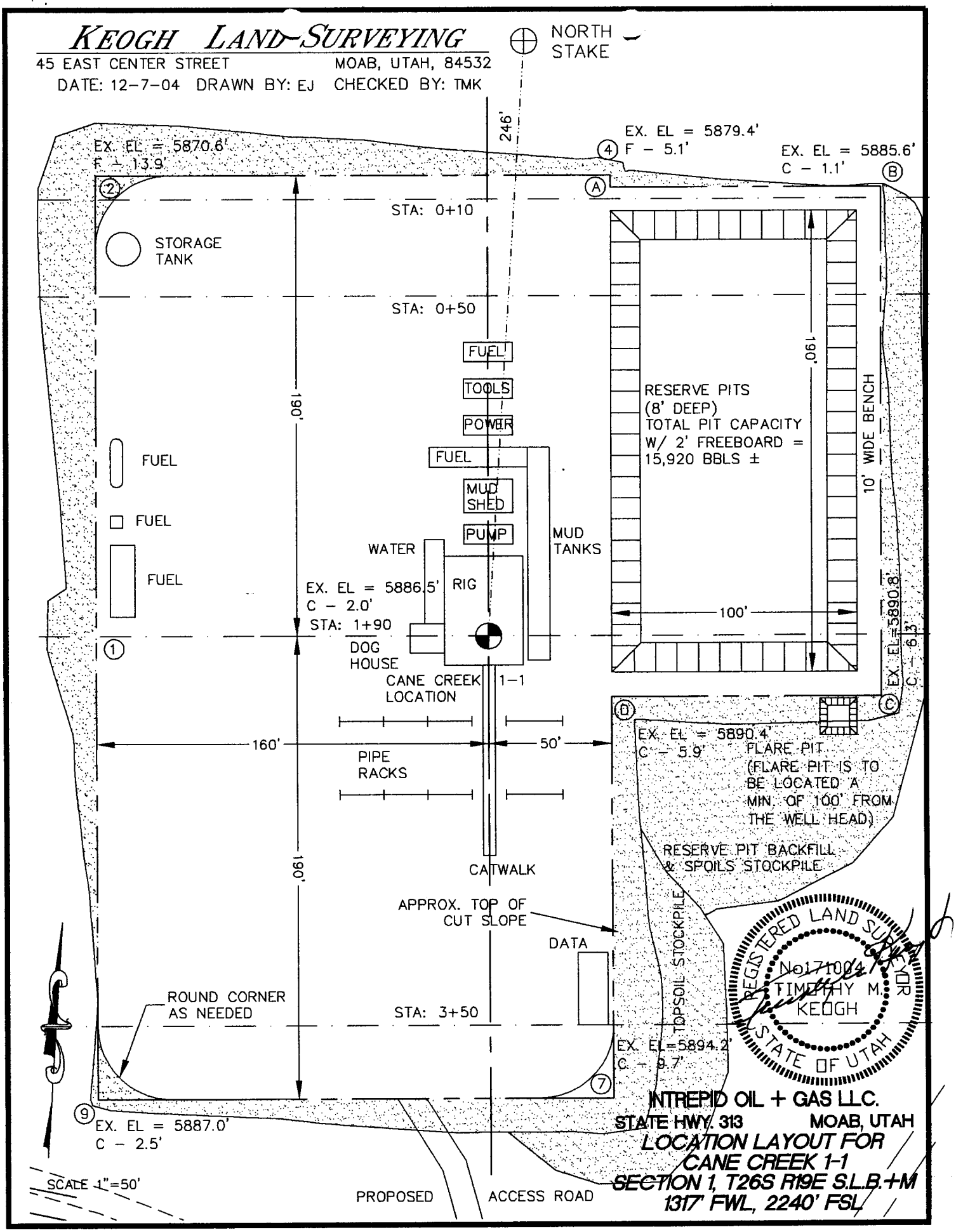
KEOGH LAND SURVEYING

45 EAST CENTER STREET MOAB, UTAH, 84532

DATE: 12-7-04 DRAWN BY: EJ CHECKED BY: TMK



PETRA 3/1/2005 3:18:53 PM


KEOGH LAND SURVEYING
45 EAST CENTER STREET MOAB, UTAH, 84532
DATE: 12-7-04 DRAWN BY: EJ CHECKED BY: TMK
NORTH STAKE
246'
EX. EL = 5870.6'
F - 13.9'
EX. EL = 5879.4'
F - 5.1'
EX. EL = 5885.6'
C - 1.1'
STA: 0+10
STORAGE TANK
STA: 0+50
FUEL
TOOLS
POWER
FUEL
MUD SHED
PUMP
WATER
RIG
MUD TANKS
FUEL
FUEL
FUEL
EX. EL = 5886.5'
C - 2.0'
STA: 1+90
DOG HOUSE
CANE CREEK 1-1
LOCATION
160'
50'
PIPE RACKS
190'
CATWALK
APPROX. TOP OF CUT SLOPE
RESERVE PITS
(8' DEEP)
TOTAL PIT CAPACITY
W/ 2' FREEBOARD =
15,920 BBLS ±
190'
100'
10' WIDE BENCH
EX. EL = 5890.8'
C - 6.3'
EX. EL = 5890.4'
C - 5.9'
FLARE PIT
(FLARE PIT IS TO BE LOCATED A MIN. OF 100' FROM THE WELL HEAD)
RESERVE PIT BACKFILL & SPOILS STOCKPILE
TOPSOIL STOCKPILE
DATA
STA: 3+50
ROUND CORNER AS NEEDED
EX. EL = 5894.2'
C - 9.7'
EX. EL = 5887.0'
C - 2.5'
SCALE 1"=50'
PROPOSED ACCESS ROAD
REGISTERED LAND SURVEYOR
No 171004
TIMOTHY M. KEOGH
STATE OF UTAH
INTREPID OIL + GAS LLC.
STATE HWY. 313 MOAB, UTAH
LOCATION LAYOUT FOR
CANE CREEK 1-1
SECTION 1, T26S R19E S.L.B.+M
1317' FWL, 2240' FSL

KEOGH LAND SURVEYING

45 EAST CENTER STREET MOAB, UTAH, 84532

DATE: 12-7-04 DRAWN BY: EJ CHECKED BY: TMK

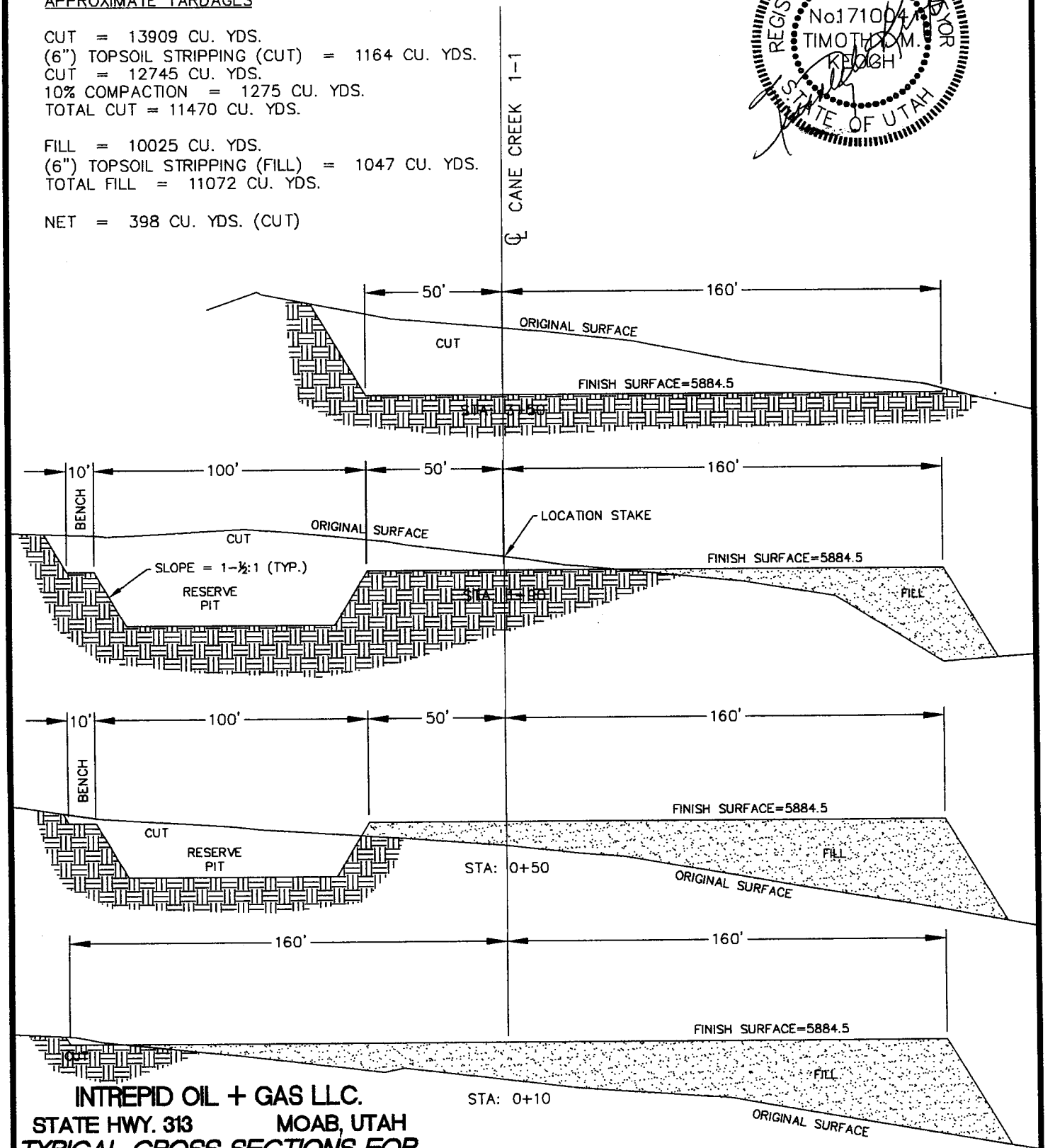
REGISTERED LAND SURVEYOR No171004 TIMOTHY M. KEOGH STATE OF UTAH

APPROXIMATE YARDAGES

CUT = 13909 CU. YDS.
(6") TOPSOIL STRIPPING (CUT) = 1164 CU. YDS.
CUT = 12745 CU. YDS.
10% COMPACTION = 1275 CU. YDS.
TOTAL CUT = 11470 CU. YDS.

FILL = 10025 CU. YDS.
(6") TOPSOIL STRIPPING (FILL) = 1047 CU. YDS.
TOTAL FILL = 11072 CU. YDS.

NET = 398 CU. YDS. (CUT)



INTREPID OIL + GAS LLC.

STATE HWY. 313 MOAB, UTAH

TYPICAL CROSS SECTIONS FOR
CANE CREEK 1-1
SECTION 1, T26S R19E S.L.B.+M
1317' FWL, 2240' FSL

SCALE: HORZ. 1"=50'
VERT. 1"=20'

FEDERAL STIPULATIONS

Any timing restrictions imposed by the Bureau of Land Management for this drill site will be stipulated as a Condition of Approval.

ARCHEOLOGICAL SURVEY OF INTREPID OIL & GAS LLC COMPANY'S PROPOSED CANE CREEK #1-1 WELL PAD, CC #8-1 & #24-1 WELL PADS AND ACCESS ROUTES IN GRAND COUNTY, UTAH

4-CAS REPORT 2429

by
Carol S. DeFrancia

4-CORNERS ARCHAEOLOGICAL SERVICES
76 S. Main Street
Moab, Utah 84532
(435) 259-2777

January 3, 2005

FEDERAL ANTIQUITIES PERMIT 04UT62712
Utah State Permit No. U-04-FE-1461b

Prepared For:
Pure Resources
500 W. Illinois Ave
Midland, TX 79701

TABLE OF CONTENTS

LIST OF FIGURES

APPENDIX

ABSTRACT

The archaeological survey of Intrepid Oil & Gas Company's proposed Cane Creek #1-1 well pad, Cane Creek #8-1 & #24-1 well pads and access routes was conducted by personnel of 4-Corners Archaeological Services between August 23, and December 20, 2004. The project is located near Big Flat and Little Valley in Grand County, Utah, approximately twenty miles northwest of the town of Moab. A total of 64.7 acres were inventoried for cultural resources on lands administered by the Utah Bureau of Land Management's - Moab Field Office.

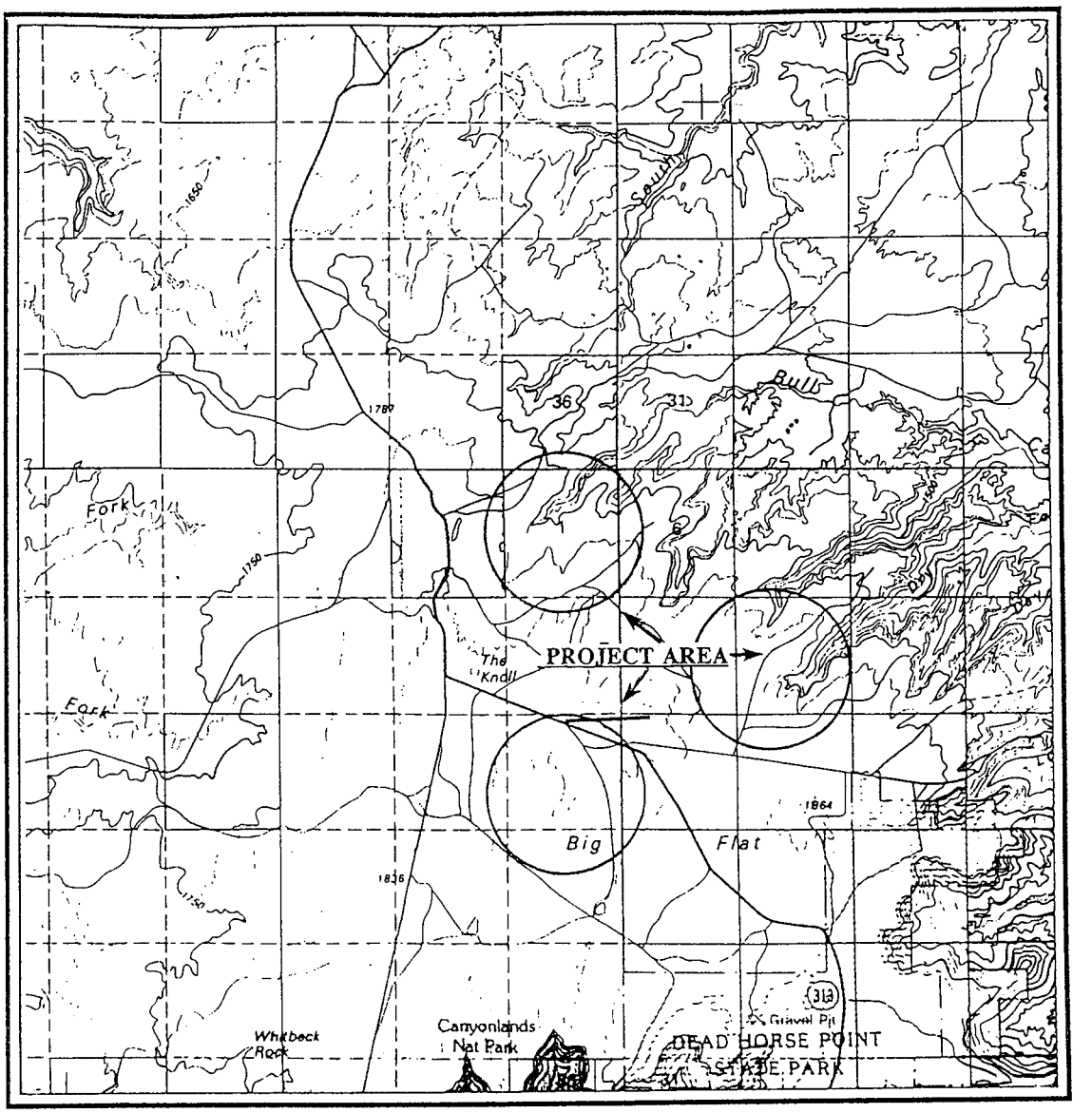
Two archaeological sites were found in the project area. One site was identified near the abandoned Cane Creek #8-1 alternate well location and one site was found along the access route leading into the proposed #8-1 location. Because of the potential for significant subsurface cultural deposits, site 42GR3540 is considered eligible to the National Register of Historic Places and the alternate well location has been subsequently abandoned. Site 42GR3541 is bisected by a bladed road that will be used to access the proposed #8-1 well location. The site is considered a surface manifestation and is not considered eligible to the N.R.H.P. No other cultural resources were identified in the project area. Because the sites should not be affected by project activities, no further management recommendations are necessary.

INTRODUCTION

The archaeological survey of Intrepid Oil & Gas Company's proposed Cane Creek #1-1 well pad, Cane Creek #1-8 & Cane Creek #1-24 well pads and access routes was conducted by Carol DeFrancia of 4-Corners Archeological Services between August 23, and December 20, 2004. The project is located along an upland mesa area near Big Flat and Little Valley on lands administered by the Utah Bureau of Land Management's - Moab Field Offices (Figure 1). The survey was requested by Ms. Lisa Smith of Permitco Inc. Keogh Land Surveying personnel staked and flagged the well pads and access routes prior to the survey. The access route for the Cane Creek #1-1 well pad will be determined at a later date. The #8-1 well pad will be accessed from an existing county road and follow approximately 3200' north/northeast along a two track road into the southeast edge of the well location. The Cane Creek #24-1 will be accessed south of the main county road for approximately 7600', south & southwest. Approximately 2.0 miles of access routes, and 10 acres (each) surrounding the proposed well location center stakes, were surveyed for cultural resources. A total of 64.7 acres were inventoried for cultural resources on BLM administered lands (Figure 2).

Principal federal legislation that is designed to conserve and protect cultural resources includes the Antiquities Act of 1906 (PL 52-209), the National Historic Preservation Act of 1966 (PL 89-665), the National Environmental Policy Act of 1969 (PL 91-190), the 1971 Executive Order No. 11593, the Archeological and Historical Conservation Act of 1974 (PL 93-291), and the Archaeological Resource Protection Act (ARPA) of 1978 (PL 95-96).

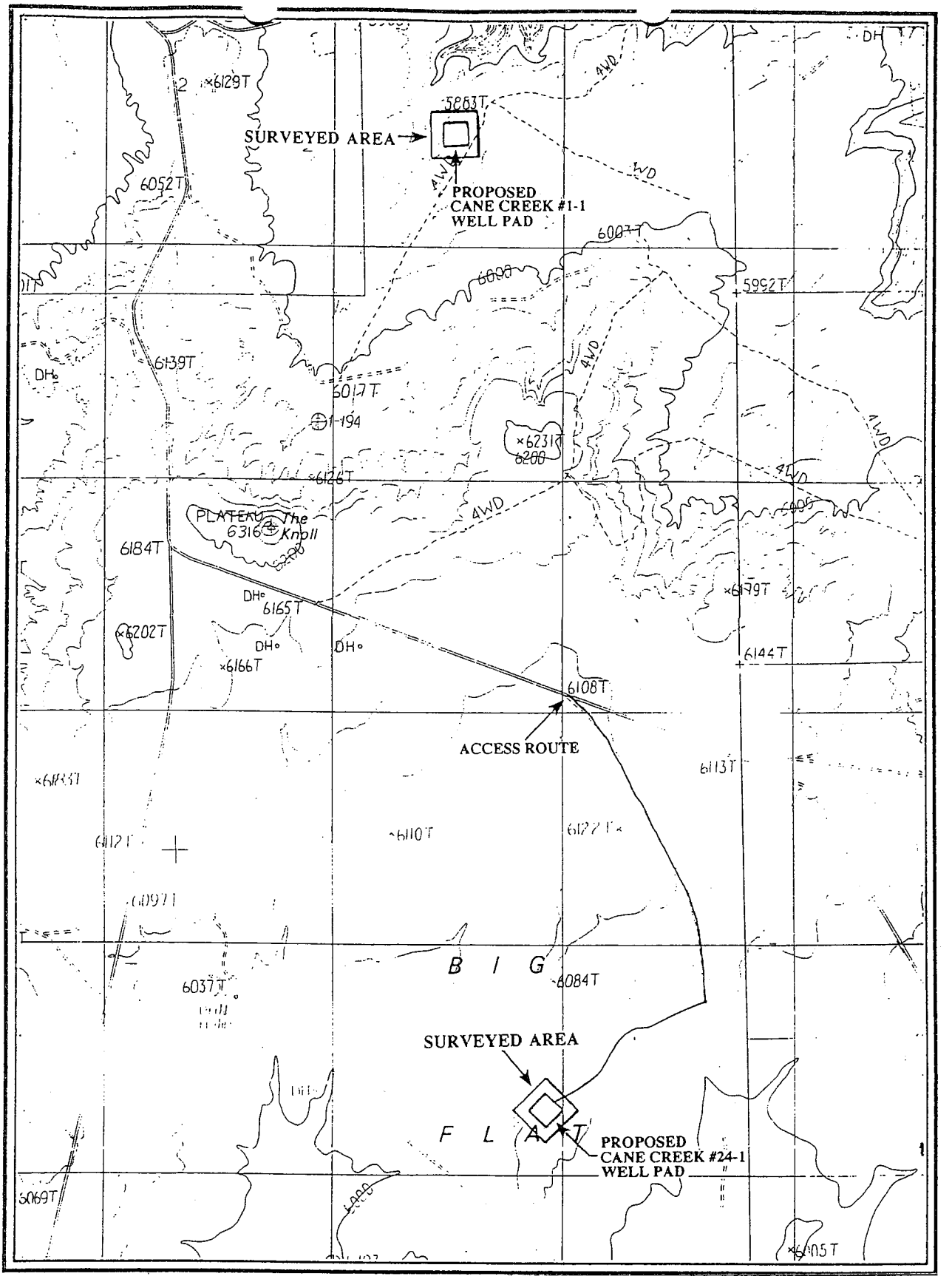
Two archaeological sites (42GR3540 & 42GR3541) were found in the project area. Site 442GR3540 was found near the abandoned Cane Creek #8-1 alternate well location and site 42GR3541 was identified along the access route leading into the proposed #8-1 well location. Because of the potential for significant subsurface cultural deposits, site 42GR3540 is considered eligible to the National Register of Historic Places. Therefore, the alternate location has been subsequently abandoned (Figure 3). Site 42GR3541 is bisected by a bladed road that will be used to access the proposed #8-1 well location. The site is considered a surface manifestation and is not considered eligible to the N.R.H.P. The proposed Cane Creek #8-1 well location is situated over 1000' southeast of the abandoned alternate well site and no other cultural resources were identified in the project area. Because the sites should not be affected by project activities, no further management recommendations are necessary.



GENERAL VICINITY OF PROJECT AREA

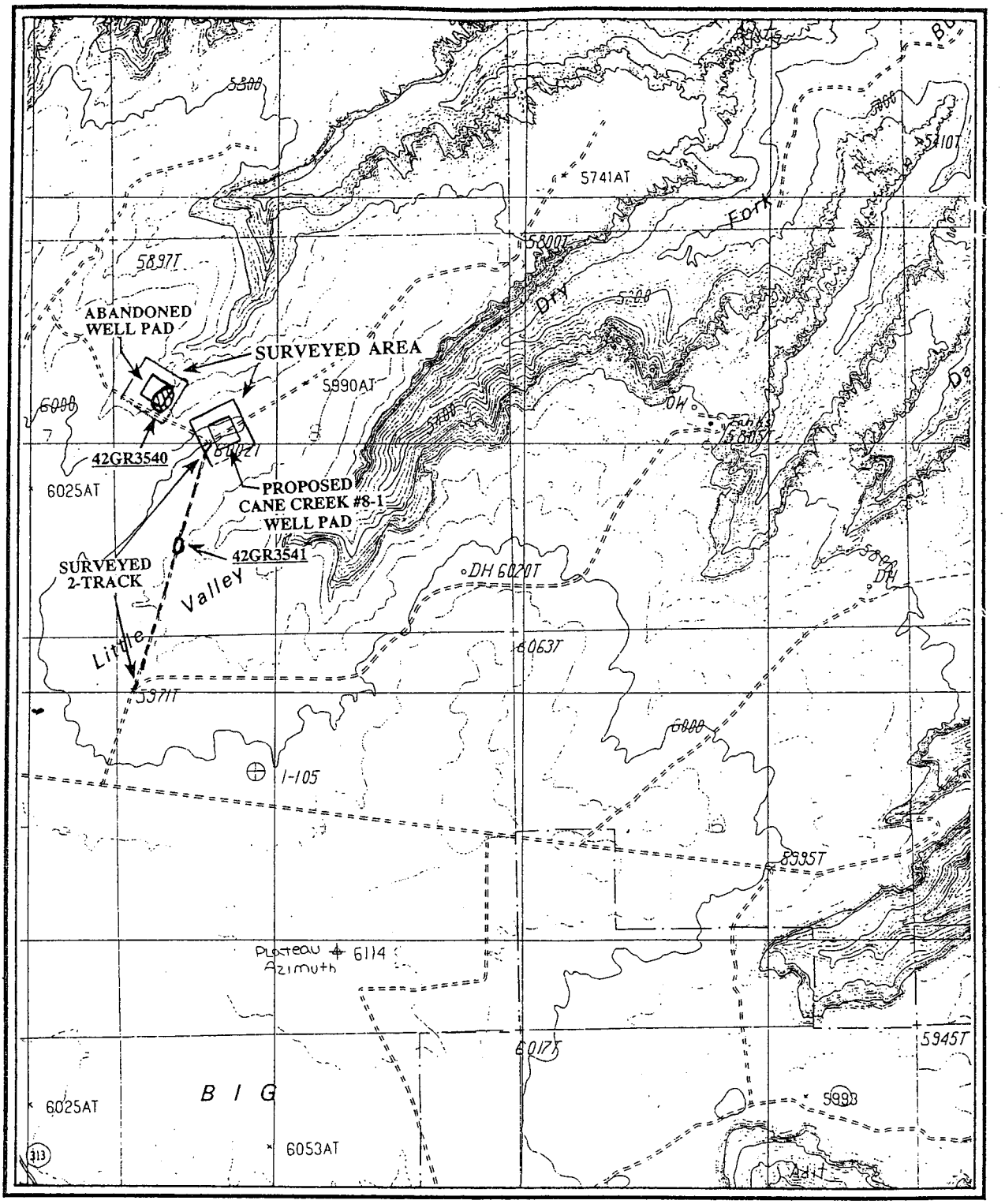
USGS 1: 62,000

(Figure 1)



PROJECT AREA

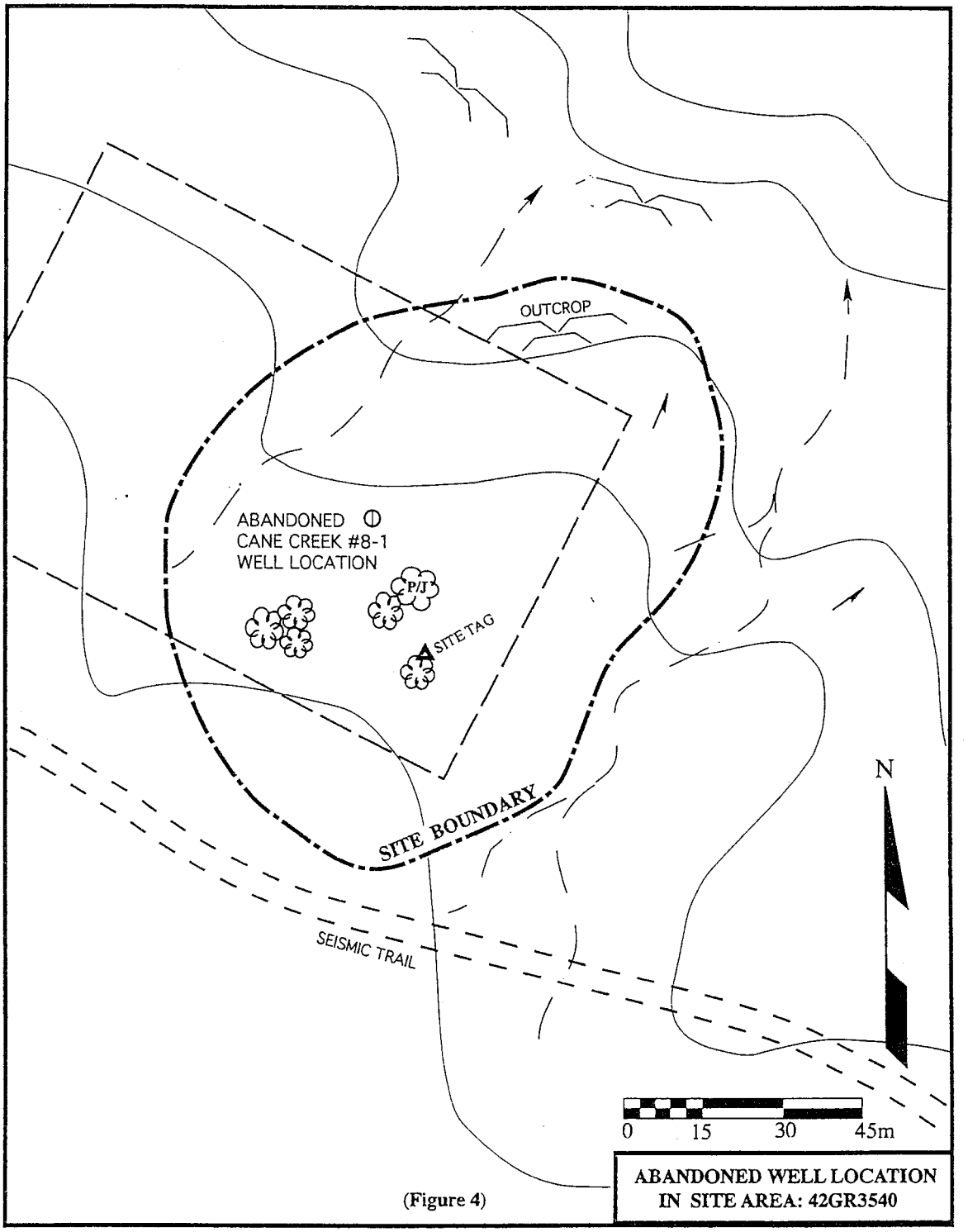
T26S, R19E: Sec. 1 & 24
Grand County, Utah - S.L.B. & M.
USGS The Knoll, UT (1988) 7.5' series map
SCALE: 1:24000
(Figure 2)



PROJECT AREA

T26S, R20E: Sec. 8
Grand County, Utah - S.L.B. & M.
USGS Gold Bar Canyone, UT (1985) 7.5' series map
SCALE: 1:24000

(Figure 3)



(Figure 4)

ABANDONED WELL LOCATION IN SITE AREA: 42GR3540

PROJECT AREA

Map Reference: U.S.G.S. Gold Bar Canyon (1985) & The Knoll (1988) 7.5' series maps

Total Project Area: 17.8 acres, area surveyed 64.7 acres

Cane Creek #1-1 Well Pad:

Legal Description: T26S, R19E; NE, NW, SW of section 1; (S.L.B.& M)

Center Stake: 1320' FWL, 2240' FSL; sec. 1

UTM Coordinates* (*all in zone 12)		Easting	Northing
	NW corner	606420m	4269620m
	NE corner	606620m	4269620m
	SE corner	606620m	4269400m
	SW corner	606420m	4269400m

Project Area: 380' x 400' (3.5 acres)

Surveyed Area: 660' x 660' (10.0 acres)

Results: No cultural resources found

Cane Creek #8-1 Well Pad:

Legal Description: T26S, R20E; SW, SE, NW of section 8; (S.L.B.& M)

Center Stake: 1430' FWL, 2570' FNL; sec. 8

UTM Coordinates* (*all in zone 12)		Easting	Northing
	NW corner	609660m	4268100m
	NE corner	609860m	4268180m
	SE corner	609920m	4267980m
	SW corner	609740m	4267920m

Project Area: 380' x 400' (3.5 acres)

Surveyed Area: 660' x 660' (10.0 acres)

Results: No cultural resources found

CC #8-1 Access Route:

Legal Description: T26S, R20E; W1/2 of sec. 8; NW 1/4 of sec. 17

UTM Coordinates* (*all in zone 12)		Easting	Northing
	SW end	609420m	4267040m (road tie)
	bend	609730m	4268000m
	NE end	609760m	4268040m (well location tie)

Project Area: 3200' length, maximum 16' wide (1.1 acres)

CC #8-1 Access Route (cont):

Surveyed Area: 3200' x 100' (7.3 acres)

Results: One archaeological site (42GR3541) found along access.

Cane Creek #8-1 Alternate Well Pad (abandoned area):

Legal Description: T26S, R20E; SW, SW, NW of section 8; (S.L.B.& M)

Center Stake: 700' FWL, 2025' FNL; sec. 8

UTM Coordinates* (*all in zone 12)		Easting	Northing
	NW corner	609470m	4268340m
	NE corner	609640m	4268240m
	SE corner	609530m	4268080m
	SW corner	609360m	4268180m

Project Area: 380' x 400' (3.5 acres)

Surveyed Area: 660' x 660' (10.0 acres)

Results: One archaeological site (42GR3540) found within well pad boundaries.

Cane Creek #24-1 Well Pad:

Legal Description: T26S, R19E; SE, NE, NW of section 24; (S.L.B.& M)

Center Stake: *2390' FWL, *680' FNL; sec. 24 (* approximate)

UTM Coordinates* (*all in zone 12)		Easting	Northing
	NW corner	606790m	4265290m
	NE corner	606930m	4265410m
	SE corner	607070m	4265280m
	SW corner	606930m	4265150m

Project Area: 380' x 400' (3.5 acres)

Surveyed Area: 660' x 660' (10.0 acres)

Results: No cultural resources found

CC #24-1 Access Route:

Legal Description: T26S, R19E; W1/2 of sec. 8; NW 1/4 of sec. 17

UTM Coordinates* (*all in zone 12)		Easting	Northing
	N end	607040m	4267070m (road tie)
	bend	607200m	4266880m
	bend	607540m	4266240m
	bend	607620m	4265760m

CC #24-1 Access Route (cont.):

bend	607300m	4265620m
bend	607180m	4265460m
SW end	606980m	4265320m (well location tie)

Project Area: 7600' length, maximum 16' wide (2.7 acres)

Surveyed Area: 7600' x 100' (17.4 acres)

Results: No cultural resources found

PHYSIOGRAPHY AND ENVIRONMENT

The project area is located in Grand County, Utah, in the vicinity of Big Flat and Little Valley, approximately twenty miles northwest of the town of Moab. The area lies in the Northern Colorado Plateau physiographic province and is a structural element of the Green River Desert, a physiographic subdivision of the Canyonlands Section (Rigby 1976; Stokes 1987). Terrain is characterized by a gently undulating planar surface, within a transitional upland mesa area. Sediments are predominately sandy loams and aeolian silts and sands, including localized dunes and occasional residual sandstone knolls and buttes (ie. The Knoll).

Vegetation in the project area is dominated by open grasslands and a pinyon/juniper woodland with an understory of sagebrush, Indian ricegrass, ephedra, rabbitbrush, snakeweed, prickly pear cactus, and bunch grass. A permanent water source in the area is the Colorado River, approximately ten miles southeast of the project area.

Reptilian, avian, and mammalian associations are consistent with those of the Upper Sonoran Life Zone throughout the Colorado Plateau.

Currently, most of the area is used for recreation, livestock grazing, and limited oil and gas development.

PREVIOUS RESEARCH

Prior to the initiation of the field investigations, a file search was conducted at the BLM's Field Office in Moab and the Division of State History in Salt Lake in August of 2004. The results of the review indicated that a number of oil and gas related surveys and road improvement inventories have been conducted in the general vicinity between the late 1970's and early 1990's (Conner 1991; Davies et. al. 1989; DeFrancia 2003 & 1997; Harden 1984; Tipps 1991; and Westfall 1984), including one extensive BLM survey within the project vicinity (Pierson 1980). More recently, an extensive 3D seismic project survey (Frizell 2001) was conducted in the immediate project area but did not indicate any cultural resources found within the proposed project area. The file search indicated that no archaeological sites are documented in close proximity to the project area.

EXAMINATION PROCEDURES

Prior to the field investigations, the well pads and access routes were staked and flagged by the land surveying crew. A 660' x 660' area surrounding the well center stakes (10 acres each) was inventoried for the well locations by walking a series of multiple parallel transects spaced 15m

apart. Two parallel zig-zag transects were walked along both sides of the flagged access routes (24.7 acres) covering a 100' corridor.

SURVEY RESULTS

Two archaeological sites (42GR3540 & 42GR3541) were found near the abandoned Cane Creek #8-1 alternate well location and along the access route leading into the proposed #8-1 location. A general description of the sites are presented in Appendix A. Because of the potential for significant subsurface cultural deposits, site 42GR3540 is considered eligible for nomination to the N.R.H.P. Site 42GR3541 is considered a surface manifestation and is not considered eligible to the N.R.H.P. No other cultural resources were found in the project area.

CONCLUSION AND RECOMMENDATIONS

The archaeological survey of Intrepid Oil & Gas Company's proposed Cane Creek #1-1 well pad, Cane Creek #8-1 & #24-1 well pads and access routes was conducted by personnel of 4-Corners Archaeological Services between August 23, and December 20, 2004. The project is located near Big Flat and Little Valley in Grand County, Utah, approximately twenty miles northwest of the town of Moab. A total of 64.7 acres were inventoried for cultural resources on lands administered by the Utah Bureau of Land Management's - Moab Field Office.

Two archaeological sites (42GR3540 & 42GR3541) were found in the project area. Site 442GR3540 was found near the abandoned Cane Creek #8-1 alternate well location and site 42GR3541 was identified along the access route leading into the proposed #8-1 well location. Because of the potential for significant subsurface cultural deposits, site 42GR3540 is considered eligible to the National Register of Historic Places. Therefore, the alternate location has been subsequently abandoned. Site 42GR3541 is bisected by a bladed road that will be used to access the proposed #8-1 well location. The site is considered a surface manifestation and is not considered eligible to the N.R.H.P. The proposed Cane Creek #8-1 well location is situated over 1000' southeast of the abandoned alternate well site and no other cultural resources were identified in the project area. Because the sites should not be affected by project activities, no further management recommendations are necessary.

REFERENCES

Conner, Carl E.
1991 Cultural Resource inventory on the Proposed Opal Seismic Lines in Grand County, Utah. GRI Project No. 9120. Ms on file at BLM Moab Field Office, Moab.

Davis, William E., Deborah Westfall, Wayne K. Howell, and Christopher Coder
1989 Cultural Resource Survey and Evaluation along SR 313, Grand County, Utah. Abajo Archaeology, Bluff. Ms on file at BLM Moab Field Office; Utah State No. U-88-AS-5986.

DeFrancia, Carol S.
2003 Archaeological Survey of Intrepid Oil & Gas Company's Proposed Cane Creek Federal #2-1 Well Pad & Access on State Land, Grand County, Utah. 4-CAS Report No. 2317, Moab.

DeFrancia, Carol S.
1997 Archaeological Survey & Testing of Aviara Energy Corporation's Proposed #11-1 Kane Springs Federal Well Pad, Grand County, Utah. 4-CAS Report No. 9724, Moab.

Frizzel, Jon P.
2001 A Class III Cultural Resource Inventory of the Veritas Geophysical Fertilizer 3-D Seismic Grid in Grand County, Utah. North Platte Project 2001-1-1. Utah State No. U01-NV-0095bs. Ms on file at BLM Moab Field Office.

Harden, Patrick L.
1984 An Archaeological Survey of Utah Department of Transportation's "Jct. US-191 to Dead Horse Point State Park" SR-313 Maintenance Project in Grand County, Utah. LAC Report 8440, Dolores. Manuscript on file at BLM Moab Field Office.

1984 The Archaeological Survey of Petty-Ray Geophysical's Seismograph Lines No.s 26 & 29, Grand County, Utah. LAC Report 8456, Dolores. Manuscript on file at BLM Moab Field Office.

Rigby, Keith J.
1976 Northern Colorado Plateau. Brigham Young University, Provo.

Stokes, William Lee
1987 Geology of Utah. Occasional Paper Number 6. Utah Museum of Natural History, University of Utah, Salt Lake City.

Tipps, Betsy L.
1991 Cultural Resource Inventory of Five Well Pads & Access Routes in the Kane Springs Area, Grand County, Utah. CR Report 471-01-9117, PIII Associates Inc. Salt Lake. MS on file at BLM Moab Field Office.

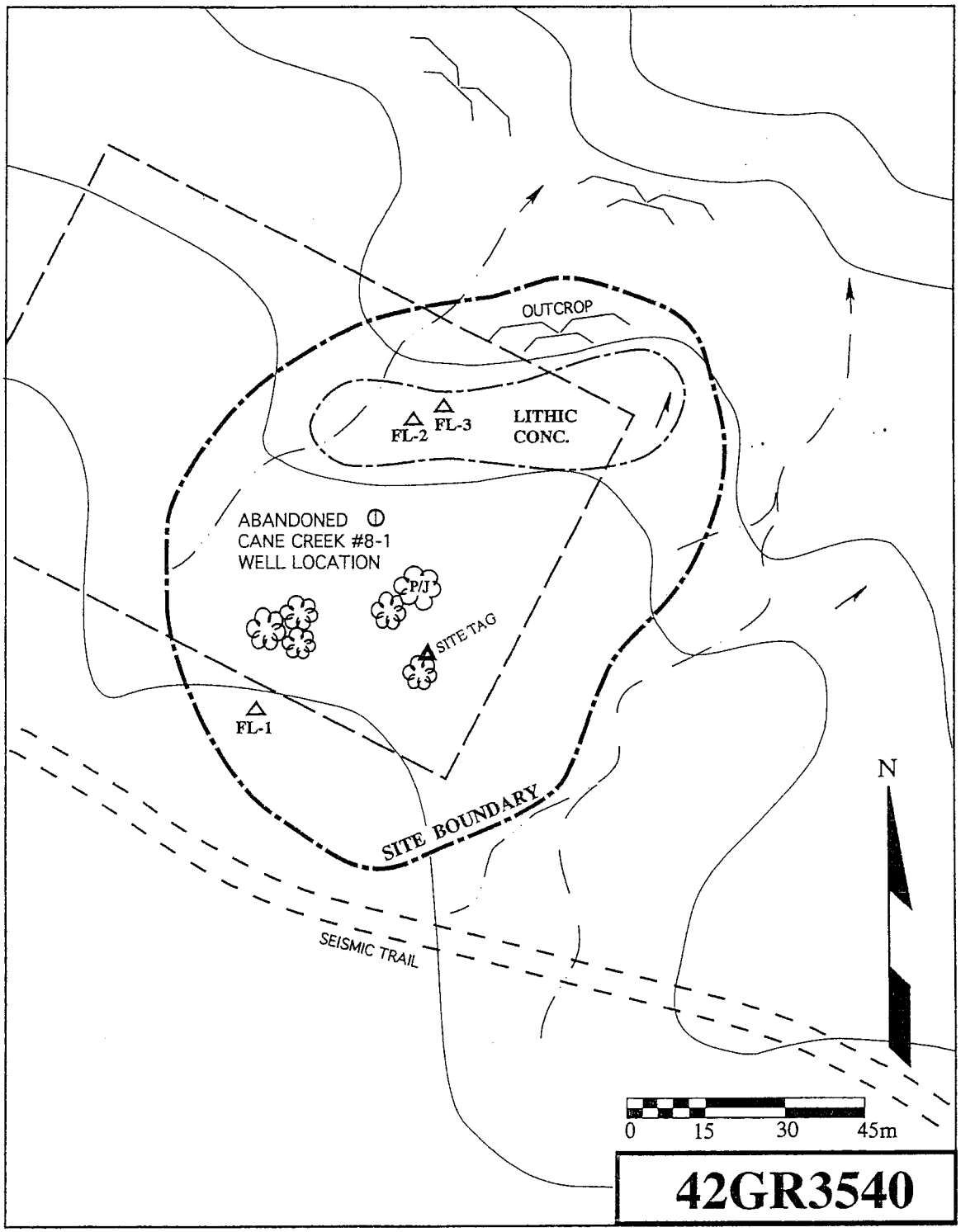
Westfall, Deborah A.
1984 Cultural Resource Inventories of Sefel Geophysical, LTD, Seismograph Lines 13Y, 13Z, 16X, 98X, 104X, and 105Y - 1984, Grand and San Juan Counties, UT. Manuscript on file at BLM Moab District Office; Utah State No. U-84-AS-25.

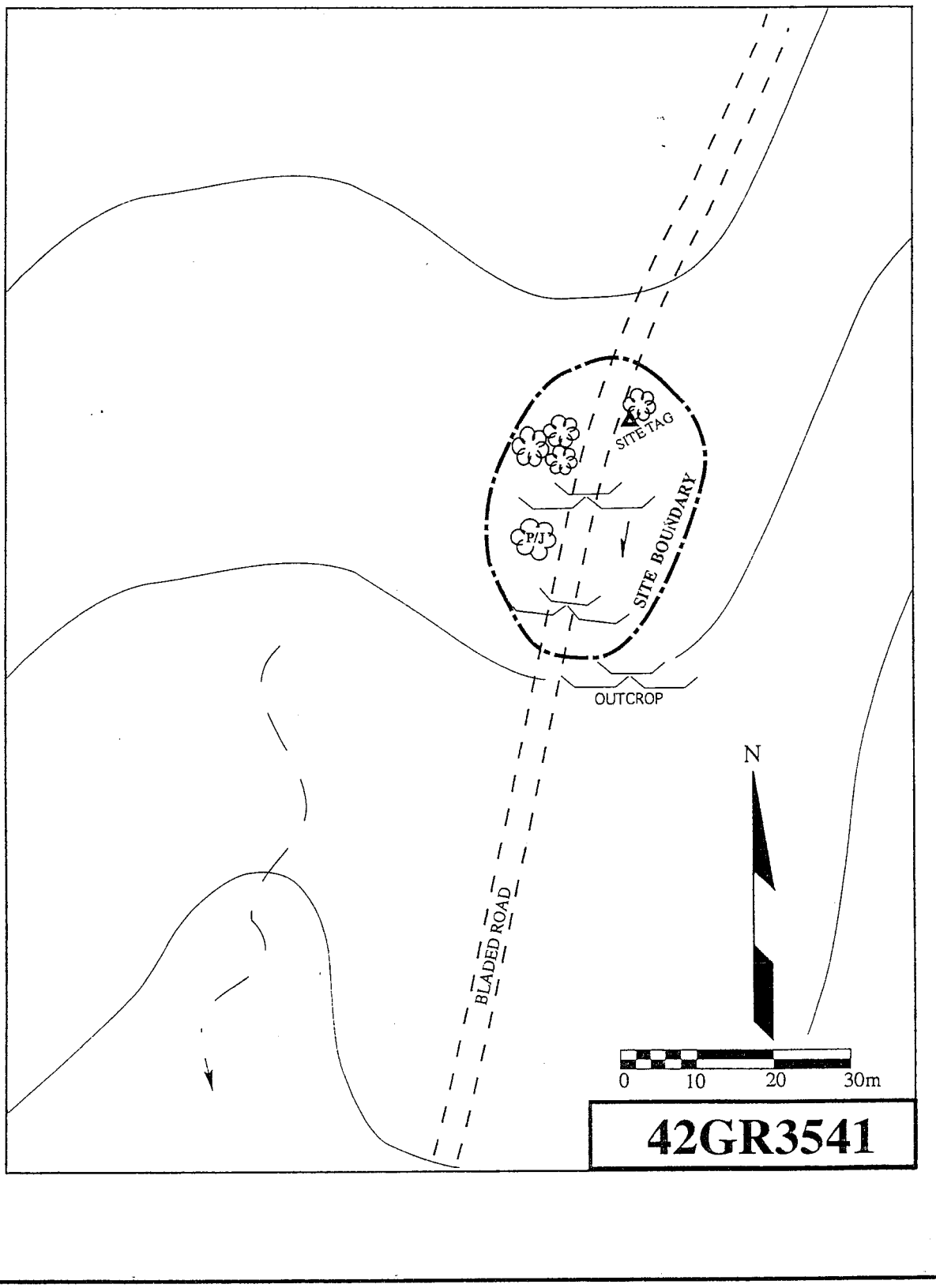
APPENDIX A

Site Descriptions

Site 42GR3540: The site consists of an extensive open lithic scatter located within a pinyon/juniper woodland. The site occupies a deflated northeast facing ridge slope along a bench area near the head of Dry Fork, a tributary drainage to Bull Canyon. Much of the site appears to be buried under aeolian deposits. At least 250 interior flakes of chert, quartzite and siltstone (mostly non-cortical) extend across a 90 x 105m area. No cultural features are evident across the site surface although deep sediments (>30cm) exist along the south central periphery and buried cultural deposits are possible. No temporally diagnostic tools were observed. One brown/gray chert unifacial scraper (Fl-1), one brown/tan chert biface (FL-2), and one gray quartzite biface fragment (FL-3) were the only tools observed across the site surface. Two small tabular pieces of groundstone were also noted, but these may or may not represent remnants of formal grinding implements. Because of the potential for significant subsurface cultural deposits, the site is considered eligible for nomination to the N.R.H.P. Testing of the cultural deposits could provide additional information concerning site function and use, and could yield datable materials significant to the areas' prehistory.

Site 42GR3541: The site consists of a very low density open lithic scatter dispersed over a 25 x 40m area and is bisected by a bladed road. The site is situated along a moderate expanse of outcropped bedrock and dunal area on the northwest side of Little Valley. Much of the site area appears to be a surface manifestation based on shallow soils, a low volume of artifacts present, and lack of any cultural material within the road cut which bisects the site area. Lithic debitage (<15 lithic flakes) consists entirely of secondary reduction debris of gray quartzite. No tools or cultural features were noted. A temporal/cultural affiliation is unknown. Because of the lack of cultural integrity, the site is considered non-eligible to the N.R.H.P.


OUTCROP
FL-2
FL-3
LITHIC CONC.
ABANDONED
CANE CREEK #8-1
WELL LOCATION
P/J
SITE TAG
FL-1
SITE BOUNDARY
SEISMIC TRAIL
N
0
15
30
45m
42GR3540


SITE TAG
SITE BOUNDARY
P/J
OUTCROP
BLADED ROAD
N
0
10
20
30m
42GR3541

005

WORKSHEET
APPLICATION FOR PERMIT TO DRILL

APD RECEIVED: 03/04/2005

API NO. ASSIGNED: 43-019-31446

WELL NAME: CANE CREEK #1-1
OPERATOR: INTREPID OIL & GAS LLC (N6810)
CONTACT: VENESSA LANGMACHER
PHONE NUMBER: 303-857-9999

PROPOSED LOCATION:
NWSW 01 260S 190E
SURFACE: 2240 FSL 1317 FWL
BOTTOM: 2240 FSL 1317 FWL
GRAND
UNDESIGNATED (2)

LEASE TYPE: 1 - Federal
LEASE NUMBER: UTU-65972
SURFACE OWNER: 1 - Federal
PROPOSED FORMATION: CNCR
COALBED METHANE WELL? NO

INSPECT LOCATN BY: / /

Tech Review	Initials	Date
Engineering		
Geology		
Surface		

LATITUDE: 38.56922
LONGITUDE: -109.7773

RECEIVED AND/OR REVIEWED:

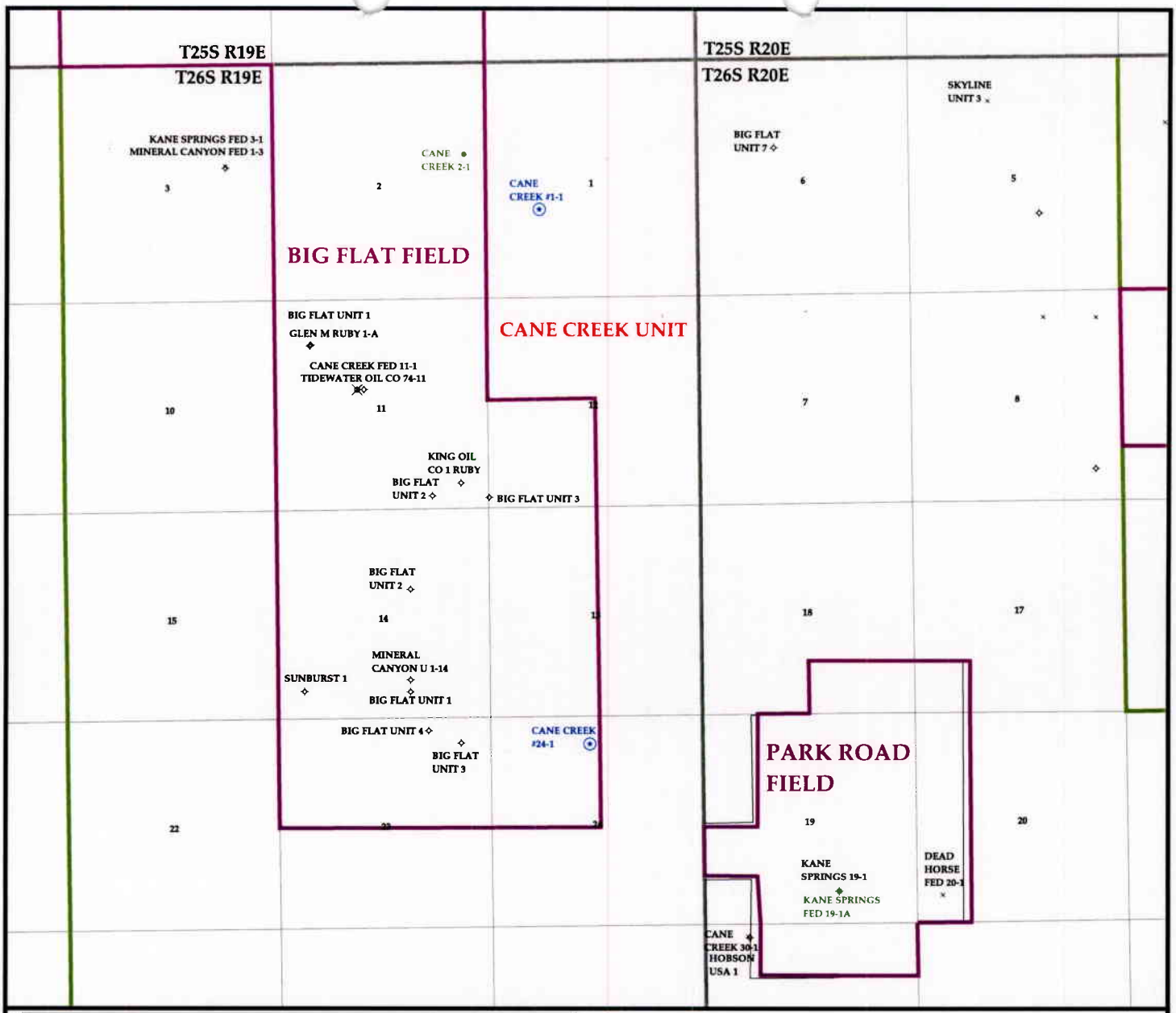
✓ Plat
✓ Bond: Fed[1] Ind[] Sta[] Fee[]
(No. UTB000029)
N Potash (Y/N)
N Oil Shale 190-5 (B) or 190-3 or 190-13
✓ Water Permit
(No. MUNICIPAL)
N RDCC Review (Y/N)
(Date:)
N/A Fee Surf Agreement (Y/N)

LOCATION AND SITING:

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

COMMENTS:

STIPULATIONS: 1- Federal approval
2- Spacing Sltr



OPERATOR- INTREPID O&G LLC (N6810)

SEC. 1 T.26S R.19E

FIELD: UNDESIGNATED (002)

COUNTY: GRAND

SPACING: R649-3-3 / EXCEPTION LOCATION

Wells
- 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

Units.shp
- EXPLORATORY
- GAS STORAGE
- NF PP OIL
- NF SECONDARY
- PENDING
- PI OIL
- PP GAS
- PP GEOTHERML
- PP OIL
- SECONDARY
- TERMINATED

Fields.shp
- ABANDONED
- ACTIVE
- COMBINED
- INACTIVE
- PROPOSED
- STORAGE
- TERMINATED

Utah Oil Gas and Mining

N
W E
S

PREPARED BY: DIANA WHITNEY
DATE: 7-MARCH-2005

002

United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Utah State Office
P.O. Box 45155
Salt Lake City, Utah 84145-0155

IN REPLY REFER TO:
3160
(UT-922)

March 7, 2005

Memorandum

To: Assistant Field Office Manager Resources, Moab District

From: Michael Coulthard, Petroleum Engineer

Subject: 2005 Plan of Development Cane Creek Unit, Grand and San Juan Counties, Utah.

Pursuant to email between Diana Whitney, Division of Oil, Gas and Mining, and Mickey Coulthard, Utah State Office, Bureau of Land Management, the following wells are planned for calendar year 2005 within the Cane Creek Unit, Grand and San Juan Counties, Utah.

API #	WELL NAME	LOCATION

(Proposed PZ Cane Creek)

43-019-31446 Cane Creek #1-1 Sec 1 T26S R19E 2240 FSL 1317 FWL
43-019-31447 Cane Creek #24-1 Sec 24 T26S R19E 0682 FNL 2829 FEL

This office has no objection to permitting the wells at this time.

/s/ Michael L. Coulthard

bcc: File - Cane Creek Unit
Division of Oil Gas and Mining
Central Files
Agr. Sec. Chron
Fluid Chron

MCoulthard:mc:3-7-05

006

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

March 8, 2005

Intrepid Oil & Gas, LLC
700 - 17th St., Suite 1700
Denver, CO 80202

Re: Cane Creek #1-1 Well, 2240' FSL, 1317' FWL, NW SW, Sec. 1, T. 26 South, R. 19 East, Grand County, Utah

Gentlemen:

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

Appropriate information has been submitted to DOGM and administrative approval of the requested exception location is hereby granted.

This approval shall expire one year from the above date unless substantial and continuous operation is underway, or a request for extension is made prior to the expiration date. The API identification number assigned to this well is 43-019-31446.

Sincerely,

for John R. Baza
Associate Director

pab
Enclosures

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

1594 West North Temple, Suite 1210, PO Box 145801, Salt Lake City, UT 84114-5801
telephone (801) 538-5340 • facsimile (801) 359-3940 • TTY (801) 538-7458 • *www.ogm.utah.gov*

Operator: Intrepid Oil & Gas, LLC

Well Name & Number Cane Creek #1-1

API Number: 43-019-31446

Lease: UTU-65972

Location: NW SW **Sec.** 1 **T.** 26 South **R.** 19 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.

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

Form 9

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

6. Lease Designation and Serial Number: **UTU-65972**

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill new wells, deepen existing wells, or to reenter plugged and abandoned wells.
Use APPLICATION FOR PERMIT -- for such proposals

7. Indian Allottee or Tribe Name: **N/A**

8. Unit or Communitization Agreement: **Cane Creek Unit**

1. Type of Well
[X] Oil Well [ ] Gas Well [ ] Other (specify)

9. Well Name and Number: **Cane Creek #1-1**

2. Name of Operator: **Intrepid Oil & Gas, LLC**

10. API Well Number: **43-019-31446**

3. Address of Operator: **700 - 17th Street, Suite 1700, Denver, CO 80202**

4. Telephone Number: **303/296-3006**

11. Field and Pool, or Wildcat: **[redacted] undesignated**

5. Location of Well
Footage : **2240' FSL and 1317' FWL**
QQ, Sec, T., R., M. : **NW SW Sec. 1, T26S - R19E**
County : **Grand County**
State : **Utah**

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

NOTICE OF INTENT
(Submit in Duplicate)

- [ ] Abandonment
- [ ] Casing Repair
- [ ] Change of Plans
- [ ] Conversion to Injection
- [ ] Fracture Treat
- [ ] Multiple Completion
- [ ] New Construction
- [ ] Pull or Alter Casing
- [ ] Recompletion
- [ ] Shoot or Acidize
- [ ] Vent or Flare
- [ ] Water Shut-Off
- [X] Other **Request 1 year extension of APD**

Approximate Date Work Will Start _____

SUBSEQUENT REPORT
(Submit Original Form Only)

- [ ] Abandonment *
- [ ] Casing Repair
- [ ] Change of Plans
- [ ] Conversion to Injection
- [ ] Fracture Treat
- [ ] Other _____
- [ ] New Construction
- [ ] Pull or Alter Casing
- [ ] Shoot or Acidize
- [ ] Vent or Flare
- [ ] Water Shut-Off

Date of Work Completion _____

Report results of Multiple Completions and Recompletions to different reservoirs on WELL COMPLETION OR RECOMPLETION AND LOG form.
* Must be accompanied by a cement verification report.

13. DESCRIBE PROPOSED OR COMPLETED OPERATIONS (Clearly state all pertinent details, and give pertinent dates. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)

Intrepid Oil & Gas, LLC requests a one year extension of the subject APD.

7-21-06
CHD

Approved by the
Utah Division of
Oil, Gas and Mining
Date: 05-15-06
By: [signature]

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

Name & Signature: Venessa Langmacher Title: **Consultant for Intrepid Oil & Gas, LLC** Date: **05/08/06**

(State Use Only)

RECEIVED
MAY 11 2006
DIV. OF OIL, GAS & MINING

(8/90)

See Instructions on Reverse Side

Application for Permit to Drill
Request for Permit Extension
Validation

(this form should accompany the Sundry Notice requesting permit extension)

API: 43-019-31446
Well Name: Cane Creek #1-1
Location: NW SW Section 1, T26S - R19E
Company Permit Issued to: Intrepid Oil & Gas, LLC
Date Original Permit Issued: 3/8/2005

Theundersigned as owner with legal rights to drill on the property as permitted above, hereby verifies that the information as submitted in the previously approved application to drill, remains valid and does not require revision.

Following is a checklist of some items related to the application, which should be verified.

If location on private land, has the ownership changed, if so, has the surface agreement been updated? Yes ☐ No ☒

Have any wells been drilled in the vicinity of the proposed well which would affect the spacing or siting requirements for this location? Yes ☐ No ☒

Has there been any unit or other agreements put in place that could affect the permitting or operation of this proposed well? Yes ☐ No ☒

Have there been any changes to the access route including ownership, or right-of-way, which could affect the proposed location? Yes ☐ No ☒

Has the approved source of water for drilling changed? Yes ☐ No ☒

Have there been any physical changes to the surface location or access route which would require a change in plans from what was discussed at the onsite evaluation? Yes ☐ No ☒

Is bonding still in place, which covers this proposed well? Yes ☒ No ☐

Venessa Langmacher — May 8, 2006

Venessa Langmacher Permitco Inc. — Date

Title: Consultant for Intrepid Oil & Gas, LLC

RECEIVED
MAY 11 2006
DIV. OF OIL, GAS & MINING

EXHIBIT "A"

Attached to Form 9, Change of Operator, from Intrepid Oil & Gas LLC to Babcock & Brown Energy Inc., effective October 1, 2006

LEASE	UNIT	WELL NAME/NUMBER	API NO.	FIELD	LOCATION							TYPE
					Footage		QrtQrt	Sec.	Twp	Rge	County	
UTU 047858	N/A	Long Canyon No. 1	43-019-15925	Long Canyon	2,339' FNL	2,473' FWL	SENW	9	26S	20E	Grand	Oil Well
UTU 065971	Kane Springs	Kane Springs Federal No. 27-1	43-019-31310	Big Flat	1,650' FSL	1,700' FEL	NWSE	27	25S	19E	Grand	Oil Well
UTU 053626	Kane Springs	Kane Springs Federal No. 19-1A	43-019-31324	Park Road	800' FSL	1,918' FEL	SWNE	19	26S	20E	Grand	Oil Well
ML-40761	Cane Creek	Cane Creek No. 2-1	43-019-31396	Big Flat	2,289' FNL	518' FEL	SENE	2	26S	19E	Grand	Oil Well
UTU 047858	Kane Springs	Kane Springs Federal No. 10-1	43-019-31331	Hell Roaring	2,333' FSL	2,112' FEL	NWSE	10	25S	18E	Grand	Oil Well
UTU 053624	Kane Springs	Kane Springs Federal No. 25-19-34-1	43-019-31334	Big Flat	934' FNL	1,678' FEL	NWNE	34	25S	19E	Grand	Oil Well
ML 44333	Kane Springs	Kane Springs Federal No. 16-1	43-019-31341	Wildcat	960' FSL	1,960' FWL	SESW	16	25S	18E	Grand	Water Disposal
UTU 065972	Cane Creek	Cane Creek No. 1-1 (Permit)	43-019-31446	Wildcat	2,240' FSL	1,317' FWL	NWSW	1	26S	19E	Grand	Oil Well
UTU 068122	Cane Creek	Cane Creek No.8-1 (Permit)	43-019-31449	Wildcat	2,563' FNL	1,429' FWL	SENW	8	26S	20E	Grand	Oil Well
UTU 046693	Cane Creek	Cane Creek 24-1 (Permit)	43-019-31447	Wildcat	682' FNL	2,829' FEL	NENW	24	26S	19E	Grand	Oil Well

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

FORM 9

SUNDRY NOTICES AND REPORTS ON WELLS

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

1. TYPE OF WELL: OIL WELL ☐ GAS WELL ☐ OTHER	5. LEASE DESIGNATION AND SERIAL NUMBER: See attached Exhibit
	6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
	7. UNIT or CA AGREEMENT NAME: See attached Exhibit
	8. WELL NAME and NUMBER: See attached Exhibit
2. NAME OF OPERATOR: Babcock & Brown Energy Inc. N3135	9. API NUMBER: See attach
3. ADDRESS OF OPERATOR: 1512 Larimer St, Suite 550 CITY Denver STATE CO ZIP 80202 — PHONE NUMBER: (303) 460-1205 1132	10. FIELD AND POOL, OR WILDCAT: See attached Exhibit
4. LOCATION OF WELL — FOOTAGES AT SURFACE: SEE ATTACHED EXHIBIT FOR ALL WELLS & DETAILS — QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN:	COUNTY: — STATE: UTAH

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

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

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

Effective October 1, 2006, Intrepid Oil & Gas LLC resigned as Operator of the wells listed on the attached Exhibit and Babcock & Brown Energy Inc. has been designated as successor Operator. Concurrent with this action, Intrepid Oil & Gas LLC resigns as Operator of this well and names Babcock & Brown Energy Inc. as successor Operator. Bond Number 8785513659 will be used to cover operations by Babcock & Brown Energy Inc.

(BLM Statewide Bond UTB-00240)

Intrepid Oil & Gas LLC
By: Intrepid Mining, LLC, its Sole Member

N6810

Robert P. Jornayvax, Manager

NAME (PLEASE PRINT) Van Z. Spence TITLE President

SIGNATURE _____ DATE 11/15/2006

(This space for State use only)

APPROVED 1/11/07 = UIC 12/28/06 all other wells

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

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DIV. OF OIL, GAS & MINING

(5/2000) (See Instructions on Reverse Side)

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

Request to Transfer Application or Permit to Drill

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

Well name:	Cane Creek No. 1-1
API number:	4301931446
Location:	Qtr-Qtr: NWSW Section: 1 Township: 26S Range: 19E
Company that filed original application:	Intrepid Oil & Gas LLC
Date original permit was issued:	
Company that permit was issued to:	Intrepid Oil & Gas LLC

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

Following is a checklist of some items related to the application, which should be verified.	**Yes**	**No**
If located on private land, has the ownership changed?		
If so, has the surface agreement been updated?		
Have any wells been drilled in the vicinity of the proposed well which would affect the spacing or siting requirements for this location?		✓
Have there been any unit or other agreements put in place that could affect the permitting or operation of this proposed well?		✓
Have there been any changes to the access route including ownership or right-of-way, which could affect the proposed location?		✓
Has the approved source of water for drilling changed?		✓
Have there been any physical changes to the surface location or access route which will require a change in plans from what was discussed at the onsite evaluation?		✓
Is bonding still in place, which covers this proposed well? Bond No. BLM Statewide Bond UTB-00240	✓	

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

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Name (please print) Ian Z. Spence Title President

Signature Date 11/15/2006

Representing (company name) Babcock & Brown Energy Inc.

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

(3/2004)

United States Department of the Interior

BUREAU OF LAND MANAGEMENT
Utah State Office
P.O. Box 45155
Salt Lake City, UT 84145-0155

TAKE PRIDE IN AMERICA

IN REPLY REFER TO
3180
UT-922

DEC 19 2006

Babcock & Brown Energy Inc.
1512 Larimer, Suite 550
Denver, CO 80202

Re: Cane Creek Unit
Grand & San Juan Counties,

Gentlemen:

On December 18, 2006, we received an indenture dated October 1, 2006, whereby Intrepid Oil & Gas LLC resigned as Unit Operator and Babcock & Brown Energy Inc. was designated as Successor Unit Operator for the Cane Creek Unit, Grand and San Juan Counties, Utah.

This indenture was executed by all required parties and the signatory parties have complied with Sections 5 and 6 of the unit agreement. The instrument is hereby approved effectiveDecember 19, 2006. In approving this designation, the Authorized Officer neither warrants nor certifies that the designated party has obtained all required approval that would entitle it to conduct operations under the Cane Creek Unit Agreement.

Your statewide (Utah) oil and gas Bond No. UTB000240 will be used to cover all operations within the Cane Creek Unit.

It is requested that you notify all interested parties of the change in unit operator. Copies of the approved instruments are being distributed to the appropriate federal offices, with one copy returned herewith.

Sincerely,

/s/ Douglas Cook

Douglas Cook
Chief, Branch of Fluid Minerals

Enclosure

bcc: Field Manager -Moab (w/enclosure)
SITLA
Division of Oil, Gas & Mining
Dockets
File -Cane Creek Unit (w/enclosure)
Agr. Sec. Chron
Reading File
Central Files
CSeare:cs12/19/06Babcock

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DEC 21 2006
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Division of Oil, Gas and Mining

OPERATOR CHANGE WORKSHEET

ROUTING
1. DJJ
2. CDW

X - Change of Operator (Well Sold) Operator Name Change/Merger

The operator of the well(s) listed below has changed, effective: **10/1/2006**

FROM: (Old Operator):	**TO:** (New Operator):
N6810-Intrepid Oil & Gas, LLC	N3135-Babcock & Brown Energy, Inc.
700 17th St, Suite 1700	1512 Larimer St, Suite 550
Denver, CO 80202	Denver, CO 80202
Phone: 1 (303) 296-3006	Phone: 1 (303) 460-1132

CA No. **Unit:** **CANE CREEK**

OPERATOR CHANGES DOCUMENTATION

Enter date after each listed item is completed

1. (R649-8-10) Sundry or legal documentation was received from the **FORMER** operator on: 12/18/2006
2. (R649-8-10) Sundry or legal documentation was received from the **NEW** operator on: 12/18/2006
3. The new company was checked on the **Department of Commerce, Division of Corporations Database on:** 12/28/2006
4a. Is the new operator registered in the State of Utah: YES Business Number: 6404096-0143
5a. (R649-9-2)Waste Management Plan has been received on: REQUESTED
5b. Inspections of LA PA state/fee well sites complete on n/a
5c. Reports current for Production/Disposition & Sundries on: OK
6. **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 12/19/2006 BIA
7. **Federal and Indian Units:**
   The BLM or BIA has approved the successor of unit operator for wells listed on: 12/19/2006
8. **Federal and Indian Communization Agreements ("CA"):**
   The BLM or BIA has approved the operator for all wells listed within a CA on: n/a
9. **Underground Injection Control ("UIC")** The Division has approved UIC Form 5, **Transfer of Authority to Inject,** for the enhanced/secondary recovery unit/project for the water disposal well(s) listed on: n/a

DATA ENTRY:

1. Changes entered in the **Oil and Gas Database on:** 12/28/2006
2. Changes have been entered on the **Monthly Operator Change Spread Sheet on:** 12/26/2006
3. Bond information entered in RBDMS on: 12/28/2006
4. Fee/State wells attached to bond in RBDMS on: 12/28/2006
5. Injection Projects to new operator in RBDMS on: n/a
6. Receipt of Acceptance of Drilling Procedures for APD/New on: 12/28/2006

BOND VERIFICATION:

1. Federal well(s) covered by Bond Number: UTB000240
3a. (R649-3-1) The **NEW** operator of any fee well(s) listed covered by Bond Number 8785513659
3b. The **FORMER** operator has requested a release of liability from their bond on: not yet

LEASE INTEREST OWNER NOTIFICATION:

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

Form 9

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

CONFIDENTIAL

6. Lease Designation and Serial Number	**UTU-65972**
7. Indian Allottee or Tribe Name	**N/A**
8. Unit or Communitization Agreement	**Cane Creek Unit**
9. Well Name and Number	**Cane Creek #1-1**
10. API Well Number	**43-019-31446**
11. Field and Pool, or Wildcat	**Undesignated**

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill new wells, deepen existing wells, or to reenter plugged and abandoned wells.
Use APPLICATION FOR PERMIT – for such proposals

1. Type of Well
[X] Oil Well [ ] Gas Well [ ] Other (specify)

2. Name of Operator
Babcock & Brown Energy Inc.

3. Address of Operator
1512 Larimer Street, Suite 550, Denver, CO 80202

4. Telephone Number
303/460-1132

5. Location of Well
Footage : **2240' FSL and 1317' FWL**
QQ, Sec, T., R., M. : **NW SW Sec. 1, T26S - R19E**
County : **Grand County**
State : **Utah**

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

NOTICE OF INTENT
(Submit in Duplicate)

- [ ] Abandonment
- [ ] Casing Repair
- [ ] Change of Plans
- [ ] Conversion to Injection
- [ ] Fracture Treat
- [ ] Multiple Completion
- [ ] New Construction
- [ ] Pull or Alter Casing
- [ ] Recompletion
- [ ] Shoot or Acidize
- [ ] Vent or Flare
- [ ] Water Shut-Off
- [X] Other **Request 1 year extension of APD**

Approximate Date Work Will Start _____

SUBSEQUENT REPORT
(Submit Original Form Only)

- [ ] Abandonment *
- [ ] Casing Repair
- [ ] Change of Plans
- [ ] Conversion to Injection
- [ ] Fracture Treat
- [ ] Other _____
- [ ] New Construction
- [ ] Pull or Alter Casing
- [ ] Shoot or Acidize
- [ ] Vent or Flare
- [ ] Water Shut-Off

Date of Work Completion _____

Report results of Multiple Completions and Recompletions to different reservoirs on WELL COMPLETION OR RECOMPLETION AND LOG form.
* Must be accompanied by a cement verification report.

13. DESCRIBE PROPOSED OR COMPLETED OPERATIONS (Clearly state all pertinent details, and give pertinent dates. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)

Babcock & Brown Energy Inc. requests a one year extension of the subject APD.

Approved by the
Utah Division of
Oil, Gas and Mining

Date: 03-26-07
By: [signature]

3-28-07 RM

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

Name & Signature Venessa Langmacher Title **Consultant for Babcock & Brown Energy Inc.** Date **03/22/07**

(State Use Only)

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MAR 2 6 2007
DIV. OF OIL, GAS & MINING

(8/90) See Instructions on Reverse Side

Application for Permit to Drill
Request for Permit Extension
Validation

(this form should accompany the Sundry Notice requesting permit extension)

API: 43-019-31446
Well Name: Cane Creek #1-1
Location: NW SW Section 1, T26S - R19E
Company Permit Issued to: Babcock & Brown Energy Inc.
Date Original Permit Issued: 3/8/2005

Theundersigned as owner with legal rights to drill on the property as permitted above, hereby verifies that the information as submitted in the previously approved application to drill, remains valid and does not require revision.

Following is a checklist of some items related to the application, which should be verified.

If location on private land, has the ownership changed, if so, has the surface agreement been updated? Yes ☐ No ☒

Have any wells been drilled in the vicinity of the proposed well which would affect the spacing or siting requirements for this location? Yes ☐ No ☒

Has there been any unit or other agreements put in place that could affect the permitting or operation of this proposed well? Yes ☐ No ☒

Have there been any changes to the access route including ownership, or right-of-way, which could affect the proposed location? Yes ☐ No ☒

Has the approved source of water for drilling changed? Yes ☐ No ☒

Have there been any physical changes to the surface location or access route which would require a change in plans from what was discussed at the onsite evaluation? Yes ☐ No ☒

Is bonding still in place, which covers this proposed well? Yes ☒ No ☐

Venessa Langmacher

Venessa Langmacher - Permitco Inc.

March 22, 2007
Date

Title: Consultant for Babcock & Brown Energy Inc.

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DIV. OF OIL, GAS & MINING

Form 9

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

6. Lease Designation and Serial Number: **UTU-65972**

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill new wells, deepen existing wells, or to reenter plugged and abandoned wells.
Use APPLICATION FOR PERMIT -- for such proposals

7. Indian Allottee or Tribe Name: **N/A**

8. Unit or Communitization Agreement: **Cane Creek Unit**

1. Type of Well
[X] Oil Well [ ] Gas Well [ ] Other (specify)

9. Well Name and Number: **Cane Creek #1-1**

2. Name of Operator: **Babcock & Brown Energy Inc.**

10. API Well Number: **43-019-31446**

3. Address of Operator: **1512 Larimer Street, Suite 550, Denver, CO 80202**

4. Telephone Number: **303/460-1132**

11. Field and Pool, or Wildcat: **Undesignated**

5. Location of Well
Footage : **2240' FSL and 1317' FWL**
QQ, Sec, T., R., M. : **NW SW Sec. 1, T26S - R19E**
County : **Grand County**
State : **Utah**

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

NOTICE OF INTENT (Submit in Duplicate)		SUBSEQUENT REPORT (Submit Original Form Only)	
[ ] Abandonment	[ ] New Construction	[ ] Abandonment *	[ ] New Construction
[ ] Casing Repair	[ ] Pull or Alter Casing	[ ] Casing Repair	[ ] Pull or Alter Casing
[X] Change of Plans	[ ] Recompletion	[ ] Change of Plans	[ ] Shoot or Acidize
[ ] Conversion to Injection	[ ] Shoot or Acidize	[ ] Conversion to Injection	[ ] Vent or Flare
[ ] Fracture Treat	[ ] Vent or Flare	[ ] Fracture Treat	[ ] Water Shut-Off
[ ] Multiple Completion	[ ] Water Shut-Off	[ ] Other _____	
[ ] Other _____			

Approximate Date Work Will Start _____

Date of Work Completion _____

Report results of Multiple Completions and Recompletions to different reservoirs on WELL COMPLETION OR RECOMPLETION AND LOG form.
* Must be accompanied by a cement verification report.

13. DESCRIBE PROPOSED OR COMPLETED OPERATIONS (Clearly state all pertinent details, and give pertinent dates. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)

Babcock & Brown Energy Inc. hereby requests to revise the drilling program for the above mentioned well. Attached please find the revised drilling program.

3-30-07
RM

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

Name & Signature: Vanessa Langmacher — Title: **Consultant for Babcock & Brown Energy Inc.** — Date: **03/22/07**

(State Use Only)

Accepted by the Utah Division of Oil, Gas and Mining
Date: 3/29/07
By: Dustin Doucet

Federal Approval Of This Action Is Necessary

(8/90) See Instructions on Reverse Side

RECEIVED
MAR 26 2007
DIV. OF OIL, GAS & MINING

CONFIDENTIAL - TIGHT HOLE

ONSHORE OIL & GAS ORDER NO. 1

Approval of Operations on Onshore
Federal and Indian Oil & Gas Leases

Cane Creek #1-1
2240' FSL and 1317' FWL
NW SW Section 1, T26S - R19E
Grand County, Utah

Prepared For:

BABCOCK & BROWN ENERGY INC.

By:

PERMITCO INC.
14421 County Road 10
Ft. Lupton, Colorado 80621
303/857-9999

Copies Sent To:

4 - BLM - Moab, UT
1 - Utah Division of Oil, Gas & Mining - SLC, UT
1 - Fidelity Exploration & Production Company - Denver, CO
1 - Babcock & Brown Energy Inc. - Denver, CO
1 - Energy Operating Company, Inc. - Lakewood, CO

ONSHORE OIL & GAS ORDER NO. 1
Approval of Operations on Onshore
Federal and Indian Oil and Gas Leases

Based on out interpretation on the 3D seismic data, the proposed Cane Creek 1-1 appears to be across a fault from the recently drilled Cane Creek 2-1. Drilling the Cane Creek 1-1 will test our geologic model, and determine if the well is actually in a separate fault block. We are interested in determining if a well on the other side of a fault from a successful well produces from the same set of fractures, or a completely separate fracture system, thereby potentially producing from a different reservoir.

All lease and/or unit operations will be conducted in such a manner that full compliance is made with applicable laws, regulations (43 CFR 3100), Onshore Oil and Gas Order No. 1, and the approved plan of operations. The operator is fully responsible for the actions of his subcontractors. A copy of these conditions will be furnished the field representative to insure compliance.

1. ESTIMATED TOPS/ GEOLOGIC MARKERS

The estimated tops of important geologic markers are as follows:

Formation	*Measured Depth*	*Subsea*
Navajo/Kayenta	Surface	+5,870'
Wingate Ss	330'	+5,553'
Chinle	455'	+5,428'
Moenkopi	720'	+5,163'
Cutler	1,195'	+4,688'
Hermosa	1,895'	+3,988'
1st Salt	3,995'	+1,888'
Clastic 3	4,415'	+1,468'
Clastic 15	5,995'	-112'
Cane Creek	7,155'	-1,272'

Formation	*Measured Depth*	*Subsea*
Pinkerton Trail	7,625'	-1,742'
T.D.	7,725'	-1,842'

2. ESTIMATED DEPTH OF OIL, GAS WATER AND OTHER MINERAL BEARING ZONES

The estimated depths at which the top and bottom of the anticipated water, oil, gas or other mineral bearing formations are expected to be encountered are as follows:

Substance	*Formation*	*Depth*
Brine	Clastic 15	5,995'
Oil	Cane Creek	7,155'

All fresh water and prospectively valuable minerals encountered during drilling, will be recorded by depth and will be cased and cemented. When possible, water flow rates will be measured and samples will be taken and analyzed with the results being submitted to the BLM. All oil and gas shows will be tested to determine commercial potential.

3. BLOWOUT PREVENTER (BOP) EQUIPMENT

Babcock & Brown Energy Inc.'s minimum specifications for pressure control equipment are as follows:

Ram Type: 11" Hydraulic double, 10,000 psi w.p.

BOP systems will be consistent with API RP 53 and Onshore Oil and Gas Order No. 2. Pressure tests of the surface casing and all BOP equipment potentially subject to pressure will be conducted before drilling the surface casing shoe. Blowout preventer controls will be installed prior to drilling the surface casing shoe and will remain in use until the well is completed or abandoned. Ram preventers will be inspected and operated each trip (no more than once a day is necessary), and annular preventers will be inspected and operated weekly to ensure good mechanical working order. These inspections shall be recorded in the drilling log and in the daily drilling report.

Ram type preventers and associated equipment shall be tested to approved stack working pressure if isolated by test plug or to 70 percent of internal yield pressure of casing. Pressure shall be maintained for at least 10 minutes or until requirements of test are met, whichever is longer. If a test plug is utilized, no bleed-off pressure is acceptable. For a test not utilizing a test plug, if a decline in pressure of more than 10 percent in 30 minutes occurs, the test shall be considered to have failed. Valve on casing head below test plug shall be open during test of BOP stack.

Annular type preventers (if used) shall be tested to 50 percent of rated working pressure. Pressure shall be maintained at least 10 minutes or until provisions of test are met, whichever is longer.

Valves shall be tested from working pressure side during BOPE tests with all down stream valves open.

When testing the kill line valve(s) the check valve shall be held open or the ball removed.

A BOPE pit level drill shall be conducted weekly for each drilling crew.

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

Pressure tests shall apply to all related well control equipment.

All of the above described tests and/or drills shall be recorded in the drilling log. Test charts, with individual test results identified, shall be maintained on location while drilling and shall be made available to a BLM representative upon request.
Pressure tests shall apply to all related well control equipment.

a. The size and rating of the BOP stack is shown on the attached diagram. Although a rig has not been chosen to drill this well, most of the equipment for this depth of hole in the area use a 11", 10,000 psi working pressure blowout preventor.

b. A choke line and a kill line are to be properly installed. The kill line is not to be used as a fill-up line.

c. The accumulator system shall have a pressure capacity to provide for repeated operation of hydraulic preventers.

d. Drill string safety valve(s), to fit all tools in the drill string, are to be maintained on the rig floor while drilling operations are in progress.

BOP Stack: 600' to 4650'
13-5/8" x 3000 psi wp

4650' to TD
11" x 10,000 psi wp

4. CASING AND CEMENTING PROGRAM

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

b. Casing design shall assume that maximum anticipated mud weights are as follows:

0-600'	10.0 ppg (0.52 psi/ft)
600'-4650'	10.0 ppg (0.52 psi/ft)
4650'-TD	16.0 ppf (0.83 psi/ft)

c. Casing collars shall have a minimum clearance of 0.422 inches of all sides in the hole/casing annulus, with recognition that variances can be granted for justified exceptions.

d. All waiting on cement times shall be adequate to achieve a minimum of 500 psi compressive strength at the casing shoe prior to drilling out.

e. All casing except the conductor casing, shall be new or reconditioned and tested used casing that meets or exceeds API standards for new casing.

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

g. All indications of usable water shall be reported to the authorized officer prior to running the next string of casing or before plugging orders are requested, whichever occurs first.

h. Three centralizers will be run on the bottom three joints of surface casing with a minimum of one centralizer per joint starting with the shoe joint.

i. Top plugs shall be used to reduce contamination of cement by displacement fluid. A bottom plug or other acceptable technique, such as a suitable preflush fluid, inner string cement method, etc. shall be utilized to help isolate the cement from contamination by the mud fluid being displaced ahead of the cement slurry.

j. All casing strings below the conductor shall be pressure tested to 0.22 psi per foot of casing string length or 1500 psi, whichever is greater, but not to exceed 70 percent of the minimum internal yield. If pressure declines more than 10 percent in 30 minutes, corrective action shall be taken.

k. On all exploratory wells, and on that portion of any well approved for a 5M BOPE system or greater, a pressure integrity test of each casing shoe shall be performed. Formation at the shoe shall be tested to a minimum of the mud weight equivalent anticipated to control the formation pressure to the next casing depth or at total depth of the well. This test shall be performed before drilling more than 20 feet of new hole.

l. The proposed casing program will be as follows:

Purpose	*Depth*	*Hole Size*	*O.D.*	*Weight*	*Grade*	*Type*	*New/Used*
Surface	0' - 500'	17-1/2"	13-3/8"	48#	H-40	ST&C	New
Intermediate	0' - 4,425'	12-1/4"	9-5/8"	40#	N-80	LT&C	New
Production	0' - 7,725'	8-3/4"	7"	29#	HCL-80	LT&C	New

* Intermediate casing point may be revised depending on depth of first salt and the presence of any lost circulation. A casing scat based in the Clastics is desired.

PETROLEUM PERMITTING PERMITCO COMPANY

n. Casing design subject to revision based on geologic conditions encountered.

o. The cement program will be as follows:

Surface	***Type and Amount***
0 - 600'	**Lead:** 225 sx Premium Light, 0.25 pps D29, 1% S1, +/- 15.8 ppg, 1.15 ft3/sk. **Tail:** 250 sx Class G, 0.25 pps D29, 1% S1, +/- 15.8 ppg, 1.15 ft3/sk
Intermediate	***Type and Amount***
0 - 4,650'	**Lead:** 800 sx Premium Lite, 5% Salt, 8% Bentonite, 3#/sk Kol Seal, 0.5% Sodium Metasilicate, 1/4 pps celloflake, +/- 15.8 ppg, 2.42 ft3/sk. **Tail:** 300 sx Class G, 5% Salt, 0.2% Sodium Metasilicate, 1/4 pps celloflake, 15.8 ppg, 1.17 ft3/sk.
Production	***Type and Amount***
3,800' - 7,700'	650 sx Class G, 0.45% D065, 0.25% D167, 0.35% D800, 0.2% D121, 0.2% D046, +/- 16.4 ppg, 1.08 ft3/sk.

* Surface cement calculated with 100% excess.
Intermediate cement calculated with 50% excess.
Production cement calculated with 20% excess.

* Actual cement volumes will be calculated from caliper log. Cement slurries are dependent upon actual bottom hole temperatures and pressures.

p. After cementing but before commencing any test, the casing string shall stand cemented until the cement has reached a compressive strength of at least 500 psi at the shoe. WOC time shall be recorded in the driller's log.

q. The following reports shall be filed with the District Manager within 30 days after the work is completed.

1. Progress reports, Form 3160-5 (formerly 9-331) "Sundry Notices and Reports on Wells", must include complete information concerning:

a. Setting of each string of casing, showing the size, grade, weight of casing set, hole size, setting depth, amounts and type of cement used, whether cement circulated or the top of the cement behind the casing, depth of cementing tools used, casing test method and results, and the date work was done. Show the spud date on the first reports submitted.

b. Temperature or bond logs must be submitted for each well where the casing cement was not circulated to the surface.

r. Auxiliary equipment to be used is as follows:

1. Kelly cock
2. No bit float is deemed necessary.
3. A sub with a full opening valve.

s. The drilling procedure will be as follows:

1. Drill into the Cane Creek formation at 7,155', and TD the straight hole at 7,725'
2. Test or evaluate the Cane Creek or other zones of interest as deemed necessary.
3. Set 7" casing at 7,725' and cement to 3,800'.

5. MUD PROGRAM

a. The proposed circulating mediums to be employed in drilling are as follows:

Interval	*Mud Type*	*Mud Wt.*	*Visc.*	*F/L*
0' - 4,425'	Air or Fresh Water Gel	8.8-9.4	30-38	20-30
4,425' - 7,725'	80/20 Oil Base Mud	10-16	50-60	10-20

* Air/mist/foam will be utilized until significant water influx is observed.

Sufficient mud materials will be stored on location to maintain well control and combat lost circulation problems that might reasonably be expected.

b. Due to potential for contamination of usable quality water aquifers, chromates are banned from Federal leases.

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

6. TESTING, LOGGING AND CORING

The anticipated type and amount of testing, logging and coring are as follows:

a. No drill stem tests are anticipated. However, if DST's are run, the following requirements will be adhered to:

Initial opening of drill stem test tools shall be restricted to daylight hours unless specific approval to start during other hours is obtained from the authorized officer. However, DST's may be allowed to continue at night if the test was initiated during daylight hours and the rate of flow is stabilized and if adequate lighting is available (i.e. lighting which is adequate for visibility and vapor-proof for safe operations). Packers can be released, but tripping shall not begin before daylight, unless prior approval is obtained from the authorized officer. Closed chamber DSTs may be accomplished day or night.

A DST that flows to the surface with evidence of hydrocarbons shall be either reversed out of the testing string under controlled surface conditions. This would involve provided some means for reverse circulation.

Separation equipment required for the anticipated recovery shall be properly installed before a test starts.

All engines within 100 feet of the wellbore that are required to "run" during the test shall have spark arresters or water cooled exhausts.

b. The logging program will consist of (at a minimum), Gamma Ray, Density Neutron and Sonic Logs from surface casing to TD.

c. No cores are anticipated.

d. Whether the well is completed as a dry hole or as a producer, "Well Completion and Recompletion Report and Log" (Form 3160-4) will be submitted not later than 30 days after completion of the well or after completion of operations being performed, in accordance with 43 CFR 3164. 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. Samples (cuttings, fluids, and/or gases) will be submitted when requested by the authorized officer (AO).

e. The anticipated completion program is as follows:

Perforate zones of interest and place on production.

7. ANTICIPATED PRESSURES AND H_2S

a. The expected maximum bottom hole pressure is +/- 6000 psi.

b. No Hydrogen sulfide gas was encountered on the Cane Creek #2-1, therefore the need for an H2S plan is not anticipated.

c. As per Onshore Order No. 6, III,A,2.b., if hydrogen sulfide is present the "operator shall initially test the H_2S concentration of the gas stream for each well or production facility..." Submit the results of this test within 30 days of filing Form 3160-4, "Well Completion or Recompletion Report and Log".

8. OTHER INFORMATION AND NOTIFICATION REQUIREMENTS

a. Should the well be successfully completed for production, the AO will be notified when the well is placed in a producing status. Such notification will be sent by telegram or other written communications, not later than 5 days following the date on which the well is placed on production.

b. Production data shall be reported to the MMS pursuant to 30 CFR 216.5 using form MMS/3160.

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

d. Pursuant to NTL-4A, lessees or operators are authorized to vent/flare gas during initial well evaluation tests, not exceeding a period of 30 days or the production of 50 MMCF of gas, whichever occurs first. An application must be filed with the District Engineer and approval received, for any venting/flaring of gas beyond the initial 30 day or authorized test period.

e. Gas produced from this well may not be vented or flared beyond an initial authorized test period of 30 days or 50 MMCF following its completion, whichever occurs first, without the prior written approval of the Authorized Officer. Should gas be vented or flared without approval beyond the authorized test period, the operator may be directed to shut-in the well until the gas can be captured or the operator shall be required to compensate the lessor for that portion of the gas vented or flared without approval which is determined to have been avoidably lost.

f. A schematic facilities diagram as required by 43 CFR 3162.7-2, 3162.7-3 and 3162.7-4 shall be submitted to the appropriate District Office within 30 days of installation or first production, whichever occurs first. All site security regulations as specified in 43 CFR 3162.7 and Onshore Order No. 3 shall be adhered to. All product lines entering and leaving hydrocarbon storage tanks will be effectively sealed in accordance with 43 CFR 3162.7-4.

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

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

h. Drilling operations are planned to commence upon approval of this application.

i. It is anticipated that the drilling of this well will take approximately 25 days.

j. No location will be constructed or moved, no well will be plugged, and no drilling or workover equipment will be removed from a well to be placed in a suspended status without prior approval of the AO. If operations are to be suspended, prior approval of the AO will be obtained and notification given before resumption of operations.

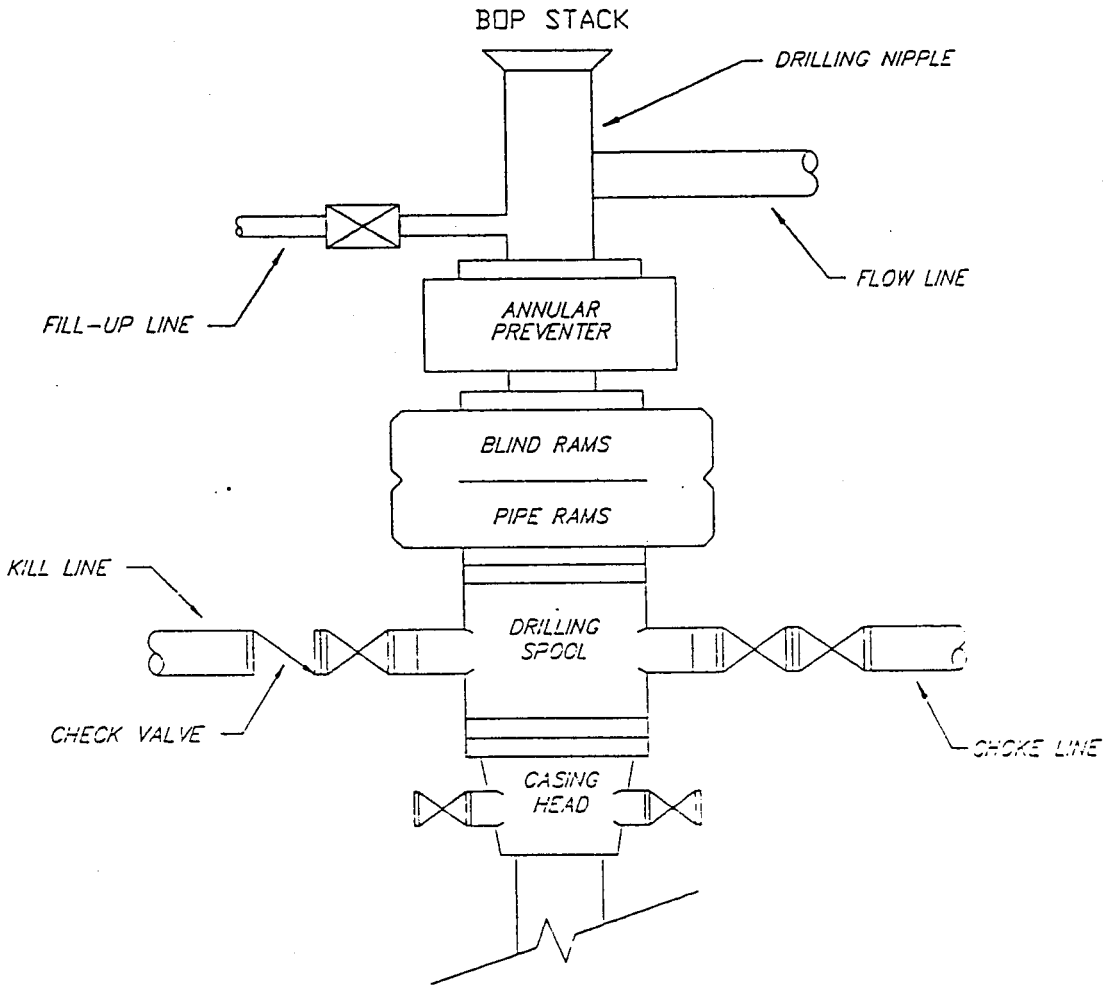
k. Immediate Report: Spills, blowouts, fires, leaks, accidents, or any other unusual occurrences shall be promptly reported in accordance with the requirements of NTL-3A or its revision.

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

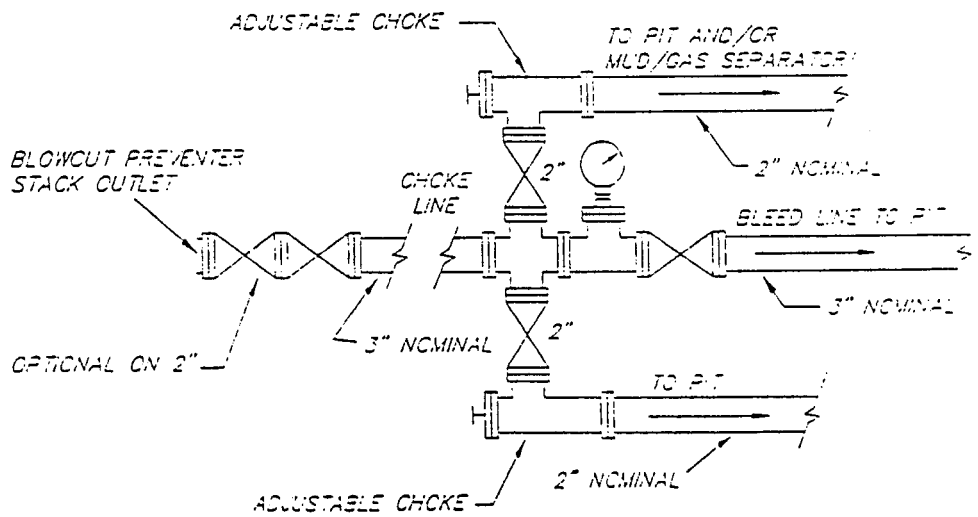
m. Pursuant to Onshore Order No. 7, with the approval of the District Engineer, produced water may be temporarily disposed of into unlined pits for a period of up to 90 days. During the period so authorized, an application for approval of the permanent disposal method, along with the required water analysis and other information, must be submitted to the District Engineer.

n. No well abandonment operations will be commenced without the prior approval of the AO. In the case of newly drilled dry holes or failures, and in emergency situations, oral approval will be obtained from the SO. A "Subsequent Report of Abandonment" Form 3160-5, will be filed with the AO within 30 days following completion of the well for abandonment. This report will indicate where plugs were placed and the current status of surface restoration. 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 AO or his representative. or the appropriate Surface Managing Agency.

TYPICAL 3,000 p.s.i.
BLOWOUT PREVENTER SCHEMATIC



TYPICAL 3,000 p.s.i.
CHOKE MANIFOLD SCHEMATIC



FORM 5

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

DESIGNATION OF AGENT OR OPERATOR

The undersigned is, on record, the holder of oil and gas lease

LEASE NAME: Cane Creek Unit

LEASE NUMBER: UTU 65972

and hereby designates

NAME: Fidelity Exploration & Production Company N3155

ADDRESS: 1700 Lincoln St., Ste. 2800

city Denver state CO zip 80203

as his (check one) agent ☒ / operator ☐, with full authority to act in his behalf in complying with the terms of the lease and regulations applicable thereto and on whom the Division Director or Authorized Agent may serve written or oral instructions in securing compliance with the Oil and Gas Conservation General Rules and Procedural Rules of the Board of Oil, Gas and Mining of the State of Utah with respect to:

(Describe acreage to which this designation is applicable. Identify each oil and gas well by API number and name. Attach additional pages as needed.)

Cane Creek Unit; Cane Creek #1-1
043-019-31446
NWSW Sec 1, T26S-R19E
2240 FSL & 1317 FWL

APPROVED 5/31/07
Earlene Russell
Division of Oil, Gas and Mining
Earlene Russell, Engineering Technician

It is understood that this designation of agent/operator does not relieve the lessee of responsibility for compliance with the terms of the lease and the Oil and Gas Conservation General Rules and Procedural Rules of the Board of Oil, Gas and Mining of the State of Utah. It is also understood that this designation of agent or operator does not constitute an assignment of any interest in the lease.

In case of default on the part of the designated agent/operator, the lessee will make full and prompt compliance with all rules, lease terms or orders of the Board of Oil, Gas and Mining of the State of Utah or its authorized representative.

The lessee agrees to promptly notify the Division Director or Authorized Agent of any change in this designation.

Effective Date of Designation: 4/24/07

N3135

BY: (Name) Van Z. Spence

(Signature)

(Title) Vice President

(Phone) 303-460-1132

OF: (Company) Babcock & Brown Energy Inc.

(Address) 1512 Larimer St., Ste. 550

city Denver,

state CO zip 80202

RECEIVED
APR 30 2007
DIV. OF OIL, GAS &

(5/2000)

H-3180-1 UNITIZATION (EXPLORATORY)

FORMAT FOR A DESIGNATION OF AGENT

(Submit in triplicate)

The undersigned is, on the records of the Bureau of Land Management, Unit Operator under the Cane Creek Unit Agreement, Grand& San Juan County, UT, No. UTU-80000X, approved and effective on 4/15/2002

and hereby designates:

Name: Fidelity Exploration & Production Co

Address: 1700 Lincoln St. Ste 2800

Denver, CO 80203

as its agent, with full authority to act on its behalf in complying with the terms of the unit agreement and regulations applicable thereto and on whom the Authorized Officer or his representative may serve written or oral instructions in securing compliance with the Oil and Gas Operating Regulations with respect to drilling, testing, and completing Unit Well No. 1-1 in the NW 1/4 SW 1/4, Sec. 1, T.26, R19, Grand County, Utah. Bond coverage will be provided under (Statewide, Nationwide, Lessee) Bond No. CO 1395

It is understood that this Designation of Agent does not relieve the Unit Operator of responsibility for compliance with the terms of the unit agreement and the oil and gas operating regulations. It is also understood that this Designation of Agent does not constitute an assignment of any interest under the unit agreement or any lease committed thereto.

In case of default on the part of the designated agent, the Unit Operator will make full and prompt compliance with all regulations, lease terms, or orders of the Secretary of the Interior or his duly authorized representative.

The Unit Operator agrees promptly to notify the Authorized Officer of any change in the designated agent.

This Designation of Agent is deemed to be temporary and in no manner a permanent arrangement, and a designated agent may not designate another party as agent.

Attachment 6, Page 1

2-110

APPROVED - EFFECTIVE MAY 16 2007

ACTING CHIEF, BRANCH OF FLUID MINERALS
BUREAU OF LAND MANAGEMENT

RECEIVED
MOAB FIELD OFFICE
2007 MAY 23 AM 10: 11

Fm-Moab

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

RECEIVED
JUN 07 2007
DIV OF OIL, GAS & MINING

Request to Transfer Application or Permit to Drill

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

Well name: Cane Creek 1-1	
API number: 043-019-31446	
Location: NWSW 1-26S-19E	Qtr-Qtr: Section: Township: Range:
Company that filed original application:	Intrepid Oil & Gas LLC
Date original permit was issued:	3-8-05
Company that permit was issued to:	Babcock & Brown Energy Inc.

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

Following is a checklist of some items related to the application, which should be verified.	**Yes**	**No**
If located on private land, has the ownership changed? Federal Land		X
If so, has the surface agreement been updated? N/A		
Have any wells been drilled in the vicinity of the proposed well which would affect the spacing or siting requirements for this location?		X
Have there been any unit or other agreements put in place that could affect the permitting or operation of this proposed well?		X
Have there been any changes to the access route including ownership or right-of-way, which could affect the proposed location?		X
Has the approved source of water for drilling changed?		X
Have there been any physical changes to the surface location or access route which will require a change in plans from what was discussed at the onsite evaluation?		X
Is bonding still in place, which covers this proposed well? Bond No. CO1395	X	

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

Name (please print) Marie O'Keefe Title Production Reporting Manager

Signature Marie O'Keefe Date 6/6/07

Representing (company name) Fidelity Exploration and Production

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

(3/2004)

Form 3160-3
(August 1999)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
OMB No. 1004-0136
Expires November 30, 2000

APPLICATION FOR PERMIT TO DRILL OR REENTER

5. Lease Serial No. **UTU-65972**

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

7. If Unit or CA Agreement, Name and No. **Cane Creek Unit**

8. Lease Name and Well No. **Cane Creek #1-1**

1a. Type of Work: [X] DRILL [ ] REENTER

b. Type of Well: [X] Oil Well [ ] Gas Well [ ] Other [ ] Single Zone [ ] Multiple Zone

2. Name of Operator ~~Intrepid Oil & Gas, LLC.~~ ~~303/296-3006~~ ~~700 - 17th St., Suite 1700~~ Babcock & Brown Denver, CO 80202 1512 Larimer Suite 550

9. API Well No. 43019314446

3. Name of Agent **Permitco Inc. - Agent** **303-857-9999** **14421 County Road 10 Fort Lupton, CO 80621**

10. Field and Pool, or Exploratory **Wildcat**

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

At surface **2240' FSL and 1317' FWL**

At proposed prod. zone **NW SW**

11. Sec., T., R., M., or Blk, and Survey or Area **Sec. 1, T26S-R19E**

14. Distance in miles and direction from nearest town or post office* **Approximately 25.4 miles northwest of Moab, Utah**

12. County or Parish **Grand**

13. State **Utah**

15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any) **1317'**

16. No. of Acres in lease **2037.50**

17. Spacing Unit dedicated to this well **N/A**

18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft. **2450'**

19. Proposed Depth **7,725'**

20. BLM/BIA Bond No. on file **Statewide Bond Number UTB000029**

21. Elevations (Show whether DF, KDB, RT, GL, etc.) **5,887' GL**

22. Approximate date work will start* **ASAP**

23. Estimated duration **25 Days**

24. Attachments

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

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

CONFIDENTIAL-TIGHT HOLE

25. Signature Venessa Langmacher — Name *(Printed/Typed)* **Venessa Langmacher** — Date **3/2/2005**

Title **Authorized Agent for Intrepid Oil & Gas, LLC.**

Approved by *(Signature)* /s/ Lynn Jackson — Name *(Printed/Typed)* /s/ [illegible] — Date 8/16/07

Title Assistant Field Manager, Division of Resources — Office Division of Resources Moab Field Office

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

Conditions of approval, if any, are attached.

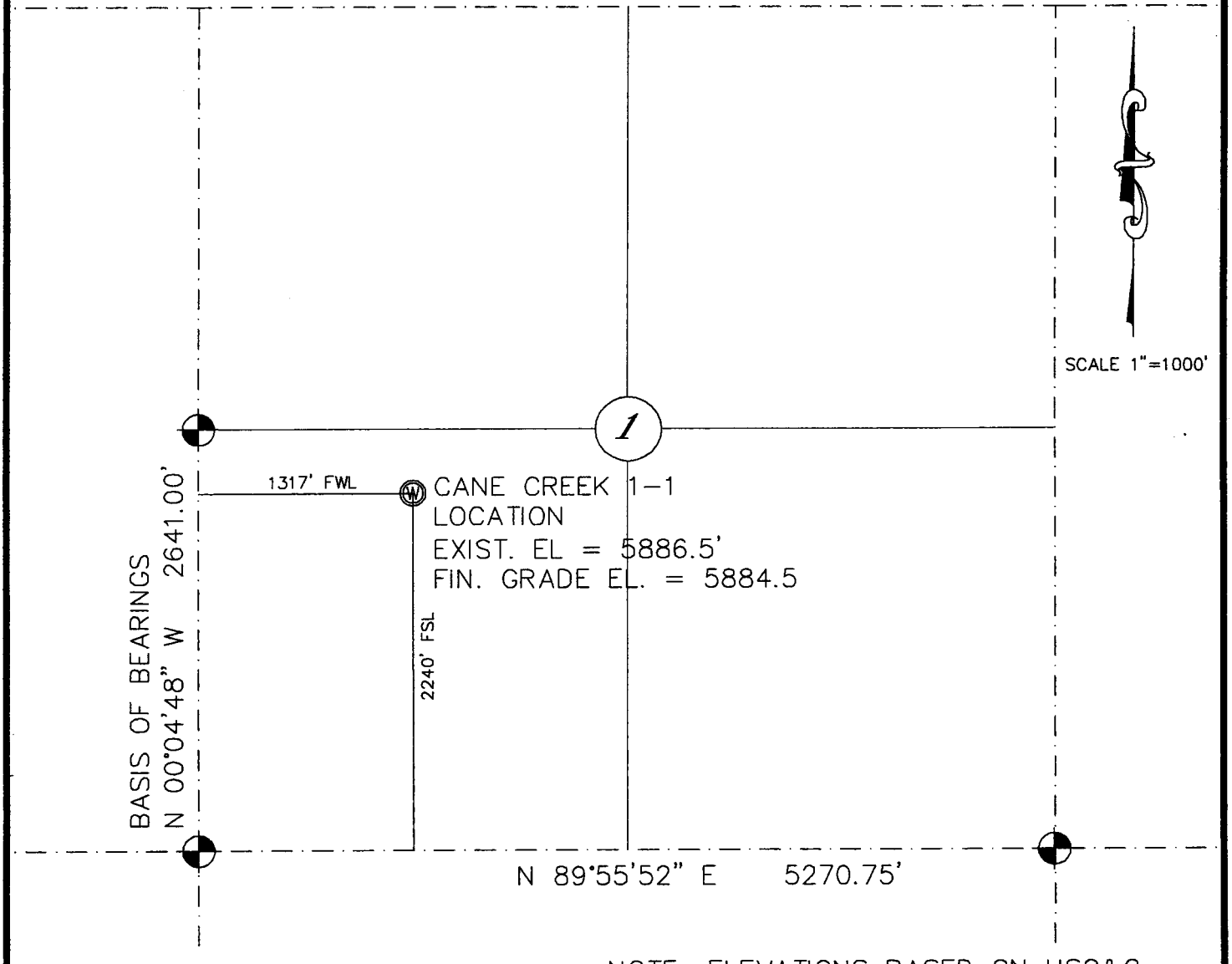
Title 18 U.S.C. Section 1001and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

**(Instructions on reverse)*

CONDITIONS OF APPROVAL ATTACHED

RECEIVED
AUG 2 4 2007
DIV. OF OIL

SECTION 1, T 26 S, R 19 E, SLM



NOTE: ELEVATIONS BASED ON USC&G "PLATEAU" (ELEV = 6316).

LEGEND

- FOUND GOVERNMENT BRASS MONUMENT
- SET SPIKE WITH LATH AT PROPOSED WELL LOCATION

TIMOTHY M. KEOGH

Feb. 28/05
DATE

REGISTERED LAND SURVEYOR
No171004
TIMOTHY M. KEOGH
STATE OF UTAH

KEOGH LAND SURVEYING
45 EAST CENTER STREET MOAB, UTAH, 84532

A SURVEY OF

CANE CREEK 1-1

WITHIN SECTION 1, T 26 S, R 19 E, SLM,
GRAND COUNTY, UTAH

PREPARED FOR

INTREPID OIL & GAS, LLC.

DATE: 12-07-04	DRAWN BY: EJ	CHECKED BY: TMK
SCALE: 1"=1000'	F.B.# 141	INTREPID

Babcock & Brown Energy, Inc.
Cane Creek No. 1-1
Lease UTU-65972
Cane Creek Unit
NW/SW Sec. 1, T26S, R19E
Grand County, Utah

A COMPLETE COPY OF THIS APPROVED PERMIT and Conditions of Approval shall be maintained on location during all construction and drilling operations, 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 Babcock & Brown Energy, Inc. 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 UTB 000240 (Principal – Babcock & Brown Energy, Inc.) via surety consent as provided for in 43 CFR 3104.2.

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

This permit will be valid for a period of two years 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. Failure to comply with the provisions of this permit, including applicable regulations, stipulations, and/or approval conditions, will be considered a violation subject to the enforcement provisions of 43 CFR Subpart 3163.

A. DRILLING PROGRAM

1. BOPE -Intermediate Section: The intermediate section of hole (from the surface casing shoe to intermediate casing setting depth) will utilize a 3M BOP with two rams, an annular preventer (and a rotating head when drilling with air).

2. BOPE –Production Section: Below the intermediate shoe, a BOP with a working pressure of 10M is acceptable. Additional requirements of 10M BOPE systems, that were not addressed in the application, include, but are not limited to (please refer to Onshore Oil & Gas Order No. 2 for further detail):

   -mud/gas separator,
   -remote kill line running unobstructed to the edge of the substructure,
   -remotely operated choke line valve,
   -remotely operated choke

   Installation, testing and operation of the BOP system shall be in conformance with Onshore Oil and Gas Order No. 2.

3. The surface casing (13-3/8") shall be set a minimum of 50 into the Chinle Formation.

4. Drilling reports, which describe the activities of each day, shall be submitted to the BLM Moab Field Office on a weekly, or more frequent, basis. In addition to a daily summary of activities, drilling reports shall include the drilling fluid weight, details of casing and cement, water flows, lost circulation zones and any other information that would contribute to the understanding of drilling conditions.

5. A pressure integrity test of the intermediate casing shoe/formation shall be conducted prior to drilling more than 20 feet below the shoe. This is test the casing shoe to the equivalent mud weight that it is expected to be exposed to. This is not intended to be a leak-off test.

6. A cement bond log (CBL) or other appropriate tool for determining cement top and quality shall be run on the 7-inch production casing.

7. Concurrent approval from the State of Utah, Division of Oil, Gas & Mining (DOGM) is required.

B. SURFACE

Soils:

1. Divert water from the access roads at frequent intervals to reduce erosion from the road surface.

2. Apply site-specific measures determined at the on-site inspections to minimize storm water runoff from the well pad.

3. Stockpile all brush, limbs, crushed stumps and other woody material separately from the topsoil just outside the well pad perimeter. Stockpile the stripped vegetation and available topsoil (to a 6" depth) separately just outside the well pad perimeter. Use the stripped vegetation for interim reclamation. If the topsoil stockpile is not used within six months it would be seeded or otherwise protected to ensure topsoil integrity and prevent erosion.

4. Prohibit off-road travel by employees or contractors except in emergency situations.

5. Distribute and seed any soil material that is excavated as a result of boring under the Long Canyon Road.

6. Stabilize and re-vegetate/reclaim as soon as practical following disturbance using seed mixes approved by the BLM or appropriate SMA.

7. Educate the field crews in the identification of soil crusts and the need to avoid them to minimize disturbance to crusts.

8. Restrict vehicle use to the upgraded areas of the existing 2-track roads and the disturbed area of the well pads.

9. Decrease vehicle tire pressure if possible while traveling off-road to reduce damage to biological crusts.

Cultural Resources:

1. If subsurface cultural resources are unearthed during operations, activity in the vicinity of the cultural resource would cease an the BLM AO would be notified immediately. Pursuant to 43 CFR 10.4, the operator must notify the BLM AO by telephone, with written confirmation, immediately upon the discovery of human remains, funerary items, sacred objects, or objects of cultural patrimony. Further, the operator must stop all activities in the vicinity of the s discovery until notified to proceed by the AO.

2. The operator will be responsible for informing all persons associated with this project that they will be subject to prosecution for knowingly disturbing Native American Indian shrines, historic and prehistoric archaeology sites, or for collecting artifacts of any kind, including historic items and/or arrowheads and pottery fragments from federal lands.

3. Survey all temporary use areas for the presence of cultural resources, including within the road ROWs.

TES Species:

1. Construction, drilling and completion operations will not occur within ½ mile of MSO nest locations, PACs, or prime habitat (unless cleared) between March 1 and August 31.

2. Recommended: The locked gate on the road on the mine property that leads to Big Chief Canyon should remain locked and a "No Trespassing" sign should be posted at the gate.

3. Recommended: The operator should initiate discussions with the State of Utah and Dead Horse Point State Park and offer to pay for and install a locked gate to deter vehicle access to the dirt road that provides access to the MSO PAC area through the park above Big Chief Canyon.

Migratory birds, including Raptors:

1. Conduct field surveys to determine the presence of nesting raptors prior to commencement of drilling or construction activities during the raptor nesting season.

2. Install flagging adjacent to active pits.

3. The following seasonal and spatial buffers should be applied to occupied raptor nests, as applicable to the project area. They have been developed and successfully applied for several years with input from, and in coordination with, the Utah Division of Wildlife Resources (UDWR) and the US Fish and Wildlife Service USFWS 2002 Utah Field Office Guidelines for Raptor Protection from the Human and Land Use Distrubances.

Species	Seasonal Buffer	Spatial Buffer
golden eagle	February 1 - July 15	½-mile
bald eagle	January 1 - August 15 November 1 - March 15 for winter roost areas)	1-mile
peregrine falcon	February 1 - August	1-mile
red-tailed hawk	April 1 - July 15	½-mile
burrowing owl	April 1 - August 15	¼-mile
American kestrel	May 1 - June 30	½-mile

Water:

1. Install silt fences downslope from the Cane Creek 1-1 and 8-1 locations during construction to prevent sediments from reaching Bull Canyon during precipitation events.

Recreation:

1. Coordinate with the Authorized Officer regarding the possible installation of noise control/attenuation equipment for the Cane Creek 1-1 and 8-1 so that the noise audible in the upper reaches of Bull and Dry Fork Canyons is diminished. Possible noise control mechanisms include the installation of sound insulated buildings and/or the use of hospital-type mufflers.

C. REQUIRED APPROVALS, REPORTS AND NOTIFICATIONS

Required verbal notifications are summarized in Table 1, attached.

Building Location- Contact the Moab Field Office, Natural Resource Protection Specialist at least 48-hours prior to commencing construction of location.

Spud- The spud date will be reported to BLM 24-hours prior to spudding. Written notification in the form of a Sundry Notice (Form 3160-5) will be submitted 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 shall detail the progress and status of the well and shall be submitted to the Moab Field Office on a weekly basis.

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

Sundry Notices- There will be no deviation from the proposed drilling and/or workover program without prior approval. "Sundry Notices and Reports on Wells" (Form 3160-5) will be filed with the Moab Field Office for approval of all changes of plans and subsequent operations in accordance with 43 CFR 3162.3-2. Safe drilling and operating practices must be observed.

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, work that might disturb the resources is to stop, and the Moab Field Office is to be notified.

First Production- Should the well be successfully completed for production, the Moab Field Office will be notified when the well is placed in producing status. Such notification may be made by phone, but must be followed by a sundry notice or letter not later than five business days following the date on which the well is placed into 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. The Moab Field Office shall be notified prior to the first sale.

Well Completion Report- Whether the well is completed as a dry hole or as a producer, "Well Completion and Recompletion Report and Log" (Form 3160-4) will be submitted to the Moab Field Office not later than thirty-days after completion of the well or after completion of operations being performed, in accordance with 43 CFR 3162.4-1. 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 shut-in until the gas can be captured or approval to continue the venting/flaring as uneconomic is granted. In such case, compensation to the lessor (BLM) shall be required for that portion of the gas that is vented/flared without approval and which is determined to have been avoidably lost.

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 (either down-hole or at the surface).

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

A "Subsequent Report of Abandonment" (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 Jack Johnson (435-259-2129) or Eric Jones (435-259-2117) of the BLM Moab Field Office for the following:

2 days prior to beginning location and access construction (Jones);

1 day prior to spudding (Johnson);

50 feet prior to reaching the **surface** casing and **intermediate** casing setting depths;

3 hours prior to testing BOPs.

If the person at the above number cannot be reached, notify the Moab Field Office at 435-259-2100. If unsuccessful, contact the person listed below.

Well abandonment operations require 24 hour advance notice and prior approval. In the case of newly drilled dry holes, verbal approval can be obtained by calling the Moab Field Office at 435-259-2100. If approval is needed after work hours, you may contact the following:

Eric Jones, Petroleum Engineer	Office: 435-259-2117 Home: 435-259-2214

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DIVISION OF OIL, GAS AND MINING

SPUDDING INFORMATION

Name of Company: **FIDELITY E&P COMPANY**

Well Name: **CANE CREEK 1-1**

Api No: **43-019-31446** Lease Type: **FEDERAL**

Section **01** Township **26S** Range **19E** County **GRAND**

Drilling Contractor _____ RIG # _____

SPUDDED:

Date **12/27/07**

Time _____

How **DRY**

Drilling will Commence: _____

Reported by **ED MCKENNA**

Telephone # _____

Date **12/31/07** **Signed** **CHD**

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

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FORM 6

ENTITY ACTION FORM

Operator: Fidelity Exploration & Production Co

Operator Account Number: N 3155

Address: 1700 Lincoln St. Ste 2800

city Denver

state CO zip 80203

Phone Number: (720) 931-6435

Well 1

API Number	Well Name		QQ	Sec	Twp	Rng	County
4301931446	Cane Creek 1-1		NWSW	1	26S	19E	Grand
Action Code	**Current Entity Number**	**New Entity Number**	**Spud Date**			**Entity Assignment Effective Date**	
A	99999	16603	12/27/07			1/17/08	

Comments: CNCR CONFIDENTIAL

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)

Marie O'Keefe

Name (Please Print)

Marie O'Keefe

Signature

Production Rptg Mgr.

Title

1/10/2007

Date

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(5/2000)

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FORM 9

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

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: UTU65972

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

7. UNIT or CA AGREEMENT NAME: UTU80000

1. TYPE OF WELL: OIL WELL ☑ GAS WELL ☐ OTHER

8. WELL NAME and NUMBER: Cane Creek 1-1

2. NAME OF OPERATOR: Fidelity Exploration & Production Company

9. API NUMBER: 4301931446

3. ADDRESS OF OPERATOR: 2585 Heartland Drive CITY Sheridan STATE WY ZIP 82801

PHONE NUMBER:

10. FIELD AND POOL, OR WILDCAT: WILDCAT

4. LOCATION OF WELL

FOOTAGES AT SURFACE: 2240FSL & 1317FWL

COUNTY: Grand

QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NWSW 1 26S 19E

STATE: UTAH

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

TYPE OF SUBMISSION	TYPE OF ACTION		
☐ NOTICE OF INTENT (Submit in Duplicate)	☐ ACIDIZE	☐ DEEPEN	☐ REPERFORATE CURRENT FORMATION
Approximate date work will start:	☐ ALTER CASING	☐ FRACTURE TREAT	☐ SIDETRACK TO REPAIR WELL
	☐ CASING REPAIR	☐ NEW CONSTRUCTION	☐ TEMPORARILY ABANDON
	☐ CHANGE TO PREVIOUS PLANS	☐ OPERATOR CHANGE	☐ TUBING REPAIR
☑ SUBSEQUENT REPORT (Submit Original Form Only)	☐ CHANGE TUBING	☐ PLUG AND ABANDON	☐ VENT OR FLARE
	☐ CHANGE WELL NAME	☐ PLUG BACK	☐ WATER DISPOSAL
Date of work completion: 5/4/2008	☐ CHANGE WELL STATUS	☑ PRODUCTION (START/RESUME)	☐ WATER SHUT-OFF
	☐ COMMINGLE PRODUCING FORMATIONS	☐ RECLAMATION OF WELL SITE	☐ OTHER:
	☐ CONVERT WELL TYPE	☐ RECOMPLETE - DIFFERENT FORMATION	

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

Fidelity Exploration and Production Company is reporting date of first production 5/4/2008

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DIV. OF OIL, GAS & MINING

NAME (PLEASE PRINT) Stephanie Masters TITLE Operation Technician III

SIGNATURE [signature] DATE 5/5/2008

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FORM 9

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

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:	UTU65972
6. IF INDIAN, ALLOTTEE OR TRIBE NAME:	N/A
7. UNIT or CA AGREEMENT NAME:	UTU80000X
8. WELL NAME and NUMBER:	Cane Creek 1-1
9. API NUMBER:	4301931446
10. FIELD AND POOL, OR WILDCAT:	Wildcat

1. TYPE OF WELL: OIL WELL ☑ GAS WELL ☐ OTHER

2. NAME OF OPERATOR: Fidelity Exploration & Production Company

3. ADDRESS OF OPERATOR: 2585 Heartland Drive CITY Sheridan STATE WY ZIP 82801 PHONE NUMBER: (307) 675-4924

4. LOCATION OF WELL

FOOTAGES AT SURFACE: 2240 FSL 1317 FWL COUNTY: Grand

QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NWSW 1 26S 19E STATE: UTAH

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

TYPE OF SUBMISSION	TYPE OF ACTION		
☐ NOTICE OF INTENT (Submit in Duplicate)	☐ ACIDIZE	☐ DEEPEN	☐ REPERFORATE CURRENT FORMATION
Approximate date work will start:	☐ ALTER CASING	☐ FRACTURE TREAT	☐ SIDETRACK TO REPAIR WELL
	☐ CASING REPAIR	☐ NEW CONSTRUCTION	☐ TEMPORARILY ABANDON
	☐ CHANGE TO PREVIOUS PLANS	☐ OPERATOR CHANGE	☐ TUBING REPAIR
	☐ CHANGE TUBING	☐ PLUG AND ABANDON	☐ VENT OR FLARE
☑ SUBSEQUENT REPORT (Submit Original Form Only)	☐ CHANGE WELL NAME	☑ PLUG BACK	☐ WATER DISPOSAL
Date of work completion:	☐ CHANGE WELL STATUS	☐ PRODUCTION (START/RESUME)	☐ WATER SHUT-OFF
5/2/2008	☐ COMMINGLE PRODUCING FORMATIONS	☐ RECLAMATION OF WELL SITE	☐ OTHER:
	☐ CONVERT WELL TYPE	☐ RECOMPLETE - DIFFERENT FORMATION	

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

5/2/2008-RIH w/3" MagnaRange CIBP set @ 7206'; Test plug to 4800#. RIH w/2nd 3" MagnaRange CIBP set @ 7189'. Test CIBP to 5000#; Perforate 6934'-6952' and 6904'-6915', 4SPF, 90 Degree phasing.

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MAY 13 2008
DIV. OF OIL, GAS & MINING

NAME (PLEASE PRINT) Stephanie Masters TITLE Operation Technician III

SIGNATURE [signature] DATE 5/13/2008

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Form 3160-5
(August 2007)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
OMB NO. 1004-0135
Expires: July 31, 2010

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.
UTU65972

6. If Indian, Allottee or Tribe Name

7. If Unit or CA/Agreement, Name and/or No.
UTU80000X

1. Type of Well
☒ Oil Well ☐ Gas Well ☐ Other

8. Well Name and No.
CANE CREEK 1-1

2. Name of Operator
BABCOCK & BROWN ENERGY INC
Contact: STEPHANIE MASTERS
E-Mail: stephanie.masters@fidelityepco.com

9. API Well No.
43-019-31446-00-X1

3a. Address
1512 LARIMER, SUITE 550
DENVER, CO 80202

3b. Phone No. (include area code)
Ph: 307-675-4924

10. Field and Pool, or Exploratory
~~WILDCAT~~
Cane Creek Federal Unit

4. Location of Well *(Footage, Sec., T., R., M., or Survey Description)*
Sec 1 T26S R19E NWSW 2240FSL 1317FWL

11. County or Parish, and State
GRAND COUNTY, UT

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

TYPE OF SUBMISSION	TYPE OF ACTION			
☐ Notice of Intent	☐ Acidize	☐ Deepen	☐ Production (Start/Resume)	☐ Water Shut-Off
☒ Subsequent Report	☐ Alter Casing	☐ Fracture Treat	☐ Reclamation	☐ Well Integrity
☐ Final Abandonment Notice	☐ Casing Repair	☐ New Construction	☐ Recomplete	☒ Other Well Spud
	☐ Change Plans	☐ Plug and Abandon	☐ Temporarily Abandon	
	☐ Convert to Injection	☐ Plug Back	☐ 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.)

Fidelity Exploration and Production Company set 40? of 20? (52.78# .25? thick) conductor pipe and cemented to surface w/5 yds REDI_MIX CEMENT on 12/27/2007

Fidelity Exploration and Production Company is reporting the Cane Creek 1-1 was spud 1/9/2008 at 23:00

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14. I hereby certify that the foregoing is true and correct.
Electronic Submission #57950 verified by the BLM Well Information System
For BABCOCK & BROWN ENERGY INC, sent to the Moab
Committed to AFMSS for processing by MARIE MCGANN on 01/10/2008 (08MM0294SE)

Name *(Printed/Typed)* STEPHANIE MASTERS — Title OPERATIONS

Signature (Electronic Submission) — Date 01/10/2008

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved By ACCEPTED — MARIE MCGANN, Title LAND LAW EXAMINER — Date 01/10/2008

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

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.

**** BLM REVISED ** BLM REVISED ** BLM REVISED ** BLM REVISED ** BLM REVISED ****

CONFIDENTIAL

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: UTU65972

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

7. UNIT or CA AGREEMENT NAME: UTU80000X

1. TYPE OF WELL: OIL WELL ☑ GAS WELL ☐ OTHER

8. WELL NAME and NUMBER: Cane Creek 1-1

2. NAME OF OPERATOR: Fidelity Exploration and Production Company

9. API NUMBER: 4301931446

3. ADDRESS OF OPERATOR: 2585 Heartland drive CITY Sheridan STATE WY ZIP 82801

PHONE NUMBER: (307) 675-4924

10. FIELD AND POOL, OR WILDCAT: Wildcat

4. LOCATION OF WELL

FOOTAGES AT SURFACE: 2240 FSL 1317FWL

COUNTY: Grand

QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NWSW 1 26S 19E

STATE: UTAH

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

TYPE OF SUBMISSION	TYPE OF ACTION		
☐ NOTICE OF INTENT (Submit in Duplicate)	☐ ACIDIZE	☐ DEEPEN	☐ REPERFORATE CURRENT FORMATION
Approximate date work will start:	☐ ALTER CASING	☐ FRACTURE TREAT	☐ SIDETRACK TO REPAIR WELL
	☐ CASING REPAIR	☐ NEW CONSTRUCTION	☐ TEMPORARILY ABANDON
	☐ CHANGE TO PREVIOUS PLANS	☐ OPERATOR CHANGE	☐ TUBING REPAIR
	☐ CHANGE TUBING	☐ PLUG AND ABANDON	☐ VENT OR FLARE
☑ SUBSEQUENT REPORT (Submit Original Form Only)	☐ CHANGE WELL NAME	☐ PLUG BACK	☐ WATER DISPOSAL
Date of work completion: 5/4/2008	☐ CHANGE WELL STATUS	☐ PRODUCTION (START/RESUME)	☐ WATER SHUT-OFF
	☐ COMMINGLE PRODUCING FORMATIONS	☐ RECLAMATION OF WELL SITE	☑ OTHER: chronological drilling and completion report
	☐ CONVERT WELL TYPE	☐ RECOMPLETE - DIFFERENT FORMATION	

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

Please find attached chronological drilling and completion history for this well covering 12/21/2007 to 5/4/2008.

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MAY 14 2008
DIV. OF OIL, GAS & MINING

NAME (PLEASE PRINT) Stephanie Masters TITLE Operation Technician III

SIGNATURE DATE 5/14/2008

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FEPCo

1700 Lincoln Street, Suite 4600
Denver, CO 80203
(303) 893-3133

Drilling Chronological

Well Name:Cane Creek 1-1

Field Name:	Cane Creek Fed	S/T/R:	01/26S/19E	County,State:	GRAND, UT
Operator:	lity Exploration & Productio	Location Desc:		District:	Cane Creek Unit
Project AFE:	070533	AFEs Associated:			/ / /

Daily Summary

Activity Date :	12/21/2007	Days From Spud :	0	Current Depth :	0 Ft	24 Hr. Footage Made :	0 Ft
Formation :				Weather:			
Rig Company :				Rig Name:			
Daily Cost:	$0	Cum DHC:		$0	Total Well Cost:	$0	

Operations

Start	Hrs	Code	Remarks	Start Depth	End Depth	Run
6:00	24.00	01	Rig down man camps & equipment on Cane Creek 8-1 location, move to Cane Creek 1-1 Location and rig up on same, generator down	0	0	NIH
Total:	24.00					

Daily Summary

Activity Date :	12/22/2007	Days From Spud :	0	Current Depth :	0 Ft	24 Hr. Footage Made :	0 Ft
Formation :				Weather:			
Rig Company :				Rig Name:			
Daily Cost:	$0	Cum DHC:		$0	Total Well Cost:	$0	

Operations

Start	Hrs	Code	Remarks	Start Depth	End Depth	Run
6:00	24.00	21	Rig up man camps, repair generator. Rig up satellite & phone communications for rig; Rig shut down for Christmas Holliday. Rig scheduled to move 12/28/2007	0	0	NIH
Total:	24.00					

Daily Summary

Activity Date :	12/30/2007	Days From Spud :	0	Current Depth :	0 Ft	24 Hr. Footage Made :	0 Ft
Formation :				Weather:			
Rig Company :				Rig Name:			
Daily Cost:	$0	Cum DHC:		$0	Total Well Cost:	$0	

Operations

Start	Hrs	Code	Remarks	Start Depth	End Depth	Run
6:00	24.00	01	Load out rig and move off Cane Creek 8-1 Location to Cane creek 1-1 Location and rig up on same with Sterling Cranes and Hagman Trucking rig up trucks	0	0	NIH
Total:	24.00					

Daily Summary

Activity Date :	1/3/2008	Days From Spud :	0	Current Depth :	0 Ft	24 Hr. Footage Made :	0 Ft
Formation :				Weather:			
Rig Company :				Rig Name:			
Daily Cost:	$0	Cum DHC:		$0	Total Well Cost:	$0	

Operations

Start	Hrs	Code	Remarks	Start Depth	End Depth	Run
6:00	24.00	01	Rig up rig and equipment, raise derrick; Rig up flare stack, set in choke manifold and move five pipe baskets out of they way of equipment to be rigged up, with Sterling Cranes. Fabricate in both mud pumps suction lines to mud suction pit with welders 01/04/2008	0	0	NIH
Total:	24.00					

Well Name:Cane Creek 1-1

Field Name:	Cane Creek Fed	S/T/R:	01/26S/19E	County,State:	GRAND, UT
Operator:	ity Exploration & Productio	Location Desc:		District:	Cane Creek Unit

Daily Summary

Activity Date :	1/6/2008	Days From Spud :	0	Current Depth :	0 Ft	24 Hr. Footage Made :	0 Ft
Formation :				Weather:			
Rig Company :				Rig Name:			
Daily Cost:	$0		Cum DHC:	$0		Total Well Cost:	$0

Operations

Start	Hrs	Code	Remarks	Start Depth	End Depth	Run
6:00	24.00	01	Weather - Strong winds with major snow clouds blowing in this morning 1/05/2008 at 25 degrees; Continue fabricate in mud pumps suction lines from suction mud pit with welders. Continue to rig up rig & equipment	0	0	NIH

Total: 24.00

Daily Summary

Activity Date :	1/7/2008	Days From Spud :	0	Current Depth :	0 Ft	24 Hr. Footage Made :	0 Ft
Formation :				Weather:			
Rig Company :				Rig Name:			
Daily Cost:	$0		Cum DHC:	$0		Total Well Cost:	$0

Operations

Start	Hrs	Code	Remarks	Start Depth	End Depth	Run
6:00	24.00	01	Weather - Major Snow clouds snowed 1.5" early morning with 24 degrees; Continue fab in mud pump suction lines. Weld on 20" starting flange to 20" conductor. Unload air muffler from John' Welding; Shorten 20" spacer spool between 20" mud cross and 20" rotating head. Pick up and make up 20" mud cross, 20" spacer spool, and 20' rotating head assembly. Lay out 200' of 6" victaulic water lines for air muffler; Note; (Welders to be out here morning of 01/07/2008 to fabricate in air muffler, Weatherford air package to rig up morning of 01/07/2008 Hyland Trucking hauled three sided tank back to John's Welding at 100 per day 01/06/2008)	0	0	NIH

Total: 24.00

Daily Summary

Activity Date :	1/8/2008	Days From Spud :	0	Current Depth :	0 Ft	24 Hr. Footage Made :	0 Ft
Formation :				Weather:			
Rig Company :				Rig Name:			
Daily Cost:	$0		Cum DHC:	$0		Total Well Cost:	$0

Operations

Start	Hrs	Code	Remarks	Start Depth	End Depth	Run
6:00	24.00	21	Weather - Clear skies this morning with heavy frost at 17 degrees; Make up 6" victaulic water lines for air muffler. Fabricate air muffler with welders and start installing blooie lines to same Fabricating in Vertigee Swaco equipment with welders. Move in and set up Weatherford air compressor package with trucks (Will fabricate blooie line stands in morning & fabricate blooie lines to air muffler with welders morning of 01/08/2008); Wait on professional derrick inspector out of Texas (Rig off Fidelity's payroll at midnight) Note; (Toolpusher had hands run string line on front main derrick leg dead line side or off drillers side front main leg, string showed derrick leg to be out 1.25"+ out of plumb were derrick mid section pins to board and crown section of derrick. Called Murray Becker Drilling Superintendent for DHS Drilling Co. informed him to have the derrick inspected by professional derrick Inspection Company. Murray Becker called and said there would be a professional derrick inspector out in morning of 01/08/2008 from Texas); Note; (Received 8000gals of diesel fuel 7000gals for air compressor fuel tank and1000gals in rig fuel tank from Western Petroleum Vernal, Utah 01/07/2008); Wait on professional derrick inspector	0	0	NIH

Total: 24.00

Well Name:Cane Creek 1-1

Field Name:	Cane Creek Fed	S/T/R:	01/26S/19E	County,State:	GRAND, UT
Operator:	lity Exploration & Productio	Location Desc:		District:	Cane Creek Unit

Daily Summary

Activity Date :	1/9/2008	Days From Spud :	0	Current Depth :	0 Ft	24 Hr. Footage Made :	0 Ft
Formation :				Weather:			
Rig Company :				Rig Name:			
Daily Cost:	$0	Cum DHC:		$0	Total Well Cost:	$0	

Operations

Start	Hrs	Code	Remarks	Start Depth	End Depth	Run
0:00	24.00	21	Weather - Snowing this morning at 1.5" snow with 21 degrees; Wait on DSI professional derrick inspector out of Odessa, Texas. Inspect derrick, the conclusion was that he rated the derrick at 500 thousand hook load and that it was 1.25" bowed, but it was bowed at the strongest part of derrick assembly. He said it would be okay to drill this hole & repair the damage before next hole (Welders fabricating air muffler while waiting for inspection) Continue to fabricate & rig up air muffler, blooie lines and water lines from water pumps to air muffler with welder. Install tie down anchors for gas buster, flare stack, choke manifold panic lines, blooie lines and air muffler with Western Auger & Anchor, Fruita, Colo. Installed total of 14 tie down anchors. Fill reserve pit with water from Cane Creek 8-1 location reserve pit with water trucks; Test air lines low pressure 400psi and high pressure 1800psi. Rerun air supply lines; Make up 12.25" hammer bit and cross over subs. Drill rat hole with 12.25" hammer bit (Drilling on hard rock, made 5' in 3hrs) (Rig on Fidelity's' payroll at 02:30hrs 1/09/2008) Note; ($38,984 cost was for air muffler construction and materials, $4200 rig supplies for install 14 tie down anchors)	0	0	NIH
Total:	24.00					

Daily Summary

Activity Date :	1/10/2008	Days From Spud :	0	Current Depth :	239 Ft	24 Hr. Footage Made :	239 Ft
Formation :				Weather:			
Rig Company :				Rig Name:			
Daily Cost:	$0	Cum DHC:		$0	Total Well Cost:	$0	

Operations

Start	Hrs	Code	Remarks	Start Depth	End Depth	Run
6:00	24.00	01	in rig fuel tank 1/09/2008)	0	0	NIH
Total:	24.00					

Daily Summary

Activity Date :	1/11/2008	Days From Spud :	0	Current Depth :	239 Ft	24 Hr. Footage Made :	0 Ft
Formation :				Weather:			
Rig Company :				Rig Name:			
Daily Cost:	$0	Cum DHC:		$0	Total Well Cost:	$0	

Operations

Start	Hrs	Code	Remarks	Start Depth	End Depth	Run
6:00	24.00	21	Weather - Clear skies this morning at 9 degrees; Drlg 17.5" hole with air hammer from 239' to 332'; Survey at 275' (miss run); Drlg 17.5" hole with air hammer from 332' to 363'; Survey at 302' @ 1 degree; Drlg 17.5" hole with air hammer from 363' to 457'; Survey at 396' @ 1/2 degree; Drlg 17.5" hole with air hammer form 457' to 552'; Survey at 489' @ 3/4 degree (1/2hr), Service rig (1/2hr), Weld 2" water jet in blooie line for dust control & install 4"drain (1/2hr); Drlg 17.5" hole with air hammer from 552' to 612'; Survey at 561' miss run, reun survey 561' @ 3/4 degree; Drlg 17.5" hole with air hammer from 612' to 675'; Service rig; Drlg 17.5" hole with air hammer from 675' to 719'; Survey at 656' @ 3/4 degree; Drlg 17.5" hole with air hammer from 719' to 798'; Survey at 748' @ 1/4 degree; Note; (Received 36 joints of 13 3/8" J-55 54.5#/ft ST&C 8rd Casing from McJunkin Midway Supply Rifle, Colo Hyland Trucking 01/10/2008); Blow down kelly and set back same. Remove rotating head and Pooh for bit # 2; Note; ($14,987 is for material used to rig up Swaco Vertigee oil mud recovery system and 400' of 6" victaulic lines for air muffler with 6" victualic clamps and 6" vic 45s' & 90s'. $ $31,336 is for welding for same above, plus lock in mud pumps for rig move Have been running light weight on 17.5" air hammer bit to control deviation as 6K weight on bit wants to build angle 1 degree+)	0	0	NIH
Total:	24.00					

Well Name:Cane Creek 1-1

Field Name:	Cane Creek Fed	S/T/R:	01/26S/19E	County,State:	GRAND, UT
Operator:	lity Exploration & Productio	Location Desc:		District:	Cane Creek Unit

Daily Summary

Activity Date :	1/12/2008	Days From Spud :	0	Current Depth :	1316 Ft	24 Hr. Footage Made :	1077 Ft
Formation :				Weather:			
Rig Company :				Rig Name:			
Daily Cost:	$0		Cum DHC:	$0		Total Well Cost:	$0

Operations

Start	Hrs	Code	Remarks	Start Depth	End Depth	Run
6:00	24.00	02	TD at report 1316'; Weather - Scattered clouds with heavy frost this morning at 11 degrees; Pooh & lay down 17.5" air hammer bit #1. Make up 17.5" air hammer bit # and RIH to 798'; Drlg 17.5" hole with air hammer from 798' to 829'; Repair Kelly drive bushings to drive 20" rotating head; Drlg 17.5" hole with air hammer from 829' to 952'; Service rig; Survey at 891' @ 3/4 degree; Drlg 17.5" hole with air hammer from 952' to 1043'; Survey at 993' @ 1 degree; Drlg 17.5" hole with air hammer from 1043' to 1133'; Survey at 1084' @ 1 degree; Drlg 17.5" hole with air hammer from 1133' to 1225'; Survey at 1165' @ 1.25 degree; Drlg 17.5" hole with air hammer from 1225' to 1316'; Run wire line survey	0	0	NIH

Total: 24.00

Daily Summary

Activity Date :	1/13/2008	Days From Spud :	0	Current Depth :	1550 Ft	24 Hr. Footage Made :	234 Ft
Formation :				Weather:			
Rig Company :				Rig Name:			
Daily Cost:	$0		Cum DHC:	$0		Total Well Cost:	$0

Operations

Start	Hrs	Code	Remarks	Start Depth	End Depth	Run
6:00	24.00	02	TD at report time 1550'; Weather - Snow clouds moving in, with heavy frost this morning at 15 degrees; Survey at 1257' @ 2 degree; Drlg 17.5" hole with air hammer from 1316' to 1378'; Survey at 1318' @ 1 degree; Drlg 17.5" hole with air hammer from 1378' to 1466'; Survey at 1409' @ 1/2 degree; Drlg 17.5" hole with air hammer from 1466' to 1550'; Circ hole clean bottoms up; ; Survey at 1496' @ 1 degree; Wipe hole from 1550' to 700'; Circ hole clean bottoms up; Pooh, break, lay down 17.5" air hammer bit and tools; Pick up Kelly & pump 1800bbls reserve pit water to fill hole, hole not full (Rig down first joint blooie line, install 80' x 6" water hose from mud cross to reserve pit to circ, Held 3rd party safety meeting with crew & casing crew, rig up power tongs while filling hole); Make up float shoe, first joint float collar, Baker-Lok and spot weld same. Centralizer 8' above float shoe with stop ring; Note; (Received 7391gals diesel fuel from Western Petroleum Vernal, Utah. 3691gals in air compressor fuel tank and 3700gals in rig fuel tank. Received 48" x 13 5/8" x 5M spacer spool for 5M Bop stack rotating head nipple up from Weatherford Vernal, Utah 1/12/2008. Saw no returns when filling hole with reserve pit water. Reserve pit down to low to pump, fill reserve pit with water trucks while running casing in hole)	0	0	NIH

Total: 24.00

Daily Summary

Activity Date :	1/14/2008	Days From Spud :	0	Current Depth :	1550 Ft	24 Hr. Footage Made :	0 Ft
Formation :				Weather:			
Rig Company :				Rig Name:			
Daily Cost:	$0		Cum DHC:	$0		Total Well Cost:	$0

Operations

Start	Hrs	Code	Remarks	Start Depth	End Depth	Run
6:00	24.00	21	TD at report time 1550'; Weather - Clear skies, with heavy frost this morning at 8 degrees; Spot weld float shoe, first collar, float collar. Run 36 joints 1554.31' of J-55 54.5#/ft ST&C 8rd 13.5/8" surface casing; Float shoe set @ 1550', float collar @ 1504.04, run 38 centralizers every collar to surface with 1 centralizer 8' above shoe joint Rig down power tongs; Pump away 600bbls polymer hi-vis mud with Lcm no returns, pump away reserve pit water, trucks hauling in same to reserve pit from Cane Creek 8-1 reserve pit, still no returns, approximate 1800bbls reserve pit water away (Halliburton rigging up equipment 14:00hrs 1/13/2008); Pump away 800bbls reserve pit water in mud pits and fill with fresh water, mix fresh water gel & lime with Lcm, pump away 800bbls of same at report time for approximate 3400bbls total pumped away. Have 425 bbls ready to pump around after 07:30hrs 1/14/2008	0	0	NIH

Total: 24.00

Well Name:Cane Creek 1-1

Field Name:	Cane Creek Fed	S/T/R:	01/26S/19E	County,State:	GRAND, UT
Operator:	lity Exploration & Productio	Location Desc:		District:	Cane Creek Unit

Daily Summary

Activity Date :	1/15/2008	Days From Spud :	0	Current Depth :	1550 Ft	24 Hr. Footage Made :	0 Ft
Formation :				Weather:			
Rig Company :				Rig Name:			
Daily Cost:	$0	Cum DHC:		$0	Total Well Cost:	$0	

Operations

Start	Hrs	Code	Remarks	Start Depth	End Depth	Run
6:00	24.00	05	Weather - Clear skies, with heavy frost this morning at 8 degrees; Mix 450bbls of gel-lime mud with Lcm; Pump away 450bbls Gel-lime mud with Lcm; Mix 450bbls of gel-lime mud with Lcm; Hsm 3rd party safety meeting with crew & Black Warrior wire line. Rig up and run temperature log #1; Pump away 450bbls Gel-lime mud with Lcm; Run temperature log #2. Rig down Black Warrior; Mix 450bbls of gel-lime mud with Lcm; Pump away 450bbls Gel-lime mud with Lcm; Mix 450bbls of gel-lime mud with Lcm; Pump away 450bbls Gel-lime mud with Lcm; Mix 450bbls of gel-lime mud with Lcm; Pump away 450bbls Gel-lime mud with Lcm; Mix 450bbls of gel-lime mud with Lcm; Pump away 450bbls Gel-lime mud with Lcm; Note; (pump away approximate 2700bbls of hi-vis Lcm mud last 24hrs for a approximate 6100bbls total pumped away in hole)	0	0	NIH
Total:	24.00					

Daily Summary

Activity Date :	1/16/2008	Days From Spud :	0	Current Depth :	1550 Ft	24 Hr. Footage Made :	0 Ft
Formation :				Weather:			
Rig Company :				Rig Name:			
Daily Cost:	$0	Cum DHC:		$0	Total Well Cost:	$0	

Operations

Start	Hrs	Code	Remarks	Start Depth	End Depth	Run
6:00	24.00	05	Weather - Clear skies, with heavy frost this morning at 2 degrees; Pump away 450bbls Gel-lime mud with Lcm; Mix 450bbls of Gel-lime mud with Lcm; Pump away 450bbls Gel-lime mud with Lcm; Mix 450bbls of Gel-lime mud with Lcm; Pump away 450bbls Gel-lime mud with Lcm; Mix 450bbls of Gel-lime mud with Lcm; Pump away 450bbls Gel-lime mud with Lcm; Mix 450bbls of Gel-lime mud with Lcm; Pump away 450bbls Gel-lime mud with Lcm (Pumped away approximate 7900bbls of Gel-lime Lcm mud); Fill mud pits with fresh water. Hold 3rd party safety meeting with crew & cementers. Rig up cement head & lines; Test lines to 3000psi. Pump 10bbls H2O followed by 20bbls super flush followed by 10bbls H2O followed by 39.2 scavengers cement followed by 10bbls H2O followed by 20bbls super flush followed by 10bbls H2O followed by 39.2bbls scavenger cement followed by 10bbls H2O followed by 20bbls super flush followed by 10bbls H2O followed by 39.2bbls scavenger cement followed by 10bbls H2O followed by 20bbls super flush followed by 10 H2O followed by 1371.70/ft3 or 244.3bbls or 325sx of standard fine 10#/sx gilsonite+0.25#/sx polyflake+2%CaCl2 , Yield=4.22ft3/sx, Water=26.54gal/sx, Density=10.5ppg Lead Cement followed by 805.16/ft3 or 143.4bbls or 700sx of Premium "G" +0.125#/sx polyflake, Yield=1.15ft3/sx, Water=5gal/sx, Density=15.8ppg Tail Cement. Shut down Release wiper plug. Displace with 233bbls of H2O. Bump wiper plug with 867psi with 23psi prior at 1.5bbl/min. saw no returns through out job. Highest pressure seen pumping job was 190psi pumping first 10bbl water spacer dropping to 89psi through and final water spacer, super flush and scavenger cement pumping events. Highest pressure was 97psi pumping Lead cement down to 23psi Tail cement prior to bump. Hold 867psi for 5 min release psi, floats held ok. R/D lines; Wait on cement; CIP at 02:10hrs 1/16/2008 Pump job at 5bpm slowed down to 3bpm at 20bbls in displacement down to 1.5bpm last 10bls disp)	0	0	NIH
Total:	24.00					

Well Name:Cane Creek 1-1

Field Name:	Cane Creek Fed	S/T/R:	01/26S/19E	County,State:	GRAND, UT
Operator:	ity Exploration & Productio	Location Desc:		District:	Cane Creek Unit

Daily Summary

Activity Date :	1/17/2008	Days From Spud :	0	Current Depth :	1550 Ft	24 Hr. Footage Made :	0 Ft
Formation :				Weather:			
Rig Company :				Rig Name:			
Daily Cost:	$0	Cum DHC:		$0	Total Well Cost:	$0	

Operations

Start	Hrs	Code	Remarks	Start Depth	End Depth	Run
6:00	24.00	01	Weather - Clear skies, with heavy frost this morning at -4 degrees; Wait on cement bond and temperature logs; hold 3rd party safety meeting with crew & Black Warrior. Rig and run cement bond log (Gamma -CCL_VDL-Ray) Rig down Black Warrior (On stand-by); Hook up mud pump and fill up lines. Pump 192bbls fresh water down backside of 13 3/8" surface casing, saw no returns at all Drain up pump lines (Its' is 1 degree out here @ 20:00hrs); Wait for 10.5ppg thixotrophic hot cement blend from Grand Junction, Colo.; Note; (First cement bulk truck from Halliburton Grand Junction, Colo. Showed up at 06:10hrs with 400sx second truck still in route 1/17/2008)	0	0	NIH
Total:	24.00					

Daily Summary

Activity Date :	1/18/2008	Days From Spud :	0	Current Depth :	1550 Ft	24 Hr. Footage Made :	0 Ft
Formation :				Weather:			
Rig Company :				Rig Name:			
Daily Cost:	$0	Cum DHC:		$0	Total Well Cost:	$0	

Operations

Start	Hrs	Code	Remarks	Start Depth	End Depth	Run
6:00	24.00	12	TD at report time 1550'; Weather - Few clouds on horizon, with heavy frost this morning at -8 degrees below zero; Unload first Halliburton cement truck bulk into cement ball trucks second cement bulk truck in route. Received second cement Bulk truck unload same. Halliburton cement pump truck hydraulics not working. Wait on replacement cement pump truck from Grand Junction, Colo. (Run 100' of one inch pipe down backside of 13 3/8" surface casing); Rig up Halliburton cement pump truck and lines to 1" pipe down backside 13 3/8" casing. Hold 3rd party safety meeting with crew and cementers; Pump 55bbls of fresh water ahead down one inch pipe @ 4.5bpm rate @ 583psi followed by 696/ft3 or 124bbls or 400sx of Density=14ppg thinned down to 13.3ppg - 13.5ppg Yield=1.74ft3/sx Water=8.03gal/sx @ 1050psi start with 1168psi final at pump rate of 4.5bpm, pump 3bbls of fresh water to clear all lines. Break down and drain lines wait 30 minutes pump 207.7/ft3 or 37bbls of120sx of 14ppg Density thinned down to 13.8ppg Yield=1.74ft3/sx Water=8.03gal/sx @ 800psi start raising to 850psi then 700psi for final @ pump rate 4bpm. Pump 3bbls fresh water to clear lines. Break down all lines. Never saw no returns at all during cement pumping operations. Wait on 500sx of same blend cement from Grand Junction, Colo. bulk plant; Wait on 500sx of same blend cement from Grand Junction, Colo. bulk plant	0	0	NIH
Total:	24.00					

Well Name:Cane Creek 1-1

Field Name:	Cane Creek Fed	S/T/R:	01/26S/19E	County,State:	GRAND, UT
Operator:	ity Exploration & Productio	Location Desc:		District:	Cane Creek Unit

Daily Summary

Activity Date :	1/19/2008	Days From Spud :	0	Current Depth :	1550 Ft	24 Hr. Footage Made :	0 Ft
Formation :				Weather:			
Rig Company :				Rig Name:			
Daily Cost:	$0	Cum DHC:		$0	Total Well Cost:	$0	

Operations

Start	Hrs	Code	Remarks	Start Depth	End Depth	Run
6:00	24.00	21	TD at report time 1550'; Weather - Clear skies, with heavy frost this morning at -5 degrees below zero; Wait on 500sx cement from Grand Junction, Col, bulk plant; Rig up cement bulk trucks to cement pump truck. Hold 3rd party safety meeting with crew & cementers. Thaw out lines on cement pump truck (freezing up fast as thawing out 14 degrees out here) Pump 3bbls fresh water ahead followed by 348.11ft3 or 62bbls or 200sx of Density=14ppg Yield=1.74ft3/sx Water=8.03gal/sx cement with 10% calseal. Start at 800psi max 840psi final 800psiat 4bpm pump rate followed by 3bbls fresh water to clear lines. Drain up lines (Stage #1); Wait on cement 1 hr for next 100sx cement stage #2; Pump 3bbls fresh water ahead followed by 174/ft3 or 31bbls or 100sx of same mix above. Start at 975psi, average 890psi, final at 830psi at 4bpm pump rate followed by 3bbls fresh water to clear lines. Drain up lines; Wait on cement 1 hr for next 100sx cement stage #3; Pump 3bbls fresh water ahead followed by 174/ft3 or 31bbls or 100sx of same mix above. Start at 790psi, maximum 860psi, and final at 800psi at 4 bpm pump rate followed by 3bbls fresh water to clear lines. Drain up lines; Wait on cement 1 hr for next 100sx cement stage #4; Pump 3bbls fresh water ahead followed by 303.20/ft3 or 54bbls or 174.25sx of same mix above. Received cement returns at24bbls into cement stage #4. Received 30bbls of good cement returns back to reserve pit with 4bpm when first returns slowdown to 3bpm next 10 bbls back slow down to 1.5bpm last 14bbls back to stage cement in before lock up. CIP @ 17:26hrs1 18/2008. Pump 3bbls fresh water to clear lines. Remove 100' x one inch cement line from back side and clean up same. Clean up 80' x 6"up 80' x 6" lines of cement. Rig down cementers. Wait 3hrs to monitor cement drop down hole and require top out job; String line back side 13 3/8" surface casing cement dropped 2ft below ground level. Release Halliburton cementers; Wait on cement for cement bond log. Black Warrior to be here at 08:00hrs 1/19/2008; Note; (Received 2 x 6" rain for rent water pumps exchange for 2 x 3" water pumps 1/18/2008. Cement casing cost are field estimate only from Halliburton will bring out adjusted ticket later on in near future)	0	0	NIH

Total:	24.00	

Daily Summary

Activity Date :	1/20/2008	Days From Spud :	0	Current Depth :	1550 Ft	24 Hr. Footage Made :	0 Ft
Formation :				Weather:			
Rig Company :				Rig Name:			
Daily Cost:	$0	Cum DHC:		$0	Total Well Cost:	$0	

Operations

Start	Hrs	Code	Remarks	Start Depth	End Depth	Run
6:00	24.00	21	TD at report time 1550'; Weather - Clouds on horizon, with frost this morning at -5 degrees below zero (still refuses to warm up) Wait on cement for Black Warrior cement bond logs; Hold 3rd party safety meeting with crew & Black Warrior loggers. Rig up loggers and run cement bond Gamma Ray-CCL-VDL logs. Rig down loggers; Wait on welder (Two bolt 20" spacer spool, 20" mud cross and 20" rotating head); Cut off 20" conductor starting flange pick up same and rough cut off 13 3/8" surface casing. Lay out cut off 13 3/8" surface casing and nipple down 20" mud cross, 20" spacer spool and 20" rotating head. Dress cut 13 3/8"surface casing and set in 13 5/8" x 5M wellhead and weld on same. Rig up and test weldhead to 1200psi for 15 minutes (ok) rig down testing tools; Prepare to and nipple up 5M Bop stack and 5M equipment; Note; (Received 8000gals diesel fuel for rig from Western Petroleum Vernal, Utah 1/19/2008)	0	0	NIH

Total:	24.00	

Well Name:Cane Creek 1-1

Field Name:	Cane Creek Fed	S/T/R:	01/26S/19E	County,State:	GRAND, UT
Operator:	ity Exploration & Productio	Location Desc:		District:	Cane Creek Unit

Daily Summary

Activity Date :	1/21/2008	Days From Spud :	0	Current Depth :	1550 Ft	24 Hr. Footage Made :	0 Ft
Formation :				Weather:			
Rig Company :				Rig Name:			
Daily Cost:	$0	Cum DHC:		$0	Total Well Cost:	$0	

Operations

Start	Hrs	Code	Remarks	Start Depth	End Depth	Run
6:00	24.00	21	TD at report time 1550'; Weather - Snow clouds moving in fast this morning at 4 degrees above zero; Nipple up 5M Bope. Fabricate rotating head to flow line with welder and blooie line from 7" wing valve flange; Hold 3rd party safety meeting with Double Jack Testers. Rig and test 5M Bope (Rig up gas buster 12" flare lines to flare stack rig up choke manifold 4" panic lines, rig up air muffler water lines to 6" Rain for rent water pumps while testing Bope) choke line flanges leaking, tighten same. Loosing koomey fluid found that DHS' 5M Annular preventer has bad rubber element and was leaking all koomey fluid away; Rig off Fidelity Exploration payroll at 02:00hrs 1/21/2008. Nipple down 5M annular preventer, 4' x 5M spacer spool, 5M mud cross. 5M x 7" wing valve, blooie line and 5M rotating head. Replace 5M annular preventer and nipple up 5M equipment	0	0	NIH

Total:	24.00	

Daily Summary

Activity Date :	1/22/2008	Days From Spud :	0	Current Depth :	1550 Ft	24 Hr. Footage Made :	0 Ft
Formation :				Weather:			
Rig Company :				Rig Name:			
Daily Cost:	$0	Cum DHC:		$0	Total Well Cost:	$0	

Operations

Start	Hrs	Code	Remarks	Start Depth	End Depth	Run
6:00	24.00	21	TD at report time 1550'; Weather - Major clouds this morning at 22 degrees; Replace 5M annular preventer and nipple up 5M equipment. 5M replacement annular bolts on top bolt circle are 1 7/8" bolts instead off 1 5/8" bolts to large for 5M flanges holes requiring 1 5/8" bolts; Wait on adapter replacement bolts for annular (10M x 5M); Test Bop (Found that blind ram seals are leaking into annulus and that annular was ok originally); Nipple down 5M annular and 5M double gate preventers; Open doors on double gate and remove 5" pipe rams; Wait on 5M double gate replacement preventer; Change out pipe rams to 5" in replacement 5M double gate preventer; Nipple up 5M double gate and annular preventers; Test 5M Bope blind rams, pipe rams, annular with Double Jack Testers witnessed by Jack Johson BLM Moab, Utah 1/22/2008; Nipple up 5M mud cross, 4ft spacer spool, rotating head, orbit valve, flow line, 7"wing valve and blooie line. Install turnbuckles and valve handles on Bop; Note: (DHS rig #12 off payroll a full 24hrs this report during change out Bops' and testing same)	0	0	NIH

Total:	24.00	

Daily Summary

Activity Date :	1/23/2008	Days From Spud :	0	Current Depth :	1879 Ft	24 Hr. Footage Made :	329 Ft
Formation :				Weather:			
Rig Company :				Rig Name:			
Daily Cost:	$0	Cum DHC:		$0	Total Well Cost:	$0	

Operations

Start	Hrs	Code	Remarks	Start Depth	End Depth	Run
6:00	24.00	02	TD at report time 1879'; Weather - Clear skies this morning at -4 degrees; Tie down choke manifold panic lines (DHS Rig #12 on Fidelity Exploration payroll @ 06:00 hrs 1/22/2008); Make up 12.25" bit and RIH with same tagged top of cement at 1495'; Clean out cement from 1495' to 1553' drill out float collar clean out cement and drill out shoe; Pooh for 12.25" air hammer; Break 12.25" tricone bit and make up 12.25" air hammer bit tools (Close blind rams and function test Bope as per BLM); RIH to 1553'; Drlg 12.25" hole with air hammer from 1553' to 1660'; Survey at 1612' @ 1.25 degree (Hold Bop drill at 70 seconds); Drlg 12.25" hole with air hammer from 1660' to 1753'; Survey at 1705' @ 1.5 degree; Drlg 12.25" hole with air hammer from 1753' to 1816'; Change out kelly drive bushing for rotating head; Drlg 12.25" hole with air hammer from 1816' to 1848'; Survey at 1800' @ 1.25 degree; Drlg 12.25" hole with air hammer from 1848' to 1879'	0	0	NIH

Total:	24.00	

Well Name:Cane Creek 1-1

Field Name:	Cane Creek Fed	S/T/R:	01/26S/19E	County,State:	GRAND, UT
Operator:	ity Exploration & Productio	Location Desc:		District:	Cane Creek Unit

Daily Summary

Activity Date :	1/24/2008	Days From Spud :	0	Current Depth :	2441 Ft	24 Hr. Footage Made :	562 Ft
Formation :				Weather:			
Rig Company :				Rig Name:			
Daily Cost:	$0	Cum DHC:		$0	Total Well Cost:	$0	

Operations

Start	Hrs	Code	Remarks	Start Depth	End Depth	Run
6:00	24.00	02	TD at report time 2441'; Weather - Major clouds with snow flurries this morning at 22 degrees ; Drlg 12.25" hole with air hammer from 1879' to 2004'; Survey at 1949' @ 1/2 degree; Drlg 12.25" hole with air hammer from 2004' to 2253'; Hole getting wet, pump foam and unload hole (Work tight hole); Survey at 2208' @ 1/2 degree; Drlg 12.25" hole with air hammer from 2253' to 2410'; Survey at 2362' @ 3/4 degree; Pooh for air hammer bit #2; Pulled 398K, first 12 1/8" stabilizer on 8"dc stuck in Bop. Work free with tong; Kelly up with air and work off drilling ring off 12 1/8"; stabilizers; Clean off stabilizers with shovel and wash clean. Continue Pooh; Change out 12.25" air hammers (Close blind rams and function test Bop as per BLM); RIH with air hammer #2 to 2410' (Check and re-torque all drill collars going in hole with BHA); Unload hole with air till clean and clean off rig floor; Drlg 12.25" hole with air hammer from 2410' to 2441'	0	0	NIH
Total:	24.00					

Daily Summary

Activity Date :	1/25/2008	Days From Spud :	16	Current Depth :	3253 Ft	24 Hr. Footage Made :	812 Ft
Formation :				Weather:			
Rig Company :				Rig Name:			
Daily Cost:	$0	Cum DHC:		$0	Total Well Cost:	$0	

Operations

Start	Hrs	Code	Remarks	Start Depth	End Depth	Run
6:00	24.00	02	Drlg 12.25" hole with air hammer from 2441' to 2598' Survey at 2543' @ 1/2 degree Drlg 12.25" hole with air hammer from 2598' to 2877' Survey at 2820' @ 1/4 degree Drlg 12.25" hole with air hammer from 2877' to 3095' Survey at 3047' @ 1 degree Drlg 12.25" hole with air hammer from 3095' to 3253' Blow down hole circ (Bop drill and Function test Bop as per BLM) Pooh for hammer bit #3Note; (Received 8000gals diesel fuel, 6500gals air compressor tank, 1500gals rig tank from Western Petroleum Vernal, Utah1/24/2008)	0	0	NIH
Total:	24.00					

Daily Summary

Activity Date :	1/26/2008	Days From Spud :	17	Current Depth :	3420 Ft	24 Hr. Footage Made :	167 Ft
Formation :				Weather:			
Rig Company :				Rig Name:			
Daily Cost:	$0	Cum DHC:		$0	Total Well Cost:	$0	

Operations

Start	Hrs	Code	Remarks	Start Depth	End Depth	Run
6:00	24.00	02	Pooh for air hammer bit #3Change out air hammer bits and RIH with bottom hole assy. Lay down top 8"dc (Suspect cracked collar around hard band) RIH with air hammer bit #3Unload hole with air, till see foam Drlg 12.25" hole with air hammer from 3253' to 3381'Unload hole with air. Try drilling with air hammer bit, no luck water flooded outSurvey at 3333' at 1/2 degree (Crew change) Blow down kelly and Pooh for tricone insert bit (Hold Bop drill 60 seconds) Lay down air hammer and make up 12.25" tricone insert bit (Close blind rams and function test Bop as per BLM) RIH with tricone bit to 2836' Unload hole with air foam RIH with tricone bit to 3381' Unload hole with air foam Drlg 12.25" hole with tricone bit from 3381' to 3408' Change out rotating head rubbers Drlg 12.25" hole with tricone bit from 3408' to 3420'	0	0	NIH
Total:	24.00					

Well Name:Cane Creek 1-1

Field Name:	Cane Creek Fed	S/T/R:	01/26S/19E	County,State:	GRAND, UT
Operator:	ity Exploration & Productio	Location Desc:		District:	Cane Creek Unit

Daily Summary

Activity Date :	1/27/2008	Days From Spud :	18	Current Depth :	3783 Ft	24 Hr. Footage Made :	363 Ft
Formation :				Weather:			
Rig Company :				Rig Name:			
Daily Cost:	$0	Cum DHC:		$0	Total Well Cost:		$0

Operations

Start	Hrs	Code	Remarks	Start Depth	End Depth	Run
6:00	24.00	02	Drlg 12.25" hole with tricone bit from 3420' to 3501' Survey 3452' @ 1/2 degree Drlg 12.25" hole with tricone bit from 3501' to 3553' Sevice rig and change out rotating head rubbers Drlg 12.25" hole with tricone bit from 3553' to 3720' Survey at 3669' @ 3/4 degree Drlg 12.25" hole with tricone bit from 3720' to 3783' Note: (Well is making approximate 315bbls of water per hour. 4 x 125bbl water trucks just keeping up	0	0	NIH

Total: 24.00

Daily Summary

Activity Date :	1/28/2008	Days From Spud :	19	Current Depth :	3890 Ft	24 Hr. Footage Made :	107 Ft
Formation :				Weather:			
Rig Company :				Rig Name:			
Daily Cost:	$0	Cum DHC:		$0	Total Well Cost:		$0

Operations

Start	Hrs	Code	Remarks	Start Depth	End Depth	Run
6:00	24.00	02	Drlg 12.25" hole with tricone bit from 3783' to 3790' (reserve pit one inch from running over bank, estimate make water 425bph) Pooh to shoe @ 1550' (Reserve pit full of well water, have trucks catch up and haul off same) Seven water trucks hauling off water from reserve pit. Rig up water pumps to mud pits to drill blind RIH to 3774' Pump away 200bbls saw no returns or saw no pump pressure on pump gauge Drlg 12.25" hole with tricone bit from 3790' to 3890' (Drilling blind no returns at pump rate of 13.2bpm)	0	0	NIH

Total: 24.00

Daily Summary

Activity Date :	1/29/2008	Days From Spud :	20	Current Depth :	4071 Ft	24 Hr. Footage Made :	181 Ft
Formation :				Weather:			
Rig Company :				Rig Name:			
Daily Cost:	$0	Cum DHC:		$0	Total Well Cost:		$0

Operations

Start	Hrs	Code	Remarks	Start Depth	End Depth	Run
6:00	24.00	02	TD at report time 4071'; Weather - Hailed 1/2" then turned to light snow yesterday afternoon into evening, approx one inch snow, clear skies this morning at 2 degrees; Drlg 12.25" hole with tricone bit blind no returns from 3890' to 3908'; Switch valves and lines to drill with air mist (Unload water from hole aith air); Drlg 12.25" hole with tricone bit with air mist from 3908' to 4071' (Drilling blind no water returns with occasional air returns); Circ hole clean for wiper trip; Survey at 4048' @ 1.25 degree; Pooh 12 stands drill pipe from 4071' to 2937', RIH to 4071'; Fill hole with 400bbls of reserve pit water and spot 50bbls high vis pill on bottom for logs; Pooh for logs; Hold 3rd party safety meeting with and loggers. Rig loggers and run GR-SP-DIL-SFL-MI, GR-CALI-FDC/CNL, Sonic (Dipole); Bore Imager (CBIL) logs Loggers TD= 4076' Drillers TD=4071' Saw fluid level with Neutron log at 2280' +/-; Note; Received 2 x 17 3/8" string stabilizers and Down hole stabilizers sent out wrong 8 5/8" stabilizers they had 4 1/2"IF threads we need 4 1/2"XH threads 1/28/2008)	0	0	NIH

Total: 24.00

Well Name:Cane Creek 1-1

Field Name:	Cane Creek Fed	S/T/R:	01/26S/19E	County,State:	GRAND, UT
Operator:	lity Exploration & Productio	Location Desc:		District:	Cane Creek Unit

Daily Summary

Activity Date :	1/30/2008	Days From Spud :	21	Current Depth :	4071 Ft	24 Hr. Footage Made :	0 Ft
Formation :				Weather:			
Rig Company :				Rig Name:			
Daily Cost:	$0	Cum DHC:		$0	Total Well Cost:		$0

Operations

Start	Hrs	Code	Remarks	Start Depth	End Depth	Run
6:00	24.00	21	TD at report time 4071'; Weather - Major clouds this morning at 20 degrees; Run open hole wire line logs with Baker-Atlas. Rig down loggers; RIH to 4071'; Pump 100bbls reserve pit water then, spot 150bbls high vis pill on bottom; Pooh to run 9 5/8" intermediate casing. Lay down two 12 1/8" string stabilizers; Pull wear ring; Hold 3rd party safety meeting with crew, casing crew & Laydown machine crew. Rig up power tongs & Laydown machine. Run 4079.25', 94 joints of HCP-110, 40#/ft, LT&C 8rd, 9 5/8" csg. Shoe set at 4071' float collar at 4023.87'. Baker-Lok float shoe, first collar & float collar spot weld same with welder. Run centralizer 8' above float shoe and 20 centralizers next 20 collars then 12 centralizers every other collar then 4 centralizers every third collar for a total of 38 centralizers; Rig up 9 5/8" casing circ head, circ 9 5/8" csg (Rig down Casing crew and Lay down machine); Note; (Received 7500gals winter blend diesel fuel for rig tank from Western Petroleum Vernal, Utah 1/29/2008. Wait on Halliburton they were gave 10 hrs notice to be on location at 04:00hrs 1/30/2008 and gave 20 hrs notice on cement blend)	0	0	NIH

Total:	24.00

Daily Summary

Activity Date :	1/31/2008	Days From Spud :	22	Current Depth :	4071 Ft	24 Hr. Footage Made :	0 Ft
Formation :				Weather:			
Rig Company :				Rig Name:			
Daily Cost:	$0	Cum DHC:		$0	Total Well Cost:		$0

Operations

Start	Hrs	Code	Remarks	Start Depth	End Depth	Run
6:00	24.00	12	TD at report time 4071'; Weather - Major clouds this morning at 20 degrees; Circ 9 5/8" csg at 250gal/min while waiting on Halliburton (Halliburton trucks puled on location at 10:30hrs); Hold 3rd party safety meeting with crew & cementers (Circ 9 5/8' csg at pump idle at 125gal/min blind while rigging up cementers) test lines to 4500psi pump truck test lines to 8000psi nitrogen truck. Pump 20bbls fresh water ahead followed by 25bbls super flush followed by 10bbls fresh water followed by 60sx scavenger cement at Yield=4.29ft3/sx, Water=27.94gal/sx, Density=10.5ppgfollowed by 10bbls fresh water followed by 60sx scavenger cement at Yield=4.29ft3/sx, Water=27.94gal/sx, Density=10.5ppgfollowed by 1490/ft3 or 265.4bbls or 1000sx of Lead cement Yield=1.49ft3/sx, Water=5.97gal/x Density=14.3ppg foamed down10.5ppg followed by 797.50/ft3 or 142bbls or 550sx Tail cement Yield=1.45ft3/sx Water= 5.82gal/sx Density=14.3ppg drop wiper plug and displace with 305.6bbls of fresh water bump plug with 1092psi with 100psi prior Hold 1092psi for 5 minutes release pressure floats held (ok) CIP at 19:17hrs 1/30/2008. Rig down cementers and put pump & nitrogen truck on stand-by; Wait on cement. Nipple down flow line, 7' 'wing valve, orbit valve, choke line Hcr valves and Kill line valves to prepare to pick up5M Bop stack with Double Jack Bop lift winches to set 9 5/8"csg slips Cameron tools; Note; (Cement samples were still soft at 03:30hrs 1/31/2008 will wait to 7:00hrs check samplesat 12hrs wait on cement. Rig down and loaded out Weatherford air compressor package 1/30/2008. Pumped down approximate 2000bbls of reserve pit water down hole while waiting on Halliburton)	0	0	NIH

Total:	24.00

Well Name:Cane Creek 1-1

Field Name:	Cane Creek Fed	S/T/R:	01/26S/19E	County,State:	GRAND, UT
Operator:	ity Exploration & Productio	Location Desc:		District:	Cane Creek Unit

Daily Summary

Activity Date :	2/1/2008	Days From Spud :	23	Current Depth :	4071 Ft	24 Hr. Footage Made :	0 Ft
Formation :				Weather:			
Rig Company :				Rig Name:			
Daily Cost:	$0	Cum DHC:		$0	Total Well Cost:	$0	

Operations

Start	Hrs	Code	Remarks	Start Depth	End Depth	Run
6:00	24.00	12	at report time 4071'; Weather - Major clouds this morning at 8 degrees; Wait on cement to set 9 5/8" csg slips with Cameron Tools (Pump down backside casing 320bbls reserve pit water); Wait on cement (Lift 5M Bop stack with Double Jack Bop lift winches. Set 9 5/8" csg slips with Cameron Tools at 150K casing string weight. Rough cut 9 5/8" csg with Cameron Tools. Set down 5M Bope and 3 bolt same. Break down flanges 5M Bop stack with hydraulic wrench for 5M nipple down) Wait on cement (Nipple down 5M Bope); Wait on cement from cement bulk plant Grand Junction, Colo.; Hold 3rd party safety meeting with crew and cementers; Unload bulk cement from transport trucks to cement ball hopper trucks. Test lines to 4400psi, test nitrogen lines to 7800psi. Pump10bbls fresh water ahead followed by 116ft3 or 20.7bbls or 100sx of cap cement Yield=1.16ft3/sx, Water=5.00gal/sx, Density=15.8ppg followed by 852ft3 or 152bbls or 600sx of cement Yield=1.42ft3/sx, Water=6.22gal/sx, Density=13.5ppg nitro gen foamed down to 9.0ppg followed by 116ft3 or 20.7bbls or 100sx of cap cement Yield=1.16ft3/sx, Water=5.00gal/sx, Density=15.8ppg followed by 1.5bbls fresh water to clear lines. CIP @ 02:00hrs 02/01/2008. Rig down lines; Wait on cement for 12hrs to pump down backside reserve pit water; Note; (Man camp light plant blew out its' turbo at 05:00hrs 02/01/2008 this morning are rigging up oil mud generator to have power till Bio-Action brings replacement generator, that is why this morning report is late); Note; (Have Halliburton pump and nitrogen trucks on location while waiting on cement to cure and from cement bulk plant. Move oil based mud storage tanks from Cane Creek 8-1 location to Cane Creek 1-1 location with Hyland winch truck out of Rifle, Colo will finish moving and set up tanks by late afternoon 02/01/2008. Will start nipple up B-section and 10M Bope with Cameron Tools using Double Jack hydraulic wrench 07:30hrs 02/01/2008 while waiting on cement to cure 12hrs for pump down backside csg)	0	0	NIH
Total:	24.00					

Daily Summary

Activity Date :	2/2/2008	Days From Spud :	24	Current Depth :	4071 Ft	24 Hr. Footage Made :	0 Ft
Formation :				Weather:			
Rig Company :				Rig Name:			
Daily Cost:	$0	Cum DHC:		$0	Total Well Cost:	$0	

Operations

Start	Hrs	Code	Remarks	Start Depth	End Depth	Run
6:00	24.00	21	TD at report time 4071'; Weather - Major clouds this morning at 8 degrees; Wait on cement 12hrs to cure to pump down backside with reserve pit water; Wait on cement 12hrs to cure (Set in and nipple up B-Section and test same (ok) with Cameron Tools); Wait on cement 12hrs to cure (Nipple up 10M Bope with Double Jack hydraulic wrench) Install 2" hose and pump 791 strokes #1 mud pump pressured to 41psi, shut down pump. Estimate .0768bbl/stk at 60bbls, 13 5/8"csg x 9 5/8"csg =.0646bbl/ft = 60bbls pumped away at 15.48ft/bbl = 928.80' estimated top of cement. Rig down 2" hose; Release rig down Halliburton pump and nitrogen trucks; Nipple up 10M Bope with Double Jack hydraulic wrench; Test 10M Bope with Double Jack Testers witnessed by Jack Johnson B.L.M. Moab, Utah; Note; (Finished moving in oil based mud storage tanks and equipment from Cane Creek 8-1 to Cane Creek 1- 1 location with Hyland trucking out Rifle, Colo 02/01/2008)	0	0	NIH
Total:	24.00					

Well Name:Cane Creek 1-1

Field Name:	Cane Creek Fed	S/T/R:	01/26S/19E	County,State:	GRAND, UT
Operator:	ity Exploration & Productio	Location Desc:		District:	Cane Creek Unit

Daily Summary

Activity Date :	2/3/2008	Days From Spud :	25	Current Depth :	4071 Ft	24 Hr. Footage Made :	0 Ft
Formation :				Weather:			
Rig Company :				Rig Name:			
Daily Cost:	$0	Cum DHC:		$0	Total Well Cost:		$0

Operations

Start	Hrs	Code	Remarks	Start Depth	End Depth	Run
6:00	24.00	21	Weather - Snowing this morning at 27 degrees Test 10M Bope with Double Jack Testers witnessed by Jack Johnson B.L.M. Moab, Utah; Nipple up auxillary kill line and hook up Bop turnbuckles. Refabricate flow line 10" elbow to rotating head flange with welder; Lay down 5 x 8"dcs and 9 x 6.5"dcs out of derrick; Continue nipple up auxillary kill line and hook up Bop turnbuckles; Hold 3rd party safety meeting with crew and Black Warrior wire line. Rig and run Cement Bond Log Gamma / CCL logs; Run second Cement Bond Log Gamma / CCL log as the the first run showed to much free pipe, the second run looked some; what better. Rig down loggers (Install refabbed 10" flow line elbow to flow line); Pump 12 strokes at .0768bbl/stk or .92bbls or 14.24ft pressured up to 121psi down backside 13 5/8"csg x 9 5/8"csg. Hole is full; Rig up pollution pan on Bop for oil based mud, tighen 10" flow line elbow flanges rotating head and auxillary kill line flanges; tighen Bop turnbuckles; Pick up and make Pdc bit, .15 mud motor, teledrift tool, 6.5"dc, stabilizer, 6.5"dc, stabilizer, 6.5"dc, xo sub, and jars. RIH with heavy wall drill pipe.	0	0	NIH
Total:	24.00					

Daily Summary

Activity Date :	2/4/2008	Days From Spud :	26	Current Depth :	4085 Ft	24 Hr. Footage Made :	14 Ft
Formation :				Weather:			
Rig Company :				Rig Name:			
Daily Cost:	$0	Cum DHC:		$0	Total Well Cost:		$0

Operations

Start	Hrs	Code	Remarks	Start Depth	End Depth	Run
6:00	24.00	21	TD at report time 4085'; Weather - Snowed 4"to 6" last night at 19 degrees this morning; RIH with BHA & heavy wall drill pipe; Hang traveling blocks slip and cut drilling line; RIH pipe out of derrick and pick up 9 joints drill pipe tagged cement at 3928' Install rotating head; Work on both mud pumps; Clean out cement and drill out float collar and shoe from 3928' to 4071' Drlg 8.75" hole from 4071' to 4085' for F.I.T. with Double Jack Testers; Circ 5minutes, spot 20bbl high-vis pill on bottom. Pull into shoe, close annular and perform F.I.T. with Double Jack Testers. Pump 1100psi with mud pump and pump with Double Jack Testers to 1845psi for F.I.T. to 17.5ppg mud equivilent with 8.8ppg reserve pit water at depth of 4085'. Bleed off pressure, close Hcr valve, inside wing valve & open annular. Rig down Double Jack Testers; Pump out reserve pit water from mud pits, clean and gel up doors on same; Fill mud pits with oil based mud and displace reserve pit water out of hole with oil based mud Weight up mud from 15.4ppg to 15.8ppg even in hole and mud pits; Note; (George R. Taylor daylight derrick hand slipped and fell when hanging traveling blocks to slip & cut drlg line. He was tied off with sali-block line and was jerked into derrick leg and broke his nose. Was taken to Moab hospital for treatment and told to rest 2 weeks by Dr. 2/3/2008. Also Mud engineer Sumit Malhotra scratched his nose while taking off 4" cam-lok hose came loose hit his nose, he went to Moab hospital and was told he was allright by Dr. 2/2/2008 Just finding out about mud engineer injury today)	0	0	NIH
Total:	24.00					

Well Name:Cane Creek 1-1

Field Name:	Cane Creek Fed	S/T/R:	01/26S/19E	County,State:	GRAND, UT
Operator:	lity Exploration & Productio	Location Desc:		District:	Cane Creek Unit

Daily Summary

Activity Date :	2/5/2008	Days From Spud :	27	Current Depth :	4383 Ft	24 Hr. Footage Made :	298 Ft
Formation :				Weather:			
Rig Company :				Rig Name:			
Daily Cost:	$0	Cum DHC:		$0	Total Well Cost:	$0	

Operations

Start	Hrs	Code	Remarks	Start Depth	End Depth	Run
6:00	24.00	21	Weather - Clear skies this morning at 8 degrees Weight up mud from 15.4ppg to 15.8ppg even in hole and mud pits; Work on # 1 mud pump, change out suction valve and seat; Record slow pump rates both mud pumps #1 pump 176psi @ 22spm #2 pump 635psi @ 46spm; Drlg 8.75" hole from 4085' to 4147' (Teledrift survey at 4140' @ 1 degree); Drlg 8.75" hole from 4147' to 4383'; Note; (Received 10,315gals diesel fuel from Western Petroleum Vernal, Utah 2105gals in oil based mud tank 8210gals in rig fuel tank 2/4/2008)	0	0	NIH
Total:	24.00					

Daily Summary

Activity Date :	2/6/2008	Days From Spud :	28	Current Depth :	4890 Ft	24 Hr. Footage Made :	507 Ft
Formation :				Weather:			
Rig Company :				Rig Name:			
Daily Cost:	$0	Cum DHC:		$0	Total Well Cost:	$0	

Operations

Start	Hrs	Code	Remarks	Start Depth	End Depth	Run
6:00	24.00	02	Weather - Clouds moving in this morning at 11 degrees - Drlg 8.75" hole from 4383' to 4398'; Service rig and survey at 4348' @ 1 degree (Function test Bop as per BLM); Drlg 8.75" hole from 4398' to 4428'; Change out shale shaker screens; Drlg 8.75" hole from 4428' to 4586' (Survey at 4546' @ 1 degree); Drlg 8.75" hole from 4586' to 4856' (Survey at 4834' @ 1 degree); Service rig (Function test Bop as per BLM); Drlg 8.75' hole from 4856' to 4890'.	0	0	NIH
Total:	24.00					

Daily Summary

Activity Date :	2/7/2008	Days From Spud :	29	Current Depth :	5410 Ft	24 Hr. Footage Made :	520 Ft
Formation :				Weather:			
Rig Company :				Rig Name:			
Daily Cost:	$0	Cum DHC:		$0	Total Well Cost:	$0	

Operations

Start	Hrs	Code	Remarks	Start Depth	End Depth	Run
6:00	24.00	02	Weather - Snow clouds moving in this morning at 12 degrees - Drlg 8.75" hole from 4890' to 4961'; Change over to #1 mud pump, record slow pump rates 350psi @ 23stks #1 pump, 810psi @ 47stks #2 pump, Bop drill at 60 sec; Survey at 4913' @ 1 degree (Function Bop as per BLM); Drlg 8.75" hole from 4961' to 4992'; Change generators for man camps (Pason monitors down); Drlg 8.75" hole from 4992' to 5086'; Drlg 8.75" hole from 5086' to 5410' (Survey at 5150' @ 1 degree); Note; (Bio-Action brought out a new 150KW generator for man camps and installed same 2/6/2008).	0	0	NIH
Total:	24.00					

Well Name:Cane Creek 1-1

Field Name:	Cane Creek Fed	S/T/R:	01/26S/19E	County,State:	GRAND, UT
Operator:	ity Exploration & Productio	Location Desc:		District:	Cane Creek Unit

Daily Summary

Activity Date :	2/8/2008	Days From Spud :	30	Current Depth :	5820 Ft	24 Hr. Footage Made :	410 Ft
Formation :				Weather:			
Rig Company :				Rig Name:			
Daily Cost:	$0	Cum DHC:		$0	Total Well Cost:	$0	

Operations

Start	Hrs	Code	Remarks	Start Depth	End Depth	Run
6:00	24.00	02	Weather - Clear skies this morning at 14 degrees; Drlg 8.75" hole from 5410' to 5464'; Service rig , survey at 5464' @ 1 degree (Function test Bope as per BLM); Drlg 8.75" hole from 5464' to 5589' (Pason auto driller down, drilling by hand); Service rig , survey at 5589' @ 1 degree. Change out shale shaker screens. Pason is repairing the auto driller; Drlg 8.75" hole from 5589' to 5820'.	0	0	NIH
Total:	24.00					

Daily Summary

Activity Date :	2/9/2008	Days From Spud :	31	Current Depth :	6372 Ft	24 Hr. Footage Made :	552 Ft
Formation :				Weather:			
Rig Company :				Rig Name:			
Daily Cost:	$0	Cum DHC:		$0	Total Well Cost:	$0	

Operations

Start	Hrs	Code	Remarks	Start Depth	End Depth	Run
6:00	24.00	02	Weather - Overcast skies this morning at 17 degrees - Drlg 8.75" hole from 5820' to 5970' (Survey at 5885' @ 1 degree, Function test Bope as per BLM); Drlg 8.75" hole from 5970' to 6372 (Survey at 6216' @ 1 degree).	0	0	NIH
Total:	24.00					

Daily Summary

Activity Date :	2/10/2008	Days From Spud :	32	Current Depth :	6710 Ft	24 Hr. Footage Made :	338 Ft
Formation :				Weather:			
Rig Company :				Rig Name:			
Daily Cost:	$0	Cum DHC:		$0	Total Well Cost:	$0	

Operations

Start	Hrs	Code	Remarks	Start Depth	End Depth	Run
6:00	24.00	02	Weather - Clouds on horizon this morning at 14 degrees - Drlg 8.75" hole from 6372' to 6505'; Hands were working on shale shakers and closed both possum belly 12" valves on shale shakers while drilling, then oil based mud filled up the gas buster and flare lines then coming out of the fare stack resulting a 42bbls oil based mud spill on ground around gas buster & flare stack area. Jack Johnson with B.L.M. Moab, Utah was notified of the oil based mud spill @ 10:45hrs 2/9/2008. DHS Rig 12 off of Fidelity Explorations' payroll at 10:30hrs 2/09/2008. Vac truck sucked out 12"gas flare lines, flare stack & gas buster, Clean up oil based mud spill with vac truck, flare stack with man lift basket, clean up Bop and shale shaker area; Drlg 8.75" hole from 6508' to 6710' (Survey at 6558' @ 1 degree) DHS Rig 12 on Fidelity Explorations' payroll @ 24:00hrs 2/9/2008; Note; (Lost approximate 120bbls of oil mud due to spill clean up); Note: (Received 7397.20', 173 jnts of 29#/ft HCP-110 LT&C 8rd 7" csg from McJunkin Redman Supply Rifle, Colo. Hauled by Hyland Trucking Rifle,Colo. washed, cleaned, drift & strapped 7" casing with American Casing Grand Junction,Colo 2/09/2008).	0	0	NIH
Total:	24.00					

Well Name:Cane Creek 1-1

Field Name:	Cane Creek Fed	S/T/R:	01/26S/19E	County,State:	GRAND, UT
Operator:	lity Exploration & Productio	Location Desc:		District:	Cane Creek Unit

Daily Summary

Activity Date :	2/11/2008	Days From Spud :	33	Current Depth :	7000 Ft	24 Hr. Footage Made :	290 Ft
Formation :				Weather:			
Rig Company :				Rig Name:			
Daily Cost:	$0	Cum DHC:		$0	Total Well Cost:		$0

Operations

Start	Hrs	Code	Remarks	Start Depth	End Depth	Run
6:00	24.00	21	Weather - Storm clouds moving in this morning at 18 degrees - Drlg 8.75" hole from 6710' to 6746'; Service rig (Function test Bop as per BLM); Drlg 8.75" hole from 6746' to 6932' (Survey at 6853' @ 1 degree); Service rig; Drlg 8.75" hole from 6932' to 7000' ; Gain 6bbls fluid level in active mud pits, check for flow, well flowing, shut in annular, At the time there was a pit gain the electrician was working on trip tank electric 4'x4" transfer pump to fill trip tank, hole etc. They were transferring mud from trip back to active pits; Check to see if well was flowing, Pressure at that time was 300psi on stand pipe gauge with lower kelly cock valve in closed; position, assuming that there might be trapped pressure in drill string, opened lower kelly cock valve and bleed off pressure thru mud pump bleed off line, pressure bled down to 250psi then mud quit draining thru bled off line, assuming that something plugged; proceed bleed off pressure thru fill up line valve off of standpipe, pressure raised to 350psi, shut in fill up line pressure climbing to 500psi on Pason gauge on standpipe, gained additional 4 to 5 bbls mud for total of 10 to 11bbls mud volume gain. Sicp 650psi; Sidpp 850psi on swaco choke panel. We had make sure this was a real kick with the above procedures as of the mud transfer from trip tank to active pits. Calculate kmw at 18.4ppg with above information with omw 16ppg at 7000' Sicp building to 984psi thendropping to 825psi from 21:00hrs to 06:00hrs and is slowly building at report time. Sidpp building to 900psi from 21:00hrs to 06:00 hrs at report time. We are running off Pason gauge on standpipe as the other gauges are showing 125psi difference on swaco super choke panel. Raise mud wt in active mud pits from 16ppg to 18.4ppg for well kill operations; Note; (Received 7300gal diesel fuel from Western Petroleum Vernal, Utah 2000gals in mud tank and 5300gals in rig tank 2/10/2008. Held safety meeting 1 hour each with both crews, both toolpushers, mud engineers and swaco hands. Safety meeting was about oil spill incident yesterday, how this is truly a wake up call to reality of a severe incident that could happen if we can not learn from mistakes made during yesterdays incident. Communication, training with all safety policies procedures maxium applied, share knowledge with everyone and that silence is consent, very bad concept).	0	0	NIH
Total:	24.00					

Well Name:Cane Creek 1-1

Field Name:	Cane Creek Fed	S/T/R:	01/26S/19E	County,State:	GRAND, UT
Operator:	ity Exploration & Productio	Location Desc:		District:	Cane Creek Unit

Daily Summary

Activity Date :	2/12/2008	Days From Spud :	34	Current Depth :	7000 Ft	24 Hr. Footage Made :	0 Ft
Formation :				Weather:			
Rig Company :				Rig Name:			
Daily Cost:	$0	Cum DHC:		$0	Total Well Cost:	$0	

Operations

Start	Hrs	Code	Remarks	Start Depth	End Depth	Run
6:00	24.00	21	Weather - Overcast clouds this morning at 24 degrees - Raise mud in active mud pits to 18.4ppg for well kill operations (Gauges reading different by 450psi between choke manifold and swaco control panel , change out gauges now reading 10 psi difference); Hold safety meeting with all 15 personnel on location. Begin kill operations. Sicp at 950psi, start #1 mud pump at 38spm at .0768 bbls/stk, saw first pressure at 45psi at 98bbls at 38spm total of 1200stks pumped then saw 63psi at 103bbls at 35spm at 1270stks then saw 72psi at 109bbls at 35spm 1338stks then saw 140psi at 114bbls at 36spm at 1428stks then saw 243psi at 122bbls at 35spm at 1500stks then saw 248psi at 125bbls at 35spm at 1547stks then saw 269psi at 130bbls at 35spm at 1689stks. Shut down pump. We pumped 4 to 5 bbls of 18.4ppg kwm out of bit. The pressure was 464psi at 36spm #1 mud pump kill pump speed with 16ppg omw before the well kicked. During kill operations choke was opened less than 1/8 at 98bbls away at 1200 stks at 45psi, there was no sicp drop at all, sicp maintained 950psi pumping kwm to 130bbls away at 1689stks at 269psi on sidpp, 20min after kill operations ceased sicp was down to 900psi; Monitor well. Sicp 900psi dropping to 700psi @ 05:00hrs then up to 730psi @ 06:00hrs. sidpp 125psi up to 140psi @ 04:00hrs; drop to 120psi @ 05:00hrs then 130psi @ 06:00hrs; Note; (Wait on Weatherford wire line for sound, temperature and gamma logs estimated arrival 14:00hrs to 16:00hrs 2/12/2008); Note; (During mud weight operations sidpp was shut in with 850psi at 21:00hrs 2/10/2008 then build to 1038psi for high at 08:00 hrs 2/11/2008 then dropped to 110psi swaco panel gauge & 0 psi Pason gauge at 11:00hrs 2/11/2008. Sicp was shut in with 650psi at 21:00hrs 2/10/2008 then build to 1360psi at 14:30hrs 2/11/2008 then dropped to 890psi at 19:00hrs 2/11/2008 then build to 950psi at 20:00hrs 2/11/2008 at start of kill operations, there was no sidpp pressure start of kill operatons 2/11/2008); Note; (Received 7501gals diesel for mud fuel tank from Western Petroleum vernal, Utah 2/11/2008).	0	0	NIH
Total:	24.00					

Daily Summary

Activity Date :	2/13/2008	Days From Spud :	35	Current Depth :	7000 Ft	24 Hr. Footage Made :	0 Ft
Formation :				Weather:			
Rig Company :				Rig Name:			
Daily Cost:	$0	Cum DHC:		$0	Total Well Cost:	$0	

Operations

Start	Hrs	Code	Remarks	Start Depth	End Depth	Run
6:00	24.00	21	Weather - Clear skies this morning at 19 degrees - Monitor well (Wait on Weatherford wire to run temperature, noise sound and gamma ray logs); Hold 3rd party safety meeting with all personnel on location. Rig Weatherford loggers. Try stripping drill pipe through annular (tool joint not going through) Close lower pipe rams open annular and gently strip through lower pie rams 20", close annular, open lower pipe rams, strip though annular to bottom; Rig up Weatherford wire tools, lubricator, cross over subs and pump in sub. Run temperature log going in hole and sound-noise log coming out . Run Gamma-ray logs. Top of teledrift tool is 6955' at 45' above bit , hole depth at 7000'. Loggers TD=6973'; Note; (Sicp 730psi at 06:30hrs 2/12/2008 building to 990psi at 14:30hrs 2/12/2008 building to 1025psi at 02:45hrs 2/13/2008 building to 1050psi at 06:00hrs 2/13/2008); Note; (Closed opened lower pipe rams and annular preventers, functioned used tiw and dart valves); Note; Received 5002gals of diesel fuel for rig tank from Western Petroleum Vernal, Utah 2/12/2008).	0	0	NIH
Total:	24.00					

Well Name:Cane Creek 1-1

Field Name:	Cane Creek Fed	S/T/R:	01/26S/19E	County,State:	GRAND, UT
Operator:	ity Exploration & Productio	Location Desc:		District:	Cane Creek Unit

Daily Summary

Activity Date :	2/14/2008	Days From Spud :	36	Current Depth :	7000 Ft	24 Hr. Footage Made :	0 Ft
Formation :				Weather:			
Rig Company :				Rig Name:			
Daily Cost:	$0	Cum DHC:		$0	Total Well Cost:	$0	

Operations

Start	Hrs	Code	Remarks	Start Depth	End Depth	Run
6:00	24.00	21	TD at report time 7000'; Weather - Snowed last night and snowing this morning at 22 degrees; Run Gamma-Ray logs through drill string; E-Mail to office & interpretation & analyze logs & Wait on orders & wait on 360bbls oil base at 7.8ppg from Big Piney Wyoming to lighten mud from 18.4ppg to 16.8ppg; Unload 3 trucks at 120bbls each of 7.8ppg oil base; Transfer 7.8ppg oil base to pre-mix and active mud system to lighten up mud from 18.4ppg to 16.8ppg, circ over top of annular with fill up line to equal active mud pits to 16.8ppg mud wt; Hold safety meeting with 13 personnel, 2 mud loggers not present = 15 personnel on location. Start well kill operations, pump at 35-36spm with #1 mud pump at 0psi drill pipe and 930psi casing, caught 97psi at 625stks away estimate top of fluid in drill pipe at 2782', with 800psi drill pipe pressure. Received returns at 1708stks away at 131bbls at 7604' fluid away in drill pipe, holding at 750psi to 800psi drill pipe pressure at 980psi csg, start to flare gas at 2089stks at 160bbls away with 1700psi csg pressure. Gas peaked at 9002 Pason gas units with 2300psi csg pressure, holding choke down to maintain same with 35-36spm on #1 mud pump at 1200psi drill pipe. continue choking out gas csg pressure going down. Lots of crude oil and condensate shooting out top of flare stack. Mud engineer ran calculations, estimated 260bbls crude oil received in active mud pits, continue choking off gas receiving 9.4ppg gas cut mud then 10ppg then 10.6ppg then 11.4ppg then 12ppg then 12.4ppg then 14.3ppg for final mud wt Pumped a total of 6554stks away run out of 16.8ppg kill mud, shut in with 660psi sicp and 620psi sidpp (Note suspect possible lost circ at end of kill operations); Monitor well and build mud wt to 16.8ppg in pre-mix and active mud pits (Sicp at 660psi at 24:30hrs 2/14/2008 drop to 580psi at 03:00hrs 2/14/2008 and build to 585psi at report time 06:00hrs 2/14/2008 Note; (In my estimation this well is 3 times or more than the Cane Creek 24-1 well)	0	0	NIH
Total:	24.00					

Daily Summary

Activity Date :	2/15/2008	Days From Spud :	37	Current Depth :	7000 Ft	24 Hr. Footage Made :	0 Ft
Formation :				Weather:			
Rig Company :				Rig Name:			
Daily Cost:	$0	Cum DHC:		$0	Total Well Cost:	$0	

Operations

Start	Hrs	Code	Remarks	Start Depth	End Depth	Run
6:00	24.00	21	TD at report time 7000'; Weather - Clouds moving in this morning at 27 degrees; Monitor well, condition build mud wt to 16.8ppg in pre-mix and active mud pits; Hold safety meeting with crew & loggers. Rig up Weatherford loggers, run temperature & noise logs, Saw fluid level at 60'+/- from KB. Saw no noise at 6970', heard noise at 4840' to shoe at 4071', continue hearing noise from shoe at 4071' to 3650' then noise leveled off to slight noise at 3200' then heard distinct noise at 3007' at casing connection, continue moving up hole with noise at 2690' to 2100', continue up hole no noise from 2100' to 700' . Run back to 6970' second time, sit there for 20 minutes hearing no noise at all. Pull out of hole, rig loggers and down load information to jump drive for E-mail; E-mail noise & temperature logs for interpretation. Wait on orders; Note; (Recheck noise at 3700', 4071' shoe and 4850', noise still there, then run to bottom 6970' second time for noise check Sicp 595psi @ 06:00hrs 2/14/08 then 930psi @ 09:00hrs 2/14/08 then 595psi @ 10:30hrs 2/14/08 then 650psi @ 12:30hrs 2/14/08 then 580psi @ 17:30hrs 2/14/08 then 650psi @ 21:00hrs 2/14/08 then 600psi @ 03:00hrs 2/15/08 then 640psi @ 06:00hrs 2/15/08 report time. Mud is at 17.5ppg with 25%LCM content in pre-mix and active mud pits at report time)	0	0	NIH
Total:	24.00					

Well Name:Cane Creek 1-1

Field Name:	Cane Creek Fed	S/T/R:	01/26S/19E	County,State:	GRAND, UT
Operator:	ity Exploration & Productio	Location Desc:		District:	Cane Creek Unit

Daily Summary

Activity Date :	2/16/2008	Days From Spud :	38	Current Depth :	7000 Ft	24 Hr. Footage Made :	0 Ft
Formation :				Weather:			
Rig Company :				Rig Name:			
Daily Cost:	$0	Cum DHC:		$0	Total Well Cost:	$0	

Operations

Start	Hrs	Code	Remarks	Start Depth	End Depth	Run
6:00	24.00	21	Weather - Clear skies this morning; Wait on orders from log interpretations (Monitor well) at 16 degrees; Wait for Boots & Coots personnel (Boots & Coots arrived on location at 21:50hrs 2/15/2008) Wait on information for snub in unit availability; Note; (Sicp at 620psi at 06:00hrs 2/15/08 then 660psi at 08:00hrs 2/15/08 then 640psi at 11:00hrs 2/15/08 then 595psi at 15:00hrs 2/15/08 then 650psi at 15:30hrs 2/15/08 then 600psi at 18:00hrs 2/1508 then 650psi at 23:00hrs 2/15/08 then 800psi at 24:00midnite 2/15/008 then at 700psi 01:30hrs 2/16/08 then 720psi at 04:30hrs 2/16/08 then 680psi at 06:00hrs 2/16/08 at report time. Cellar gauge backside 13 5/8" csg x 9 5/8" csg 90psi at 06:00hrs 2/15/08 raising to 100psi at 18:00hrs 2/15/08 then dropping to 50psi at 06:00hrs 2/16/08 at report time)	0	0	NIH

Total:	24.00

Daily Summary

Activity Date :	2/17/2008	Days From Spud :	39	Current Depth :	7000 Ft	24 Hr. Footage Made :	0 Ft
Formation :				Weather:			
Rig Company :				Rig Name:			
Daily Cost:	$0	Cum DHC:		$0	Total Well Cost:	$0	

Operations

Start	Hrs	Code	Remarks	Start Depth	End Depth	Run
6:00	24.00	21	TD at report time 7000'; Weather - Clear skies this morning at 23 degrees; Wait on information for availability for snub in unit; Prepare for well kill operations; Hold 3rd party safety meeting with all 16 personnel on location. Bring #1 mud pump to 36spm, caught pressure at 35stks away, gas flaring off at 382stks away, mud returns at 425stks away, 480psi drill pipe & 800psi csg at 500stks away, with 540psi drill pipe 760psi csg at 1500stks away going around bit, 620psi drill pipe & 100psi csg at 2100stks to 2200stks away for the highest pressure during kill operations, 600psi drill pipe & 820psi csg at 3200stks away , 600psi drill pipe & 280psi csg at 4200stks away, 600psi drill pipe & 220psi csg at 5200stks away, 580psi drill pipe & 200psi csg at 6200stks away, 560psi drill pipe & 170psi csg at 7137stks away. Shut in well with 120psi drill pipe & 180psi sicp at 14:55hrs 2/16/2008; Monitor well while building mud wt in pre-mix & active mud pits to 17.5ppg with 25% Lcm. Sicp 200psi at 15:15hrs 15 minutes after well shut in. Sicp 240psi at 16:00hrs then 290psi at 18:00hrs then 320psi at 20:00hrs then 340psi at 23:00hrs then 360psi at midnight then 350psi at 01:00hrs then 380psi at 03:00hrs then 485psi at 04:00hrs then 460psi at 06:00hrs report time; Note; (Mud engineer calculates 111 bbls mud exchange with crude oil during well kill operations. Weatherford wire line to be here at 08:00hrs 2/17/2008 to run temperature and noise logs)	0	0	NIH

Total:	24.00

Well Name:Cane Creek 1-1

Field Name:	Cane Creek Fed	S/T/R:	01/26S/19E	County,State:	GRAND, UT
Operator:	lity Exploration & Productio	Location Desc:		District:	Cane Creek Unit

Daily Summary

Activity Date :	2/18/2008	Days From Spud :	40	Current Depth :	7000 Ft	24 Hr. Footage Made :	0 Ft
Formation :				Weather:			
Rig Company :				Rig Name:			
Daily Cost:	$0	Cum DHC:		$0	Total Well Cost:	$0	

Operations

Start	Hrs	Code	Remarks	Start Depth	End Depth	Run
6:00	24.00	21	TD at report time 7000'; Weather - Clear skies this morning at 23 degrees; Monitor well and condition mud wt to 17.5ppg with 25% Lcm in active and pre-mix mud pits; Hold 3rd party safety meeting with crew & loggers. Rig up loggers, run temperature & noise logs (Weatherford having computer software problems) saw slight noise at 6970' & no noise at 4850' to 1500' according to second log run problem area. R/D loggers; Hold 3rd party safety meeting all 17 personnel on location. Bring #1 mud pump to 36spm at 36stks away caught pressure in drill pipe, saw gas flare at 120stks away 1000psi drill pipe at 400stks at 280psi csg then 1140psi drill pipe at 1600stks at 160psi csg then 1240psi drill pipe at 3200stks at 130psi csg then 1240psi drill pipe at 6400stks at 75psi csg then 1240psi drill pipe at 6800stks at 75psi csg all above at 60spm pump stroke rate, increase pump srke rate to 80spm as follows1700psi drill pipe at 7400stks at 90psi csg then 1780psi at 8400stks at 100psi csg then 1780psi at 9400stks at 120psi csg then 1780psi at 10.032stks at 120psishut in well at 200psi sidpp and 80psi sicp @ 23:30hrs 2/17/2008. sicp rising to 120psi 15 minutes after shut in . Mud wt beginning kill operations at 15.8ppg rising to 17.2ppg then dropping to 17ppg at end of kill operations. Gas flare dying off at 5600stks away then gas started flaring at 9300stks away; Monitor well and condition mud wt to 17.5ppg with 25% Lcm in active and pre-mix mud pits; Note; (Sicp 140psi at midnight then 145psi at 01:00hrs then 140psi at 02:00hrs then 200psi at 03:35hrs then 200psi at 05:30hrsthen 180psi at 06:00hrs 2/18/2008 report time, Gained 134bbls crude oil and lost 223bbls oil mud for net mud system loss at 89bbls)	0	0	NIH
Total:	24.00					

Daily Summary

Activity Date :	2/19/2008	Days From Spud :	41	Current Depth :	7000 Ft	24 Hr. Footage Made :	0 Ft
Formation :				Weather:			
Rig Company :				Rig Name:			
Daily Cost:	$0	Cum DHC:		$0	Total Well Cost:	$0	

Operations

Start	Hrs	Code	Remarks	Start Depth	End Depth	Run
6:00	24.00	21	TD at report time 7000'; Weather - Clear skies this morning at 15 degrees; Monitor well and condition mud wt to 17.5ppg with 25% Lcm in active and pre-mix mud pits; Line up valves to trip tank and choke manifold to monitor well bleed back in trip tank. Start Sicp at 280psi at 09:20hrs 2/18/2008 bleed back into trip tank at 0.75" flow starting, 1.5" flow ending with gain of 5bbls back in 8 minutes. Shut in well with 60psi sicp building to 150psi 15 minutes after the well was shut in; Monitor well sicp 150psi from 09:30hrs building to 200psi and holding from 11:00hrs to 20:30hrs 2/18/2008. Build mud wt to17.9ppg in pre-mix and active mud pits; Hold safety meeting,17 personnel on location, Start well kill operations with17.9ppg mud, caught pressure at 65stks away at900psi drill pipe at 230psi csg at 46spm pump rate #1 mud pump at .0768bbb/stk then 920psi drill pipe 140psi csg at 1600stksaway then saw first gas flare at 1785stks away then 1000psi drill pipe 100psi csg at 3200stks away then 1020psi drill pipe 100psicsg at 4800stks away then 1000psi drill pipe 100psi csg at 5900stks away gas flare gone then 1010psi drill pipe 110psi csg at7321stks away. Shut in well with 230psi drill pipe 50psi sicp. Received 17.1ppg mud start at 20:30hrs then 16.4ppg at 21:39hrs slowly building to 17.4ppg tail end of kill operations with 17.5ppg last mud wt reading before well shut in at 23:00hrs 2/18/2008; Monitor well and condition mud wt to 17.5ppg with 25% Lcm in active and pre-mix mud pits; Note; (Shut in with 50psi on csg maintained 50psi sicp from midnight to 06:00hrs report time. then sicp increased to 75psi at 06:15hrs 2/19/2008. All pressure readings taken from choke manifold gauge. Mud engineer calculations gained 41bbls crude oil and lost 35bbls of oil mud for a 6bbl gain)	0	0	NIH
Total:	24.00					

Well Name:Cane Creek 1-1

Field Name:	Cane Creek Fed	S/T/R:	01/26S/19E	County,State:	GRAND, UT
Operator:	lity Exploration & Productio	Location Desc:		District:	Cane Creek Unit

Daily Summary

Activity Date :	2/20/2008	Days From Spud :	42	Current Depth :	7000 Ft	24 Hr. Footage Made :	0 Ft
Formation :				Weather:			
Rig Company :				Rig Name:			
Daily Cost:	$0	Cum DHC:		$0	Total Well Cost:		$0

Operations

Start	Hrs	Code	Remarks	Start Depth	End Depth	Run
8:00	8.00	21	TD at report time 7000'; Weather - Major snow clouds this morning at 29 degrees; Monitor well and build mud wt to 17.9ppg with 25% Lcm in pre-mix and active pits. Sicp 75psi on manifold gauge; Open choke and monitor for flow through gas buster to trip tank. Close choke and Hcr valve & inside wing valve off mud cross line up flow line to trip tank open annular and monitor for flow. Nothing flowed for 60 minutes, then start receiving a pencil size flow Mix up 25bbls pill 1ppg/over and spot same. Pump 40bbls 16ppg mud out of trip tank and fill trip tank with 17.9ppg mud for trip out; Pooh 3 stands drill pipe and monitor flow for 20 minutes, receiving pencil size flow to start then dwindled down to nothing, Pooh & circ over hole with trip tank, monitor same for mud gain or losses (Break Kelly / swivel connections); Lay down BHA and break Pdc bit. Pull wear ring; Hold 3rd party safety meeting with crew, csg crew and laydown machine crew. Rig up power tongs, casing tools and laydown machine. Open choke and close blind rams for well monitor to trip tank. Change out 3"/ 5" variable pipe rams to 7" casing pipe rams in 10M Bop with Weatherford and Double Jack Testers; R/U Double Jack Testers and 7" casing cross over subs to 11" test plug. Test 7" casing pipe rams to 3500psi for 10 minutes (ok); Rig down Double Jack Testers, 7" cross over subs and 11" test plug; Note; (Jack Johnson with B.L.M. out of Moab, Utah was notified and waived witnessing 7" casing pipe ram test 2/20/2008); Note; (Received 7498gals diesel fuel from Western Petroleum vernal, Utah. 1500gals mud fuel tank & 5998 gals in rig fuel tank 2/19/2008)	0	0	NIH
Total:	8.00					

Daily Summary

Activity Date :	2/21/2008	Days From Spud :	43	Current Depth :	7000 Ft	24 Hr. Footage Made :	0 Ft
Formation :				Weather:			
Rig Company :				Rig Name:			
Daily Cost:	$0	Cum DHC:		$0	Total Well Cost:		$0

Operations

Start	Hrs	Code	Remarks	Start Depth	End Depth	Run
6:00	17.98	12	Weather - Medium snow flurries with 3" to 4" this morning at 28 degrees Hold 3rd party safety meeting with crew, csg crew and laydown machine crew at crew change. Run 4238.35' or 100 joints ofHCP-110 29#/ft LT&C 8rd 7" casingWell flowing a 3 inch stream to trip tank, close annular preventer, sicp 300psi. Kill well with 3600stks at 18ppg mud at 31spm pumprate #1 mud pump @ .0768bbl/stk, Flaring off gas at beginning kill operations, Receiving 16.2ppg mud returns building to 17.7ppg Install 7"casing stripper rubber in rotating head. Continue running 7" csg to 6483.49' 153 jointsWell flowing a 3 inch stream to mud pits, close annular preventer, sicp 400psi. Kill well with 4200stks at 18.1ppg mud at 32spm pump rate #1 mud pump @ .0768bbl/stk, Flaring off gas at beginning kill operations, Receiving 16.0ppg mud returns, building to 17.8ppg Continue running 7" csg to 7003.39. Ran a total of 7010.39' or 166 jonts of 29#/ft LT&C 8rd HCP-110 7" production casing, float shoe set at 7003.39', float collar at 6958.01'. Baker-Lok float shoe, first collar, float collar and pin on second joint with centralizer 6' above float shoe and centralizer below first collar with stop rings then centralizers next 16 collars then 26 centralizers every third collar last one on joint number 94 at 3021' for a total of 43 centralizers Install 7" casing circ head and lines. Circ gas out of hole through choke manifold and gas buster, continue circ out gas and condition mud wt to 18ppg for cement job. Rig down Weatherford power tongs and Laydown machine. Waiting on Halliburton	0	0	NIH
Total:	17.98					

Well Name:Cane Creek 1-1

Field Name:	Cane Creek Fed	S/T/R:	01/26S/19E	County,State:	GRAND, UT
Operator:	ity Exploration & Productio	Location Desc:		District:	Cane Creek Unit

Daily Summary

Activity Date :	2/22/2008	Days From Spud :	44	Current Depth :	7000 Ft	24 Hr. Footage Made :	0 Ft
Formation :				Weather:			
Rig Company :				Rig Name:			
Daily Cost:	$0	Cum DHC:		$0	Total Well Cost:	$0	

Operations

Start	Hrs	Code	Remarks	Start Depth	End Depth	Run
6:00	23.98	05	Weather - Snow flurries this morning at 20 degrees Circ and condtion mud wt for cement job, monitor well (Wait on Halliburton) Halliburton cement bulk trucks unloading cement into cement bins at 01:15hrs 2/22/2008. Halliburton pump truck arrived on location at 03:05hrs 2/22/2008. Rig up Halliburton cement lines and equipment for 7" casing cement job	0	0	NIH
Total:	23.98					

Daily Summary

Activity Date :	2/23/2008	Days From Spud :	45	Current Depth :	7000 Ft	24 Hr. Footage Made :	0 Ft
Formation :				Weather:			
Rig Company :				Rig Name:			
Daily Cost:	$0	Cum DHC:		$0	Total Well Cost:	$0	

Operations

Start	Hrs	Code	Remarks	Start Depth	End Depth	Run
6:00	24.00	21	Weather - Overcast clouds this morning at 27 degrees; Circ and condition mud wt & Lcm at 25% while waiting on Halliburton to finish rigging up and batch up tuned spacer III; Hold 3rd party safety meeting with 19 personnel on location. Shut down mud pump #2, remove circ head, Install cement head Test lines to 5000psi. Pump 30bbls of 18ppg tuned spacer III ahead followed by 949.75/ft3 or 169.1bbls or 655sx of 18.1ppg Denisty, Yield=1.45ft3/sx, Water=5.75gal/sx of mountain "G" cement with 45#/sx Hi-Dense#4 15%(bww) salt 0.60%(bwc) Halad-413 0.20%(bwc) Halad-344 0.40%(bwc)CFR-3 with 0.40%(bwc0 D-Air3000 0.40%(bwc)HR-5. Cement slurry was pumped at rate of 3bbls minute. Shut down flush lines clean, release wiper plug, displace with 258.5bbls oil based mud at 18.1ppg bump wiper plug at pump rate of 3bbl minute with 1440psi with 1000psi prior, hold 1400psi for 5 minutes, bleed back 1 bbl, floats held (ok) CIP at 11:05hrs 2/22/2008. Has good returns through out cement job. Well flowing 3.5 inch stream after bumping plug received approximate 4bbls back before shut in annular preventer. Had 75psi on choke manifold building to 150psi after 5minutes Rig down cement lines and equipment. Received 18ppg mud wt end of cement job and received 17.7ppg mud wt during well flow Wait on cement, monitor sicp off choke manifold gauge. Hold to 150psi from 11:15hrs to 13:00hrs then dropped to 100psi from 13:00hrs 2/22/2008 to 05:30hrs 2/23/2008 then dropped to 50psi and holding at report time; Note; (Double Jack will be out around 14:00hrs with Bop lift winches and Cameron will set 7" casing slips and add second B-section for test plug and nipple up same)	0	0	NIH
Total:	24.00					

Well Name:Cane Creek 1-1

Field Name:	Cane Creek Fed	S/T/R:	01/26S/19E	County,State:	GRAND, UT
Operator:	ity Exploration & Productio	Location Desc:		District:	Cane Creek Unit

Daily Summary

Activity Date :	2/24/2008	Days From Spud :	46	Current Depth :	7000 Ft	24 Hr. Footage Made :	0 Ft
Formation :				Weather:			
Rig Company :				Rig Name:			
Daily Cost:	$0	Cum DHC:		$0	Total Well Cost:	$0	

Operations

Start	Hrs	Code	Remarks	Start Depth	End Depth	Run
6:00	24.00	13	Weather - Rain or snow clouds this morning at 31 degrees; Wait on cement (monitor well); Rig up Double Jack Testers Bop lift winches, prepare to set 7"casing slips with Cameron tools. Rehearse operation several times picking up 10M Bop stack and setting slips with crew, Double Jack & Cameron tools Open choke, bleed off pressure and monitor for flow, close choke, open annular preventer and monitor for flow. Flow finally stopped after 50minutes, no flow; Pick up 10M Bop stack and set slips and energize with 145K casing wt. Slips set at 17:10hrs 2/23/208. Cut off 7" csg with pipe cutters at 3.5hrs. Remove 7" csg cut off, remove 20" 10M spacer spool. Install second B-section and new ring gaskets, set down 10M Bop stack and nipple up same with hydraulic wrench. Rig down Cameron Tools and Double Jack Testers Bop lift winches Hold safety meeting with crew and Weatherford Laydown machine crew. Rig up Laydown machine and false flag stand; Laydown drill pipe out of derrick using mouse hole, false flag stand and Lay down machine	0	0	NIH

Total: 24.00

Daily Summary

Activity Date :	2/25/2008	Days From Spud :	47	Current Depth :	7000 Ft	24 Hr. Footage Made :	0 Ft
Formation :				Weather:			
Rig Company :				Rig Name:			
Daily Cost:	$0	Cum DHC:		$0	Total Well Cost:	$0	

Operations

Start	Hrs	Code	Remarks	Start Depth	End Depth	Run
6:00	24.00	21	TD at report time 7000'; Weather - Scattered clouds this morning at 26 degrees; Lay down 5"drill pipe, 5" hwdp out of derrick with Laydown machine using false flag. Rig down Laydown machine and false flag; Remove choke line from Hcr valve to choke manifiod, remove flow line elbow from rotating head to flow line for refit fabrication with welders adding 12" to both pieces. Change out upper 7"casing rams to 2 7/8" to 5" variable pipe rams, change out 5" lower pipe rams to 3 1/2" pipe rams with Weatherford Bop tech hand; Hold safety meeting with crew and loggers. Rig up loggers, run cement bond log Gamma Ray CCL-VDL logs Loggers TD=6977'Drillers TD=6954' Rig down loggers; Welders fabricate fit and install choke line from Hcr valve to choke manifold, fabricate fit and install flow line elbow from rotating head to flow line. Install pollution pan	0	0	NIH

Total: 24.00

Daily Summary

Activity Date :	2/26/2008	Days From Spud :	48	Current Depth :	7000 Ft	24 Hr. Footage Made :	0 Ft
Formation :				Weather:			
Rig Company :				Rig Name:			
Daily Cost:	$0	Cum DHC:		$0	Total Well Cost:	$0	

Operations

Start	Hrs	Code	Remarks	Start Depth	End Depth	Run
6:00	24.00	21	Weather - Clear skies this morning at 24 degrees; Finish installing pollution pan Lay down 5 1/4" hex Kelly, Kelly bushings and big tools Pick up and make up 4 1/4" hex Kelly, Kelly bushings. Unload 3 1/2" drill pipe, 3 1/2" hwdp, 4 3/4" drill collars and 3 1/2" handling tools off trucks Lay out 184 joints of 3 1/2" drill pipe and 24 joints 3 1/2" hwdp on pipe racks, strap measure same; Pick up, make up 3 1/2" drill pipe in mouse hole and stand back in derrick Note: (Received 231 joints 3 1/2"d rill pipe, 24 joints 3 1/2" hwdp, 12 joints 4 3/4"dcs, 4.25" heax Kelly with drive bushings, two sets 3 1/2" drill pipe slips, two sets 3 1/2" pipe elevators, handling subs for drill collars and floor safety valves equipment from Weatherford Vernal, Utah delivered by JD Field Services Trucking Vernal, Utah 2/25/2008) Note; (Received 420gals of propane from Amerigas Green River, Utah for gas buster flare stack 2/25/2008)	0	0	NIH

Total: 24.00

Well Name:Cane Creek 1-1

Field Name:	Cane Creek Fed	S/T/R:	01/26S/19E	County,State:	GRAND, UT
Operator:	lity Exploration & Productio	Location Desc:		District:	Cane Creek Unit

Daily Summary

Activity Date :	2/27/2008	Days From Spud :	49	Current Depth :	7000 Ft	24 Hr. Footage Made :	0 Ft
Formation :				Weather:			
Rig Company :				Rig Name:			
Daily Cost:	$0	Cum DHC:		$0	Total Well Cost:	$0	

Operations

Start	Hrs	Code	Remarks	Start Depth	End Depth	Run
6:00	23.98	21	Weather - Clear skies this morning at 22 degrees Continue picking up 3.5" drill pipe, 3.5" hwdp, 6 x 4.75"dcs' and stand back in derrick. Torque kelly, upper kelly cock, pipe spinners and swivel Hold safety meeting with crew & Double Jack Testers. Rig up and Test 10M Bope (0ok)witnessed by Jack Johnson B.L.M. out of Moab, Utah. Rig down Double Jack Testers Finish changing out 6" liners to 5" liners in both mud pumps. Install wear ring and center Bop stack with turnbuckles Make up 6" Pdc bit, mud motor, 4.75"dc, stabilizer, 4.75"dc, stabilizer, 6 x 4.75"dcs', jars, 24 joints 3.5"hwdp. RIH to 3500', fill pipe. RIH to 6808', pick up 4 jonts 3.5" drill pipe RIH to 6933' Change out rotating heads, align Bop stack for same and change out kelly drive bushings for rotaing head Circ out heavy mud. Check out both mud pumps for proper operation	0	0	NIH
Total:	23.98					

Daily Summary

Activity Date :	2/28/2008	Days From Spud :	50	Current Depth :	7087 Ft	24 Hr. Footage Made :	87 Ft
Formation :				Weather:			
Rig Company :				Rig Name:			
Daily Cost:	$0	Cum DHC:		$0	Total Well Cost:	$0	

Operations

Start	Hrs	Code	Remarks	Start Depth	End Depth	Run
6:00	23.98	02	Weather - Clouds moving in this morning at 23 degrees Check out both mud pumps for proper operations and calibrate mud pump stroke counters Drill our wiper rubber, float collar cement and float shoe from 6954' to 7000' Drlg 6" hole from 7000' to 7015' Drlg 6" hole from 7015' to 7087'	0	0	NIH
Total:	23.98					

Daily Summary

Activity Date :	2/29/2008	Days From Spud :	51	Current Depth :	7259 Ft	24 Hr. Footage Made :	172 Ft
Formation :				Weather:			
Rig Company :				Rig Name:			
Daily Cost:	$0	Cum DHC:		$0	Total Well Cost:	$0	

Operations

Start	Hrs	Code	Remarks	Start Depth	End Depth	Run
6:00	23.98	02	Weather - Clear skies this morning at 21 degrees Drlg 6" hole from 7087' to 7141' Circ for samples for Mud logger. Wait on orders Drlg 6" hole from 7141' to 7228' Drlg 6" hole from 7228' to 7259'	0	0	NIH
Total:	23.98					

Well Name:Cane Creek 1-1

Field Name:	Cane Creek Fed	S/T/R:	01/26S/19E	County,State:	GRAND, UT
Operator:	lity Exploration & Productio	Location Desc:		District:	Cane Creek Unit

Daily Summary

Activity Date :	3/2/2008	Days From Spud :	53	Current Depth :	7355 Ft	24 Hr. Footage Made :	96 Ft
Formation :				Weather:			
Rig Company :				Rig Name:			
Daily Cost:	$0	Cum DHC:		$0	Total Well Cost:	$0	

Operations

Start	Hrs	Code	Remarks	Start Depth	End Depth	Run
6:00	24.00	11	Weather - Clouds building on horizon this morning at 22 degrees; Drlg 6" hole from 7326' to 7355'; Circ bottoms up; Wipe hole to shoe @ 7000' RIH to 7355'; Circ for logs (Spot 55bbls pill in drill pipe and 10bbls outside bit); Pooh for logs slow (Close blind rams and function same as per BLM) Hold safety meeting with crew and loggers. Rig loggers line lubricator for well control. Run logs GR-SP-DIL-SFL-ML, GR-CALI- FDC/CNL, Sonic Dipole, Boer Imager (CBIL) logs. Loggers TD=7359' Drillers TD=7355'; Note; (Received 4800gals diesel fuel 2500gals for rig fuel tank and 2300gals for mud fuel tank from Western Petroleum Vernal, Utah 3/01/2008)	0	0	NIH

Total: 24.00

Daily Summary

Activity Date :	3/3/2008	Days From Spud :	54	Current Depth :	7355 Ft	24 Hr. Footage Made :	0 Ft
Formation :				Weather:			
Rig Company :				Rig Name:			
Daily Cost:	$0	Cum DHC:		$0	Total Well Cost:	$0	

Operations

Start	Hrs	Code	Remarks	Start Depth	End Depth	Run
6:00	24.00	21	Weather - Clear skies this morning at 10 crispy degrees; Log hole, rig down loggers and 7" lubricator; Pick up 6 joints drill pipe, strap measure & stand back in derrick for 4.5" liner job (Close blind rams & Function Bop as per BLM); RIH with drilling assembly slow (Fill drill pipe every 10 stands in) Break circ, condition mud & hole for 4.5" liner; Spot 55bbls in drill string with10bbls out of bit. Pooh slow for 4.5" liner	0	0	NIH

Total: 24.00

Daily Summary

Activity Date :	3/4/2008	Days From Spud :	55	Current Depth :	7355 Ft	24 Hr. Footage Made :	0 Ft
Formation :				Weather:			
Rig Company :				Rig Name:			
Daily Cost:	$0	Cum DHC:		$0	Total Well Cost:	$0	

Operations

Start	Hrs	Code	Remarks	Start Depth	End Depth	Run
6:00	24.00	12	TD at report time 7355'; Weather - Clouds moving in this morning at 27 degrees; Drain mud motor and break 6" Pdc bit. Close blind rams and function Bop as per BLM; Rig up power tongs, 4.5" liner running tools. Hold safety meeting with crew, tong crew & Weatherford liner hand; Make up float shoe, one joint 4.5" P-110 13.5#/ft LT&C 8rd csg, float collar, landing collar Baker-Lok same. Make up 20 joints 4.5" P-110 13.5#/ft LT&C 8rd casing. Total 4.5" casing =866.59', make up liner hanger and running tools at 18.19'. Total 4.5" casing liner with hanger and tools = 889.01'; Run in with 4.5" casing liner assembly, (SLOW) filling 3.5" drill pipe every 10 stands; Rig up circ head and circ 4.5" liner assembly with 36spm with #1 mud pump at 2bbls per minute (Wait on Halliburton); Circ 4.5" liner assembly while rigging up Halliburton trucks and lines; Set 4.5" liner hanger on bottom with 45k string wt; Circ 4.5" liner assembly while Halliburton cementers batch up 30bls tuned spacer. Rig up Halliburton lines to Weatherfords cement head; Test lines to 2500psi, pump 30bbls tuned spacer and cement 4.5" liner assembly	0	0	NIH

Total: 24.00

Well Name:Cane Creek 1-1

Field Name:	Cane Creek Fed	S/T/R:	01/26S/19E	County,State:	GRAND, UT
Operator:	ity Exploration & Productio	Location Desc:		District:	Cane Creek Unit

Daily Summary

Activity Date :	3/5/2008	Days From Spud :	56	Current Depth :	7355 Ft	24 Hr. Footage Made :	0 Ft
Formation :				Weather:			
Rig Company :				Rig Name:			
Daily Cost:	$0	Cum DHC:		$0	Total Well Cost:	$0	

Operations

Start	Hrs	Code	Remarks	Start Depth	End Depth	Run
6:00	24.00	21	Weather - Clear Skies this morning at 14 crispy degrees; Kelly up and clean out cement stringer from 6100' to 6465' top of Liner Lap; Circ bottoms up and spot 30bbl 19.5ppg pill inside drill pipe for dry job; Pooh with 6" bit for 6" casing scraper run (Close blind rams & function test Bop as per BLM); Make up 6" casing scraper and run in hole with same to 6437'(Fill pipe every 10stands); Work 6" casing scraper from 6437' to 6345'; Mix and pump 30bbls 19.5ppg pill for dry job; Pooh & lay down 6" scraper; Hold safety meeting with crew & Black Warrior wire line. Rig up wire line tools and run Halliburton 6" composite bridge plug, bridge plug set at 6415' wire line measurement. Pooh and rig down Black Warrior; Fill hole, close blinds rams, test Halliburton composite bridge plug t/1000psi for 10 minutes (ok) R/D Double Jack Testers; Make up 6" bit, mud motor and RIH to 4047'; Hold safety meeting with crew & Weatherford Laydown machine crew. Rig up Laydown machine. Lay down 3.5"drill pipe, 3.5" hwdp and 4.75"dcs (Break Kelly)	0	0	NIH
Total:	24.00					

Daily Summary

Activity Date :	3/6/2008	Days From Spud :	57	Current Depth :	7355 Ft	24 Hr. Footage Made :	0 Ft
Formation :				Weather:			
Rig Company :				Rig Name:			
Daily Cost:	$0	Cum DHC:		$0	Total Well Cost:	$0	

Operations

Start	Hrs	Code	Remarks	Start Depth	End Depth	Run
6:00	23.98	21	Weather - Clear Skies this morning at 26 degrees Lay down 3.5" drill pipe, 3.5" hwdp and 4.75" dcs' with Laydown machine. Rig down Laydown machine Pull wear ring and rig down pollution pan (Load out 8 x 4.75"dcs', 24 x 3.5"hwdp, 2 x 4.75" mud motors, 4.75"jars, 178jnts 3.5" drill pipe, 2 x 5 7/8" string stabilizers, 6" bit breaker and 6" mill tooth new smith bit and one set pipe racks to Weatherford Vernal, Utah, three Kuhr Trucks Vernal, Utah hauling same) Break down bolts in flanges of 10M Bop stack with Double Jack Testers hydraulic wrench Nipple down 10M Bope and set out same Cap off wellhead B-section with Cameron Tools & Double Jack Testers using hyraulic wrench Strip down kelly and swivel clear off rig floor of 3.5" tools	0	0	NIH
Total:	23.98					

Daily Summary

Activity Date :	3/8/2008	Days From Spud :	59	Current Depth :	7355 Ft	24 Hr. Footage Made :	0 Ft
Formation :				Weather:			
Rig Company :				Rig Name:			
Daily Cost:	$0	Cum DHC:		$0	Total Well Cost:	$0	

Operations

Start	Hrs	Code	Remarks	Start Depth	End Depth	Run
6:00	24.00	01	Pump out oil base mud from active mud pits to storage tanks for Badger Super vac trucks to clean same release rig @ 09:00 hours 3/7/2008	0	0	NIH
Total:	24.00					

Well Name:Cane Creek 1-1

Field Name:	Cane Creek Fed	S/T/R:	01/26S/19E	County,State:	GRAND, UT
Operator:	lity Exploration & Productio	Location Desc:		District:	Cane Creek Unit

Formation

Formation Name	Current Well Top	Subsea Datum	Ref Well Top	Elec Top	Comments

Casing

DateIn	Setting Depth	Jts Run	Type	Size	Weight	Grade	MINID	HoleDiam	TD
1/16/2008	0	0	4. Intermediate	0	0			17.5	0
1/16/2008	1554.31	36	3. Surface	13.375	54.5	J-55	12.615	17.5	1554
Stage: 1, Lead, 0, 325, , , 4.22, 10.5									
2/22/2008	7003	166	5. Production	7	29	P-110	6.184	8.75	
Stage: 1, Tail, 0, 655, , , 1.45, 18.1									
3/4/2008	0	0	0. Pipe on Rack	0	0			0	0

FEPCo

1700 Lincoln Street, Suite 4600
Denver, CO 80203
(303) 893-3133

Wellwork Chronological Report

Well Name : Cane Creek 1-1					
Prospect:	Big Flat			AFE #:	070533
Sec/Twp/Rge:	01 / 26S / 19E			AFE Total:	$85,185
API #:	43-019-31446	Field:	Cane Creek Fed	This AFE Cost:	$0
Work Type:	Completion	County , St.:	GRAND, UT	Tot Assoc AFE's:	$0
Operator:	Exploration & Producti	Supervisor:	Jim Hill	Phone:	
Production Current/Expected	Oil: 0 / 0	Gas: 0 / 0		Water: 0 / 0	

Wellwork Details

Date :	4/14/2008	Days:	1	DC :	$0	CCC:	$0	CWC:	$0
Activity:	Complete Well			Rig Name:					
Daily Report Summary :									
Daily Report Detail:	-								
From 7:00 To 19:30	2.5 hrs	Category/Rmks:	MIRU : Move from 24-1 to 1-1; RU; NU BOP; RU Support equipment						

Date :	4/15/2008	Days:	2	DC :	$0	CCC:	$0	CWC:	$0
Activity:	Complete Well			Rig Name:					
Daily Report Summary :									
Daily Report Detail:									
From 7:00 To 19:00	12 hrs	Category/Rmks:	Other : Test BOPE. PU 6" bit, DC & 100 jts 2.875" tbg. Circ. OBM to tank. Pump 10 bbls diesel; 138 bbls water. Circ OBM to 500 bbl tank. PU 44 jts 2.875" tbg. Secure well. SDFN.						

Date :	4/16/2008	Days:	3	DC :	$0	CCC:	$0	CWC:	$0
Activity:	Complete Well			Rig Name:					
Daily Report Summary :									
Daily Report Detail:									
From 6:00 To 6:00	24 hrs	Category/Rmks:	Other : PU 58 jts 2.875" tbg. Tag @ 6393.97'. RU power swivel. Drill on plug 10:00 to 18:00. Circ hole clean. Will continue drilling on plug in A.M. SDFN.						

Date :	4/17/2008	Days:	4	DC :	$0	CCC:	$0	CWC:	$0
Activity:	Complete Well			Rig Name:					
Daily Report Summary :									
Daily Report Detail:									
From 6:00 To 6:00	24 hrs	Category/Rmks:	Other : Re-lay pump lines. Lines froze. Push plug to liner top, finish drilling plug. Circ. Hole clean.2 hands quit @ 11:00; ,2 new hands arrived @ 13:0013:00. POOH. LD 4.75" DC. PU bit, 4-3.125" DC25 jts 2.375" tbg, 87 stds 2.875" tbg. Secure well. SDFN.						

Date :	4/18/2008	Days:	5	DC :	$0	CCC:	$0	CWC:	$0
Activity:	Complete Well			Rig Name:					
Daily Report Summary :									
Daily Report Detail:									
From 7:00 To 18:00	11 hrs	Category/Rmks:	Other : Set back swivel. TIH to 7300'. PU swivel . PU swivel. Clean out to 7341. Circ hole clean. POOH. LD DC. RU Weatherford wireline. Run CBL/CCL log from 7345' to 5462'. Pressure csg to 1500#. Re-log. No change in log. POOH. RD wireline. Ready to run csg in AM. Secure well. SDFN						

Date :	4/19/2008	Days:	6	DC :	$0	CCC:	$0	CWC:	$0
Activity:	Complete Well			Rig Name:					
Daily Report Summary :									
Daily Report Detail:									
From 7:00 To 18:00	11 hrs	Category/Rmks:	Other : Set back swivel. TIH to 7300'. PU swivel . PU swivel. Clean out to 7341. Circ hole clean. POOH. LD DC. RU Weatherford wireline. Run CBL/CCL log from 7345' to 5462'. Pressure csg to 1500#. Re-log. No change in log. POOH. RD wireline. Ready to run csg in AM. Secure well. SDFN						

Well Name : Cane Creek 1-1					
Prospect:	Big Flat			AFE #:	070533
Sec/Twp/Rge:	01 / 26S / 19E			AFE Total:	$85,185
API #:	43-019-31446	Field:	Cane Creek Fed	This AFE Cost:	$0
Work Type:	Completion	County , St.:	GRAND, UT	Tot Assoc AFE's:	$0
Operator:	Exploration & Producti	Supervisor:	Jim Hill	Phone:	
Production Current/Expected	Oil: 0 / 0	Gas: 0 / 0		Water: 0 / 0	

Date :	4/20/2008	Days:	7	DC :	$0	CCC:	$0	CWC:	$0
Activity:	Complete Well			Rig Name:					
Daily Report Summary :									
Daily Report Detail:									
Date :	4/21/2008	Days:	8	DC :	$0	CCC:	$0	CWC:	$0
Activity:	Complete Well			Rig Name:					
Daily Report Summary :									
Daily Report Detail:									
From 7:00 To 19:00	12 hrs	Category/Rmks:	Other : PU 3.75" bit; TIH; Rig broke down (Air slips); SD 2:15; TIH; Spot 20 bbls diesel on bottom; POOH; PU Weatherford TCP assembly; TIH w/22 jts 2-3/8" tbg; MU packer assembly; TIH w/30 stds 2-7/8" tbg; Secure well; SDFN						
Date :	4/22/2008	Days:	9	DC :	$0	CCC:	$0	CWC:	$0
Activity:	Complete Well			Rig Name:					
Daily Report Summary :									
Daily Report Detail:									
From 6:00 To 6:00	24 hrs	Category/Rmks:	Other : TIH w / TCP. RU Weatherford wireline. RIH. Run correlation log. POOH. Run 66.95' 2-7/8" tbg. Set Model PSX1 packer @ 6350.00' w / 26,000# compression. RIH w / wireline. Run correlation log. TOP SHOT @ 7239.5'. POOH. RD wireline. Get off ON/OFF tool. Circulate hole w / 230 bbls 2% packer fluid w / corrosion inhibitor @ biocide. Latch back on to ON/OFF tool. Lineup hanger w / locator pin. Re-land hanger. Set cameron BPV. RD swivel & 2-7/8" tbg equipment. RU 1.66" tbg equipment. Secure well. SDFN.						
Date :	4/23/2008	Days:	10	DC :	$0	CCC:	$0	CWC:	$0
Activity:	Complete Well			Rig Name:					
Daily Report Summary :									
Daily Report Detail:									
From 7:00 To 17:00	10 hrs	Category/Rmks:	Other : Rig crew short handed. PU 120 jts 1.66" heat string. MU hanger & land @ 3934'. RD tbg equip. RD floor set out catwalk & pipe racks. NU BOPE.						
Date :	4/24/2008	Days:	11	DC :	$0	CCC:	$0	CWC:	$0
Activity:	Complete Well			Rig Name:					
Daily Report Summary :									
Daily Report Detail:									
From 7:00 To 19:00	12 hrs	Category/Rmks:	Other : RU slickline. Make 1.875" dummy run. Run 1.875" plug. Set in ON/OFF tool profile. Pressure test. Leak is ON/OFF tool or above. Pull 1.875" plug. Run 2.25" plug, set in S/N. Pressure test. Leak is in tubing string. Set BPV. ND tree. NU BOP. RU slickline. RIH. Pull 2;25" plug'. RIH Set 1.875" plug in ON/OFF tool. POOH. RIH. Set 2.25" plug in S/N. POOH. RD slickline. RU tbg 1.66' tbg equipment. POOH laying down 1.66" tbg. Secure well. SDFN.						
Date :	4/25/2008	Days:	12	DC :	$0	CCC:	$0	CWC:	$0
Activity:	Complete Well			Rig Name:					
Daily Report Summary :									
Daily Report Detail:									
From 7:00 To 18:00	11 hrs	Category/Rmks:	Other : Pull BPV & backout lock down pins. RU tbg equipment. Get off ON/OFF tool. POOH looking for leak. Did not find leak. Change out ON/OFF tool overshot. TIH. Tighten every tubing collar going in. Latch ON/OFF tool. Land tbg w / 26000# compression. Test annulus to 1000#. OK. Change out tbg equipment. PU 120 jts 1.66" heat string. MU hanger & land 1.66" tbg. Secure well. SDFN.						

Well Name : Cane Creek 1-1					
Prospect:	Big Flat			AFE #:	070533
Sec/Twp/Rge:	01 / 26S / 19E			AFE Total:	$85,185
API #:	43-019-31446	Field:	Cane Creek Fed	This AFE Cost:	$0
Work Type:	Completion	County , St.:	GRAND, UT	Tot Assoc AFE's:	$0
Operator:	Exploration & Producti	Supervisor:	Jim Hill	Phone:	
Production Current/Expected	Oil: 0 / 0	Gas: 0 / 0		Water: 0 / 0	

Date :	4/26/2008	Days:	13	DC :	$0	CCC:	$0	CWC:	$0
Activity:	Complete Well			Rig Name:					
Daily Report Summary :									
Daily Report Detail:									
From 7:00 To 15:00	8 hrs	Category/Rmks:	COMPLETE : ND BOP.NU tree & test. OK. Pull BPV. Test annulus to 1000#, 15 mins. OK. RU slickline. RIH. Pull 1.875" 'F' plug. RD slickline. Lay flowline. RD rig. Drop bar @ 12:45. Guns fired. Well on slight vacuum. Spot rig. RU. No fittings to rig up swab lubricator. Secure well. SDFN.						

Date :	4/27/2008	Days:	14	DC :	$0	CCC:	$0	CWC:	$0
Activity:	Complete Well			Rig Name:					
Daily Report Summary :									
Daily Report Detail:									
From 7:00 To 15:00	8 hrs	Category/Rmks:	Other : SITP 0# swab; SFL @ 150'; Make 10 swab runs; Recover 37 bbls fluid; EFL @ 6100'; Make a swab run once an hour; No fluid entry; Secure well SDFN						

Date :	4/28/2008	Days:	15	DC :	$0	CCC:	$0	CWC:	$0
Activity:	Complete Well			Rig Name:					
Daily Report Summary :									
Daily Report Detail:	-								
From 7:00 To 15:00	8 hrs	Category/Rmks:	: SITP 0#. RU swab. SFL @ 6200'. No fluid entry. WOO. Secure well. SDFN.						

Date :	4/29/2008	Days:	16	DC :	$0	CCC:	$0	CWC:	$0
Activity:	Complete Well			Rig Name:					
Daily Report Summary :									
Daily Report Detail:									
From 7:00 To 19:00	12 hrs	Category/Rmks:	Other : SITP 0#. RU swab. SFL @ 6200'. No fluid entry; RU Halliburton; 5 min safety meeting; Test lines to 6000#; Pump 10 bbl diesel spacer; 7000 gas Oil Soluble Acid, displace w/41 bbls diesel; Fill hole, caught pressure @ 38 bbls, 1 BPM @ 5000#; Pump 70 bbls, no break; Pump 48 bbls 2.4 BPM @ 5200#, no break; Pump 48 bbls @ 3.5 BPM @ 5500#, no break; Displace w/41 bbls diesel; ISIP 5030#, 5 mins 4835#, 10 mins 4786#, 15 mins 4759#; SI; RD Halliburton; Open well to tank; Flowed 5 bbls; FTP 0#; RU swab; SFL @ surface; Make 7 swab runs; Recover 36 bbls diesel; Make 2 more swab runs; No fluid entry; Secure well; SDFN. (Stone#5)						

Date :	4/30/2008	Days:	17	DC :	$0	CCC:	$0	CWC:	$0
Activity:	Complete Well			Rig Name:					
Daily Report Summary :									
Daily Report Detail:									
From 6:00 To 6:00	24 hrs	Category/Rmks:	Other : SITP 0#. RU swab. SFL @ 5800'. Recover 2 bbls diesel, no oil, no gas. Make 2nd run. No entry. Fill tbg. 36 bbls. Set BPV. ND tree. NU BOPE. POH & LD 1.66" heat string. POOH w / 2.875" tbg. LD packer, 12 jts 2.375" tbg & TCP assembly. Filling hole every 20 stds. Secure well. SDFN.						

Date :	5/1/2008	Days:	18	DC :	$0	CCC:	$0	CWC:	$0
Activity:	Complete Well			Rig Name:					
Daily Report Summary :									
Daily Report Detail:									
From 6:00 To 6:00	24 hrs	Category/Rmks:	Other : RU Weatherford wireline. RIH w / 3.70" gage ring to liner top @ 6475'. Gage ring would not go. POOH. PU CIBP. RIH. CIBP would not go in liner. POOH. Call for Magna Range CIBP out of Casper. Air hotshot won't fly charges. Hotshot on truck. Will run CIBP in A.M.						

Well Name : Cane Creek 1-1					
Prospect:	Big Flat			AFE #:	070533
Sec/Twp/Rge:	01 / 26S / 19E			AFE Total:	$85,185
API #:	43-019-31446	Field:	Cane Creek Fed	This AFE Cost:	$0
Work Type:	Completion	County , St.:	GRAND, UT	Tot Assoc AFE's:	$0
Operator:	Exploration & Producti	Supervisor:	Jim Hill	Phone:	
Production Current/Expected	Oil: 0 / 0	Gas: 0 / 0		Water: 0 / 0	

Date :	5/2/2008	Days:	19	DC :	$0	CCC:	$0	CWC:	$0
Activity:	Complete Well			Rig Name:					
Daily Report Summary :									
Daily Report Detail:									
From 7:00 To 18:00	11 hrs	Category/Rmks:	Other : Wait on Stone to replace drill line. (13:30); RU Weatherford wireline. RIH w/3" MagnaRange CIBP set @ 7206'; POOH; Fill hole. Test plug to 4800#. Blow 2" LP fitting out of well head. RU Weatherford wireline; RIH w/2nd 3" MagnaRange CIBP set @ 7189'. POOH; Attempt to test CIBP; Pump pop off pop @ 2000#. No pins to repair it. Will test plug in AM; Secure well. SDFN						

Date :	5/3/2008	Days:	20	DC :	$0	CCC:	$0	CWC:	$0
Activity:	Complete Well			Rig Name:					
Daily Report Summary :									
Daily Report Detail:									
From 6:00 To 6:00	24 hrs	Category/Rmks:	Other : Pressure test CIBP to 5000#. OK. PU Weatherford TCP assembly, 4 jts 2.375" tbg, 6' pup, 12 jts 2.375" tbg, 2.375" X 2.875" x-over, 1.875" ID 'R' nippie, 6' pup, 7" PSX1 packer, 6' pup, ON/OFF tool, 6' pup. TIH w / 201 jts 2.875" tbg. RU Weatherford wireline. RIH. Run orientation log. Top shot 52.48' high. POOH. PU 8', 6', 2' & landing jt w / hanger. Set PSX1 packer @ 6356' w / 26,000# compression. RU wireline. Run correlation log. Top shot on depth @ 6904'. POOH. RD wireline. RI lockdown pins & locator pin. Test annulus to 1000#. OK. Set BPV. Run 120 jts 1.66" heat string. ND BOPE. NU tree & test to 5000#. NU flowline. Pull BPV. Secure well. SDFN.						

Date :	5/4/2008	Days:	21	DC :	$0	CCC:	$0	CWC:	$0
Activity:	Complete Well			Rig Name:					
Daily Report Summary :									
Daily Report Detail:									
From 7:00 To 15:00	8 hrs	Category/Rmks:	RDMO : Rig down rig. 09:10. Drop bar to perforate 6934'-6952' and 6904'-6915', 4SPF, 90 Degree phasing. Flow 38 bbls water, 50 bbls water, OBM & crude, & 164 bbls crude oil. 100# on 1" choke. Flowed a total of 252 bbls to frac tank in 5 hrs. Switch to sales @ 14:00. Turn well over to Charlie Harrison.						

Casing

DateIn	Setting Depth	Jts Run	Type	Size	Weight	Grade	MINID	HoleDiam	TD
1/16/2008	0	0	4. Intermediate	0	0			17.5	0
1/16/2008	1554.31	36	3. Surface	13.375	54.5	J-55	12.615	17.5	1554
Stage: 1, Lead, 0, 325, , , 4.22, 10.5									
2/22/2008	7003	166	5. Production	7	29	P-110	6.184	8.75	
Stage: 1, Tail, 0, 655, , , 1.45, 18.1									
3/4/2008	0	0	0. Pipe on Rack	0	0			0	0

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

AMENDED REPORT ☐ (highlight changes) FORM 8

WELL COMPLETION OR RECOMPLETION REPORT AND LOG

5. LEASE DESIGNATION AND SERIAL NUMBER: UTU65972
6. IF INDIAN, ALLOTTEE OR TRIBE NAME: N/A
7. UNIT or CA AGREEMENT NAME: UTU80000X
8. WELL NAME and NUMBER: Cane Creek 1-1
9. API NUMBER: 4301931446
10. FIELD AND POOL, OR WILDCAT: Wildcat
11. QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NWSW 1 26S 19E
12. COUNTY: Grand
13. STATE: UTAH

1a. TYPE OF WELL: OIL WELL ☑ GAS WELL ☐ DRY ☐ OTHER

b. TYPE OF WORK: NEW WELL ☑ HORIZ. LATS. ☐ DEEP-EN ☐ RE-ENTRY ☐ DIFF. RESVR. ☐ OTHER

2. NAME OF OPERATOR: Fidelity Exploration & Production Company

3. ADDRESS OF OPERATOR: 2585 Heartland Drive CITY Sheridan STATE WY ZIP 82801

PHONE NUMBER: (307) 675-4924

4. LOCATION OF WELL (FOOTAGES)
AT SURFACE: 2240 FSL 1317 FWL
AT TOP PRODUCING INTERVAL REPORTED BELOW: 2240 FSL 1317 FWL
AT TOTAL DEPTH: 2240 FSL 1317 FWL

14. DATE SPUDDED:	15. DATE T.D. REACHED:	16. DATE COMPLETED:		17. ELEVATIONS (DF, RKB, RT, GL):
12/27/2007	3/2/2008	5/4/2008	ABANDONED ☐ READY TO PRODUCE ☑	6005 GL

18. TOTAL DEPTH:	19. PLUG BACK T.D.:	20. IF MULTIPLE COMPLETIONS, HOW MANY? *	21. DEPTH BRIDGE PLUG SET:
MD 7,355 TVD 7,355	MD 7,189 TVD 7,189		MD 7,206 TVD 7,189

22. TYPE ELECTRIC AND OTHER MECHANICAL LOGS RUN (Submit copy of each)
See attached list

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

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

HOLE SIZE	SIZE/GRADE	WEIGHT (#/ft.)	TOP (MD)	BOTTOM (MD)	STAGE CEMENTER DEPTH	CEMENT TYPE & NO. OF SACKS	SLURRY VOLUME (BBL)	CEMENT TOP **	AMOUNT PULLED
24	20	52.78	0	40		RediMix 3	167	0	
17.5	13.37 J-55	54.5	0	1,550		G 1,025	2,176	770	
12.25	9.625 HCP	40	0	4,071		foam 2,350	600	0	
8.5	7 P110	29	0	7,003		G 655	950	756	
6	4.5 P110	13.5	6,465	7,350		G 72	104	6465	

25. TUBING RECORD

SIZE	DEPTH SET (MD)	PACKER SET (MD)	SIZE	DEPTH SET (MD)	PACKER SET (MD)	SIZE	DEPTH SET (MD)	PACKER SET (MD)
2.87		6,356						

26. PRODUCING INTERVALS

FORMATION NAME	TOP (MD)	BOTTOM (MD)	TOP (TVD)	BOTTOM (TVD)
(A) Paradox shale#19	6,934	6,952		
(B) Paradox shale#18	6,904	6,915		
(C) Cane Creek	7,239	7,311		
(D)				

27. PERFORATION RECORD

INTERVAL (Top/Bot - MD)		SIZE	NO. HOLES	PERFORATION STATUS
6,934	6,952	.378	72	Open ☑ Squeezed ☐
6,904	6,915	.378	44	Open ☑ Squeezed ☐
7,239	7,311	.378	288	Open ☐ Squeezed ☑
				Open ☐ Squeezed ☐

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

DEPTH INTERVAL	AMOUNT AND TYPE OF MATERIAL

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DIV. OF OIL, GAS & MINING

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

(5/2000)

(CONTINUED ON BACK)

31. INITIAL PRODUCTION — **INTERVAL A (As shown in item #26)**

DATE FIRST PRODUCED:	TEST DATE:	HOURS TESTED:	TEST PRODUCTION RATES: →	OIL – BBL:	GAS – MCF:	WATER – BBL:	PROD. METHOD:
5/4/2008	5/9/2008	24		439	262	0	Flow

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:
11	1,740	45	43.00	1,200	. 1		439	262	0	Active

INTERVAL B (As shown in item #26)

DATE FIRST PRODUCED:	TEST DATE:	HOURS TESTED:	TEST PRODUCTION RATES: →	OIL – BBL:	GAS – MCF:	WATER – BBL:	PROD. METHOD:
5/4/2008	5/9/2008	24		439	262	0	Flow

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:
11	1,740	45	43.00	1,200	1		439	262	0	Active

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.)

Flared

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)
Paradox Fm (Clastic18-19)	6,902	6,955	Black organic Shale and Dolomite Silt		
Cane Creek Shal	7,237	7,310	Black organic Shale and Dolomite		

35. ADDITIONAL REMARKS (Include plugging procedure)

Cane Creek shale was perforated & tested tight, this zone was plugged. There are 2 CIBP set 1-set @ 7206' & 2nd @ 7189'

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

NAME (PLEASE PRINT) Stephanie Masters TITLE Operation Technician III

SIGNATURE DATE 5/27/2008

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

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Cane Creek 1-1 API # 4301931446

Caliper log/ Gamma Ray Log
Cement Bond Log Gammma Ray CCL-VDL
Cement Bond Log/Gamma Ray CCL VDL
Compensated Z Densilog/Compensated Neutron Log/ Gamma Ray Log
Digital Acoustilog/ Gamma Ray Log
Gamma Ray Temperature Noise Log
High Definiton Induction Log/ Gamma Ray Log
Pason Mud log
Temperature Log

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FORM 9

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

5. LEASE DESIGNATION AND SERIAL NUMBER: UTU65972

SUNDRY NOTICES AND REPORTS ON WELLS

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

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

7. UNIT or CA AGREEMENT NAME: UTU80000X

1. TYPE OF WELL: OIL WELL ☑ GAS WELL ☐ OTHER

8. WELL NAME and NUMBER: Cane Creek 1-1

2. NAME OF OPERATOR: Fidelity Exploration & Production Company

9. API NUMBER: 4301931446

3. ADDRESS OF OPERATOR: 2585 Heartland Drive, Sheridan, WY 82801

PHONE NUMBER: (307) 675-4924

10. FIELD AND POOL, OR WILDCAT: Wildcat

4. LOCATION OF WELL

FOOTAGES AT SURFACE: 2240 FSL 1317 FWL

COUNTY: Grand

QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NWSW 1 26S 19E

STATE: UTAH

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

TYPE OF SUBMISSION	TYPE OF ACTION		
☐ NOTICE OF INTENT (Submit in Duplicate)	☐ ACIDIZE	☐ DEEPEN	☐ REPERFORATE CURRENT FORMATION
Approximate date work will start:	☐ ALTER CASING	☐ FRACTURE TREAT	☐ SIDETRACK TO REPAIR WELL
	☐ CASING REPAIR	☐ NEW CONSTRUCTION	☐ TEMPORARILY ABANDON
	☐ CHANGE TO PREVIOUS PLANS	☐ OPERATOR CHANGE	☐ TUBING REPAIR
	☐ CHANGE TUBING	☐ PLUG AND ABANDON	☐ VENT OR FLARE
☑ SUBSEQUENT REPORT (Submit Original Form Only)	☐ CHANGE WELL NAME	☑ PLUG BACK	☐ WATER DISPOSAL
Date of work completion: 5/2/2008	☐ CHANGE WELL STATUS	☐ PRODUCTION (START/RESUME)	☐ WATER SHUT-OFF
	☐ COMMINGLE PRODUCING FORMATIONS	☐ RECLAMATION OF WELL SITE	☐ OTHER:
	☐ CONVERT WELL TYPE	☐ RECOMPLETE - DIFFERENT FORMATION	

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

5/2/2008-RIH w/3" MagnaRange CIBP set @ 7206'; Test plug to 4800#. RIH w/2nd 3" MagnaRange CIBP set @ 7189'. Test CIBP to 5000#; Perforate 6934'-6952' and 6904'-6915', 4SPF, 90 Degree phasing.

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JUN 02 2008
DIV. OF OIL, GAS & MINING

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NAME (PLEASE PRINT): Stephanie Masters TITLE: Operation Technician III

SIGNATURE: DATE: 5/13/2008

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(5/2000)

(See Instructions on Reverse Side)

FIDELITY
Exploration & Production Company

June 4, 2008

Dustin Doucet
Petroleum Engineer
Utah Division of Oil, Gas and Mining
1594 West North Temple Street, Suite 1210
Salt Lake City UT 84114-5801

Re: Request for Permission to Flare Gas
Cane Creek Unit 1-1 Well
Section 8-T26S-R20E
Cane Creek Unit
Grand County, Utah

Dear Mr. Doucet:

Fidelity Exploration & Production Company, Inc. requests permission to flare gas for an additional period of a 30 day minimum to further evaluate and test the well beyond the stabilization period authorized by Utah Administrative Code R649-3-19. Fidelity makes this request pursuant to Utah Administrative Code R649-3-20.3.

Fidelity completed its Cane Creek Unit 1-1 Well on May 4, 2008. It performed its stabilization test on May 9, 2008. The enclosed Sundry Notice provides the relevant information in support of this request.

Should you have any questions, please contact me.

Respectfully,

Stephanie Masters
Operations Technician III

Enclosure : Sundry

cc: Harvey Dunham (w/encl.)

bcc: Phillip Wm. Lear (w/encl.)

2585 Heartland Drive
Sheridan, WY 82801

Phone: 307.672.7111
Fax: 307.673.6850

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FORM 9

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

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: UTU65972

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

7. UNIT or CA AGREEMENT NAME: UTU80000X

1. TYPE OF WELL: OIL WELL ☑ GAS WELL ☐ OTHER

8. WELL NAME and NUMBER: Cane Creek 1-1

2. NAME OF OPERATOR: Fidelity Exploration and Production Company

9. API NUMBER: 4301931446

3. ADDRESS OF OPERATOR: 2585 Heartland drive CITY Sheridan STATE WY ZIP 82801

PHONE NUMBER: (307) 675-4924

10. FIELD AND POOL, OR WILDCAT: Wildcat

4. LOCATION OF WELL

FOOTAGES AT SURFACE: 2240 FSL & 1317 FWL

COUNTY: Grand

QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NWSW 1 26S 19E

STATE: UTAH

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

TYPE OF SUBMISSION	TYPE OF ACTION		
☑ NOTICE OF INTENT (Submit in Duplicate)	☐ ACIDIZE	☐ DEEPEN	☐ REPERFORATE CURRENT FORMATION
Approximate date work will start: 6/5/2008	☐ ALTER CASING	☐ FRACTURE TREAT	☐ SIDETRACK TO REPAIR WELL
	☐ CASING REPAIR	☐ NEW CONSTRUCTION	☐ TEMPORARILY ABANDON
	☐ CHANGE TO PREVIOUS PLANS	☐ OPERATOR CHANGE	☐ TUBING REPAIR
	☐ CHANGE TUBING	☐ PLUG AND ABANDON	☑ VENT OR FLARE
☐ SUBSEQUENT REPORT (Submit Original Form Only)	☐ CHANGE WELL NAME	☐ PLUG BACK	☐ WATER DISPOSAL
Date of work completion:	☐ CHANGE WELL STATUS	☐ PRODUCTION (START/RESUME)	☐ WATER SHUT-OFF
	☐ COMMINGLE PRODUCING FORMATIONS	☐ RECLAMATION OF WELL SITE	☐ OTHER:
	☐ CONVERT WELL TYPE	☐ RECOMPLETE - DIFFERENT FORMATION	

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

Fidelity Exploration and Production Company is requesting a minimum of 30 day extension to flare the gas for the reason that there is no available pipeline at this time and to further evaluate and continue test the well beyond the stabilization period. Cane Creek 1-1 well was put on production and flaring begun under the initial 30 day period for a new well on 5/4/2008 . In the first 29 days it has produced 11540 barrels of oil and 10.9 mmcf of gas.

Fidelity Exploration and Production Company would like to continue flow testing the well as tubing pressure is falling off and try to determine what kind of production the well will sustain once on pump.

Fidelity Exploration and Production Company is also preparing to get on the docket to go before the Utah Board of Oil Gas and Mining for the August hearing. Fidelity will file petition accordingly.

COPY SENT TO OPERATOR
Date: 6.10.2008
Initials: KS

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JUN 04 2008
DIV. OF OIL, GAS & MINING

NAME (PLEASE PRINT) Stephanie Masters TITLE Operations Technician III

SIGNATURE Stephanie Masters DATE 6/4/2008

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APPROVED BY THE STATE OF UTAH DIVISION OF OIL, GAS, AND MINING
DATE: 6/6/08
BY:

Federal Approval Of This Action Is Necessary

(5/2000) (See Instructions on Reverse Side)

JON M. HUNTSMAN, JR.
Governor

GARY R. HERBERT
Lieutenant Governor

State of Utah
DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

Division of Oil Gas and Mining

JOHN R. BAZA
Division Director

CONDITIONS OF APPROVAL TO FLARE GAS FROM AN OIL WELL

Well Name and Number:	Cane Creek 1-1
API Number:	43-019-31446
Operator:	Fidelity Exploration and Production Company
Reference Document:	Sundry Notice dated June 4, 2008, received by DOGM on June 4, 2008.

Approval Conditions:

1. In accordance with R649-3-20-1.2, flaring associated with required testing is approved until August 27, 2008.
2. Flaring beyond August 27, 2008 in excess of the allowed 1800 MCF/month must be brought before and approved by the Board of Oil, Gas and Mining as specified in R649-3-20-5.
3. All requirements in R649-3-19, Well Testing and R649-3-20, Gas Flaring or Venting shall apply.
4. All other requirements for notice and reporting in the Oil and Gas Conservation General Rules shall apply.
5. Federal approval of this action is necessary.

Dustin K. Doucet
Petroleum Engineer

June 6, 2008
Date

1594 West North Temple, Suite 1210, PO Box 145801, Salt Lake City, UT 84114-5801
telephone (801) 538-5340 • facsimile (801) 359-3940 • TTY (801) 538-7458 • *www.ogm.utah.gov*

UTAH DNR OIL, GAS & MINING

United States Department of the Interior

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

TAKE PRIDE IN AMERICA

IN REPLY REFER TO:
3180
UT-922

July 30, 2008

Fidelity Exploration & Production Company
Attn: Terry L. Savage
2585 Heartland Drive
Sheridan, WY 82801

Re: 1st Revision of the Cane Creek Unit
Participating Area
Cane Creek Unit
Grand and San Juan Counties, Utah

Dear Mr. Savage:

The 1st Revision of the Cane Creek Unit Participating Area, UTU80000A, is hereby approved effective as of May 1, 2008, pursuant to Section 11 of the Cane Creek Unit Agreement, Grand and San Juan Counties, Utah.

The 1st Revision of the Cane Creek Unit Participating Area, results in the addition of 477.50 acres to the participating area for a total of 1,193.02 acres and is based upon the completion of the following Unit Well No. 1-1, API No. 43-019-31446, located in the NW¼SW¼ of Section 1, Township 26 South, Range 19 East, SLM&B, Unit Tract No. 2, Lease No. UTU65972, as a well capable of producing unitized substances in paying quantities.

from 16603 to 14505

Copies of the approved requests are being distributed to the appropriate Federal agencies and one copy is returned herewith. Please advise all interested parties of the approval of the 1st Revision of the Cane Creek Unit Participating Area, Cane Creek Unit and its effective date.

Sincerely,

/s/ Becky J. Hammond

Becky J. Hammond
Chief, Branch of Fluid Minerals

Enclosure

United States Department of the Interior

BUREAU OF LAND MANAGEMENT
Moab Field Office
82 East Dogwood
Moab, Utah 84532

TAKE PRIDE IN AMERICA

3100
UTU65972
Cane Creek Unit
(UT-062)

API # 43019 31446

Stephanie Masters
Fidelity Exploration & Production Company
2585 Heartland Drive
Sheridan, Wyoming 82801

AUG - 8 2008

Re: Gas Flaring
Cane Creek Unit 1-1
Lease UTU65972
Cane Creek Unit
Section 1, T26S, R19E
Grand County, Utah

Dear Ms. Masters:

We have reviewed your June 5, 2008 request to continue flaring gas from the referenced well. The flaring of gas from wells on federal leases is subject to the provisions of *Notice to Lessees and Operators of Onshore Federal and Indian Oil and Gas Leases 4A* (NTL-4A). This well is considered to be an oil well, rather than a gas well, based on the economic and energy value of the oil produced as compared to the gas component. Guidance in NTL-4A, part IV.B. allows for the flaring of gas, without royalty compensation, from an oil well only if one of the following conditions is met.

1) An evaluation report supported by engineering, geologic and economic data which demonstrates that the expenditures necessary to market, or beneficially use, the gas are not economically justified; or

2) An action plan that will eliminate gas flaring within one year.

We understand, through informal communication, that you are pursuing a plan to eliminate flaring. We would encourage you to submit the details of that plan as soon as practicable, and to brief us on the plan in the interim.

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Oil wells in this area have historically flared gas due to a lack of any alternative means of capture. Considering this lack of infrastructure and the prospect of your presenting a plan for gas capture, we are willing to authorize the flaring of gas on a temporary basis. You are granted approval to flare gas without royalty obligation from the Cane Creek Unit 1-1 well for 120 days from the date of first production, or until September 4, 2008. By the end of this term you will have presented this matter in a hearing before the Utah Board of Oil, Gas and Mining, and you will have had time to further refine your plan to eliminate flaring.

Sincerely,

/s/ A. Lynn Jackson

Assistant Field Manager
Division of Resources

cc: UT-924, Utah State Office
State of Utah, DOGM
EJones:mm:8/6/08

FORM 6

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

ENTITY ACTION FORM

Operator: Fidelity Exploration and Production Company
Operator Account Number: N 3155
Address: 1700 Lincoln St., Ste. 2800
city Denver
state CO zip 80203
Phone Number: (303) 893-3133

Well 1

API Number	Well Name		QQ	Sec	Twp	Rng	County
4301931446	Cane Creek 1-1		NWSW	1	26S	19E	Grand
Action Code	**Current Entity Number**	**New Entity Number**	**Spud Date**			**Entity Assignment Effective Date**	
C	16603	14505	1/9/2008			5/1/2008	
Comments: PRDX CONFIDENTIAL 8/26/08							

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)

Sandi Stocker
Name (Please Print)

Signature

Operations Technician III
Title

8/21/2008
Date

RECEIVED
AUG 25 2008
DIV. OF OIL, GAS & MINING

(5/2000)

API Well No: 43019314460000

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: UTU-65972

6. IF INDIAN, ALLOTTEE OR TRIBE NAME:

7.UNIT or CA AGREEMENT NAME: CANE CREEK

1. TYPE OF WELL Oil Well

8. WELL NAME and NUMBER: CANE CREEK 1-1

2. NAME OF OPERATOR: FIDELITY E&P COMPANY

9. API NUMBER: 43019314460000

3. ADDRESS OF OPERATOR: 2585 Heartland Drive , Sheridan, WY, 82801 8543

PHONE NUMBER: 303 893-3133 Ext

9. FIELD and POOL or WILDCAT: BIG FLAT

4. LOCATION OF WELL
FOOTAGES AT SURFACE: 2240 FSL 1317 FWL
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: Qtr/Qtr: NWSW Section: 01 Township: 26.0S Range: 19.0E Meridian: S

COUNTY: GRAND

STATE: UTAH

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

TYPE OF SUBMISSION	TYPE OF ACTION		
✓ NOTICE OF INTENT Approximate date work will start: 3/15/2011	✓ ACIDIZE	☐ ALTER CASING	☐ CASING REPAIR
	☐ CHANGE TO PREVIOUS PLANS	☐ CHANGE TUBING	☐ CHANGE WELL NAME
	☐ CHANGE WELL STATUS	☐ COMMINGLE PRODUCING FORMATIONS	☐ CONVERT WELL TYPE
☐ SUBSEQUENT REPORT Date of Work Completion:	☐ DEEPEN	☐ FRACTURE TREAT	☐ NEW CONSTRUCTION
	☐ OPERATOR CHANGE	☐ PLUG AND ABANDON	☐ PLUG BACK
	☐ PRODUCTION START OR RESUME	☐ RECLAMATION OF WELL SITE	☐ RECOMPLETE DIFFERENT FORMATION
☐ SPUD REPORT Date of Spud:	☐ REPERFORATE CURRENT FORMATION	☐ SIDETRACK TO REPAIR WELL	☐ TEMPORARY ABANDON
	☐ TUBING REPAIR	☐ VENT OR FLARE	☐ WATER DISPOSAL
☐ DRILLING REPORT Report Date:	☐ WATER SHUTOFF	☐ SI TA STATUS EXTENSION	☐ APD EXTENSION
	☐ WILDCAT WELL DETERMINATION	☐ OTHER	OTHER:

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

Fidelity would like to request permission to conduct a acid job on referenced well March 15th 2011, see attached procedure.

Accepted by the Utah Division of Oil, Gas and Mining

Date: 03/10/2011

By: Dustin Doucet

NAME (PLEASE PRINT)	PHONE NUMBER	TITLE
Stephanie Masters	307 675-4924	Operations Tech
SIGNATURE		**DATE**
N/A		3/10/2011

Cane Creek Unit 1-1

Field: Cane Creek

Location: NWSW Section 1 T26S R19E

Depths: PBTD = 7355

Elevations: 6051' GL; 6078' KB

Casing:

Surface:	1550' 13 3/8" J-55 54.5 #
Intermediate:	4974' 9 5/8" HCP 110 40#
Production:	7003' 7" P110 29#
	6485'-7355' 4 ½" P110 13.5#
CIBP	7136'

Top of Cement: 3580 (Actual)

Spud Date:

Perforations: Shale 18/19- 6904'-6915', 6934'-6952' 4SPF

Objective: Acidize w/ diversion

Contacts: Consultant: Charlie Harrison. Cell: 435-260-1114.

Fidelity Engineer: Kevin Jensen. Office: 720-956-5779. Cell: 720-854-4591.

Fidelity Asset Manager: Harvey Dunham. Office: 720-956-5769. Cell: 307-752-3332.

Halliburton: Joe Grant. Office: 970-523-3600

Miller Packers: Wayne McAdams. Office: 435-781-0445. Cell: 435-781-0666.

NOTES:

1. All depths in the procedure are referenced from KB, unless otherwise noted.
2. Please give cased hole loggers 48 hours advance notice prior to performing perforating work on the well.
3. Hold pre-job safety meetings prior to beginning any new work.
4. MSDS's for all chemicals used in this procedure must be available on location for inspection and use. An inventory of all chemicals used should be submitted to the Denver office at the completion of the job.

Safety Precautions:

1. Smoking will not be allowed within 100' of the wellhead.
2. All on-site personnel are to wear safety glasses with side-shields, steel-toed boots, and plastic hardhats at all times.
3. Eye protection and hand protection should be worn when handling acid/chemicals. Eye protection should be worn when there is the potential for acid/chemicals to blow or splash into the eyes.
4. While the perforating guns are in the open, radio's or cell phones will not be used within 500' of the location. Signs indicating this will be placed on all access roads (signs will be provided by the perforating company).
5. The service company should bring communication devices for each individual operating pumps/valves and for the field engineer.
6. Fresh water will be on location in case of accidental discharge or an emergency (water to be provided by the treating company).
7. Eye wash bottles should be available and ready for use. All on-site personnel should be aware of the location of these bottles.
8. Only personnel needed for the job will be allowed to handle the perforating guns.
9. While perforating, ensure the safety lockout key is in the proper position.

10. Hold tailgate safety meetings daily prior to any work being performed. Determine safe location where all personnel will meet in the event of an emergency.

Cane Creek Unit 1-1

Work-over Procedure

1. MIRU WO Unit
2. NU BOP (7 1/16X 10K double gate). Test to pump capacity.
3. POH w/ rods & tubing. Stand back in derrick & tally.
4. RIH to +/- 6925' w/ LH Set 4-1/2" plug, 2 3/8" pup jt, XO, 4-1/2" production PKR, "F" profile nipple, SN.
5. Set PKR @ 6925'
6. RU Halliburton- pump 1850 gal 10% MSA w/ 75 Bio Balls
7. Displace w/ 1824 gal 7% KCL water
8. RD Halliburton- Swab back spent acid to rig tank.
9. Release PKR, Pull up & Set plug @ 6925", Pull up to 6890; & set PKR
10. RU Halliburton- pump 1150 gal 10% MSA w/ 50 Bio Balls
11. Displace w/ 1766 gal 7% KCL water
12. RD Halliburton- Swab back spent acid to rig tank.
13. Release PKR, retrieve plug & POOH
14. Make decision to flow or RIH w/ pump & rods.
15. RDMO

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

FORM 9

5.LEASE DESIGNATION AND SERIAL NUMBER: UTU-65972

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.

6. IF INDIAN, ALLOTTEE OR TRIBE NAME:

7.UNIT or CA AGREEMENT NAME: CANE CREEK

1. TYPE OF WELL Oil Well

8. WELL NAME and NUMBER: CANE CREEK 1-1

2. NAME OF OPERATOR: FIDELITY E&P COMPANY

9. API NUMBER: 43019314460000

3. ADDRESS OF OPERATOR: 2585 Heartland Drive , Sheridan, WY, 82801 8543

PHONE NUMBER: 303 893-3133 Ext

9. FIELD and POOL or WILDCAT: BIG FLAT

4. LOCATION OF WELL
FOOTAGES AT SURFACE: 2240 FSL 1317 FWL
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: Qtr/Qtr: NWSW Section: 01 Township: 26.0S Range: 19.0E Meridian: S

COUNTY: GRAND

STATE: UTAH

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

TYPE OF SUBMISSION	TYPE OF ACTION		
☐ NOTICE OF INTENT Approximate date work will start:	✓ ACIDIZE	☐ ALTER CASING	☐ CASING REPAIR
✓ SUBSEQUENT REPORT Date of Work Completion: 3/26/2011	☐ CHANGE TO PREVIOUS PLANS	☐ CHANGE TUBING	☐ CHANGE WELL NAME
☐ SPUD REPORT Date of Spud:	☐ CHANGE WELL STATUS	☐ COMMINGLE PRODUCING FORMATIONS	☐ CONVERT WELL TYPE
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	☐ WILDCAT WELL DETERMINATION	☐ OTHER	OTHER:

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

Fidelity would like to report that the Acid treatment was complete on 3/24/2011 and well put back on production on 3/26/2011 to evaluate the effectiveness of the completed operations.

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

NAME (PLEASE PRINT)	PHONE NUMBER	TITLE
Stephanie Masters	307 675-4924	Operations Tech
SIGNATURE N/A		**DATE** 3/30/2011

RECEIVED Mar. 30, 2011

Federal Approval of this Action is Necessary

FORM 9

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

5.LEASE DESIGNATION AND SERIAL NUMBER: UTU-65972

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COUNTY: GRAND

STATE: UTAH

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

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

Fidelity is requesting to keep referenced well in SI status as they are in the process of reviewing data to establish potential plans.

Accepted by the Utah Division of Oil, Gas and Mining

Date: 01/04/2012

By: Dustin Doucet

NAME (PLEASE PRINT)	**PHONE NUMBER**	**TITLE**
Stephanie Masters	307 675-4924	Operations Tech
SIGNATURE N/A		**DATE** 12/16/2011

RECEIVED Dec. 16, 2011

Federal Approval of this Action is Necessary

The Utah Division of Oil, Gas, and Mining

- State of Utah
- Department of Natural Resources

Electronic Permitting System - Sundry Notices

Sundry Conditions of Approval Well Number 43019314460000

Valid through June 2012 (12 month SI/TA allowance by rule). For SI/TA beyond June 2012, see requirements of R649-3-36.

RECEIVED Dec. 16, 2011

United States Department of the Interior

BUREAU OF LAND MANAGEMENT
Utah State Office
440 West 200 South, Suite 500
Salt Lake City, UT 84101
http://www.blm.gov/ut/st/en.html

AUG 29 2013

IN REPLY REFER TO:
3180 (UTU80000X)
UT922000

Ms. Barbara Hinman
Fidelity Exploration & Production Co.
1700 Lincoln Street, Suite 2800
Denver, Colorado 80203

Re: Consolidated Paradox Formation PA
Cane Creek Unit
Grand and San Juan Counties, Utah

Dear Ms. Hinman:

The Consolidated Paradox Formation PA, Cane Creek Unit, UTU80000E, is hereby approved effective as of March 1, 2013, pursuant to Section 11 of the Cane Creek Unit Agreement, located in Grand and San Juan Counties, Utah.

The Consolidated Paradox Formation PA results in an initial consolidated participating area of 4,783.68 acres and is based upon the completion of the following well as capable of producing unitized substances in paying quantities:

WELL NO.	API NO.	SURFACE LOCATION	LEASE NO.
Cane Creek 18-1H	43-019-50012	NE¼NE¼, 18-26S-20E	UTU53626

The request for the consolidated participating area is based on the completion of the following well which is producing from clastic 18-19 of the Paradox Formation:

WELL NO.	API NO.	SURFACE LOCATION	LEASE NO.
Cane Creek 1-1	43-019-31446	NW¼SW¼, 1-26S-19E	UTU65972

United States Department of the Interior

BUREAU OF LAND MANAGEMENT
Utah State Office
440 West 200 South, Suite 500
Salt Lake City, UT 84101
http://www.blm.gov/ut/st/en.html

AUG 29 2013

IN REPLY REFER TO:
3180 (UTU80000X)
UT922000

Ms. Barbara Hinman
Fidelity Exploration & Production Co.
1700 Lincoln Street, Suite 2800
Denver, Colorado 80203

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

Effective Date: 3/1/2016

FORMER OPERATOR:	NEW OPERATOR:
Fidelity E&P Company N3155 1801 Califorina Street, Suite 2500 Denver, CO 80202	Wesco Operating, Inc. N4030 PO Box 1650 Casper, WY 82602
CA Number(s):	Unit(s): Cane Creek Threemile

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: 4/12/2016
2. Sundry or legal documentation was received from the **NEW** operator on: 4/12/2016
3. New operator Division of Corporations Business Number: 8742016-0143

REVIEW:

1. Surface Agreement Sundry from **NEW** operator on Fee Surface wells received on: 4/12/2016
2. Receipt of Acceptance of Drilling Procedures for APD on: 4/12/2016
3. Reports current for Production/Disposition & Sundries: 4/19/2016
4. OPS/SI/TA well(s) reviewed for full cost bonding: 4/19/2016
5. UIC5 on all disposal/injection/storage well(s) approved on: 4/13/2016
6. Surface Facility(s) included in operator change: Blue Hills Gas Plant
   Dead House Lateral Pipeline
   Dubinky Booster Station
   Long Canyon Facility
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: UTB0000685
2. Indian well(s) covered by Bond Number: N/A
3.State/fee well(s) covered by Bond Number(s): RLB0016443

DATA ENTRY:

1. Well(s) update in the **OGIS** on: 4/21/2016✔
2. Entity Number(s) updated in **OGIS** on: 4/21/2016
3. Unit(s) operator number update in **OGIS** on: 4/21/2016
4. Surface Facilities update in **OGIS** on: 4/21/2016
5. State/Fee well(s) attached to bond(s) in **RBDMS** on: 4/21/2016
6. Surface Facilities update in **RBDMS** on: 4/21/2016

LEASE INTEREST OWNER NOTIFICATION:

1. 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:

From: Fidelity Exploration Production Comany N3155
To: Wesco Operating, Inc. N4030
Effective: 3/1/2016

Well Name	Section	TWN	RNG	API Numner	Entity	Mineral	Surface	Type	Status	Unit
KANE SPRINGS 16-1	16	250S	180E	4301931341	11484	State	State	WD	A	CANE CREEK
CANE CREEK UNIT 2-2-25-18	2	250S	180E	4301950044		State	State	OW	APD	CANE CREEK
Cane Creek Unit 25-1-25-19	25	250S	190E	4301950048		Federal	Federal	OW	APD	CANE CREEK
Cane Creek Unit 6-1-25-19	6	250S	190E	4301950052		Federal	Federal	OW	APD	CANE CREEK
Cane Creek Unit 29-1-25-19	29	250S	190E	4301950053		Federal	Federal	OW	APD	CANE CREEK
Cane Creek 10-1-25-19	10	250S	190E	4301950054		Federal	Federal	OW	APD	
Cane Creek Unit 30-1-25-19	30	250S	190E	4301950055		Federal	Federal	OW	APD	CANE CREEK
Cane Creek Unit 19-2-26-20	19	260S	200E	4301950056		Federal	Federal	OW	APD	CANE CREEK
Cane Creek Unit 14-1-25-19	14	250S	190E	4301950057		Federal	Federal	OW	APD	CANE CREEK
Cane Creek Unit 2-3-25-18	2	250S	180E	4301950058		Federal	State	OW	APD	CANE CREEK
Cane Creek Unit 16-3-25-18	16	250S	180E	4301950059		Federal	State	OW	APD	CANE CREEK
Cane Creek Unit 19-1-25-19	19	250S	190E	4301950060		Federal	Federal	OW	APD	CANE CREEK
Cane Creek Unit 32-2-25-19	32	250S	190E	4301950061		State	State	OW	APD	CANE CREEK
Cane Creek Unit 17-1-25-19	17	250S	190E	4301950062		Federal	Federal	OW	APD	CANE CREEK
Cane Creek Unit 16-4-25-18	16	250S	180E	4301950063		Federal	State	OW	APD	CANE CREEK
Cane Creek Unit 2-4-25-18	2	250S	180E	4301950064		Federal	State	OW	APD	CANE CREEK
Cane Creek Unit 5-1-25-18	5	250S	180E	4301950065		Federal	Federal	OW	APD	CANE CREEK
8-2-26-20	8	260S	200E	4301950068		Federal	Federal	OW	APD	CANE CREEK
Cane Creek Unit 19-3-26-20	19	260S	200E	4301950069		Federal	Federal	OW	APD	CANE CREEK
Cane Creek Unit 21-1-25-19	21	250S	190E	4301950070		Federal	Federal	OW	APD	CANE CREEK
Cane Creek Unit 12-2-26-19	12	260S	190E	4301950071		Federal	Federal	OW	APD	CANE CREEK
Cane Creek Unit 26-4-25-19	26	250S	190E	4301950072		Federal	Federal	OW	APD	CANE CREEK
Cane Creek Unit 21-1-25-18	21	250S	180E	4301950073		Federal	Federal	OW	APD	CANE CREEK
Cane Creek Unit 9-1-25-18	9	250S	180E	4301950074		Federal	Federal	OW	APD	CANE CREEK
Cane Creek Unit 7-1-25-19	7	250S	190E	4301950075		Federal	Federal	OW	APD	CANE CREEK
Cane Creek Unit 5-2-25-18	5	250S	180E	4301950076		Federal	Federal	OW	APD	CANE CREEK
Cane Creek Unit 7-1-25-18	7	250S	180E	4301950077		Federal	Federal	OW	APD	CANE CREEK
Cane Creek Unit 13-1-25-18	13	250S	180E	4301950078		Federal	Federal	OW	APD	CANE CREEK
Three Mile Unti 12-3-29-21	12	290S	210E	4303750070		Federal	Federal	OW	APD	THREEMILE
Three Mile Unit 16-2-29-22	16	290S	220E	4303750071		Federal	State	OW	APD	THREEMILE
Cane Creek Unit 7-2-26-20	7	260S	200E	4301950051	19706	Federal	Federal	OW	OPS	CANE CREEK
THREEMILE 16-17	16	290S	220E	4303750003	17984	State	State	OW	OPS	THREEMILE
Three Mile Unit 12-2-29-21	12	290S	210E	4303750069	19646	Federal	Federal	OW	OPS	THREEMILE
KANE SPRINGS FED 27-1	27	250S	190E	4301931310	14505	Federal	Federal	OW	P	CANE CREEK
KANE SPRINGS FED 19-1A	19	260S	200E	4301931324	14505	Federal	Federal	OW	P	CANE CREEK
KANE SPRINGS FED 10-1	10	250S	180E	4301931331	14509	Federal	Federal	OW	P	CANE CREEK
KANE SPRINGS FED 25-19-34-1	34	250S	190E	4301931334	14505	Federal	Federal	OW	P	CANE CREEK
CANE CREEK 2-1	2	260S	190E	4301931396	14505	State	State	OW	P	CANE CREEK
CANE CREEK UNIT 12-1	12	260S	190E	4301950009	14505	Federal	Federal	OW	P	CANE CREEK
CANE CREEK UNIT 7-1	7	260S	200E	4301950010	18923	Federal	Federal	OW	P	CANE CREEK
CANE CREEK UNIT# 26-2	26	250S	190E	4301950011	14505	Federal	Federal	OW	P	CANE CREEK
CANE CREEK UNIT #18-1	18	260S	200E	4301950012	14505	Federal	Federal	OW	P	CANE CREEK
CANE CREEK U #13-1	13	260S	190E	4301950014	14505	Federal	Federal	OW	P	CANE CREEK
CANE CREEK UNIT 26-3	26	250S	190E	4301950019	14505	Federal	Federal	OW	P	CANE CREEK
CANE CREEK UNIT 28-2	28	250S	190E	4301950020	18681	Federal	Federal	OW	P	
Cane Creek Unit 17-1	17	260S	200E	4301950028	18980	Federal	Federal	OW	P	CANE CREEK
Cane Creek Unit 36-1	36	250S	190E	4301950030	14505	State	State	OW	P	CANE CREEK
Cane Creek Unit 36-2H	36	250S	190E	4301950033	14505	State	State	OW	P	CANE CREEK
Cane Creek Unit 24-2H	24	260S	190E	4301950034	19342	Federal	Federal	OW	P	CANE CREEK
Cane Creek Unit 36-3H	36	250S	190E	4301950035	19528	State	State	OW	P	CANE CREEK
CANE CREEK UNIT 2-1-25-18	2	250S	180E	4301950036	19343	Federal	State	OW	P	CANE CREEK
Cane Creek Unit 32-1-25-19	32	250S	190E	4301950037	19396	State	State	OW	P	
Cane Creek Unit 28-3	28	250S	190E	4301950045	19767	Federal	Federal	OW	P	CANE CREEK
Cane Creek 32-1-25-20	32	250S	200E	4301950049	19588	State	State	OW	P	
HATCH POINT 1	14	290S	210E	4303731658	11356	Federal	Federal	OW	P	
THREEMILE 43-18H	18	290S	220E	4303731857	17276	Federal	Federal	OW	P	
LONG CANYON 1	9	260S	200E	4301915925	674	Federal	Federal	OW	S	
CANE CREEK 1-1	1	260S	190E	4301931446	14505	Federal	Federal	OW	S	CANE CREEK

From: Fidelity Exploration Production Comany N3155
To: Wesco Operating, Inc. N4030
Effective: 3/1/2016

CANE CREEK 24-1	24	260S	190E	4301931447	14505	Federal	Federal	OW	S	CANE CREEK
CANE CREEK 8-1	8	260S	200E	4301931449	16464	Federal	Federal	OW	S	CANE CREEK
Cane Creek Unit 18-2	18	260S	200E	4301950027	14505	Federal	Federal	OW	S	CANE CREEK
Cane Creek Unit 17-2	17	260S	200E	4301950032	14505	Federal	Federal	OW	S	CANE CREEK
Cane Creek 36-1-25-18	36	250S	180E	4301950038	19440	State	State	OW	S	
CHEVRON FED 1	24	290S	230E	4303730005	975	Federal	Federal	OW	S	
Threemile 12-7	12	290S	210E	4303750001	17837	Federal	Federal	OW	S	THREEMILE
LA SAL 29-28	29	290S	230E	4303750002	17920	Federal	Federal	OW	S	
CANE CREEK UNIT 16-2-25-18	16	250S	180E	4301950046	19512	State	State	OW	TA	CANE CREEK

WESCO OPERATING, INC.

OIL & GAS OPERATIONS

April 8, 2016

John Rogers
Utah Division of Oil, Gas and Mining
1594 West North Temple, Suite 1210 Box 145801
Salt Lake City, Utah 84114

RE: Change of Operator
A) Wells
B) APD'S
C) Dubinky Booster Station
D) Blue Hills Gas Plant
E) Dead Horse Lateral Pipeline
F) Authority to Inject
Sundry Notices

Dear John Rodgers,

Please find enclosed the following documents from Fidelity Exploration & Production Company to Wesco Operating, Inc for your further handing. If you have any further questions please contact us..

Sincerely,

Cassy Hague

Cassy Hague
307-577-5337

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

FORM 9

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6. IF INDIAN, ALLOTTEE OR TRIBE NAME: See Attached Exhibit	
7. UNIT or CA AGREEMENT NAME: See Attached Exhibit	
1. TYPE OF WELL: OIL WELL ☑ GAS WELL ☐ OTHER	8. WELL NAME and NUMBER: See Attached Exhibit
2. NAME OF OPERATOR: Fidelity Exploration & Production Company	9. API NUMBER:
3. ADDRESS OF OPERATOR: 1801 California St., STE 2500 CITY Denver STATE CO ZIP 80202 — PHONE NUMBER: (303) 893-3133	10. FIELD AND POOL, OR WILDCAT: See Attached Exhibit
4. LOCATION OF WELL — FOOTAGES AT SURFACE: See attached exhibit for all wells and details — 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		
☑ NOTICE OF INTENT (Submit in Duplicate)	☐ ACIDIZE	☐ DEEPEN	☐ REPERFORATE CURRENT FORMATION
Approximate date work will start: 3/1/2016	☐ ALTER CASING	☐ FRACTURE TREAT	☐ SIDETRACK TO REPAIR WELL
	☐ CASING REPAIR	☐ NEW CONSTRUCTION	☐ TEMPORARILY ABANDON
	☐ CHANGE TO PREVIOUS PLANS	☑ OPERATOR CHANGE	☐ TUBING REPAIR
	☐ CHANGE TUBING	☐ PLUG AND ABANDON	☐ VENT OR FLARE
☐ SUBSEQUENT REPORT (Submit Original Form Only)	☐ CHANGE WELL NAME	☐ PLUG BACK	☐ WATER DISPOSAL
Date of work completion:	☐ CHANGE WELL STATUS	☐ PRODUCTION (START/RESUME)	☐ WATER SHUT-OFF
	☐ COMMINGLE PRODUCING FORMATIONS	☐ RECLAMATION OF WELL SITE	☐ OTHER:
	☐ CONVERT WELL TYPE	☐ RECOMPLETE - DIFFERENT FORMATION	

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

Effective March 1, 2016, Fidelity Exploration & Production Company (Operator Number N1355) resigns as Operator of the wells listed on the attached exhibit and Wesco Operating, Inc. has been designated as successor Operator.

Wesco Operating, Inc.
P.O. Box 1650
Casper, Wyoming 82602
Phone 307-265-5178

Fidelity Exploration & Production Company
1801 California Street, Suite 2500
Denver, Colorado 80202
Phone 303-893-3133

Wesco Operating, Inc.
Robert W. Kirkwood, President

Signature

NAME (PLEASE PRINT) Darwin Subart TITLE Chief Financial Officer

SIGNATURE Darwin Subart DATE 4/4/2016

(This space for State use only) BLM:

APPROVED

APR 21 2016

DIV. OIL GAS & MINING

BY: Rachel Medina

(5/2000) (See Instructions on Reverse Side)

Fidelity Exploration & Production Company Paradox Well & APD List

Entity #	API #	Permitted Well Name	AKA Well Name	Township	Range	Section(s)	County	State	Mineral	Surface	Well Type	Well Status
14506	4301931310	KANE SPRINGS FED 27-1	KANE SPRINGS FED 27-1-25-19	25S	19E	27	GRAND	UT	Federal	Federal	OW	P
14505	4301931324	KANE SPRINGS FED 19-1A	KANE SPRINGS FED 19-1A-ST-26-20	26S	20E	19	GRAND	UT	Federal	Federal	OW	P
14509	4301931331	KANE SPRINGS FED 10-1	KANE SPRINGS FED 10-1-25-18	25S	18E	10	GRAND	UT	Federal	Federal	OW	P
14506	4301931334	KANE SPRINGS FED 25-19-34-1	KANE SPRINGS FED 25-19-34-1	25S	19E	34	GRAND	UT	Federal	Federal	OW	P
	4301931341	KANE SPRINGS 16-1-25-18	Disposal Well	25S	18E	16	GRAND	UT	State	State	SWD	P
14505	4301931396	CANE CREEK 2-1	CANE CREEK UNIT 2-1-26-19	26S	19E	2	GRAND	UT	State	State	OW	P
14505	4301931446	CANE CREEK 1-1	CANE CREEK UNIT 1-1-26-19	26S	19E	1	GRAND	UT	Federal	Federal	OW	P
14505	4301950009	CANE CREEK UNIT 12-1	CANE CREEK UNIT 12-1-26-19	26S	19E	12	GRAND	UT	Federal	Federal	OW	P
18923	4301950010	CANE CREEK UNIT 7-1	CANE CREEK UNIT 7-1-26-20	26S	20E	7	GRAND	UT	Federal	Federal	OW	P
14506	4301950011	CANE CREEK UNIT# 26-2	CANE CREEK UNIT 26-2-25-19	25S	19E	26	GRAND	UT	Federal	Federal	OW	P
14505	4301950012	CANE CREEK UNIT #18-1	CANE CREEK UNIT 18-1-26-20	26S	20E	18	GRAND	UT	Federal	Federal	OW	P
14505	4301950014	CANE CREEK U #13-1	CANE CREEK UNIT 13-1-26-19	26S	19E	13	GRAND	UT	Federal	Federal	OW	P
14506	4301950019	CANE CREEK UNIT 26-3	CANE CREEK UNIT 26-3-25-19	25S	19E	26	GRAND	UT	Federal	Federal	OW	P
18681	4301950020	CANE CREEK UNIT 28-2	CANE CREEK UNIT 28-2-25-19	25S	19E	28	GRAND	UT	Federal	Federal	OW	P
14505	4301950027	Cane Creek Unit 18-2	CANE CREEK UNIT 18-2-26-20	26S	20E	18	GRAND	UT	Federal	Federal	OW	P
18980	4301950028	Cane Creek Unit 17-1	CANE CREEK UNIT 17-1-26-20	26S	20E	17	GRAND	UT	Federal	Federal	OW	P
19057	4301950030	Cane Creek Unit 36-1	CANE CREEK UNIT 36-1-25-19	25S	19E	36	GRAND	UT	State	State	OW	P
14505	4301950032	Cane Creek Unit 17-2	CANE CREEK UNIT 17-2-26-20	26S	20E	17	GRAND	UT	Federal	Federal	OW	P
19527	4301950033	Cane Creek Unit 36-2H	CANE CREEK UNIT 36-2H-25-19	25S	19E	36	GRAND	UT	State	State	OW	P
19342	4301950034	Cane Creek Unit 24-2H	CANE CREEK UNIT 24-2-26-19	26S	19E	24	GRAND	UT	Federal	Federal	OW	P
19528	4301950035	Cane Creek Unit 36-3H	CANE CREEK UNIT 36-3H-25-19	25S	19E	36	GRAND	UT	State	State	OW	P
19396	4301950037	Cane Creek Unit 32-1-25-19	CANE CREEK UNIT 32-1-25-19	25S	19E	32	GRAND	UT	State	State	OW	P
19767	4301950045	Cane Creek Unit 28-3	CANE CREEK UNIT 28-3-25-19	26S	19E	28	GRAND	UT	Federal	Federal	OW	P
19588	4301950049	Cane Creek 32-1-25-20	CANE CREEK 32-1-25-20	25S	20E	32	GRAND	UT	State	State	OW	P
11356	4303731658	HATCH POINT 1	HATCH POINT FEDERAL 1	29S	21E	14	SAN JUAN	UT	Federal	Federal	OW	P 26-P
17276	4303731857	THREEMILE 43-18H	THREEMILE UNIT 43-18H-29-22	29S	22E	18	SAN JUAN	UT	Federal	Federal	OW	P
19706	4301950051	Cane Creek Unit 7-2-26-20	CANE CREEK UNIT 7-2-26-20	26S	20E	7	GRAND	UT	Federal	Federal	OW	OPS
17984	4303750003	THREEMILE 16-17	THREEMILE UNIT 16-17-29-22	29S	22E	16	SAN JUAN	UT	State	State	OW	OPS 3 OPS
19646	4303750069	Three Mile Unit 12-2-29-21	THREE MILE UNIT 12-2-29-21	29S	21E	12	SAN JUAN	UT	Federal	Federal	OW	OPS
19343	4301950036	CANE CREEK UNIT 2-1-25-18	CANE CREEK UNIT 2-1-25-18	25S	18E	2	GRAND	UT	Federal	State	OW	TA
19512	4301950046	CANE CREEK UNIT 16-2-25-18	CANE CREEK UNIT 16-2-25-18	25S	18E	16	GRAND	UT	State	State	OW	TA 2TA
674	4301915925	LONG CANYON 1	LONG CANYON 1	26S	20E	9	GRAND	UT	Federal	Federal	OW	S
14505	4301931447	CANE CREEK 24-1	CANE CREEK UNIT 24-1-26-19	26S	19E	24	GRAND	UT	Federal	Federal	OW	S
16464	4301931449	CANE CREEK 8-1	CANE CREEK UNIT 8-1-26-20	26S	20E	8	GRAND	UT	Federal	Federal	OW	S
19440	4301950038	Cane Creek 36-1-25-18	CANE CREEK 36-1-25-18	25S	18E	36	GRAND	UT	State	State	OW	S
975	4303730005	CHEVRON FED 1	CHEVRON FEDERAL 1H	29S	23E	24	SAN JUAN	UT	Federal	Federal	OW	S 7-S
17837	4303750001	Threemile 12-7	THREEMILE UNIT 12-7-29-21	29S	21E	12	SAN JUAN	UT	Federal	Federal	OW	S
17920	4303750002	LA SAL 29-28	LA SAL UNIT 29-28-29-23	29S	23E	29	SAN JUAN	UT	Federal	Federal	OW	S
	4301950044	CANE CREEK UNIT 2-2-25-18		25OS	18OE	2	GRAND	UT	State	State	OW	APD
	4301950048	Cane Creek Unit 25-1-25-19		25OS	19OE	25	GRAND	UT	Federal	Federal	OW	APD
	4301950052	Cane Creek Unit 6-1-25-19		25OS	19OE	6	GRAND	UT	Federal	Federal	OW	APD
	4301950053	Cane Creek Unit 29-1-25-19		25OS	19OE	29	GRAND	UT	Federal	Federal	OW	APD 3APD
	4301950054	Cane Creek 10-1-25-19		25OS	19OE	10	GRAND	UT	Federal	Federal	OW	APD
	4301950055	Cane Creek Unit 30-1-25-19		25OS	19OE	30	GRAND	UT	Federal	Federal	OW	APD
	4301950056	Cane Creek Unit 19-2-26-20		26OS	20OE	19	GRAND	UT	Federal	Federal	OW	APD

Entity #	API #	Permitted Well Name	AKA Well Name	Township	Range	Section(s)	County	State	Mineral	Surface	Well Type	Well Status
	4301950057	Cane Creek Unit 14-1-25-19		25OS	19OE	14	GRAND	UT	Federal	Federal	OW	APD ✓
	4301950058	Cane Creek Unit 2-3-25-18		25OS	18OE	2	GRAND	UT	Federal	State	OW	APD ✓
	4301950059	Cane Creek Unit 16-3-25-18		25OS	18OE	16	GRAND	UT	Federal	State	OW	APD ✓
	4301950060	Cane Creek Unit 19-1-25-19		25OS	19OE	19	GRAND	UT	Federal	Federal	OW	APD ✓
	4301950061	Cane Creek Unit 32-2-25-19		25OS	19OE	32	GRAND	UT	State	State	OW	APD ✓
	4301950062	Cane Creek Unit 17-1-25-19		25OS	19OE	17	GRAND	UT	Federal	Federal	OW	APD ✓
	4301950063	Cane Creek Unit 16-4-25-18		25OS	18OE	16	GRAND	UT	Federal	State	OW	APD ✓
	4301950064	Cane Creek Unit 2-4-25-18		25OS	18OE	2	GRAND	UT	Federal	State	OW	APD ✓
	4301950065	Cane Creek Unit 5-1-25-18		25OS	18OE	5	GRAND	UT	Federal	Federal	OW	APD ✓
	4301950068	8-2-26-20		26OS	20OE	8	GRAND	UT	Federal	Federal	OW	APD ✓
	4301950069	Cane Creek Unit 19-3-26-20		26OS	20OE	19	GRAND	UT	Federal	Federal	OW	APD ✓
	4301950070	Cane Creek Unit 21-1-25-19		25OS	19OE	21	GRAND	UT	Federal	Federal	OW	APD ✓
	4301950071	Cane Creek Unit 12-2-26-19		26OS	19OE	12	GRAND	UT	Federal	Federal	OW	APD ✓
	4301950072	Cane Creek Unit 26-4-25-19		25OS	19OE	26	GRAND	UT	Federal	Federal	OW	APD ✓
	4301950073	Cane Creek Unit 21-1-25-18		25OS	18OE	21	GRAND	UT	Federal	Federal	OW	APD ✓
	4301950074	Cane Creek Unit 9-1-25-18		25OS	18OE	9	GRAND	UT	Federal	Federal	OW	APD ✓
	4301950075	Cane Creek Unit 7-1-25-19		25OS	19OE	7	GRAND	UT	Federal	Federal	OW	APD ✓
	4301950076	Cane Creek Unit 5-2-25-18		25OS	18OE	5	GRAND	UT	Federal	Federal	OW	APD ✓
	4301950077	Cane Creek Unit 7-1-25-18		25OS	18OE	7	GRAND	UT	Federal	Federal	OW	APD ✓
	4301950078	Cane Creek Unit 13-1-25-18		25OS	18OE	13	GRAND	UT	Federal	Federal	OW	APD ✓
	4303750070	Three Mile Unti 12-3-29-21		29OS	21OE	12	SAN JUAN	UT	Federal	Federal	OW	APD ✓
	4303750071	Three Mile Unit 16-2-29-22		29OS	22OE	16	SAN JUAN	UT	Federal	State	OW	APD ✓
	4301950036	CANE CREEK UNIT 2-1-25-18H2		25S	18E	2	GRAND	UT	Federal	State	OW	APD ✓

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

Request to Transfer Application or Permit to Drill

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

Well name:	See attached well list
API number:	
Location:	Qtr-Qtr: Section: Township: Range:
Company that filed original application:	Fidelity Exploration & Production Company
Date original permit was issued:	
Company that permit was issued to:	Fidelity Exploration & Production Company

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

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

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

Name (please print) Robert W. Kirkwood Title President

Signature [signature] Date 4/7/10

Representing (company name) Wesco Operating, Inc.

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

(3/2004)

Fidelity Exploration & Production Company Paradox APD List

Date Issued	API #	Permitted Well Name	Township	Range	Section(s)	County	State	Mineral	Surface	Well Type	Well Status
3/4/2014	4301950044	CANE CREEK UNIT 2-2-25-18	250S	180E	2	GRAND	UT	State	State	OW	APD
2/19/2015	4301950048	Cane Creek Unit 25-1-25-19	250S	190E	25	GRAND	UT	Federal	Federal	OW	APD
6/26/2014	4301950052	Cane Creek Unit 6-1-25-19	250S	190E	6	GRAND	UT	Federal	Federal	OW	APD
6/26/2014	4301950053	Cane Creek Unit 29-1-25-19	250S	190E	29	GRAND	UT	Federal	Federal	OW	APD
6/26/2014	4301950054	Cane Creek 10-1-25-19	250S	190E	10	GRAND	UT	Federal	Federal	OW	APD
6/26/2014	4301950055	Cane Creek Unit 30-1-25-19	250S	190E	30	GRAND	UT	Federal	Federal	OW	APD
6/26/2014	4301950056	Cane Creek Unit 19-2-26-20	260S	200E	19	GRAND	UT	Federal	Federal	OW	APD
6/26/2014	4301950057	Cane Creek Unit 14-1-25-19	250S	190E	14	GRAND	UT	Federal	Federal	OW	APD
7/21/2014	4301950058	Cane Creek Unit 2-3-25-18	250S	180E	2	GRAND	UT	Federal	State	OW	APD
8/6/2014	4301950059	Cane Creek Unit 16-3-25-18	250S	180E	16	GRAND	UT	Federal	State	OW	APD
8/6/2014	4301950060	Cane Creek Unit 19-1-25-19	250S	190E	19	GRAND	UT	Federal	Federal	OW	APD
9/22/2014	4301950061	Cane Creek Unit 32-2-25-19	250S	190E	32	GRAND	UT	State	State	OW	APD
7/30/2014	4301950062	Cane Creek Unit 17-1-25-19	250S	190E	17	GRAND	UT	Federal	Federal	OW	APD
8/12/2014	4301950063	Cane Creek Unit 16-4-25-18	250S	180E	16	GRAND	UT	Federal	State	OW	APD
9/24/2014	4301950064	Cane Creek Unit 2-4-25-18	250S	180E	2	GRAND	UT	Federal	State	OW	APD
9/2/2014	4301950065	Cane Creek Unit 5-1-25-18	250S	180E	5	GRAND	UT	Federal	Federal	OW	APD
11/25/2014	4301950068	8-2-26-20	260S	200E	8	GRAND	UT	Federal	Federal	OW	APD
12/19/2014	4301950069	Cane Creek Unit 19-3-26-20	260S	200E	19	GRAND	UT	Federal	Federal	OW	APD
1/14/2015	4301950070	Cane Creek Unit 21-1-25-19	250S	190E	21	GRAND	UT	Federal	Federal	OW	APD
1/13/2015	4301950071	Cane Creek Unit 12-2-26-19	260S	190E	12	GRAND	UT	Federal	Federal	OW	APD
1/13/2015	4301950072	Cane Creek Unit 26-4-25-19	250S	190E	26	GRAND	UT	Federal	Federal	OW	APD
1/14/2015	4301950073	Cane Creek Unit 21-1-25-18	250S	180E	21	GRAND	UT	Federal	Federal	OW	APD
1/20/2015	4301950074	Cane Creek Unit 9-1-25-18	250S	180E	9	GRAND	UT	Federal	Federal	OW	APD
1/14/2015	4301950075	Cane Creek Unit 7-1-25-19	250S	190E	7	GRAND	UT	Federal	Federal	OW	APD
1/20/2015	4301950076	Cane Creek Unit 5-2-25-18	250S	180E	5	GRAND	UT	Federal	Federal	OW	APD
1/14/2015	4301950077	Cane Creek Unit 7-1-25-18	250S	180E	7	GRAND	UT	Federal	Federal	OW	APD
1/14/2015	4301950078	Cane Creek Unit 13-1-25-18	250S	180E	13	GRAND	UT	Federal	Federal	OW	APD
7/8/2014	4303750070	Three Mile Unti 12-3-29-21	290S	210E	12	SAN JUAN	UT	Federal	Federal	OW	APD
10/2/2014	4303750071	Three Mile Unit 16-2-29-22	290S	220E	16	SAN JUAN	UT	Federal	State	OW	APD
12/16/2014	4301950036	Cane Creek Unit 2-1-25-18 H2	25S	18E	2	GRAND	UT	Federal	State	OW	APD

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

FORM 9

5. LEASE DESIGNATION AND SERIAL NUMBER: UTU-90108

SUNDRY NOTICES AND REPORTS ON WELLS

6. IF INDIAN, ALLOTTEE OR TRIBE NAME:

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

7. UNIT or CA AGREEMENT NAME:

1. TYPE OF WELL: OIL WELL ☐ GAS WELL ☐ OTHER Blue Hills Gas Plant

8. WELL NAME and NUMBER: Blue Hills Gas Plant

2. NAME OF OPERATOR: Fidelity Exploration & Production Company

9. API NUMBER:

3. ADDRESS OF OPERATOR: 1801 California St., STE 250(CITY Denver STATE CO ZIP 80202

PHONE NUMBER: (303) 893-3133

10. FIELD AND POOL, OR WILDCAT:

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		
☑ NOTICE OF INTENT (Submit in Duplicate)	☐ ACIDIZE	☐ DEEPEN	☐ REPERFORATE CURRENT FORMATION
Approximate date work will start: 3/1/2016	☐ ALTER CASING	☐ FRACTURE TREAT	☐ SIDETRACK TO REPAIR WELL
	☐ CASING REPAIR	☐ NEW CONSTRUCTION	☐ TEMPORARILY ABANDON
	☐ CHANGE TO PREVIOUS PLANS	☑ OPERATOR CHANGE	☐ TUBING REPAIR
	☐ CHANGE TUBING	☐ PLUG AND ABANDON	☐ VENT OR FLARE
☐ SUBSEQUENT REPORT (Submit Original Form Only)	☐ CHANGE WELL NAME	☐ PLUG BACK	☐ WATER DISPOSAL
Date of work completion:	☐ CHANGE WELL STATUS	☐ PRODUCTION (START/RESUME)	☐ WATER SHUT-OFF
	☐ COMMINGLE PRODUCING FORMATIONS	☐ RECLAMATION OF WELL SITE	☐ OTHER:
	☐ CONVERT WELL TYPE	☐ RECOMPLETE - DIFFERENT FORMATION	

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

Effective March1, 2016, Fidelity Exploration & Production Company (Operator Number N1355) resigns as Operator of the Blue Hills Gas Plant located in T23S-R19E, Sections 20, 29. Wesco Operating, Inc. has been named as successor Operator.

Wesco Operating, Inc.
P.O Box 1650
Casper, Wyoming 82602
Phone 307-265-5178

Fidelity Exploration & Production Company
1801 California Street, Suite 2500
Denver, Colorado 80202
Phone 303-893-3133

Wesco Operating, Inc.
Robert W. Kirkwood, President

Signature

NAME (PLEASE PRINT) Darwin Subart TITLE Chief Financial Officer

SIGNATURE DATE 4/4/2016

(This space for State use only)

APPROVED

APR 21 2016

DIV. OIL GAS & MINING

BY: Rachel Medina

(5/2000) (See Instructions on Reverse Side)

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 ☐ GAS WELL ☐ OTHER Compressor Booster Station

8. WELL NAME and NUMBER: Dubinky Booster Station

2. NAME OF OPERATOR: Fidelity Exploration & Production Company

9. API NUMBER:

3. ADDRESS OF OPERATOR: 1801 California St., STE 2500 CITY Denver STATE CO ZIP 80202

PHONE NUMBER: (303) 893-3133

10. FIELD AND POOL, OR WILDCAT:

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		
☑ NOTICE OF INTENT (Submit in Duplicate)	☐ ACIDIZE	☐ DEEPEN	☐ REPERFORATE CURRENT FORMATION
Approximate date work will start: 3/1/2016	☐ ALTER CASING	☐ FRACTURE TREAT	☐ SIDETRACK TO REPAIR WELL
	☐ CASING REPAIR	☐ NEW CONSTRUCTION	☐ TEMPORARILY ABANDON
	☐ CHANGE TO PREVIOUS PLANS	☑ OPERATOR CHANGE	☐ TUBING REPAIR
	☐ CHANGE TUBING	☐ PLUG AND ABANDON	☐ VENT OR FLARE
☐ SUBSEQUENT REPORT (Submit Original Form Only)	☐ CHANGE WELL NAME	☐ PLUG BACK	☐ WATER DISPOSAL
Date of work completion:	☐ CHANGE WELL STATUS	☐ PRODUCTION (START/RESUME)	☐ WATER SHUT-OFF
	☐ COMMINGLE PRODUCING FORMATIONS	☐ RECLAMATION OF WELL SITE	☐ OTHER:
	☐ CONVERT WELL TYPE	☐ RECOMPLETE - DIFFERENT FORMATION	

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

Effective March1, 2016, Fidelity Exploration & Production Company (Operator Number N1355) resigns as Operator of the Dubinky Booster Station located along Dubinky Road, approximately 18 miles northwest of Moab, 599142 E 4280872 N UTM Zone 12, NAD83. Wesco Operating, Inc. has been named as successor Operator.

Wesco Operating, Inc.
P.O. Box 1650
Casper, Wyoming 82602
Phone 307-265-5178

Fidelity Exploration & Production Company
1801 California Street, Suite 2500
Denver, Colorado 80202
Phone 303-893-3133

Wesco Operating, Inc.
Robert W. Kirkwood, President

Signature

NAME (PLEASE PRINT) Darwin Subart TITLE Chief Financial Officer

SIGNATURE Darwin Subart DATE 4/4/2016

(This space for State use only)

APPROVED

APR 21 2016

DIV. OIL GAS & MINING

BY: Rachel Medina

(5/2000) (See Instructions on Reverse Side)

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

UIC FORM 5

TRANSFER OF AUTHORITY TO INJECT

Well Name and Number	API Number
Kane Springs 16-1	4301931341
Location of Well	Field or Unit Name
Footage : 960' FSL 1960' FWL County : Grand	Cane Creek
QQ, Section, Township, Range: SESW 16 25 18 State : UTAH	Lease Designation and Number ML-44333

EFFECTIVE DATE OF TRANSFER: 3/1/2016

CURRENT OPERATOR

Company: Fidelity Exploration & Production Company
Address: 1801 California Street, Suite 2500
city Denver state CO zip 80202
Phone: (303) 893-3133
Comments:

Name: Darwin Subart
Signature: [signature]
Title: Chief Financial Officer
Date: 4/4/2016

NEW OPERATOR

Company: Wesco Operating, Inc.
Address: P.O. Box 1650
city Casper state WY zip 82602
Phone: (307) 265-5178
Comments:

Name: Robert W. Kirkwood
Signature: [signature]
Title: President
Date: 4/7/16

(This space for State use only)

Transfer approved by: [signature]
Title: UIC Geologist

Approval Date: 4/13/16

Comments:

(5/2000)