

ML48933

APPLICATION FOR PERMIT TO DRILL

1A. TYPE OF WORK: DRILL <input checked="" type="checkbox"/> REENTER <input type="checkbox"/> DEEPEN <input type="checkbox"/>		5. MINERAL LEASE NO: ML48933	6. SURFACE: STATE
B. TYPE OF WELL: OIL <input type="checkbox"/> GAS <input checked="" type="checkbox"/> OTHER _____ SINGLE ZONE <input checked="" type="checkbox"/> MULTIPLE ZONE <input type="checkbox"/>		7. IF INDIAN, ALLOTTEE OR TRIBE NAME:	
2. NAME OF OPERATOR: Colorado-Utah Natural Gas, Inc		8. UNIT or CA AGREEMENT NAME:	
3. ADDRESS OF OPERATOR: 140 WEST 9000 So, S-9 SANDY, UT 84070		PHONE NUMBER: 775-240-0769	9. WELL NAME and NUMBER: Little Boy #1
4. LOCATION OF WELL (FOOTAGES) AT SURFACE: 371' FWL 945' FWL 43145494		10. FIELD AND POOL, OR WILDCAT: Greater Cisco	11. QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NW 1/4 Sec 24 T21S R23E, S144M
14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE: 1 mile Cisco, UT 84515		12. COUNTY: Grand	13. STATE: UTAH
15. DISTANCE TO NEAREST PROPERTY OR LEASE LINE (FEET): 371'	16. NUMBER OF ACRES IN LEASE: 400	17. NUMBER OF ACRES ASSIGNED TO THIS WELL: 40	
18. DISTANCE TO NEAREST WELL (DRILLING, COMPLETED, OR APPLIED FOR) ON THIS LEASE (FEET): 20'	19. PROPOSED DEPTH: 300'	20. BOND DESCRIPTION: Cash	
21. ELEVATIONS (SHOW WHETHER DF, RT, GR, ETC.): 4334Gr	22. APPROXIMATE DATE WORK WILL START: 25 NOV 05	23. ESTIMATED DURATION: 3 DAYS	

PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	CASING SIZE, GRADE, AND WEIGHT PER FOOT	SETTING DEPTH	CEMENT TYPE, QUANTITY, YIELD, AND SLURRY WEIGHT
6 1/2"	4.5", J-55 9.5#	120'	Cement to Surface

Old Footages  
DML 1/12/04

ATTACHMENTS

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

- WELL PLAT OR MAP PREPARED BY LICENSED SURVEYOR OR ENGINEER
- COMPLETE DRILLING PLAN
- EVIDENCE OF DIVISION OF WATER RIGHTS APPROVAL FOR USE OF WATER
- FORM 5, IF OPERATOR IS PERSON OR COMPANY OTHER THAN THE LEASE OWNER

NAME (PLEASE PRINT) DEAN H. CHRISTENSEN TITLE President  
SIGNATURE Dean Christensen DATE 10-7-05

(This space for State use only)

API NUMBER ASSIGNED: 43019-31459

APPROVAL:

RECEIVED

NOV 08 2005

DIV. OF OIL, GAS & MINING

(Basis of Bearings)

BLM1964 N. 89° 45' 45" W. 2643.06' BLM1964

N. 00° 14' 52" E. 2643.12'

945'

371'

LITTLE BOY NO. 1

SWNWNW

Elev. 4334



BLM1964

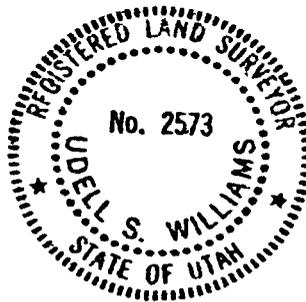
SEC. 24  
T21S R23E  
SLM



**LITTLE BOY NO. 1**

Located 945 feet FNL and 371 feet FWL in Section 24, T21S, R23E, SLM.

Grand County, Utah



**SURVEYOR'S CERTIFICATE**

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

*Udell S. Williams*  
Utah PLS No. 2573



**UDELL S. WILLIAMS**  
Professional Land Surveyor  
449 E. Scenic Dr.  
Grand Junction, CO 81503-1569

PLAT OF  
**PROPOSED LOCATION  
LITTLE BOY NO. 1**

SWNWNW SEC. 24  
T21S, R23E, SLM

SURVEYED BY: USW DATE: 10/14/2005  
DRAWN BY: USW DATE: 10/17/2005

**WORKSHEET  
APPLICATION FOR PERMIT TO DRILL**

APD RECEIVED: 11/08/2005

API NO. ASSIGNED: 43-019-31459
--------------------------------

WELL NAME: LITTLE BOY 1  
 OPERATOR: COLORADO-UTAH NATURAL ( N2765 )  
 CONTACT: DEAN CHRISTENSEN

PHONE NUMBER: 775-240-0769

PROPOSED LOCATION:

NWNW 24 210S 230E  
 SURFACE: 0660 FNL 0680 FWL  
 BOTTOM: 0660 FNL 0680 FWL  
 GRAND  
 GREATER CISCO ( 205 )

INSPECT LOCATN BY: / /		
Tech Review	Initials	Date
Engineering	<i>DCS</i>	1/10/06
Geology		
Surface		

LEASE TYPE: 3 - State  
 LEASE NUMBER: ML-48933  
 SURFACE OWNER: 3 - State  
 PROPOSED FORMATION: FRSD  
 COALBED METHANE WELL? NO

LATITUDE: 38.910637  
 LONGITUDE: -109.329144

RECEIVED AND/OR REVIEWED:

- Plat
- Bond: Fed[] Ind[] Sta[] Fee[]  
(No. 763850906 )
- Potash (Y/N)
- Oil Shale 190-5 (B) or 190-3 or 190-13
- Water Permit  
(No. MUNICIPAL )
- RDCC Review (Y/N)  
(Date: \_\_\_\_\_ )
- Fee Surf Agreement (Y/N)
- Intent to Commingle (Y/N)

LOCATION AND SITING:

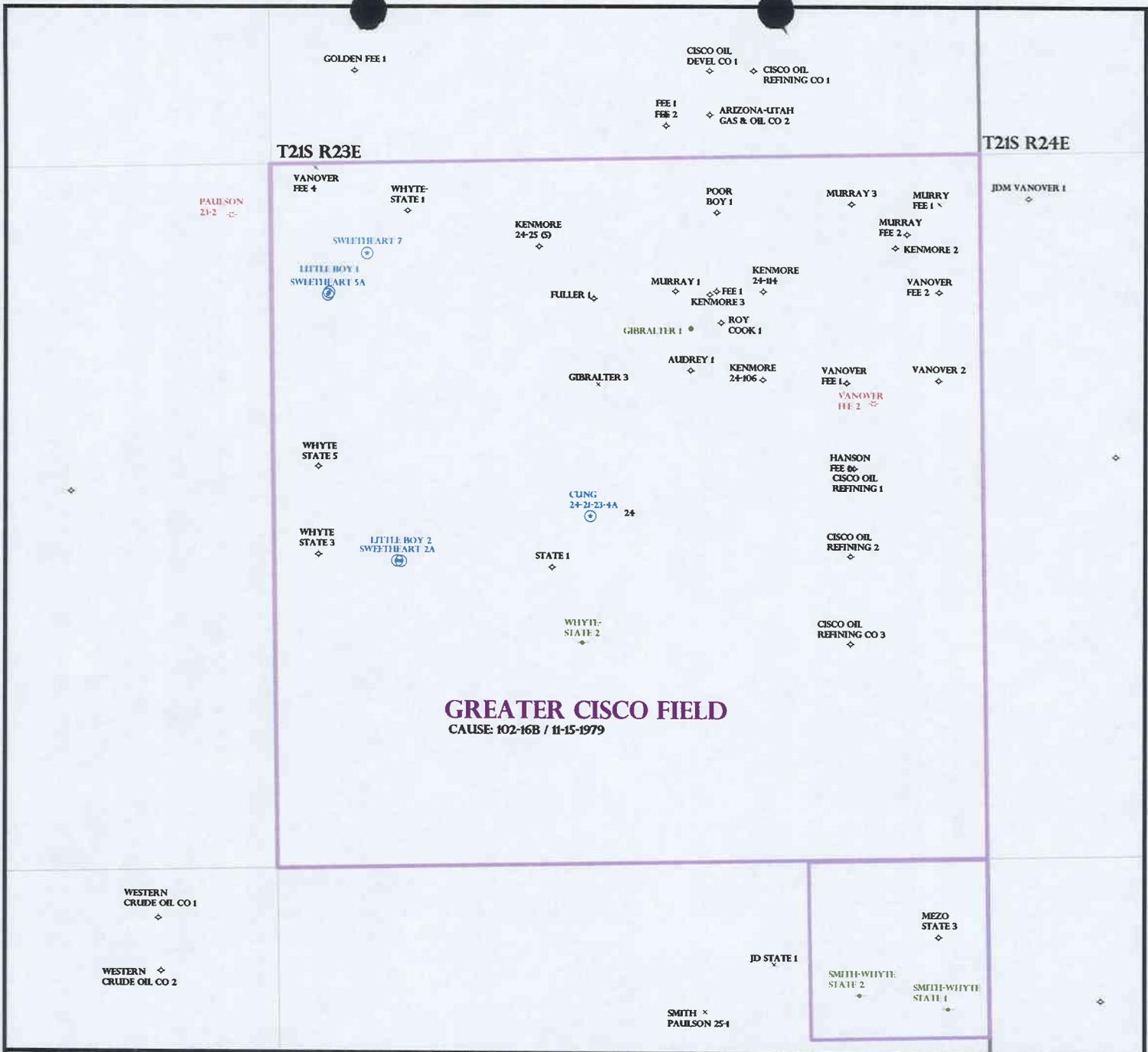
- R649-2-3.
- Unit \_\_\_\_\_
- R649-3-2. General  
Siting: 460 From Qtr/Qtr & 920' Between Wells
- R649-3-3. Exception
- Drilling Unit  
Board Cause No: \_\_\_\_\_  
Eff Date: \_\_\_\_\_  
Siting: \_\_\_\_\_
- R649-3-11. Directional Drill

COMMENTS:

*Needs Plat*

STIPULATIONS:

- 1- Spacing Strip
- 2- Surface Casing Cont Strip
- 3- Any water encountered should be isolated by casing and cement



**GREATER CISCO FIELD**  
 CAUSE: 102-16B / 11-15-1979

OPERATOR: COLORADO-UTAH (N2765)

SEC: 24 T. 21S R. 23E

FIELD: GREATER CISCO (205)

COUNTY: GRAND

CAUSE: 102-16B / 11-15-1979 *R649-3-3 Exception*

**Field Status**

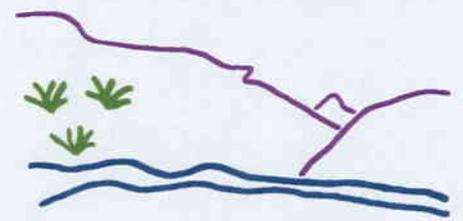
ABANDONED
ACTIVE
COMBINED
INACTIVE
PROPOSED
STORAGE
TERMINATED

**Unit Status**

EXPLORATORY GAS STORAGE
NF PP OIL
NF SECONDARY
PENDING
PI OIL
PP GAS
PP GEOTHERML
PP OIL
SECONDARY
TERMINATED

**Wells Status**

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



Utah Oil Gas and Mining



PREPARED BY: DIANA WHITNEY  
 DATE: 10-NOVEMBER-2005

# 01-06 Colorado-Utah Little E 1

## Casing Schematic

Surface

Propose TOC Surface

TOC @ 0.

BHP  
 $(0.52)(8.4)(300) = 131$   
 Anticipate 50 #

Gas  $(.12)(300) = 36$   
 MASV = 95

Surf csg - 4380  
 Tent to 120 psi min. ✓

Rotating head ✓

✓ Adequate  
 DKD  
 4/10/06

4-1/2"  
 MW 8.4  
 Frac 19.3

Surface  
 120. MD

3 1/2"  
 open hole Completion

TD 300'

Well name:	<b>01-06 Colorado-Utah Little Boy 1</b>		
Operator:	<b>Colorado-Utah Natural Gas Inc.</b>		
String type:	Production	Project ID:	43-019-31459
Location:	Grand County		

**Design parameters:**

**Collapse**

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

**Burst**

Max anticipated surface pressure: 95 psi  
 Internal gradient: 0.120 psi/ft  
 Calculated BHP: 131 psi  
  
 No backup mud specified.

**Minimum design factors:**

**Collapse:**

Design factor 1.125

**Burst:**

Design factor 1.00

**Tension:**

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

Tension is based on buoyed weight.  
 Neutral point: 261 ft

**Environment:**

H2S considered? No  
 Surface temperature: 65 °F  
 Bottom hole temperature: 69 °F  
 Temperature gradient: 1.40 °F/100ft  
 Minimum section length: 1,500 ft

Cement top: Surface

Non-directional string.

Run Seq	Segment Length (ft)	Size (in)	Nominal Weight (lbs/ft)	Grade	End Finish	True Vert Depth (ft)	Measured Depth (ft)	Drift Diameter (in)	Internal Capacity (ft³)
1	300	4.5	9.50	J-55	ST&C	300	300	3.965	5.8
Run Seq	Collapse Load (psi)	Collapse Strength (psi)	Collapse Design Factor	Burst Load (psi)	Burst Strength (psi)	Burst Design Factor	Tension Load (Kips)	Tension Strength (Kips)	Tension Design Factor
1	131	3310	25.327	131	4380	33.51	2	101	40.66 J

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

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

Date: January 9, 2006  
 Salt Lake City, Utah

Remarks:

Collapse is based on a vertical depth of 300 ft, a mud weight of 8.4 ppg. The casing is considered to be evacuated for collapse purposes. Collapse strength is based on the Westcott, Dunlop & Kemler method of biaxial correction for tension.

Burst strength is not adjusted for tension.

**From:** Ed Bonner  
**To:** Whitney, Diana  
**Date:** 1/9/2006 1:30:45 PM  
**Subject:** Well Clearance

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

Colorado-Utah Natural Gas, Inc  
Little Boy 1  
Little Boy 2

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

**CC:** Davis, Jim; Garrison, LaVonne; Hill, Brad; Hunt, Gil

48933 AMENDED REPORT   
(highlight changes)

**APPLICATION FOR PERMIT TO DRILL**

5. MINERAL LEASE NO: **ML-49833** 6. SURFACE: **UTAH**

1A. TYPE OF WORK: DRILL  REENTER  DEEPEN   
B. TYPE OF WELL: OIL  GAS  OTHER \_\_\_\_\_ SINGLE ZONE  MULTIPLE ZONE

7. IF INDIAN, ALLOTTEE OR TRIBE NAME:

2. NAME OF OPERATOR: **COLORADO-UTAH NATURAL GAS, INC.**

8. UNIT or CA AGREEMENT NAME:

9. WELL NAME and NUMBER: **LITTLE BOY # 1**

3. ADDRESS OF OPERATOR: **40 WEST 9000 SOUTH, SANDY UTAH ZIP 84070** PHONE NUMBER: **801-566-1884**

10. FIELD AND POOL, OR WILDCAT: **GREATER CISCO AREA**

4. LOCATION OF WELL (FOOTAGES)  
AT SURFACE: **680' FWL 660' FNL 644750X 38.970637**  
AT PROPOSED PRODUCING ZONE: **SAME 43146384 -109.329144**

11. QTR/QTR; SECTION; TOWNSHIP, RANGE, MERIDIAN:  
**S24 T21S, R23E, SLB&M**

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE:  
**CISCO, UTAH 84515**

12. COUNTY: **GRAND** 13. STATE: **UTAH**

15. DISTANCE TO NEAREST PROPERTY OR LEASE LINE (FEET) <b>660'</b>	16. NUMBER OF ACRES IN LEASE: <b>400</b>	17. NUMBER OF ACRES ASSIGNED TO THIS WELL: <b>40</b>
18. DISTANCE TO NEAREST WELL (DRILLING, COMPLETED, OR APPLIED FOR) ON THIS LEASE (FEET) <b>20'</b>	19. PROPOSED DEPTH: <b>300'</b>	20. BOND DESCRIPTION: <b>STATE WIDE</b>
21. ELEVATIONS (SHOW WHETHER DF, RT, GR, ETC.): <b>4336</b>	22. APPROXIMATE DATE WORK WILL START: <b>AS SOON AS APPROVED</b>	23. ESTIMATED DURATION: <b>2 DAYS</b>

**PROPOSED CASING AND CEMENTING PROGRAM**

SIZE OF HOLE	CASING SIZE, GRADE, AND WEIGHT PER FOOT	SETTING DEPTH	CEMENT TYPE, QUANTITY, YIELD, AND SLURRY WEIGHT
<b>6 3/8"</b>	<b>4 1/2" J-55</b>	<b>120'</b>	<b>CEMENTED TO SURFACE</b>
<b>3 1/2"</b>			<b>OPEN HOLE COMPLETION</b>

**ATTACHMENTS**

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

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

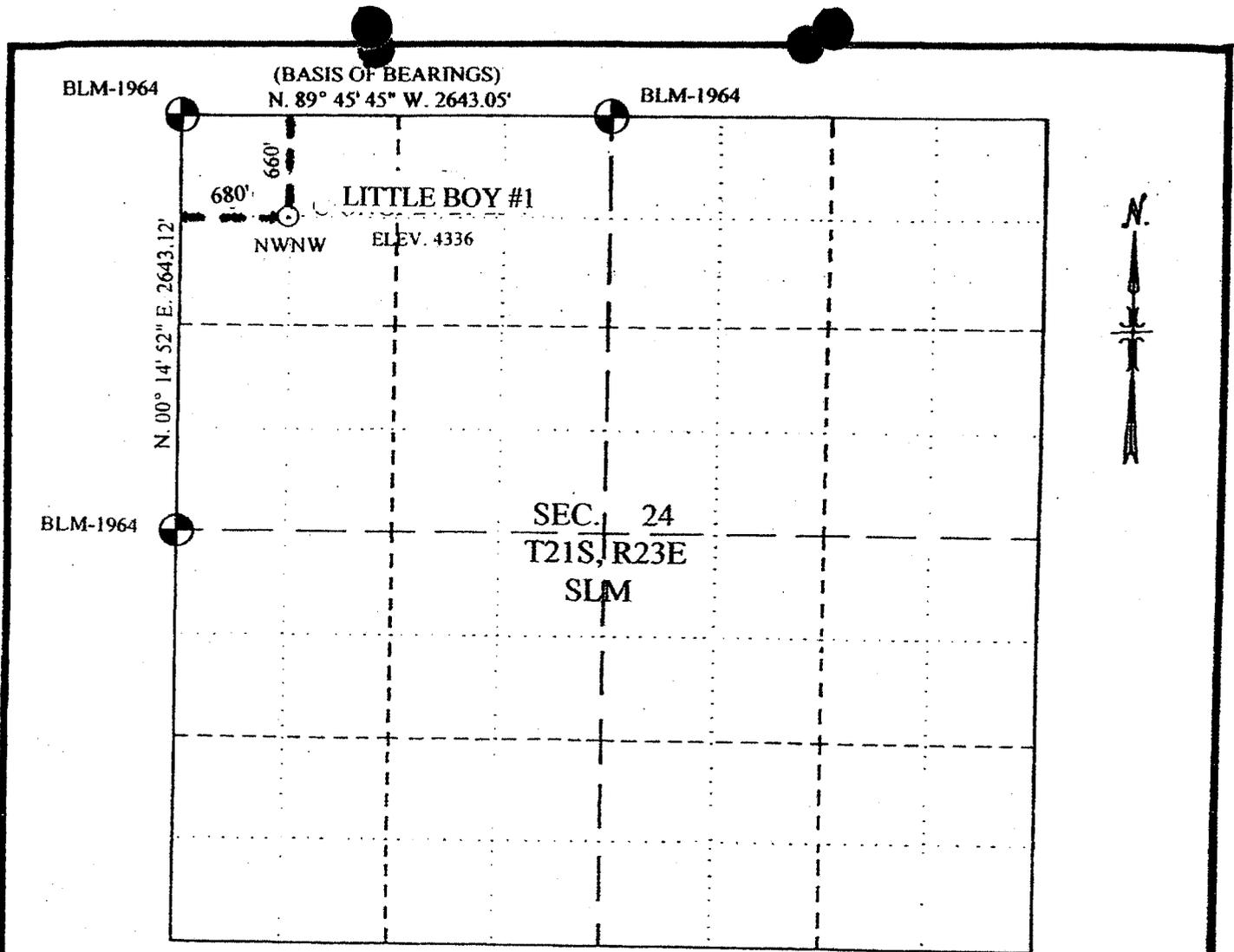
NAME (PLEASE PRINT) **DEAN H. CHRISTENSEN** TITLE **PRESIDENT**  
SIGNATURE *Dean H. Christensen* DATE **13 Jan 06**

This space for State use only)

API NUMBER ASSIGNED: **43-019-31459**

**Approved by the Utah Division of Oil, Gas and Mining**  
Date: **01-17-06**  
By: *[Signature]*

**RECEIVED**  
**JAN 13 2006**  
DIV. OF OIL, GAS & MINING

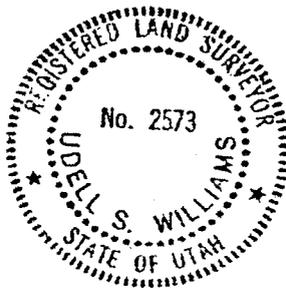


SCALE: 1" = 1000'

**LITTLE BOY #1**

Located 660 feet FNL and 660 feet FWL  
in Section 24, T21S, R23E, SLM.

Grand County, Utah



**SURVEYOR'S CERTIFICATE**

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

*Udell S. Williams*  
Utah PLS No 2573



**UDELL S. WILLIAMS**  
Professional Land Surveyor  
449 E. Scenic Dr.  
Grand Junction, CO 81503-1569

PLAT OF  
PROPOSED LOCATION  
**LITTLE BOY #1**  
NWNW SECTION 24  
T21S, R23E, SLM

SURVEYED BY: USW DATE: 10/15/2004

DRAWN BY: USW DATE: 11/23/2004

LITTLE BOY No. 1  
Exhibit "D"  
MULTI-POINT REQUIREMENTS TO APD

1. EXISTING ROADS:

A. EXHIBIT "A" IS THE PROPOSED WELL SITE AS STAKED BY UDELL WILLIAMS, A REGISTERED SURVEYOR. THE GROUND ELEVATION IS 4334 GR, SHOWN ON THE WELL PLAT.

B. EXHIBIT "E" IS THE ROUTE AND DISTANCE ROAD MAP. THE LOCATION IS ONE MILE FROM THE CISCO POST OFFICE (84515). THE ROUTE TO THE WELL IS SHOWN IN GREEN ON THE ATTACHED MAP.

C. Exhibit "f" is a copy of the Cisco Quad and shows the access road to the location.

D. All existing roads appear on the attached exhibits.

E. This is considered to be a development well.

F. All roads from Cisco to this location are in good condition and allow for heavy trucking on a regular basis. The roads to this well site were improved when the freeway was constructed is constructed with crushed asphalt that has been rolled into road base. The operator intends to install a buried low pressure plastic gathering system (300 psi - schedule 40). The wells in this project have common ownership and royalty owners.

2. PLANNED ACCESS ROADS:

The access road to this location has been built and is used for access to the 5a well. This road will be bladed and maintained as necessary.

A. The typical section of the access road will be 16' in width.

B. No grade exists or will be more than 2-4%

C. No turn-out will be necessary.

D. No culverts are necessary or will be required.

E. No fill or other surface materials will be necessary.

F. No gates or cattle guards are required.

G. The proposed access route will be flagged

H. A rights of way for this location are granted via the Warranty Deed issued by the Federal Government via the exchange of acreage.

3. LOCATION OF EXISTING WELLS:

All existing wells within a one-mile radius of this development well are shown on exhibit "F".

A. There are no water wells.

B. Numerous abandoned wells exist and are located on Exhibit "F".

C. No temporarily abandoned wells exist.

D. There are no disposal wells

E. Another well is being proposed 400' to the east.

- F. Existing wells and proposed locations are on Exhibit "F".
- G. Shut-in locations are shown on Exhibit "F".
- H. There are no injection wells at this time.
- I. No monitoring or observation wells exist..

4. LOCATION OF EXISTING AND/OR PROPOSED FACILITIES:

- A. Within one-mile radius of this location are existing facilities owned and controlled by the lessee/operator as shown on Exhibit "F". The facilities consist of currently operated wells with their surface equipment and access roads.
- B. The Cisco Gathering System, a 3 ½" installed pipeline, owned by the operator, with a terminus into the Northwest Pipeline.
- C. Exhibit "I" shows the anticipated production facilities.
- D. The dimensions of the production facilities Are shown on Exhibit "I" and is drawn to a scale of 1" to 50'.
- E. No outside construction material will be needed except for gravel to be placed under the Pump-jack and other production equipment, including storage tanks.
- F. A water disposal pit will be constructed on each site and will be flagged.
- G. A buried schedule 40 - 300 psi plastic gathering system will gather the low pressure wells in this project. The low pressure gas will be compressed at a central point and then gathered into the existing Cisco Gathering System.

5. LOCATION AND TYPE OF WATER SUPPLY:

Water and Salt Brine will be hauled from Moab or Thompson for use on this location. No water well or other source of water is planned.

6. SOURCE OF CONSTRUCTION MATERIALS:

Any and all construction materials (gravel) necessary will be purchased and transported from Green River, Utah,

7. METHODS FOR HANDLING WASTE DISPOSAL:

- A. Drill cuttings will be buried in the reserve pit.
- B. Drilling fluids will be contained in steel mud pits and/or the reserve pit. These fluids, if reusable, will be transported to the next drilling location. Eventually any remaining fluids will be disposed of in an approved disposal site in Green River, Utah.
- C. Any hydrocarbon liquids produced while drilling or initial production testing will be collected in a tank and sold. Any spill or other adverse substances will be removed from the site upon the completion of the drilling operations and transported to an approved disposal facility in either Moab or Green River, Utah,

D. A commercial "Chemical outhouse facility" will be rented and installed on the site and utilized to receive human waste.

E. Garbage and other trash will be collected in a trash container and hauled to the nearest designated landfill either in Moab or Green River, Utah.

F. The entire site will be cleaned up and restored to a smooth contour when the rig moves off location. Only that part of the location required for production will be used. An appropriate seed mixture native to the site will be planted on the disturbed unused portions of the site during the fall months to insure maximum available moisture.

#### 8. ANCILLARY FACILITIES:

No airstrips, camps, or other living facilities will be built for this location.

#### 9. WELL SITE LAYOUT:

A. Exhibit "G" is the Drill pad layout. Any topsoil moved will be stockpiled and reused upon the completion of this project.

B. The mud tanks, reserve pit, trash cage, pipe racks and any stored soil, rig set up, parking facilities and access roads are all shown on Exhibit "H".

C. The reserve pits will not be lined. Steel mud tanks will be used and are shown on Exhibit "H". If water is produced during production a disposal study will be completed.

#### 10. PLANS FOR RESTORATION:

A. Back filling, leveling, and re-contouring will be accomplished as soon as possible after the completion of drilling, completion and testing operations. If the well is plugged, an appropriate plugging program will be submitted for approval. If the well is a commercial well, the production facilities, to include the installation of underground piping to the central tank battery will be completed and the unused and/or other disturbed areas will be replanted and leveled.

B. Rehabilitation of the surface will be accomplished by re-contouring as practical back to blend with the original contours. Any stockpiled top soils will be spread along with ripping of the pad. Re-vegetation will be accomplished with native grasses or other seeds designated by the appropriate surface control agency (State of Utah or BLM).

C. Three sides of the reserve pit will be fenced prior to drilling operations. Upon the rig being released, the reserve pit will be fenced on all sides and will remain until abandonment of the site at which time it will be re-contoured and filled.

D. Any spills will be immediately reported and cleaned up.

E. Rehabilitation operations will commence as soon as possible and practical after the rigs have been moved off of the location. Seeding will be completed during the fall period to insure the best growth potential.

11. OTHER INFORMATION:

A. As indicated on Exhibit "F", the topography of the location has very little relief. The location is a gentle sloping area which will necessitate very little construction. This location is located in the middle of an operating Oil Field. and is surrounded by numerous operating wells.

B. The soil is light gray typical of Mancos.

C. The vegetation in the immediate area surrounding this location is Gardner Salt Bush, Shadscale, greasewood, cheatgrass, and prickly pear catus. None of these species is endangered or of any economic value other than for soil stabilization, which is not a factor, as the area is almost level with little or no soil erosion.

D. The fauna of the area consists of stray cattle, an occasionally lost sheep, antelope, rabbits, lizards, snakes, ravens, kit foxes and coyotes.

E. The surface is owned by the State of Utah

F. The nearest live water is found in the wash area approximately 1/2/ to one mile to the west in the area known as Cisco Wash.

G. The nearest occupied dwelling is owned by a principal of Colorado-Utah Natural Gas, Inc., and has been owned for approximately twenty (20) plus years. This facility will be occupied during the drilling operations for sleeping, cooking, etc.

H. There is no known visible archeological, historical or cultural site withing a reasonable proximity to the drilling location.

I. There are no restrictions noted on the Oil and Gas Lease.

12. Lessee's or operators representatives:

**Tariq Ahmad**  
137 Vassar, #5  
Reno, Nv 81502  
775-240-0769  
775-333-6626

**Dean H. Christensen**  
4880 So Three Fountains Dr., Unit 139  
Murray, Ut 84107  
801-554-2021  
801-262-1420

**Terry R. Spencer, ESQ**  
801-244-7778  
801-566-1884

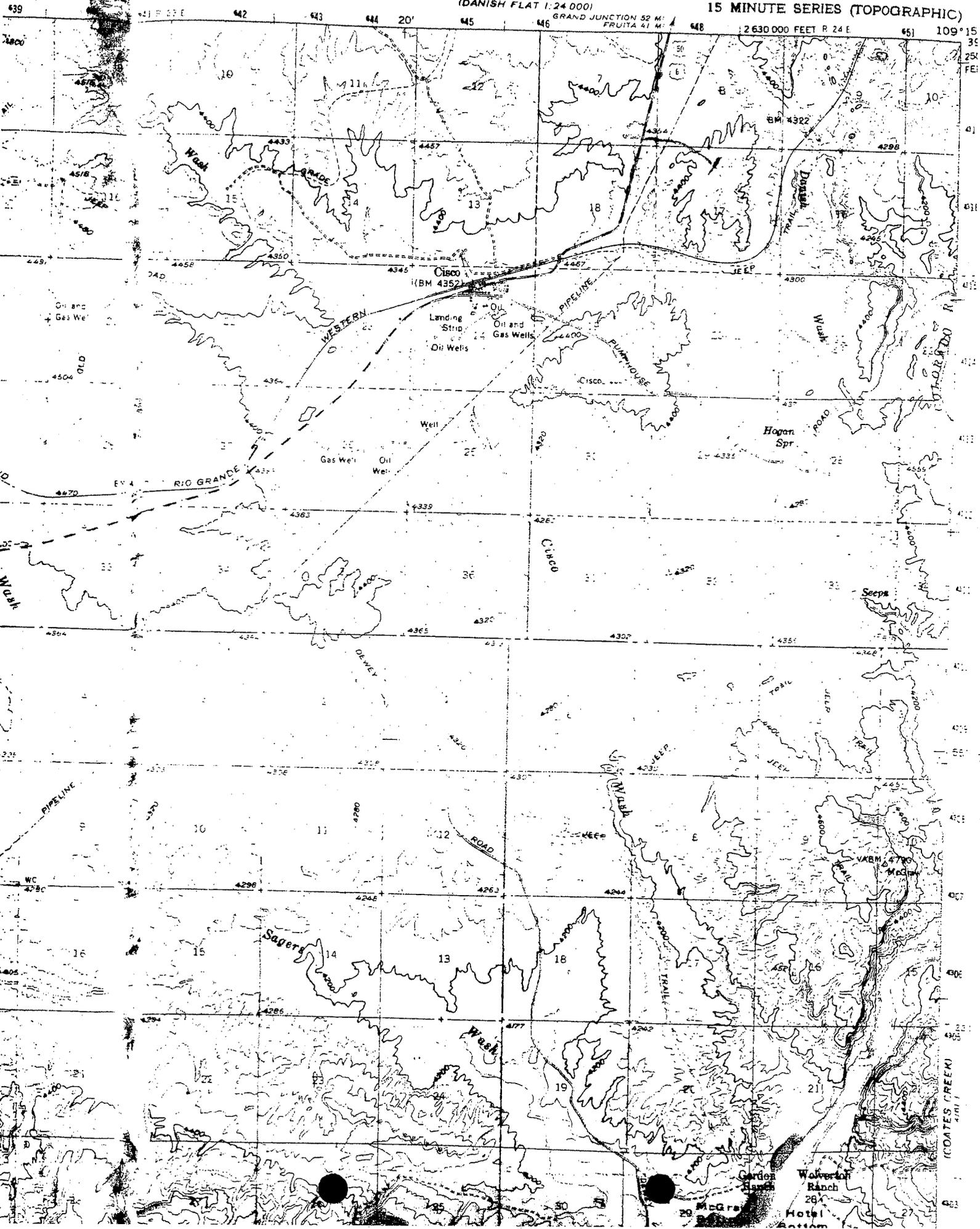
13. CERTIFICATION:

I hereby certify that I, or persons under my direct supervision, have inspected the proposed drillsite and access route; that I am familiar with the conditions which presently 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 my contractors and subcontractors in conformity with this plan and terms and conditions under which it is approved.

13 Jan 06  
DATE

  
DEAN H. CHRISTENSEN  
PRESIDENT

4162 III SE (DANISH FLAT 1:24 000) GRAND JUNCTION 52 M FRUITA 41 M



Map grid coordinates: 439, 440, 441, 442, 443, 444, 445, 446, 447, 448, 449, 450, 451, 452, 453, 454, 455, 456, 457, 458, 459, 460, 461, 462, 463, 464, 465, 466, 467, 468, 469, 470, 471, 472, 473, 474, 475, 476, 477, 478, 479, 480, 481, 482, 483, 484, 485, 486, 487, 488, 489, 490, 491, 492, 493, 494, 495, 496, 497, 498, 499, 500, 501, 502, 503, 504, 505, 506, 507, 508, 509, 510, 511, 512, 513, 514, 515, 516, 517, 518, 519, 520, 521, 522, 523, 524, 525, 526, 527, 528, 529, 530, 531, 532, 533, 534, 535, 536, 537, 538, 539, 540, 541, 542, 543, 544, 545, 546, 547, 548, 549, 550, 551, 552, 553, 554, 555, 556, 557, 558, 559, 560, 561, 562, 563, 564, 565, 566, 567, 568, 569, 570, 571, 572, 573, 574, 575, 576, 577, 578, 579, 580, 581, 582, 583, 584, 585, 586, 587, 588, 589, 590, 591, 592, 593, 594, 595, 596, 597, 598, 599, 600, 601, 602, 603, 604, 605, 606, 607, 608, 609, 610, 611, 612, 613, 614, 615, 616, 617, 618, 619, 620, 621, 622, 623, 624, 625, 626, 627, 628, 629, 630, 631, 632, 633, 634, 635, 636, 637, 638, 639, 640, 641, 642, 643, 644, 645, 646, 647, 648, 649, 650, 651, 652, 653, 654, 655, 656, 657, 658, 659, 660, 661, 662, 663, 664, 665, 666, 667, 668, 669, 670, 671, 672, 673, 674, 675, 676, 677, 678, 679, 680, 681, 682, 683, 684, 685, 686, 687, 688, 689, 690, 691, 692, 693, 694, 695, 696, 697, 698, 699, 700, 701, 702, 703, 704, 705, 706, 707, 708, 709, 710, 711, 712, 713, 714, 715, 716, 717, 718, 719, 720, 721, 722, 723, 724, 725, 726, 727, 728, 729, 730, 731, 732, 733, 734, 735, 736, 737, 738, 739, 740, 741, 742, 743, 744, 745, 746, 747, 748, 749, 750, 751, 752, 753, 754, 755, 756, 757, 758, 759, 760, 761, 762, 763, 764, 765, 766, 767, 768, 769, 770, 771, 772, 773, 774, 775, 776, 777, 778, 779, 780, 781, 782, 783, 784, 785, 786, 787, 788, 789, 790, 791, 792, 793, 794, 795, 796, 797, 798, 799, 800, 801, 802, 803, 804, 805, 806, 807, 808, 809, 810, 811, 812, 813, 814, 815, 816, 817, 818, 819, 820, 821, 822, 823, 824, 825, 826, 827, 828, 829, 830, 831, 832, 833, 834, 835, 836, 837, 838, 839, 840, 841, 842, 843, 844, 845, 846, 847, 848, 849, 850, 851, 852, 853, 854, 855, 856, 857, 858, 859, 860, 861, 862, 863, 864, 865, 866, 867, 868, 869, 870, 871, 872, 873, 874, 875, 876, 877, 878, 879, 880, 881, 882, 883, 884, 885, 886, 887, 888, 889, 890, 891, 892, 893, 894, 895, 896, 897, 898, 899, 900, 901, 902, 903, 904, 905, 906, 907, 908, 909, 910, 911, 912, 913, 914, 915, 916, 917, 918, 919, 920, 921, 922, 923, 924, 925, 926, 927, 928, 929, 930, 931, 932, 933, 934, 935, 936, 937, 938, 939, 940, 941, 942, 943, 944, 945, 946, 947, 948, 949, 950, 951, 952, 953, 954, 955, 956, 957, 958, 959, 960, 961, 962, 963, 964, 965, 966, 967, 968, 969, 970, 971, 972, 973, 974, 975, 976, 977, 978, 979, 980, 981, 982, 983, 984, 985, 986, 987, 988, 989, 990, 991, 992, 993, 994, 995, 996, 997, 998, 999, 1000

(COATES CREEK) 4 mi

## WELLS ON PLAT

WELL NAME	API NUMBER	T21S, R23E LOCATION
1. CISCO OIL REFINING #1 PLUGGED AND ABANDONED	43-019-11529	SEC 13 660 FSL 1650 FEL
2. GOLDEN FEE #1 PLUGGED AND ABANDONED	43-019-10363	SEC 13 660 FSL 660 FWL
3. FEE #2 PLUGGED AND ABANDONED	43-019-11528	SEC 13 250 FSL 2310 FEL
4. CISCO OIL DEVL. #1 PLUGGED AND ABANDONED	43-019-11527	SEC 13 660 FSL 1980 FEL
5. ARIZONA-UTAH GAS & OIL #2 PLUGGED AND ABANDONED	43-019-11526	SEC 13 330 FSL 1980 FEL
6. FEE #1 PLUGGED AND ABANDONED	43-019-11214	SEC 13 330 FSL 2310 FEL
7. PAULSON 23-2 SHUTIN GAS WELL	43-019-30261	SEC 23 330 FNL 330 FEL
8. GOV'T STRAT 1 PLUGGED AND ABANDONED	43-019-11549	SEC 23 2410 FNL 1520 FEL
9. VANOVER #2 PLUGGED AND ABANDONED	43-019-30247	SEC 24 1650 FNL 330 FEL
10. WHYTE STATE #3 PLUGGED AND ABANDONED	43-019-30015	SEC 24 2310 FSL 330 FWL
11. VANOVER FEE #1 PLUGGED AND ABANDONED	43-019-30012	SEC 24 1670 FNL 1020 FEL
12. CISCO OIL REFINING #3 PLUGGED AND ABANDONED	43-019-20385	SEC 24 1650 FSL 990 FEL
13. KENMORE 24-114 PLUGGED AND ABANDONED	43-019-20383	SEC 24 990 FNL 1650 FEL
14. KENMORE 24-15 PLUGGED AND ABANDONED	43-019-20381	SEC 24 660 FNL 1980 FWL
15. HANSON FEE #1 PLUGGED AND ABANDONED	43-019-20287	SEC 24 2310 FNL 965 FEL
16. WHYTE STATE #5 PLUGGED AND ABANDONED	43-019-16264	SEC 24 2310 FNL 329 FWL
17. MURRAY FEE #2 PLUGGED AND ABANDONED	43-019-16262	SEC 24 558 FNL 573 FEL
18. KENMORE #3 PLUGGED AND ABANDONED	43-019-16261	SEC 24 1015 FNL 2050 FEL
19. AUDREY #1 PLUGGED AND ABANDONED	43-019-15109	SEC 24 1580 FNL 2190 FEL
20. ROY COOK #1 PLUGGED AND ABANDONED	43-019-15005	SEC 24 1228 FNL 1965 FEL
21. POOR BOY #1 PLUGGED AND ABANDONED	43-019-15004	SEC 24 400 FNL 2000 FEL

PAGE 2  
 PLATTED WELLS

WELL NAME	API NUMBER	T21S, R23E LOCATION
22. MURRAY #3 PLUGGED AND ABANDONED	43-019-15003	SEC 24 330 FNL 990 FEL
23. FULLER #1 PLUGGED AND ABANDONED	43-019-15001	SEC 24 1045 FNL 2390 FWL
24. CISCO OIL REFINING #2 PLUGGED AND ABANDONED	43-019-11536	SEC 24 2310 FSL 990 FEL
25. CISCO OIL REFINING #1 PLUGGED ABANDONED	43-019-11535	SEC 24 2310 FNL 990 FEL
26. KENMORE 24-106 PLUGGED AND ABANDONED	43-019-11534	SEC 24 1650 FNL 1650 FEL
27. FEE 1 PLUGGED AND ABANDONED	43-019-11533	SEC 24 990 FNL 2000 FEL
28. VANOVER FEE #2 PLUGGED AND ABANDONED	43-019-11417	SEC 24 990 FNL 330 FEL
29. WHYTE-STATE #1 PLUGGED AND ABANDONED	43-019-11443	SEC 24 395 FNL 993 FWL
30. KENMORE #2 PLUGGED AND ABANDONED	43-019-10384	SEC 24 660 FNL 660 FEL

PRODUCING WELLS PLATTED

31. VANOVER FEE #2 PRODUCING GAS WELL	43-019-31105	SEC 24 1820 FNL 820 FEL
32. WHYTE STATE #2 SHUTIN OIL WELL	43-109-16263	SEC 24 1650 FSL 2310 FWL
33. GIBRALTER #1 PRODUCING OIL WELL	43-019-31033	SEC 24 1274 FNL 2192 FEL

PRODUCING WELLS NOT PLATTED

34. PETRO-X 23-1 SHUT IN GAS WELL	43-019-30558	SEC 23 330 FNL 2310 FWL
35. NUGGETT 14-4 SHUT IN OIL WELL	43-019-30423	SEC 14 990 FSL 2241 FEL

PLUGGED AND ABANDONED WELLS NOT PLATTED

36. PAULSON STATE 23-3 PA	43-019-30381	SEC 23 1020 FSL 1120 FWL
37. SARGEANT-GOV'T 1	43-019-10666	SEC 13

643

20'

645

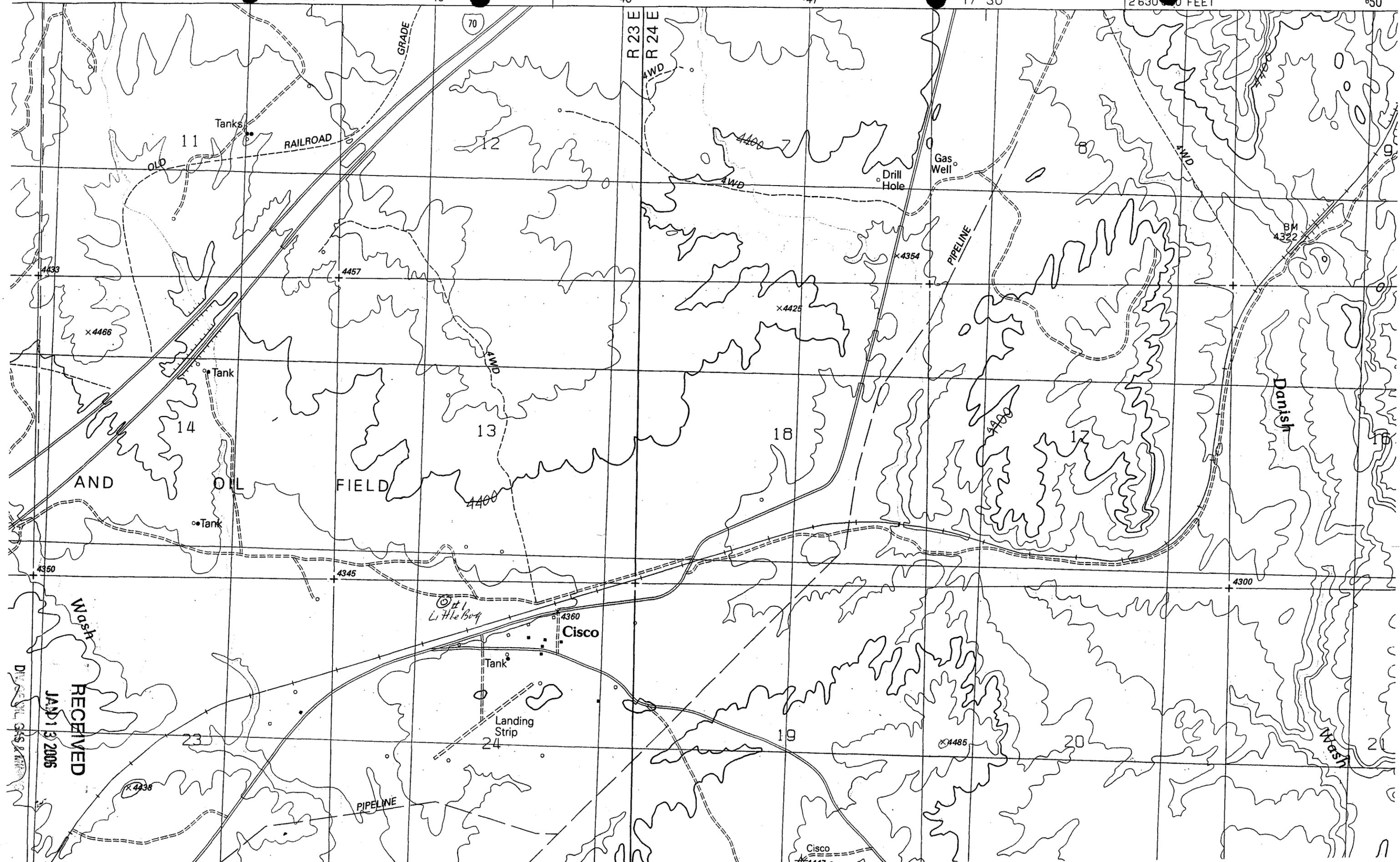
646

647

17' 30"

2630 FEET

650



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 JAN 13 2006  
 DIVISION OF GIS



**State of Utah**

**Department of  
Natural Resources**

MICHAEL R. STYLER  
*Executive Director*

**Division of  
Oil, Gas & Mining**

JOHN R. BAZA  
*Division Director*

JON M. HUNTSMAN, JR.  
*Governor*

GARY R. HERBERT  
*Lieutenant Governor*

January 17, 2006

Colorado-Utah Natural Gas, Inc.  
40 West 9000 South  
Sandy, UT 84070

Re: Little Boy 1 Well, 660' FNL, 680' FWL, NW NW, Sec. 24, T. 21 South,  
R. 23 East, Grand County, Utah

Gentlemen:

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

This approval shall expire one year from the above date unless substantial and continuous operation is underway, or a request for extension is made prior to the expiration date. The API identification number assigned to this well is 43-019-31459.

Sincerely,

Gil Hunt  
Associate Director

pab  
Enclosures

cc: Grand County Assessor  
SITLA

**Operator:** Colorado-Utah Natural Gas, Inc.  
**Well Name & Number** Little Boy 1  
**API Number:** 43-019-31459  
**Lease:** ML-48933

**Location:** NW NW                      **Sec.** 24                      **T.** 21 South                      **R.** 23 East

### **Conditions of Approval**

1. **General**

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

2. **Notification Requirements**

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

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

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

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

3. **Reporting Requirements**

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

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

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

6. Surface casing shall be cemented to the surface.

7. Any water encountered should be isolated by casing and cement.

8. 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.



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

FORM 6

ENTITY ACTION FORM

Operator: Colorado Utah Natural Gas  
Address: 140 West 9000 South #9  
Sandy UT 84107

Operator Account Number: N 2765

Phone Number: 801 554 2021

Well 1

API Number	Well Name	QQ	Sec	Twp	Rng	County
43-019-31457	Little Boy 1	NW1/4	24	21S	23E	Grand
Action Code	Current Entity Number	New Entity Number	Spud Date		Entity Assignment Effective Date	
A	99999	15247	1/17/2006		3/23/06	
Comments: <u>FRSD</u> <span style="float: right;">- K</span>						

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:						

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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)

DIV. OF OIL, GAS & MINING

TARLA AHMED  
Name (Please Print)  
[Signature]  
Signature  
Petroleum Eng. 3/22/06  
Title Date

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

**ORIGINAL**

AMENDED REPORT  FORM 8  
(highlight changes)

**WELL COMPLETION OR RECOMPLETION REPORT AND LOG**

5. LEASE DESIGNATION AND SERIAL NUMBER:  
**ML 48933**

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

7. UNIT or CA AGREEMENT NAME

8. WELL NAME and NUMBER:  
**LITTLE BOY 1**

9. API NUMBER:  
**43 019 31459**

10. FIELD AND POOL, OR WILDCAT  
**CISCO**

11. QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN:  
**NWNW 24 21S 23E**

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:  
**COLORADO UTAH NATURAL GAS, INC.**

3. ADDRESS OF OPERATOR: **140 W 9000 S #9** CITY **SANDY** STATE **UT** ZIP **84070** PHONE NUMBER: **(801) 566-1884**

4. LOCATION OF WELL (FOOTAGES)  
AT SURFACE: **660 FNL 680 FWL**  
AT TOP PRODUCING INTERVAL REPORTED BELOW: **SAME**  
AT TOTAL DEPTH: **SAME**

14. DATE SPUDDED: **1/17/2006** 15. DATE T.D. REACHED: **1/19/2006** 16. DATE COMPLETED: **1/19/2006** ABANDONED  READY TO PRODUCE  17. ELEVATIONS (DF, RKB, RT, GL): **4336 GL**

18. TOTAL DEPTH: MD **305** TVD **305** 19. PLUG BACK T.D.: MD **305** TVD **305** 20. IF MULTIPLE COMPLETIONS, HOW MANY? \* 21. DEPTH BRIDGE MD PLUG SET: TVD

22. TYPE ELECTRIC AND OTHER MECHANICAL LOGS RUN (Submit copy of each)  
**NONE.**

23. WAS WELL CORED? NO  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
6 1/4	4 1/2 J55	9.5	0	120		G 50	10	SURF	
3 1/2	OH		120	305					

25. TUBING RECORD

SIZE	DEPTH SET (MD)	PACKER SET (MD)	SIZE	DEPTH SET (MD)	PACKER SET (MD)	SIZE	DEPTH SET (MD)	PACKER SET (MD)

26. PRODUCING INTERVALS

FORMATION NAME	TOP (MD)	BOTTOM (MD)	TOP (TVD)	BOTTOM (TVD)	INTERVAL (Top/Bot - MD)	SIZE	NO. HOLES	PERFORATION STATUS
(A) FERRON SAND	299	305	299	305				Open <input checked="" type="checkbox"/> Squeezed <input type="checkbox"/>
(B)								Open <input type="checkbox"/> Squeezed <input type="checkbox"/>
(C)								Open <input type="checkbox"/> Squeezed <input type="checkbox"/>
(D)								Open <input type="checkbox"/> Squeezed <input type="checkbox"/>

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

DEPTH INTERVAL	AMOUNT AND TYPE OF MATERIAL
NO TREATMENT	

29. ENCLOSED ATTACHMENTS:

ELECTRICAL/MECHANICAL LOGS  GEOLOGIC REPORT  DST REPORT  DIRECTIONAL SURVEY

SUNDRY NOTICE FOR PLUGGING AND CEMENT VERIFICATION  CORE ANALYSIS  OTHER: *Drilling Report*

30. WELL STATUS:  
**WOPL**

**RECEIVED**  
**MAR 20 2006**

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:
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 B (As shown in Item #26)

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

INTERVAL C (As shown in Item #26)

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

INTERVAL D (As shown in Item #26)

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

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

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.

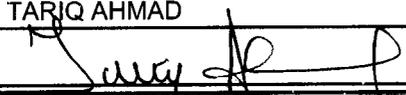
34. FORMATION (Log) MARKERS:

Formation	Top (MD)	Bottom (MD)	Descriptions, Contents, etc.	Name	Top (Measured Depth)
DAKOTA SILT	299	305	FINE GRAINED SAND. FLOWED TO SURFACE 20 PSI SITP WILL NEED LOW PRESSURE SYSTEM TO PRODUCE		

35. ADDITIONAL REMARKS (Include plugging procedure)

WELL IS AWAITING PIPELINE CONNECTION

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

NAME (PLEASE PRINT) TARIQ AHMAD TITLE PETROLEUM ENGINEER  
 SIGNATURE  DATE 3/16/06

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)).

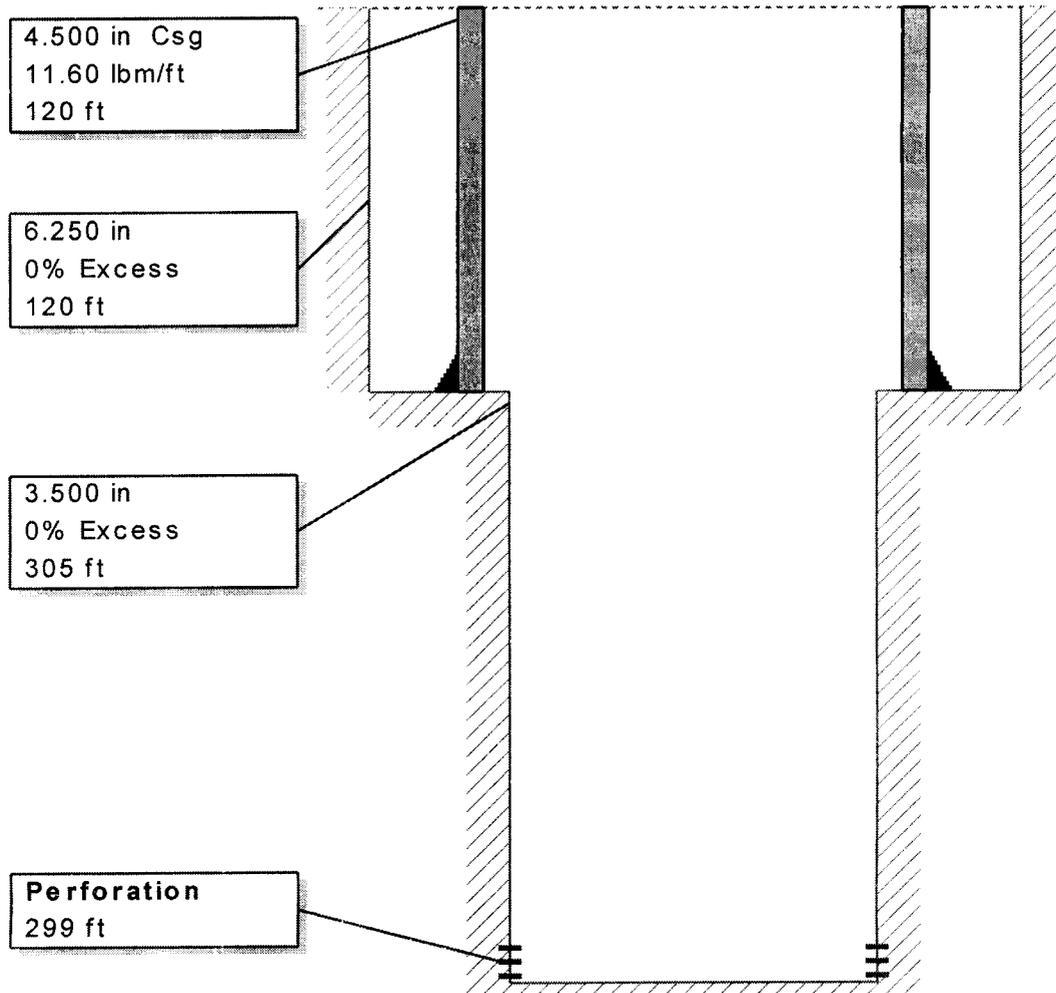
Send to: Utah Division of Oil, Gas and Mining Phone: 801-538-5340  
 1594 West North Temple, Suite 1210  
 Box 145801 Fax: 801-359-3940  
 Salt Lake City, Utah 84114-5801

DAILY DRILLING REPORT

LITTLE BOY NO. 1  
API 43-019-31459  
SECTION 24 21S 23E  
GRAND COUNTY, UTAH

- 1/17/06        SPUD WELL. DRILL SURFACE HOLE TOTAL DEPTH 120 FEET.  
DRILLED THROUGH MANCOS SHALE. DRILL WITH 6 1/2 DRILL  
BIT WITH AIR.
- 1/18/06        RIH WITH 4 ½ J-55 CASING SET AT 120 FEET. CEMENT WITH  
CLASS G CEMENT TO SURFACE.
- 1/19/06        DRILLED THROUGH MANCOS SHALE. HIT DRILLING BREAK  
AT 299 FEET, GAS TO SURFACE. 5 FOOT FLARE WHILE  
DRILLING THROUGH SAND. FINE GRAINED CLEAN SAND LOW  
PRESSURE. DRILLED WITH AIR.
- 1/20/06        RIG DOWN MOVE OFF LOCATION.

Little Boy 1  
Colorado Utah Natural Gas, Inc  
Open Hole Completion  
Gas Well  
Ferron Gas Well  
KB 4334  
open hole completion Ferron Sand 299 -305 feet



i- Handbook\* - \*a mark of Schlumberger

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

AMENDED REPORT  FORM 8  
(highlight changes)

**WELL COMPLETION OR RECOMPLETION REPORT AND LOG**

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

b. TYPE OF WORK: NEW WELL  HORIZ. LATS.  DEEP-EN  RE-ENTRY  DIFF. RESVR.  OTHER \_\_\_\_\_

2. NAME OF OPERATOR: Pacific Energy and Mining Company

3. ADDRESS OF OPERATOR: 137 Vassar #5, Reno, NV 89502 PHONE NUMBER: 775-240-0669

4. LOCATION OF WELL (FOOTAGES)  
AT SURFACE: 660' FNL 680 FWL  
AT TOP PRODUCING INTERVAL REPORTED BELOW:  
AT TOTAL DEPTH: SAME

5. LEASE DESIGNATION AND SERIAL NUMBER: ML-48933

6. IF INDIAN, ALLOTTEE OR TRIBE NAME: \_\_\_\_\_

7. UNIT or CA AGREEMENT NAME: \_\_\_\_\_

8. WELL NAME and NUMBER: Little Boy #1

9. API NUMBER: 43-019-31459

10. FIELD AND POOL, OR WILDCAT: Greater Cisco

11. QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NW/4 Sec 24, T21S R23E

12. COUNTY: Grand 13. STATE: UTAH

14. DATE SPUDDED: 1-17-06 15. DATE T.D. REACHED: 1-18-06 16. DATE COMPLETED: 1-18-06 ABANDONED  READY TO PRODUCE

17. ELEVATIONS (DF, RKB, RT, GL): 4334

18. TOTAL DEPTH: MD 305' TVD 19. PLUG BACK T.D.: MD NO TVD 20. IF MULTIPLE COMPLETIONS, HOW MANY? NO 21. DEPTH BRIDGE MD PLUG SET: NO TVD

22. TYPE ELECTRIC AND OTHER MECHANICAL LOGS RUN (Submit copy of each): NONE - See Log Sweetheart 7

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
7"	4 1/2	9.5	120' to Surface					Top of Cas	None
			Cement Used @ Surface						

25. TUBING RECORD

SIZE	DEPTH SET (MD)	PACKER SET (MD)	SIZE	DEPTH SET (MD)	PACKER SET (MD)	SIZE	DEPTH SET (MD)	PACKER SET (MD)
NONE	NONE	NONE	NONE	NONE	NONE			

26. PRODUCING INTERVALS

FORMATION NAME	TOP (MD)	BOTTOM (MD)	TOP (TVD)	BOTTOM (TVD)	INTERVAL (Top/Bot - MD)	SIZE	NO. HOLES	PERFORATION STATUS
(A) Carbonaceous Tuff	299	305			None open hole			Open <input type="checkbox"/> Squeezed <input type="checkbox"/>
(B)								Open <input type="checkbox"/> Squeezed <input type="checkbox"/>
(C)								Open <input type="checkbox"/> Squeezed <input type="checkbox"/>
(D)								Open <input type="checkbox"/> Squeezed <input type="checkbox"/>

27. PERFORATION RECORD

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

DEPTH INTERVAL	AMOUNT AND TYPE OF MATERIAL
None	None

RECEIVED  
JUN 26 2007

DIV. OF OIL, GAS & MINING

9. ENCLOSED ATTACHMENTS:

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

30. WELL STATUS:

**31. INITIAL PRODUCTION**

**INTERVAL A (As shown in Item #26)**

DATE FIRST PRODUCED: <i>1-20-06</i>		TEST DATE: <i>1-20-06</i>		HOURS TESTED: <i>24</i>		TEST PRODUCTION RATES: →	OIL - BBL: —	GAS - MCF: <i>15</i>	WATER - BBL: —	PROD. METHOD: <i>open hole</i>
CHOKE SIZE: <i>2"</i>	TBG. PRESS. <i>7psi</i>	CSG. PRESS. <i>25 SI</i>	API GRAVITY —	BTU - GAS <i>990</i>	GAS/OIL RATIO —	24 HR PRODUCTION RATES: →	OIL - BBL: —	GAS - MCF: <i>15</i>	WATER - BBL: —	INTERVAL STATUS: —

**INTERVAL B (As shown in Item #26)**

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

**INTERVAL C (As shown in Item #26)**

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

**INTERVAL D (As shown in Item #26)**

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

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

*To Be Sold*

**33. SUMMARY OF POROUS ZONES (Include Aquifers):**

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

**34. FORMATION (Log) MARKERS:**

Formation	Top (MD)	Bottom (MD)	Descriptions, Contents, etc.	Name	Top (Measured Depth)

**35. ADDITIONAL REMARKS (Include plugging procedure)**

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

NAME (PLEASE PRINT) *DEAN H. CHRISTENSEN* TITLE *Registered agent*  
 SIGNATURE *Dean Christensen* DATE *6-21-07*

This report must be submitted within 30 days of

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

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

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

Send to: Utah Division of Oil, Gas and Mining Phone: 801-538-5340  
 1594 West North Temple, Suite 1210  
 Box 145801 Fax: 801-359-3940  
 Salt Lake City, Utah 84114-5801

**Division of Oil, Gas and Mining**  
**OPERATOR CHANGE WORKSHEET**

**ROUTING**

1. DKD

2. CDW

**X - Change of Operator (Well Sold)**

Operator Name Change/Merger

The operator of the well(s) listed below has changed, effective:

**2/26/2007**

<b>FROM:</b> (Old Operator): N2765-Colorado-Utah Natural Gas Inc 9000 S, Suite Sandy, UT 84070 Phone: 1 (801) 554-2021	<b>TO:</b> ( New Operator): N7655-Pacific Energy & Mining 137 Vassar St, Suite 5 Reno, NV 89502 Phone: 1 (775) 852-7444
--	---

**CA No.**

**Unit:**

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

**OPERATOR CHANGES DOCUMENTATION**

Enter date after each listed item is completed

- (R649-8-10) Sundry or legal documentation was received from the **FORMER** operator on: 3/9/2007
- (R649-8-10) Sundry or legal documentation was received from the **NEW** operator on: 3/9/2007
- The new company was checked on the **Department of Commerce, Division of Corporations Database** on: 3/12/2007
- Is the new operator registered in the State of Utah: \_\_\_\_\_ Business Number: 5977241-0143
- If **NO**, the operator was contacted on: \_\_\_\_\_
- (R649-9-2)Waste Management Plan has been received on: IN PLACE
- Inspections of LA PA state/fee well sites complete on: n/a
- Reports current for Production/Disposition & Sundries on: ok
- Federal and Indian Lease Wells:** The BLM and or the BIA has approved the merger, name change, or operator change for all wells listed on Federal or Indian leases on: BLM BIA
- Federal and Indian Units:**  
The BLM or BIA has approved the successor of unit operator for wells listed on: \_\_\_\_\_
- Federal and Indian Communization Agreements ("CA"):**  
The BLM or BIA has approved the operator for all wells listed within a CA on: \_\_\_\_\_
- 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: \_\_\_\_\_

**DATA ENTRY:**

- Changes entered in the **Oil and Gas Database** on: 9/27/2007
- Changes have been entered on the **Monthly Operator Change Spread Sheet** on: 9/27/2007
- Bond information entered in RBDMS on: 9/27/2007
- Fee/State wells attached to bond in RBDMS on: 9/27/2007
- Injection Projects to new operator in RBDMS on: \_\_\_\_\_
- Receipt of Acceptance of Drilling Procedures for APD/New on: 9/27/2007

**BOND VERIFICATION:**

- Federal well(s) covered by Bond Number: \_\_\_\_\_
- Indian well(s) covered by Bond Number: \_\_\_\_\_
- (R649-3-1) The **NEW** operator of any fee well(s) listed covered by Bond Number 763751318 and 3344341
- The **FORMER** operator has requested a release of liability from their bond on: \*  
The Division sent response by letter on: \_\_\_\_\_

**LEASE INTEREST OWNER NOTIFICATION:**

- (R649-2-10) The **NEW** operator of the fee wells has been contacted and informed by a letter from the Division of their responsibility to notify all interest owners of this change on: 2/20/2008

**COMMENTS:** \*Colorado-Utah's CDs were rolled by the bank to Pacific Energy's CDs

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

FORM 9

**SUNDRY NOTICES AND REPORTS ON WELLS**

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

1. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER _____		5. LEASE DESIGNATION AND SERIAL NUMBER:
2. NAME OF OPERATOR: Pacific Energy & Mining Company <i>N7655</i>		6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
3. ADDRESS OF OPERATOR: 137 Vassar Street #5 CITY Reno STATE NV ZIP 89502		7. UNIT or CA AGREEMENT NAME:
4. LOCATION OF WELL FOOTAGES AT SURFACE: _____ COUNTY: Grand		8. WELL NAME and NUMBER: See below
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: _____ STATE: UTAH		9. API NUMBER:
		10. FIELD AND POOL, OR WILDCAT:

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

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

Change of operator for the following wells: *30423 effective 2/26/07*

1- Nugget 14-4	API No. 430190423	Section 14 21S 23E Grand County, Utah	= BOND 763851300	
2- Whyte Stae 2	API No 4301916263	Section 24 21S 23E Grand County, Utah	} BOND 763851292	
3- Sweetheart 5A	API No 4301931417	Section 24 21S 23E Grand County, Utah		
4- Sweetheart 2A	API No 4301931418	Section 24 21S 23E Grand County, Utah		
5- Sweetheart 7	API No 4310931420	Section 24 21S 23E Grand County, Utah		
6- Sweetheart 14-02	API No 4301931451	Section 14 21S 23E Grand County, Utah		
7- C-UNGI 14-21-23-1	API No 4301931450	Section 14 21S 23E Grand County, Utah		
8- LITTLE BOY 2	API No <del>4310931460</del>	Section 24 21S 23E Grand County, Utah		NAME IS 14-01 4301931460

*Colobasso-Utah Natural Gas, Inc N2765*  
*by: Dean Chitt* (\*)authorized 9/27/07 by DHC and TA

9- LITTLE BOY 1 API NO 43-019-31459 SECTION 24 21 S 23E GRAND COUNTY, UTAH(\*)

NAME (PLEASE PRINT) <u>Tariq Ahmad</u>	TITLE <u>Vice President</u>
SIGNATURE	DATE <u>2/26/2007</u>

(This space for State use only)

APPROVED 9/27/07  
*Earlene Russell*  
Division of Oil, Gas and Mining  
Earlene Russell, Engineering Technician

RECEIVED  
MAR 09 2007  
DIV. OF OIL, GAS & MINING



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

September 3, 2008

CERTIFIED MAIL NO.: 7004 2510 0004 1824 6190

Mr. Tariq Ahmad  
Pacific Energy & Mining Company  
137 Vassar St. Suite #5  
Reno, NV 89502

43 019 31459  
Little Boy 1  
21S 23E 2A

Re: Extended Shut-in and Temporarily Abandoned Well Requirements for Wells on Fee or State Leases

Dear Mr. Ahmad:

As of July 2008, Pacific Energy & Mining Company has Five (5) State Mineral Lease Wells and three (3) Fee Lease Wells (see attachment A) in non-compliance with the requirements for extended shut-in or temporarily abandoned (SI/TA) status. Wells SI/TA beyond twelve (12) consecutive months require the filing of a Sundry Notice in accordance with R649-3-36-1 for Utah Division of Oil, Gas & Mining ("Division") approval. Wells with five (5) years non-activity or non-productivity shall be plugged, unless the Division grants approval for extended shut-in time upon a showing of good cause by the operator (R649-3-36-1.3.3).

With the exception of the Sweetheart 14-02 (API # 43-019-31451), the Sweetheart 2A (API # 43-019-31418) and the Little Boy 1 (API # 43-019-31459), a Notice of Violation (NOV) was issued for the wells listed on Attachment A. That NOV dated December 14, 2007 required the wells to be put into production, or plugged or get approval with good cause for extended SI/TA. The latter required an MIT and full cost bonding. To date, nothing has been done to bring these wells into full compliance. This is a reminder for these wells that a response is far past due and immediate action is necessary. Also the three wells not currently under the NOV require plans to produce or plug submitted immediately or further actions will be initiated.



Page 2  
September 3, 2008  
Mr. Ahmad

For extended SI/TA consideration the operator shall provide the Division with the following:

1. Reasons for SI/TA of the well (R649-3-36-1.1).
2. The length of time the well is expected to be SI/TA (R649-3-36-1.2), and
3. An explanation and supporting data if necessary, for showing the well has integrity, meaning that the casing, cement, equipment condition, static fluid level, pressure, existence or absence of Underground Sources of Drinking Water and other factors do not make the well a risk to public health and safety or the environment (R649-3-36-1.3).

Submitting the information suggested below may help show well integrity and may help qualify your well for extended SI/TA. **Note: As of July 1, 2003, wells in violation of the SI/TA rule R649-3-36 may be subject to full cost bonding (R649-3-1-4.2, 4.3).**

1. Wellbore diagram, and
2. Copy of recent casing pressure test, and
3. Current pressures on the wellbore (tubing pressure, casing pressure, and casing/casing annuli pressure) showing wellbore has integrity, and
4. Fluid level in the wellbore, and
5. An explanation of how the submitted information proves integrity.

If the required information is not received within 30 days of the date of this notice, further actions will be initiated. If you have any questions concerning this matter, please contact me at (801) 538-5281.

Sincerely,



Dustin K. Doucet  
Petroleum Engineer

JP/js  
Enclosure

cc: Jim Davis, SITLA  
Wells File  
Compliance File

## ATTACHMENT A

	<b>Well Name</b>	<b>API</b>	<b>Lease Type</b>	<b>Years Inactive</b>
1	Whyte-State 2	43-019-16263	ML-48933	46 Years 2 Months
2	Sweetheart 7	43-019-31420	ML-48933	2 Years 10 Months
3	Little Boy 1	43-019-31459	ML-48933	2 Years 6 Months
4	Little Boy 2	43-019-31460	ML-48933	2 Years 6 Months
5	Sweetheart 2A	43-019-31418	ML-48933	2 Years 9 Months
6	Petro-X 23-1	43-019-30558	Fee	28 Years 9 Months
7	14-01	43-019-31450	Fee	2 Years 6 Months
8	Sweetheart 14-02	43-019-31451	Fee	1 Year 7 Months

**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: <b>ML 48933</b>
		6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
		7. UNIT or CA AGREEMENT NAME:
1. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER _____		8. WELL NAME and NUMBER: <b>Little Boy 1</b>
2. NAME OF OPERATOR: <b>Pacific Energy &amp; Mining Company</b>		9. API NUMBER: <b>4301931459</b>
3. ADDRESS OF OPERATOR: <b>P.O. Box 18148</b> CITY <b>Reno</b> STATE <b>NV</b> ZIP <b>89511</b>		PHONE NUMBER: <b>(775) 852-7444</b>
4. LOCATION OF WELL FOOTAGES AT SURFACE: <b>660' FNL, 680' FWL</b>		10. FIELD AND POOL, OR WILDCAT: <b>Greater Cisco</b>
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: <b>NWNW 24 21S 23E S</b>		COUNTY: <b>Grand</b>
		STATE: <b>UTAH</b>

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

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

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

Well to be placed in production in next 14 days; was shut-in because Elk Resource's pipeline has been shut-in.

COPY SENT TO OPERATOR  
Date: 12.30.2008  
Initials: KS

NAME (PLEASE PRINT) <u>Tariq Ahma</u>	TITLE <u>Petroleum Engineer</u>
SIGNATURE	DATE <u>9/22/2008</u>

(This space for State use only)

APPROVED BY THE STATE  
OF UTAH DIVISION OF  
OIL, GAS AND MINING  
DATE: 12/23/08  
BY:

(see instructions on Reverse Side)

**RECEIVED**  
**SEP 25 2008**  
DIV. OF OIL, GAS & MINING

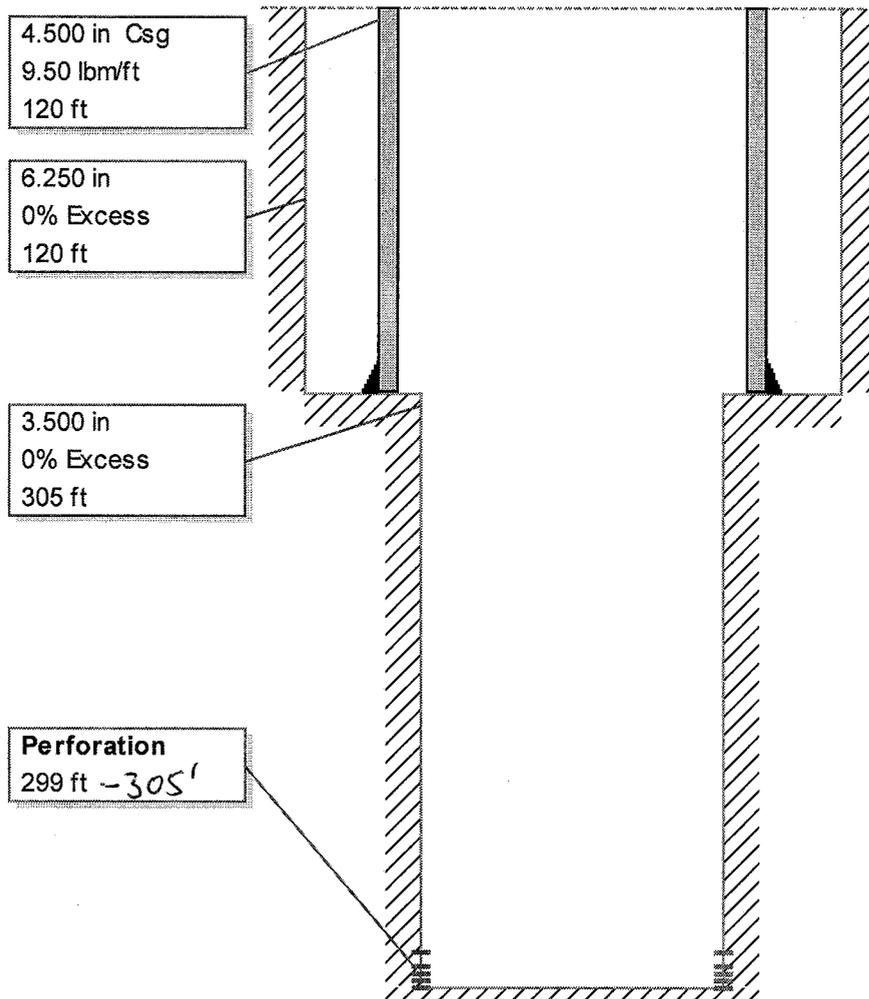
**WELL: Little Boy 1, Greater Cisco**

Location: 660' FNL, 680' FWL, NWNW, Sec. 24, T21S, R23E, SLM

**WELLBORE DIAGRAM**

new

Created on 9/22/2008 2:24:50 PM



**i-Handbook\*** - \*a mark of Schlumberger

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

FORM 9

**SUNDRY NOTICES AND REPORTS ON WELLS**

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1. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER _____		5. LEASE DESIGNATION AND SERIAL NUMBER: <b>SEE BELOW</b>
2. NAME OF OPERATOR: <b>Pacific Energy &amp; Mining Company</b>		6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
3. ADDRESS OF OPERATOR: P.O. Box 18148 CITY <b>Reno</b> STATE <b>NV</b> ZIP <b>89511</b>		7. UNIT or CA AGREEMENT NAME:
PHONE NUMBER: <b>(775) 852-7444</b>		8. WELL NAME and NUMBER: <b>SEE BELOW Little Boy 1</b>
4. LOCATION OF WELL FOOTAGES AT SURFACE: _____ COUNTY: <b>Grand</b>		9. API NUMBER: <b>SEE BELOW 4301931459</b>
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: <b>21S 23E 2A</b>		10. FIELD AND POOL, OR WILDCAT: <b>Greater Cisco</b>
		STATE: <b>UTAH</b>

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

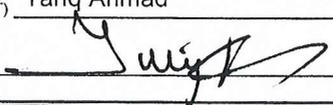
12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

The following is a listing of the concerned wells:

S.N.	WELL NAME	API	Lease Type
1	Whyte-State 2	43-019-16263	ML-48933
2	Sweetheart 7	43-019-31420	ML-48933
3	Little Boy 1	43-019-31459	ML-48933
4	Little Boy 2	43-019-31460	ML-48933
5	Sweetheart 2A	43-019-31418	ML-48933
6	Petro-X-23-1	43-019-30558	Fee
7	14-01	43-019-31450	Fee
8	Sweetheart 14-02	43-019-31451	Fee

At present, Pride Ventures has refused access for shipping our produced natural gas to Elk Resources; thus we can't ship the said gas until the matter is resolved. We will pursue and try to resolve this matter expeditiously. In the interim, we are trying to sell our produced gas locally.

\*\*\*Please see attached email from Elk Resources, Inc.

NAME (PLEASE PRINT) <u>Tariq Ahmad</u>	TITLE <u>Petroleum Engineer</u>
SIGNATURE <u></u>	DATE <u>9/23/2008</u>

(This space for State use only)

**RECEIVED**  
**SEP 25 2008**  
DIV. OF OIL, GAS & MINING



**RE: Cisco Meter**

Tuesday, September 23, 20

**From:** "Tom Young" <[tyoung@elkresources.net](mailto:tyoung@elkresources.net)>  
**To:** [taroil@yahoo.com](mailto:taroil@yahoo.com)

Tariq,

Since your gas is transported into and thru Woosley's line and compressor, I visited with Jim yesterday and he w: that he is unwilling to continue to allow you to do this. Apparently for the last few years he has allowed this but it to problems such as high nitrogen, probably air, in your gas shutting down his compressor to mention one. He al mentioned volumes were very small and flow seldom lasted more than a week or so. The only option that I can s you to get a ROW and lay a line to connect directly into us.

Tom C. Young  
VP Southern Operations & Midstream  
Elk Resources, Inc.  
1401 17th Street, Suite 700  
Denver, CO 80202  
(303) 296-4505 - Main  
(303) 339-1917 - Fax  
[tyoung@elkresources.net](mailto:tyoung@elkresources.net)

---

**From:** [taroil \[mailto:taroil@yahoo.com\]](mailto:taroil@yahoo.com)  
**Sent:** Monday, September 22, 2008 3:49 PM  
**To:** Tom Young  
**Subject:** Cisco Meter

Dear Tom:

Were you able to get the charts changed

**Tariq I. Ahmad PE**  
PO Box 18148  
Reno, Nevada 89511

775 333-6626 office  
775 333-0225 fax  
775 240-0769 cell  
[taroil@yahoo.com](mailto:taroil@yahoo.com)

E-MAIL CONFIDENTIALITY NOTICE:

The contents of this e-mail message and any attachments are intended solely for the addressee(s) and may contain confidential and/or legally privileged information. If you are not the intended recipient of this message

RECEIVED  
SEP 25 2008  
DIV. OF OIL, GAS & MINING

# Pacific Energy & Mining Company

September 22, 2008

Dustin Doucet  
Petroleum Engineer  
State of Utah  
Department of Natural Resources  
Division of Oil, Gas & Mining  
1594 West North Temple, Suite 1210  
Salt Lake City, Utah 84114

Subject: Extended Shut In

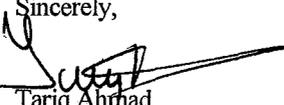
Dear Mr. Coucet:

Reference your letter dated September 3, 2008, we have prepared the sundry notices for each of the wells providing the explanations for these wells.

The 14-02 well produced and sold natural gas during the month of April 2008. Thereafter, the Elk Resources Pipeline was shut in, it was placed back on production on September 20, 2008. We have requested Elk Resources to change the chart on our sales meter so that we can place our wells on production. In addition we have requested Pride Ventures to allow us to transport our natural gas through their natural gas line.

We have placed natural gas compressors at the 14-02 well and the 2A wells. We will place all of our natural gas wells on production once the meters are changed and pride allows us access to their pipeline.

Sincerely,



Tariq Ahmad  
Petroleum Engineer

Cc: Well Files

P.O. Box 18148  
Reno, Nevada 89511  
Phone: 775 852-7444  
Fax: 775 851-1138

RECEIVED  
SEP 25 2008  
DIV. OF OIL, GAS & MINING



**State of Utah**  
DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER  
*Executive Director*

**Division of Oil Gas and Mining**

JOHN R. BAZA  
*Division Director*

JON M. HUNTSMAN, JR.  
*Governor*

GARY R. HERBERT  
*Lieutenant Governor*

January 29, 2009

CERTIFIED MAIL NO. 7004 2510 0004 1824 6664

Mr. Tariq Ahmad  
Pacific Energy & Mining Company  
3550 Barron Way, Ste 13A  
Reno, NV 89511-1852

43 019 31459  
Little Boy 1  
21S 23E 24

Subject: Second Notice of Extended Shut-in and Temporarily Abandoned Well Requirements for Wells on Fee or State Leases

Dear Mr. Ahmad:

As of January 2009, Pacific Energy & Mining Co. ("Pacific") has five (5) State Mineral Lease Wells and three (3) Fee Lease wells (see attachment A) that are in non-compliance with the requirements for extended shut-in or temporarily abandoned (SI/TA) status. Wells SI/TA beyond twelve (12) consecutive months require the filing of a Sundry Notice in accordance with R649-3-36-1 for Utah Division of Oil, Gas & Mining ("Division") approval. Wells with five (5) years non-activity or non-productivity shall be plugged, unless the Division grants approval for extended shut-in time upon a showing of good cause by the operator (R649-3-36-1.3.3).

Pacific was sent a first notice of Extended Shut-in and Temporarily Abandoned ("SI/TA") requirements certified mail on September 3, 2008, in regards to the above referenced wells. The Division received your sundries dated September 23, 2008, (received by the Division on 9/25/2008). It was stated in the sundries that the wells would be "placed in production in [the] next 14 days." More than sufficient time has passed and still no evidence has shown this has been fulfilled.

Due to insufficient evidence the Division is unable to grant extended SI/TA status for the listed wells. Please submit specific lengths of time that the wells are expected to be shut-in or temporarily abandoned along with evidence showing well integrity. The Divisions preferred method of demonstrating well integrity is to perform an MIT.



Page 2  
Mr. Tariq Ahmad  
January 29, 2009

For extended SI/TA consideration the operator shall provide the Division with the following:

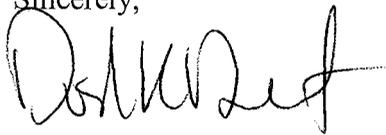
1. Reasons for SI/TA of the well (R649-3-36-1.1).
2. The length of time the well is expected to be SI/TA (R649-3-36-1.2), and
3. An explanation and supporting data if necessary, for showing the well has integrity, meaning that the casing, cement, equipment condition, static fluid level, pressure, existence or absence of Underground Sources of Drinking Water and other factors do not make the well a risk to public health and safety or the environment (R649-3-36-1.3).

Submitting the information suggested below may help show well integrity and may help qualify your well for extended SI/TA. **Note: As of July 1, 2003, wells in violation of the SI/TA rule R649-3-36 may be subject to full cost bonding (R649-3-1-4.2, 4.3).**

1. Wellbore diagram, and
2. Copy of recent casing pressure test, and
3. Current pressures on the wellbore (tubing pressure, casing pressure, and casing/casing annuli pressure) showing wellbore has integrity, and
4. Fluid level in the wellbore, and
5. An explanation of how the submitted information proves integrity.

If the required information is not received within 30 days of the date of this notice, a Notice of Violation will be issued and further actions may be initiated. If you have any questions concerning this matter, please contact me at (801) 538-5281.

Sincerely,



Dustin K. Doucet  
Petroleum Engineer

DKD/JP:js  
Enclosure  
cc: Jim Davis, SITLA  
Compliance File  
Well Files

## ATTACHMENT A

	<b>Well Name</b>	<b>API</b>	<b>Lease Type</b>	<b>Years Inactive</b>
1	Whyte-State 2	43-019-16263	ML-48933	46 Years 2 Months
2	Sweetheart 7	43-019-31420	ML-48933	2 Years 10 Months
3	Little Boy 1	43-019-31459	ML-48933	2 Years 6 Months
4	Little Boy 2	43-019-31460	ML-48933	2 Years 6 Months
5	Sweetheart 2A	43-019-31418	ML-48933	2 Years 9 Months
6	Petro-X 23-1	43-019-30558	Fee	28 Years 9 Months
7	14-01	43-019-31450	Fee	2 Years 6 Months
8	Sweetheart 14-02	43-019-31451	Fee	1 Year 7 Months



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

January 29, 2009

CERTIFIED MAIL NO. 7004 2510 0004 1824 6664

Mr. Tariq Ahmad  
Pacific Energy & Mining Company  
3550 Barron Way, Ste 13A  
Reno, NV 89511-1852

43 019 31459  
Little Boy 1  
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Page 2  
Mr. Tariq Ahmad  
January 29, 2009

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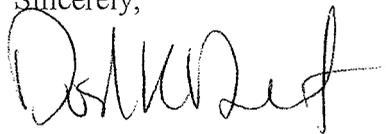
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Sincerely,



Dustin K. Doucet  
Petroleum Engineer

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Enclosure  
cc: Jim Davis, SITLA  
Compliance File  
Well Files

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4999 4284 1824 6664  
7004 2510 0004 0152 4000

**U.S. Postal Service<sup>TM</sup>**  
**CERTIFIED MAIL<sup>TM</sup> RECEIPT**  
(Domestic Mail Only; No Insurance Coverage Provided)

For delivery information visit our website at [www.usps.com](http://www.usps.com)

**OFFICIAL USE**

Postage	\$
Certified Fee	
Return Receipt Fee (Endorsement Required)	
Restricted Delivery Fee (Endorsement Required)	

*2/2/09*

Postmark  
Here

Total Postage

MR TARIQ AHMAD  
PACIFIC ENERGY

Sent To

Street, Apt. No  
or PO Box No  
City, State, Zi

3550 BARRON WAY STE 13A  
RENO NV 89511-1852

PS Form 3800, June 2002

See Reverse for Instructions

**SENDER: COMPLETE THIS SECTION**

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

1. Article Addressed to:

MR TARIQ AHMAD  
PACIFIC ENERGY  
3550 BARRON WAY STE 13A  
RENO NV 89511-1852

2. Article Number  
(Transfer from service label)

7004 2510 0004 1824 6664

PS Form 3811, February 2004

Domestic Return Receipt

**COMPLETE THIS SECTION ON DELIVERY**

A. Signature

*[Signature]*

- Agent
- Addressee

B. Received by (Printed Name)

*[Signature]*

C. Date of Delivery

*2-6-09*

D. Is delivery address different from Item 1?  Yes  
If YES, enter delivery address below:  No

3. Service Type

- Certified Mail
- Registered
- Insured Mail
- Express Mail
- Return Receipt for Merchandise
- C.O.D.

4. Restricted Delivery? (Extra Fee)

Yes

102595-02-M-1540

# Pacific Energy & Mining Company

February 6, 2009

Dustin Doucet  
Petroleum Engineer  
Utah Division of Oil Gas and Mining  
PO Box 145801  
Salt Lake City, Utah 84114

Subject: Second Notice of Extended Shut-in

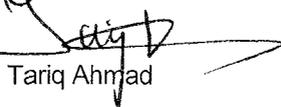
Dear Dustin:

Reference your letter dated January 29, 2009, I had sent in a sundry notice on September 23, 2008 informing the Division that we cannot place the wells on production as we have lost access to the pipeline. We are trying to get the access to the pipeline, however, since the pipeline is connected through a meter that is allegedly owned by Pride Ventures LLC, Pride wont allow us to produce our wells in the line.

It is in our interest to get the wells on production as quickly as possible. We expect that we will have our issues resolved concerning the pipeline access in the next 180 days. We have already received the Right of Way for the pipeline, see attached grant of right of way.

I will appreciate if we are granted the temporary shut in status.

Sincerely,



Tariq Ahmad

**RECEIVED**

**FEB 17 2009**

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

P.O. Box 18148  
Reno, Nevada 89511  
Phone: 775 852-7444  
Fax: 775 851-1138



Unit States Department of the Interior  
 BUREAU OF LAND MANAGEMENT  
 Moab Field Office  
 82 East Dogwood  
 Moab, Utah 84532



2880  
 UTU-86731  
 (UT-062)

DECISION

MAR/REG Oil Company  
 P.O. Box 18148  
 Reno, Nevada 89511

:  
 :  
 :

Right-of-way UTU-86731

Right-of-Way Grant UTU-86731 Issued

Enclosed is a copy of right-of-way (RW) grant UTU-86731 that has been approved by the Bureau of Land Management. The issuance of this RW grant constitutes a final decision by the Bureau of Land Management in this matter.

Within 30 days of receipt of this decision, you have the right of appeal to the Board of Land Appeals, Office of the Secretary, in accordance with the regulations at 43 CFR 4.400. If an appeal is taken you must follow the procedures outlined in the enclosed Form 1842-1, Information on Taking Appeals to the Board of Land Appeals. The appellant has the burden of proof of showing that the decision appealed from is in error.

Please note, however, that under the regulations in 43 CFR Group 2800, this decision is effective even if an appeal is filed.

Sincerely,

Assistant Field Office Manager  
 Division of Resources

Enclosures

1. RW Grant UTU-86731 (4 pp)
2. Appeals Form 1842-1 (1)

RECEIVED

FEB 17 2009

DIV. OF OIL, GAS & MINING

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT  
RIGHT-OF-WAY GRANT  
SERIAL NUMBER UTU-86731

- 
1. A right-of-way is hereby granted pursuant to Section 28 of the Mineral Leasing Act of 1920, as amended (30 U.S.C. 185).
  2. Nature of Interest:
    - a. By this instrument, the holder:

MAR/REG Oil Company  
P.O. Box 18148  
Reno, Nevada 89511

receives a right to operate, maintain, and terminate a surface-laid steel pipeline gathering system (2" and 3" pipeline segments servicing Vukasovich wells), across the following public lands:

T. 20 S., R. 23 E.,  
sec. 31, E $\frac{1}{2}$ SW $\frac{1}{4}$ SE $\frac{1}{4}$ .

T. 21 S., R. 23 E.,  
sec. 4, SW $\frac{1}{4}$ NE $\frac{1}{4}$ , S $\frac{1}{2}$ NW $\frac{1}{4}$ , N $\frac{1}{2}$ SE $\frac{1}{4}$ , SE $\frac{1}{4}$ SE $\frac{1}{4}$ ;  
sec. 5, lots 1-4, and SE $\frac{1}{4}$ NE $\frac{1}{4}$ ;  
sec. 6, lots 1 and 2;  
sec. 9, NE $\frac{1}{4}$ NE $\frac{1}{4}$ ;  
sec. 10, N $\frac{1}{2}$ N $\frac{1}{2}$ , SE $\frac{1}{4}$ NE $\frac{1}{4}$ ;  
sec. 11, S $\frac{1}{2}$ NW $\frac{1}{4}$ , NE $\frac{1}{4}$ SW $\frac{1}{4}$ , NW $\frac{1}{4}$ SE $\frac{1}{4}$ .
    - b. The right-of-way granted herein is 10 feet wide, 4.73 miles long, and contains 5.74 acres, more or less.
    - c. This instrument shall terminate on December 31, 2027 unless, prior thereto, it is relinquished, abandoned, terminated, or modified pursuant to the terms and conditions of this instrument or of any applicable Federal law or regulation.
    - d. This instrument may be renewed. If renewed, the right-of-way shall be subject to the regulations existing at the time of renewal and any other terms and conditions that the authorized officer deems necessary to protect the public interest.
    - e. Notwithstanding the expiration of this instrument or any renewal thereof, early relinquishment, abandonment, or termination, the provisions of this instrument, to the extent applicable, shall continue in effect and shall be binding on the holder, its successors, or assigns, until they have fully satisfied the obligations and/or liabilities accruing herein before or on account of the expiration, or prior termination, of the grant.

3. Rental: In accordance with 43 CFR 2885.15-22:

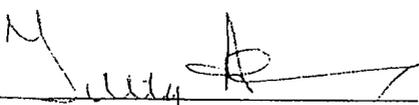
For and in consideration of the rights granted, the holder agrees to pay the Bureau of Land Management fair market value rental as determined by the authorized officer unless specifically exempted from such payment by regulation. Provided, however, that the rental may be adjusted by the authorized officer, whenever necessary, to reflect changes in the fair market rental value as determined by the application of sound business management principles, and so far as practicable and feasible, in accordance with comparable commercial practices.

4. Terms and Conditions:

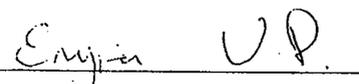
- a. This grant is issued subject to the holder's compliance with all applicable regulations contained in Title 43 Code of Federal Regulations parts 2800 and 2880.
- b. The right-of-way is issued subject to prior valid existing rights.
- c. 90 days prior to termination of the right-of-way, the holder shall contact the authorized officer to arrange a joint inspection of the right-of-way. This inspection will be held to agree to an acceptable termination (and rehabilitation) plan. This plan shall include, but is not limited to, removal of facilities, drainage structures, or surface material, recontouring, topsoiling, or seeding. The authorized officer must approve the plan in writing prior to the holder's commencement of any termination activities.
- d. Each grant issued for a term of 20 years or more shall, at a minimum, be reviewed by the authorized officer at the end of the 20<sup>th</sup> year and at regular intervals thereafter not to exceed 10 years. Provided, however, that a right-of-way granted herein may be reviewed at any time deemed necessary by the authorized officer.
- e. The map, Exhibit A, is attached hereto and incorporated into and made a part of this grant instrument.
- f. Failure of the holder to comply with applicable law or any provision of this right-of-way grant shall constitute grounds for suspension or termination thereof.
- g. The holder shall perform all operations in a good and workmanlike manner so as to ensure protection of the environment and the health and safety of the public.
- h. No construction or routine maintenance activities shall be performed during periods when the soil is too wet to adequately support construction equipment. If such equipment creates ruts in excess of 4 inches deep, the soil shall be deemed too wet to adequately support construction equipment.
- i. The holder shall conduct all activities associated with the operation and termination of the right-of-way within the authorized limits of the right-of-way. All construction and vehicular traffic shall be confined to the right-of-way or designated access routes, roads, or trails unless otherwise authorized in writing by the authorized officer.
- j. Any cultural and/or paleontological resource (historic or prehistoric site or object) discovered by the right-of-way holder, or any person working on his behalf, on public or Federal land shall be immediately reported to the authorized officer. Holder shall suspend all operations in the immediate area of such discovery until written authorization to proceed is issued by the authorized officer. An evaluation of the discovery will be made by the authorized officer to determine appropriate actions to prevent the loss of significant cultural or scientific values. The holder will be responsible for the cost of evaluation of the discovery and proper mitigation measures. Any decision as to proper mitigation shall be made by the authorized officer after consulting with the holder.

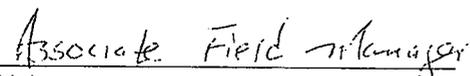
- k. With the exception of the pipeline, all above-ground structures on the pipeline right-of-way (such as pipe guards, pigging stations) not subject to safety requirements shall be painted by the holder to blend with the natural color of the landscape. The paint used shall be a color which simulates "Standard Environmental Colors" designated by the Rocky Mountain Five-State Interagency Committee. The color selected for this project will be a desert tan or other neutral color that blends with the surrounding soils and vegetation.
- l. The holder shall be responsible for weed control on the disturbed areas within the limits of the right-of-way. The holder is responsible for consultation with the authorized officer and/or local authorities for acceptable weed control methods (within limits imposed in the grant and stipulations).
- m. The holder(s) shall comply with all applicable Federal laws and regulations existing or hereafter enacted or promulgated. In any event, the holder(s) shall comply with the Toxic Substances Control Act of 1976, as amended (15 U.S.C. 2601, et seq.) with regard to any toxic substances that are used, generated by or stored on the right-of-way or on facilities authorized under this right-of-way grant. (See 40 CFR, Part 702-799 and especially, provisions on polychlorinated biphenyls, 40 CFR 761.1-761.193.) Additionally, any release of toxic substances (leaks, spills, etc.) in excess of the reportable quantity established by 40 CFR, Part 117 shall be reported as required by the Comprehensive Environmental Response, Compensation and Liability Act of 1980, Section 102b. A copy of any report required or requested by Federal agency or State government as a result of a reportable release or spill of any toxic substances shall be furnished to the authorized officer concurrent with the filing of the reports to the involved Federal agency or State government.
- n. The holder of Right-of-Way No. UTU-86731 agrees to indemnify the United States against any liability arising from the release of any hazardous substance or hazardous waste (as these terms are defined in the Comprehensive Environmental Response, Compensation and Liability Act of 1980, 42 U.S.C. 9601, et seq. or the Resource Conservation and Recovery Act of 1976, 42 U.S.C. 6901, et seq.) on the right-of-way (unless the release or threatened release is wholly unrelated to the right-of-way holder's activity on the right-of-way). This agreement applies without regard to whether a release is caused by the holder, its agent, or unrelated third parties.

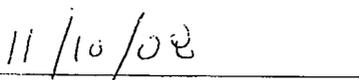
IN WITNESS WHEREOF, The undersigned agrees to the terms and conditions of this right-of-way grant.

  
 \_\_\_\_\_  
 (Signature of Holder)

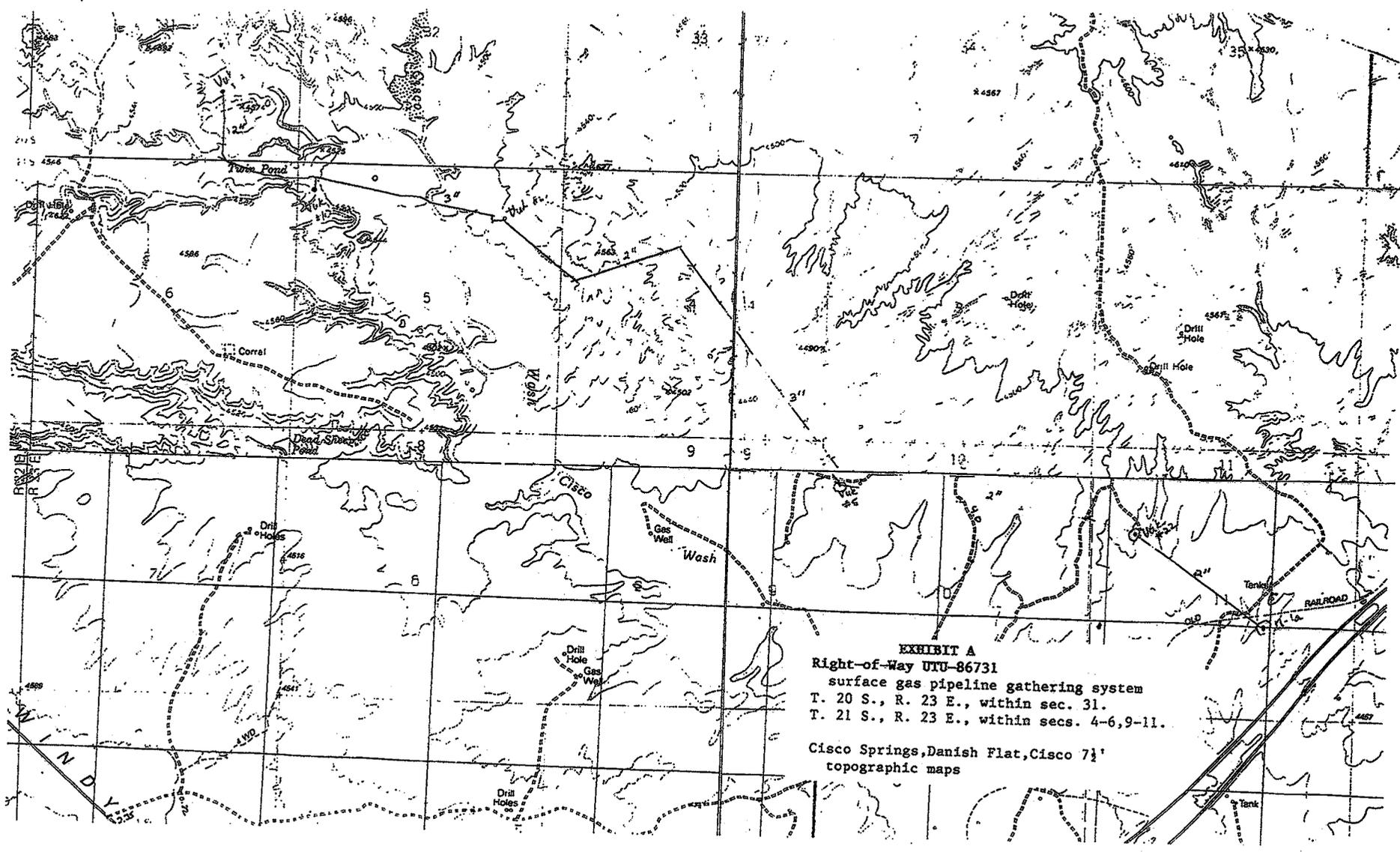
  
 \_\_\_\_\_  
 (Signature of BLM Authorized Officer)

  
 \_\_\_\_\_  
 (Title)

  
 \_\_\_\_\_  
 (Title)

  
 \_\_\_\_\_  
 (Date)

\_\_\_\_\_  
 (Effective Date of the Grant)



**EXHIBIT A**  
 Right-of-Way UTU-86731  
 surface gas pipeline gathering system  
 T. 20 S., R. 23 E., within sec. 31.  
 T. 21 S., R. 23 E., within secs. 4-6,9-11.

Cisco Springs, Danish Flat, Cisco 7 1/2'  
 topographic maps

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

FORM 9

<b>SUNDRY NOTICES AND REPORTS ON WELLS</b>		5. LEASE DESIGNATION AND SERIAL NUMBER: <b>Fee</b>
Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.		6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
		7. UNIT or CA AGREEMENT NAME:
1. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER _____	8. WELL NAME and NUMBER: <b>Petro-X 23-1</b>	
2. NAME OF OPERATOR: <b>Pacific Energy &amp; Mining Co.</b>		9. API NUMBER: <b>4301930558</b>
3. ADDRESS OF OPERATOR: PO Box 18148                      CITY <b>Reno</b> STATE <b>NV</b> ZIP <b>89511</b>	PHONE NUMBER: <b>(775) 852-7444</b>	10. FIELD AND POOL, OR WILDCAT: <b>CISCO</b>
4. LOCATION OF WELL FOOTAGES AT SURFACE: <b>330 FNL 2310 FWL</b>		COUNTY: <b>Grand</b>
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: <b>NENW 23 21S 23E S</b>		STATE: <b>UTAH</b>

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

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.  
 Well was pulled, tubing was changed. Well was tested by State representative for TD. TP and CP are both equal, there is no fluid in the hole. Both tubing and casing pressure are equal. Well is hooked into the gas gathering statement. Awaiting pipeline access. Request 180 days shut in till we get well sales on line.

NAME (PLEASE PRINT) <u>Tariq Ahmad</u>	TITLE <u>Petroleum Engineer</u>
SIGNATURE	DATE <u>2/9/2009</u>

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DIV. OF OIL, GAS & MINING

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

FORM 9

<b>SUNDRY NOTICES AND REPORTS ON WELLS</b>		5. LEASE DESIGNATION AND SERIAL NUMBER: <b>ML 48933</b>
Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.		6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
		7. UNIT or CA AGREEMENT NAME:
1. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER _____	8. WELL NAME and NUMBER: <b>Whyte-Stae 2</b>	
2. NAME OF OPERATOR: <b>Pacific Energy &amp; Mining Co.</b>		9. API NUMBER: <b>4301916263</b>
3. ADDRESS OF OPERATOR: PO Box 18148                      CITY Reno                      STATE NV                      ZIP 89511	PHONE NUMBER: <b>(775) 852-7444</b>	10. FIELD AND POOL, OR WILDCAT: <b>CISCO</b>
4. LOCATION OF WELL FOOTAGES AT SURFACE: <b>1650 FSL 2310 FWL</b>		COUNTY: <b>Grand</b>
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: <b>NESW 24 21S 23E S</b>		STATE: <b>UTAH</b>

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

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.  
 Well was pulled, tubing was changed. Well has 60 psi cp and tp. There is no fluid in the hole when well was pulled. Well tested at 20 MCF per day. Well is hooked into gas gathering system. Request a extended shut in for 180 days until electric generator is installed in section 25.

NAME (PLEASE PRINT) <u>Tariq Ahmad</u>	TITLE <u>Petroleum Engineer</u>
SIGNATURE	DATE <u>2/9/2009</u>

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DIVISION OF OIL, GAS AND MINING

FORM 9

<b>SUNDRY NOTICES AND REPORTS ON WELLS</b>		5. LEASE DESIGNATION AND SERIAL NUMBER: <b>FEE LEASE</b>
Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.		6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
		7. UNIT or CA AGREEMENT NAME:
1. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER _____	8. WELL NAME and NUMBER: <b>14-01</b>	
2. NAME OF OPERATOR: <b>Pacific Energy &amp; Mining Co.</b>		9. API NUMBER: <b>4301931450</b>
3. ADDRESS OF OPERATOR: PO Box 18148                      CITY <b>Reno</b> STATE <b>NV</b> ZIP <b>89511</b>	PHONE NUMBER: <b>(775) 852-7444</b>	10. FIELD AND POOL, OR WILDCAT: <b>CISCO</b>
4. LOCATION OF WELL FOOTAGES AT SURFACE: <b>2304 FWL 872 FSL</b>		COUNTY: <b>Grand</b>
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: <b>SESW 14 21S 23E S</b>		STATE: <b>UTAH</b>

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

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

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

Well tubing has been pulled, are waiting on weather to get back into well and install tubing and place well on production. Request shut in status until June 2009. Well was perforated from 824-828.

NAME (PLEASE PRINT) <u>Tariq Ahmad</u>	TITLE <u>Petroleum Engineer</u>
SIGNATURE	DATE <u>2/9/2009</u>

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

FORM 9

**SUNDRY NOTICES AND REPORTS ON WELLS**

5. LEASE DESIGNATION AND SERIAL NUMBER:

**FEE LEASE**

6. IF INDIAN, ALLOTTEE OR TRIBE NAME:

7. UNIT or CA AGREEMENT NAME:

8. WELL NAME and NUMBER:

**14-02**

9. API NUMBER:

**4301931451**

10. FIELD AND POOL, OR WILDCAT:

**CISCO**

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

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

2. NAME OF OPERATOR:  
**Pacific Energy & Mining Co.**

3. ADDRESS OF OPERATOR:  
PO Box 18148      CITY Reno      STATE NV      ZIP 89511

PHONE NUMBER:  
**(775) 852-7444**

4. LOCATION OF WELL  
FOOTAGES AT SURFACE: **1093 FSL 1834 FWL**

COUNTY: **Grand**

QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: **SESW 14 21S 23E S**

STATE: **UTAH**

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

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

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

Well has been placed on production and tied to Nathan Fee 14-4 well to power the engine for the well. We are using 3 MCF per day of natural gas.

NAME (PLEASE PRINT) Tariq Ahmad

TITLE Petroleum Engineer

SIGNATURE \_\_\_\_\_

DATE 2/9/2009

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

FORM 9

5. LEASE DESIGNATION AND SERIAL NUMBER:  
**ML 48933**

**SUNDRY NOTICES AND REPORTS ON WELLS**

6. IF INDIAN, ALLOTTEE OR TRIBE NAME:

7. UNIT or CA AGREEMENT NAME:

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

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

8. WELL NAME and NUMBER:  
**Sweetheart 2A**

2. NAME OF OPERATOR:  
**Pacific Energy & Mining Co.**

9. API NUMBER:  
**4301931418**

3. ADDRESS OF OPERATOR:  
PO Box 18148 CITY **Reno** STATE **NV** ZIP **89511**

PHONE NUMBER:  
**(775) 852-7444**

10. FIELD AND POOL, OR WILDCAT:

4. LOCATION OF WELL  
FOOTAGES AT SURFACE: **2304 FSL, 852 fWL** COUNTY: **Grand**  
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: **NWSW 24 21S 23E S** STATE: **UTAH**

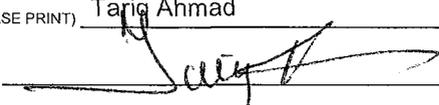
11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

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

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

The well was tested with Fluid Level Surveys. There is no fluid in the hole. The CP and TP are both 200 psi. We have flow tested the flow and installed a compressor on location. Based upon the fluid level surveys we feel that the well integrity is good. There are no leaks in the casing or tubing.

Due to the fact that we have been denied access to the pipeline, we are currently working with Veteri Farms, wherein Veteri Farms is to install a generator in Section 25, which will be powered by our natural gas. Based upon the agreement with Veteri farms we would work to have natural gas being sold to Veteri farms in the next 180 days. We request that an extended shut in be allowed until a generator is intalled in Section 25, which we expect to be in operation within 180 days.

NAME (PLEASE PRINT) Tarig Ahmad TITLE Petroleum Engineer  
SIGNATURE  DATE 2/9/2009

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

FORM 9

<b>SUNDRY NOTICES AND REPORTS ON WELLS</b>		5. LEASE DESIGNATION AND SERIAL NUMBER: <b>ML 48933</b>
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		7. UNIT or CA AGREEMENT NAME:
1. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER _____	8. WELL NAME and NUMBER: <b>Sweetheart 7A</b>	
2. NAME OF OPERATOR: <b>Pacific Energy &amp; Mining Co.</b>		9. API NUMBER: <b>4301931420</b>
3. ADDRESS OF OPERATOR: PO Box 18148                      CITY <b>Reno</b> STATE <b>NV</b> ZIP <b>89511</b>	PHONE NUMBER: <b>(775) 852-7444</b>	10. FIELD AND POOL, OR WILDCAT: <b>Uso</b>
4. LOCATION OF WELL FOOTAGES AT SURFACE: <b>660 FNL, 660 FWL</b>		COUNTY: <b>Grand</b>
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: <b>NWNW 24 21S 23E S</b>		STATE: <b>UTAH</b>

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

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

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

The well was tested with Fluid Level Surveys. There is no fluid in the hole. The CP and TP are both 0 psi. We have pulled all the tubing from the hole. There is no fluid or gas in the hole. Due to weather related issues, we cannot get into the location until weather is clear so that we can get into location. Once on location we will pull the BP, install a cement plug at the bottom of hole at 762 feet to shut off water and then place well on production in the Morrison at about 2 bbls of oil per day.

NAME (PLEASE PRINT) <u>Tarig Ahmad</u>	TITLE <u>Petroleum Engineer</u>
SIGNATURE	DATE <u>2/9/2009</u>

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

FORM 9

<b>SUNDRY NOTICES AND REPORTS ON WELLS</b>		5. LEASE DESIGNATION AND SERIAL NUMBER: <b>ML 48933</b>
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		7. UNIT or CA AGREEMENT NAME:
1. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER _____		8. WELL NAME and NUMBER: <b>Little Boy 1</b>
2. NAME OF OPERATOR: <b>Pacific Energy &amp; Mining Co.</b>		9. API NUMBER: <b>4301931459</b>
3. ADDRESS OF OPERATOR: PO Box 18148                      CITY Reno                      STATE NV                      ZIP 89511		PHONE NUMBER: <b>(775) 852-7444</b>
10. FIELD AND POOL, OR WILDCAT: <b>CISCO</b>		
4. LOCATION OF WELL FOOTAGES AT SURFACE: <b>660 FNL 680 FWL</b>		COUNTY: <b>Grand</b>
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: <b>NWNW 24 21S 23E S</b>		STATE: <b>UTAH</b>

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

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

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.  
Well is shut in, CP pressure is 20 psi. Well is hooked up to 5A to supply gas to run engine. Estimated usage is 1 mcf per day.

NAME (PLEASE PRINT) <u>Tariq Ahmad</u>	TITLE <u>Petroleum Engineer</u>
SIGNATURE	DATE <u>2/9/2009</u>

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

FORM 9

<b>SUNDRY NOTICES AND REPORTS ON WELLS</b>		5. LEASE DESIGNATION AND SERIAL NUMBER: <b>ML 48933</b>
Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.		6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
		7. UNIT or CA AGREEMENT NAME:
1. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER _____	8. WELL NAME and NUMBER: <b>Little Boy 2</b>	
2. NAME OF OPERATOR: <b>Pacific Energy &amp; Mining Co.</b>		9. API NUMBER: <b>4301931460</b>
3. ADDRESS OF OPERATOR: PO Box 18148 CITY Reno STATE NV ZIP 89511	PHONE NUMBER: <b>(775) 852-7444</b>	10. FIELD AND POOL, OR WILDCAT: <b>CISCO</b>
4. LOCATION OF WELL FOOTAGES AT SURFACE: <b>2301 FSL 877 FWL</b> COUNTY: <b>Grand</b>		
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: <b>SESW 24 21S 23E S</b> STATE: <b>UTAH</b>		

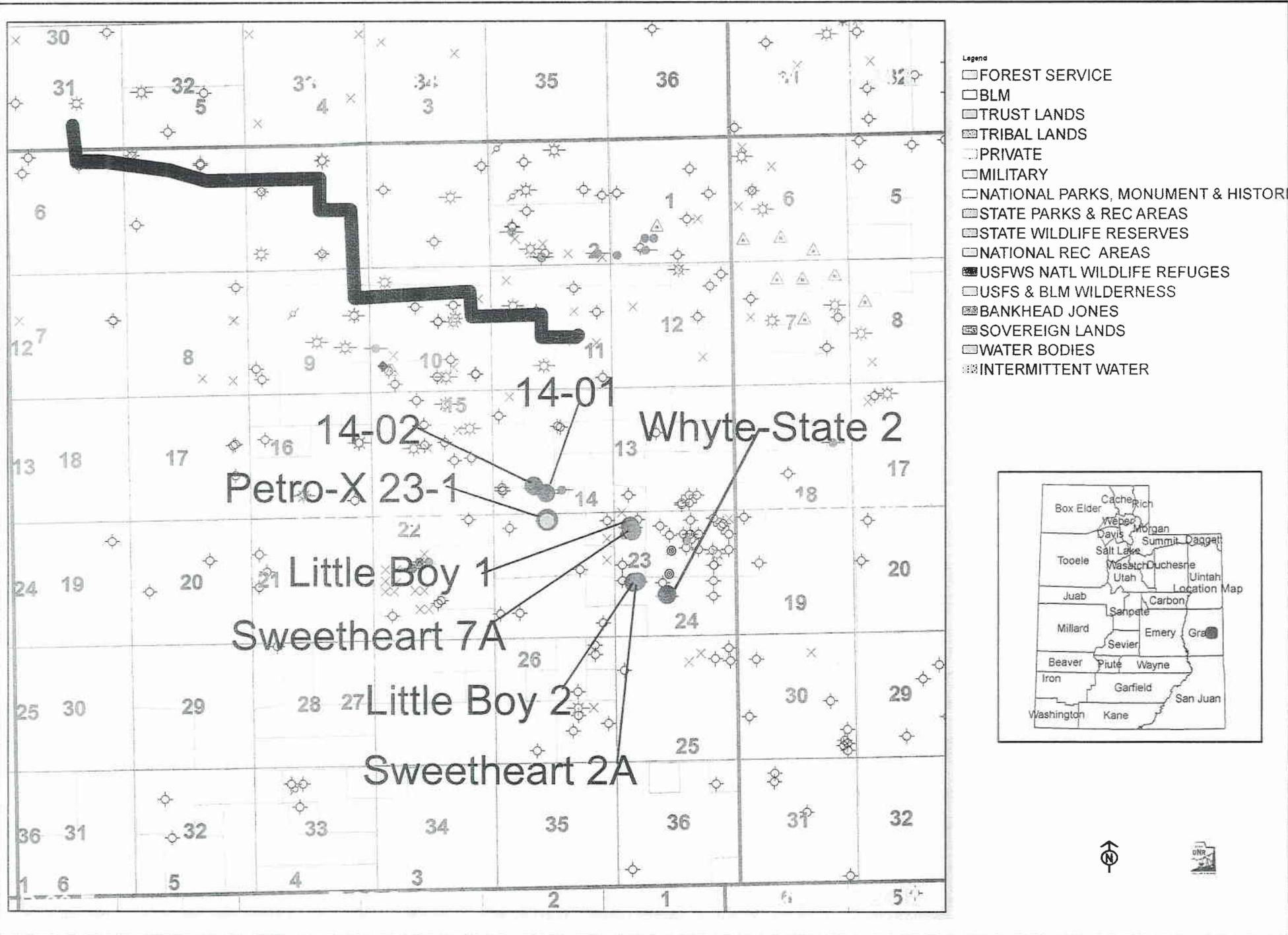
11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA			
TYPE OF SUBMISSION	TYPE OF ACTION		
<input type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: _____  <input type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of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

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.  
Well is shut in, CP pressure is 20 psi. Well is hooked up to compressor located at 2A well.

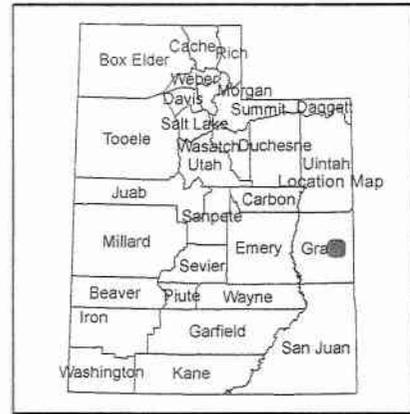
NAME (PLEASE PRINT) <u>Tariq Ahmad</u>	TITLE <u>Petroleum Engineer</u>
SIGNATURE	DATE <u>2/9/2009</u>

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**FEB 17 2009**  
DIV. OF OIL, GAS & MINING



- Legend
- FOREST SERVICE
  - BLM
  - TRUST LANDS
  - ▣ TRIBAL LANDS
  - PRIVATE
  - MILITARY
  - NATIONAL PARKS, MONUMENT & HISTORIC
  - ▣ STATE PARKS & REC AREAS
  - ▣ STATE WILDLIFE RESERVES
  - ▣ NATIONAL REC AREAS
  - ▣ USFWS NATL WILDLIFE REFUGES
  - USFS & BLM WILDERNESS
  - ▣ BANKHEAD JONES
  - ▣ SOVEREIGN LANDS
  - WATER BODIES
  - ☼ INTERMITTENT WATER





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

March 4, 2009

CERTIFIED MAIL NO. 7004 1160 0003 0190 2600

Mr. Tariq Ahmad  
Pacific Energy & Mining Company  
3550 Barron Way, Ste 13A  
Reno, NV 89511-1852

43 019 31459  
Little Boy 1  
21S 23E 24

Subject: Second Notice: Extended Shut-in and Temporarily Abandoned Well Requirements for Wells on Fee or State Leases dated January 29, 2009

Dear Mr. Ahmad:

The Division of Oil, Gas and Mining (the Division) is in receipt of your letter dated October 17, 2008 in regards to the eight (8) shut-in or temporarily abandoned (SI/TA) Fee and State Lease Wells (Attachment A) operated by Pacific Energy & Mining Company (Pacific). The Division does not object to the proposed work on the said wells in the next 180 days, and prefers that the issues concerning these wells be resolved within that time. However, due to insufficient information provided by Pacific concerning well integrity, the Division is unable to grant extended SI/TA status for these wells. Insufficient data was received per R649-3-36 providing **proof of integrity**. It is Pacific's responsibility to explain how any submitted data proves well integrity. Note: The Divisions preferred method of demonstrating well integrity is to perform an MIT.

The Division is also very concerned with length of time these wells have been shut-in with little if any attempt to market the product for the majority of that time frame. This is especially true of the wells taken over from the Orphan Well Program. These particular wells were to be put on production or plugged immediately after taking over operatorship. To the Divisions knowledge, nothing has been done on these wells to restore them to production. Please submit the necessary information to bring all of the wells listed in Attachment A back into compliance.



Page 2  
Pacific Energy & Mining Company  
March 4, 2009

For extended SI/TA consideration the operator shall provide the Division with the following:

1. Reasons for SI/TA of the well (R649-3-36-1.1).
2. The length of time the well is expected to be SI/TA (R649-3-36-1.2), and
3. An explanation and supporting data if necessary, for showing the well has integrity, meaning that the casing, cement, equipment condition, static fluid level, pressure, existence or absence of Underground Sources of Drinking Water and other factors do not make the well a risk to public health and safety or the environment (R649-3-36-1.3).

Submitting the information suggested below may help show well integrity and may help qualify your well for extended SI/TA. **Note: As of July 1, 2003, wells in violation of the SI/TA rule R649-3-36 may be subject to full cost bonding (R649-3-1-4.2, 4.3).**

1. Wellbore diagram, and
2. Copy of recent casing pressure test, and
3. Current pressures on the wellbore (tubing pressure, casing pressure, and casing/casing annuli pressure) showing wellbore has integrity, and
4. Fluid level in the wellbore, and
5. An explanation of how the submitted information proves integrity.

If the required information is not received within 30 days of the date of this notice, a Notice of Violation will be issued and further actions may be initiated. If you have any questions concerning this matter, please contact me at (801) 538-5281.

Sincerely,



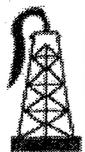
Dustin K. Doucet  
Petroleum Engineer

DKD/JP/js  
Enclosure  
cc: Jim Davis, SITLA  
Compliance File  
Well Files

N:\O&G Reviewed Docs\ChronFile\PetroleumEngineer\SITA

## ATTACHMENT A

	Well Name	API	Lease Type	Years Inactive
1	Whyte-State 2	43-019-16263	ML-48933	46 Years 2 Months
2	Sweetheart 7	43-019-31420	ML-48933	2 Years 10 Months
3	Little Boy 1	43-019-31459	ML-48933	2 Years 6 Months
4	Little Boy 2	43-019-31460	ML-48933	2 Years 6 Months
5	Sweetheart 2A	43-019-31418	ML-48933	2 Years 9 Months
6	Petro-X 23-1	43-019-30558	Fee	28 Years 9 Months
7	14-01	43-019-31450	Fee	2 Years 6 Months
8	Sweetheart 14-02	43-019-31451	Fee	1 Year 7 Months



PACIFIC ENERGY & MINING CO

RECEIVED

MAR 23 2009

DIV. OF OIL, GAS & MINING

March 17, 2009

Dustin Doucet  
1594 West North Temple, Suite 1210  
PO Box 145801  
Salt Lake City, UT 84114

43 019 31459  
Little Boy 1  
21S 23E 24

Subject: Extended Shut-in Notice

Dear Doucet:

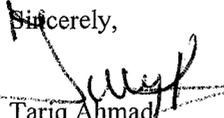
I am in receipt of your letter dated March 4, 2009. Our response is as follows:

1. As discussed we are in the process of getting the casing integrity tests
2. The ROW that we have received is to connect our existing line in Section 11 to the Petro X meter which ends at the new ROW from the BLM. Once we have installed the lines we will commence sales of natural gas.
3. The Little Boy #1 and Little Boy #2 are only about 300 feet in depth. The surface casing for both wells was installed and cemented to the surface with a TD of about 120 feet. The wellbore diagrams were submitted to you earlier. The surface pressure on both of the wells is approximately 30 psi and it has stayed constant since we drilled these wells. The wells are completed openhole. Based upon the constant pressure we believe that the casing integrity is good, otherwise we would have observed a decrease in surface pressure over time if natural gas has seeped into a hole in the casing.
4. None of the wells in the list have any fluid in the hole.
5. We expect to have the wells on production by June of this year once we have built the requisite pipeline.

As stated earlier we had requested the temporary shut in status due to the fact that we cannot transport the natural gas through the pipeline allegedly owned by Pride Ventures. Because of this reason we had applied and recently received the requisite ROW, a copy of which was sent to you earlier.

Once we receive the casing pressure tests we will submit the same to your office.

Sincerely,

  
Tariq Ahmad  
Petroleum Engineer

UTAH DEPARTMENT OF NATURAL RESOURCES

Division of Oil, Gas & Mining

Oil and Gas Program

1594 West North Temple, Suite 1210, Box 145801

Salt Lake City, Utah 84114-5801

(801) 538-5340 Phone

(801) 359-3940 Fax

NOTICE OF VIOLATION
STATE OF UTAH
OIL AND GAS CONSERVATION ACT

\*\*\*\*\*

To the following operator:

Name: Pacific Energy & Mining Company

Well(s) or Site(s):

- 1. Whyte-State 2 43-019-16263
2. Sweetheart 7 43-019-31420
->3. Little Boy 1 43-019-31459 21 S 23E 24
4. Little Boy 2 43-019-31460
5. Sweetheart 2A 43-019-31418
6. Petro-X 23-1 43-019-30558
7. 14-01 43-019-31450
8. Sweetheart 14-02 43-019-31451

Date and Time of Inspection/Violation: April 4, 2009

Mailing Address: Mr. Tariq Ahmad
Pacific Energy & Mining Company
3550 Barron Way, Ste 13A
Reno, NV 89511-1852

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

Description of Violation(s):

Rule R649-3-36, Shut-in and Temporarily Abandoned Wells -According to Rule R649-3-36, the operator is required to supply the Division with reasons for extended SI/TA, the length of time for extended SI/TA and proof of well bore integrity for every well SI/TA over 12 consecutive months. After 5 years of continued SI/TA, the wells are to be plugged unless good cause is supplied to the Division for extended SI/TA in addition to the required information just mentioned.

The Division has initiated several contacts with Pacific Energy & Mining Company (Pacific Energy) requesting required documents and action per R649-3-36. The Division notified (Pacific Energy) with a first notice by certified mail on September 3, 2008, about these wells non-compliance issues. (Pacific Energy) responded by stating they would have the wells in production within 14 day. They were not returned to production. The above listed wells then had

Pacific Energy & Mining Company

September 28, 2009

Notice of Violation

a second notice sent out via certified mail on January 29, 2009 to (Pacific Energy). In that notice it was made clear that if this issue was not addressed within 30 days of receipt of the letter, a Notice of Violation would be issued for the wells. (Pacific Energy) responded by stating several wells were on production and several would be within 180 days. (Pacific Energy) was noticed via certified mail on March 4, 2009 that insufficient data was submitted to extend SI/TA. 180 days have passed and our records do not show any production from these wells. To date the Division has not seen any further correspondence on this matter. Our records show nothing has been done to move these wells out of violation status.

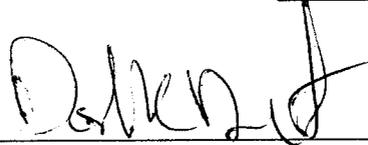
Action: For the wells subject to this notice, (Pacific Energy) shall either submit the information required by R649-3-36, plug and abandon or place the wells on production.

This notice shall remain in effect until it is modified, terminated, or vacated by a written notice of an authorized representative of the director of the Division of Oil, Gas and Mining. Failure to comply with this notice will result in the Division pursuing further actions against said operator. Further actions may include initiation of agency actions to order full cost bonding and plugging and abandonment of wells and requests for bond forfeiture and civil penalties.

Compliance Deadline: November 1, 2009

Date of Service Mailing: September 28, 2009

CERTIFIED MAIL NO: 7004 1160 0003 0190 3461



Division's Representative

Operator or Representative  
(If presented in person)

cc: Jim Davis, SITLA  
Well Files  
Operator Compliance File

N:\O&G Reviewed Docs\ChronFile\PetroleumEngineer\NOV's

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

FORM 9

5. LEASE DESIGNATION AND SERIAL NUMBER:

ML 48933

6. IF INDIAN, ALLOTTEE OR TRIBE NAME:

7. UNIT or CA AGREEMENT NAME:

**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 \_\_\_\_\_

8. WELL NAME and NUMBER:

Little Boy 1

2. NAME OF OPERATOR:  
Pacific Energy & Mining Co.

9. API NUMBER:  
4301931459

3. ADDRESS OF OPERATOR:  
PO Box 18148 CITY Reno STATE NV ZIP 89511

PHONE NUMBER:  
(775) 852-7444

10. FIELD AND POOL, OR WMLDCAT:  
Greater Cisco

4. LOCATION OF WELL  
FOOTAGES AT SURFACE: 660 FNL 680 FWL

COUNTY: Grand

QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NWNW 24 21S 23E S

STATE: UTAH

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

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

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

Pursuant to letter dated September 28, 2009. Fluid level Test was run on the well. No fluid was present in the hold, no holes were indicated on the survey for the casing. Surface casing set at 120 feet. below is open hole.

COPY SENT TO OPERATOR

Date: 7.13.2010

Initials: KS

NAME (PLEASE PRINT) Tariq Ahmad

TITLE Petroleum Engineer

SIGNATURE [Signature]

DATE 10/16/2009

(This space for State use only)

**REQUEST DENIED**  
Utah Division of  
Oil, Gas and Mining

Date: 6/29/10

By: [Signature] (See Instructions on Reverse Side)

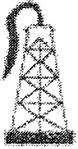
\* Insufficient information provided  
no supporting documentation provided

**RECEIVED**

OCT 21 2009

DIV. OF OIL, GAS & MINING

(5/2000)



PACIFIC ENERGY & MINING CO

October 16, 2009

Dustin Doucet  
Petroleum Engineer  
Utah Division of Oil Gas and Mining  
PO Box 145801  
Salt Lake City, Utah 84114

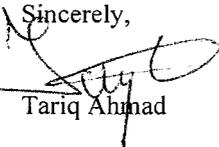
Subject: Notice of Violation April 4, 2009

Dear Dustin:

Enclosed please find the sundry notices on the wells in question. As agreed we ran fluid level surveys on the wells, these surveys have shown that the casing has no holes in any of the wells.

Furthermore, we have placed the 14-02 well on production since August 2009.

Sincerely,

  
Tariq Ahmad

RECEIVED

OCT 21 2009

# Mar/Reg Oil Company

April 28, 2010

Tamir Abudi  
President  
Delek Energy US  
1401 17<sup>th</sup> Street, Suite 700  
Denver, Colorado 80202

COPY  
43 019 31459  
Little Boy 1  
21S 23E 24

Subject: Pipeline Access  
Cisco, Utah

Dear Mr. Abudi:

We had requested during 2008 and again during 2009 that Elk allow us access to its gas gathering system. Based upon our request, we were advised by Anna Ilhan, Operations Engineer, to do the following:

1. Obtain a ROW from the BLM to the your pipeline;
2. Obtain natural gas analysis for the wells.

After we did both, Ms. Ilhan, informed us by telephone and email, that Elk is not willing to purchase or transport our gas into the system. Thus our gas has been stranded for over 24 months due to the actions of your company.

During the week of April 19<sup>th</sup> we met with the Bureau of Land Management and they informed us that the public ROW for a natural gas or oil pipeline contains the stipulation that the pipelines are common carriers, and thus must allow natural gas into the pipelines. (See 43 CR 2885.11 (16) that a ROW holders must grant access to the pipeline.)

Your ROW contains this specific stipulation as all pipeline ROW have this governmental stipulation. A copy of the regulation is attached herewith for your review. As you know due to the actions of Elk, we have lost production for over 24 months, we continue to suffer losses due to the refusal of Elk to allow us access to the pipeline.

We will appreciate if you would provide us access to the gathering system so that we can start sales of our natural gas. Delek Energy/Elk have until May 5<sup>th</sup> 2010 to respond to this request, failing we will take up this matter with the BLM and the State Board of Oil Gas and Mining.

Sincerely,

Tariq Ahmad

Cc: Bureau of Land Management, Moab, Utah  
Utah Division of Oil Gas and Mining

P.O. Box 18148  
Reno, Nevada 89511  
Phone: 775 852-7444  
Fax: 775 851-1138

**RECEIVED**  
**MAY 04 2010**  
**DIV. OF OIL, GAS & MINING**

related facility siting standards contained in applicable Federal or state law or regulations;

(iii) Control or prevent damage to scenic, aesthetic, cultural, and environmental values, including fish and wildlife habitat, and to public and private property and public health and safety;

(iv) Protect the interests of individuals living in the general area who rely on the area for subsistence uses as that term is used in Title VIII of ANILCA (16 U.S.C. 3111 *et seq.*); and

(v) Ensure that you construct, operate, maintain, and terminate the facilities on the lands in the right-of-way or TUP area in a manner consistent with the grant or TUP;

(10) Immediately notify all Federal, state, tribal, and local agencies of any release or discharge of hazardous material reportable to such entity under applicable law. You must also notify BLM at the same time, and send BLM a copy of any written notification you prepared;

(11) Not dispose of or store hazardous material on your right-of-way or TUP area, except as provided by the terms, conditions, and stipulation of your grant or TUP;

(12) Certify that your compliance with all requirements of the Emergency Planning and Community Right-to-Know Act of 1986, 42 U.S.C. 11001 *et seq.*, when you receive, assign, renew, amend, or terminate your grant or TUP;

(13) Control and remove any release or discharge of hazardous material on or near the right-of-way or TUP area arising in connection with your use and occupancy of the right-of-way or TUP area, whether or not the release or discharge is authorized under the grant or TUP. You must also remediate and restore lands and resources affected by the release or discharge to BLM's satisfaction and to the satisfaction of any other Federal, state, tribal, or local agency having jurisdiction over the land, resource, or hazardous material;

(14) Comply with all liability and indemnification provisions and stipulations in the grant or TUP;

(15) As BLM directs, provide diagrams or maps showing the location of any constructed facility;

(16) Construct, operate, and maintain the pipeline as a common carrier. This means that the pipeline owners and operators must accept, convey, transport, or purchase without discrimination all oil or gas delivered to the pipeline without regard to where the oil and gas was produced (*i.e.*, whether on Federal or non-federal lands). Where natural gas not subject to state regulatory or conservation laws governing its purchase by pipeline companies is offered for sale, each pipeline company must purchase, without discrimination, any such natural gas produced in the vicinity of the pipeline. Common carrier provisions of this paragraph do not apply to natural gas pipelines operated by a:

(i) Person subject to regulation under the Natural Gas Act (15 U.S.C. 717 *et seq.*); or

(ii) Public utility subject to regulation by state or municipal agencies with the authority to set rates and charges for the sale of natural gas to consumers within the state or municipality.

(17) Within 30 calendar days after BLM requests it, file rate schedules and tariffs for oil and gas, or derivative products, transported by the pipeline as a common carrier with the agency BLM prescribes, and provide BLM proof that you made the required filing;

(18) With certain exceptions (listed in the statute), not export domestically produced crude oil by pipeline without Presidential approval (see 30 U.S.C. 185(u) and (s) and 50 U.S.C. App. 2401);

(19) Not exceed the right-of-way width that is specified in the grant without BLM's prior written authorization. If you need a right-of-way wider than 50 feet plus the ground occupied by the pipeline and related facilities, see § 2885.14 of this subpart;

(20) Not use the right-of-way or TUP area for any use other than that authorized by the grant or TUP. If you require other pipelines, looping lines, or other improvements not authorized by the grant or TUP, you must first secure BLM's written authorization;

(21) Not use or construct on the land in the right-of-way or TUP area until:

**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

ML 48933

6 IF INDIAN ALLOTTEE OR TRIBE NAME

7 UNIT or CA AGREEMENT NAME

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

8 WELL NAME and NUMBER

Sweetheart 2A

2 NAME OF OPERATOR  
Pacific Energy & Mining Co.

9 API NUMBER

4301931418

3 ADDRESS OF OPERATOR:  
PO Box 18148 CITY Reno STATE NV ZIP 89511

PHONE NUMBER  
(775) 852-7444

10 FIELD AND POOL OR WILDCAT

4 LOCATION OF WELL  
FOOTAGES AT SURFACE: 2304 FSL, 852 fWL

COUNTY Grand

QTR/QTR. SECTION, TOWNSHIP, RANGE, MERIDIAN NWSW 24 21S 23E S

STATE  
UTAH

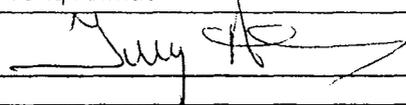
**11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA**

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

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

The well was tested with Fluid Level Surveys. There is no fluid in the hole. The CP and TP are both 200 psi. We have flow tested the flow and installed a compressor on location. Based upon the fluid level surveys we feel that the well integrity is good. There are no leaks in the casing or tubing.

Due to the fact that we have been denied access to the pipeline, we are currently working with Veteri Farms, wherein Veteri Farms is to install a generator in Section 25, which will be powered by our natural gas. Based upon the agreement with Veteri farms we would work to have natural gas being sold to Veteri farms in the next 180 days. We request that an extended shut in be allowed until a generator is intalled in Section 25, which we expect to be in operation within 180 days.

NAME (PLEASE PRINT) Tariq Ahmad TITLE Petroleum Engineer  
 SIGNATURE  DATE 2/9/2009

This space for State use only)

(B)

# Pacific Energy & Mining Company

February 6, 2009

Dick Crist  
Vice President  
Elk Resources Inc  
1401 17<sup>th</sup> Street, Suite 700  
Denver, CO. 80202

Subject: Petrox Meter #1

Dear Crist:

Enclosed please find a copy of the right of way grant from UTU 86731 that allows us to transport our natural gas through our lines to the purchase meter listed above.

I will appreciate if you would turn on the meter at our location so that we may start selling our natural gas through our own lines.

I am enclosing a copy of the email we had received from Tom Young concerning the issues with Pride Ventures and the issues,

Clearly, we own the pipelines and the right of way thus any use of the meter by Pride ventures is improper.

Sincerely,

Tariq Ahmad

Cc: Pride Ventures LLC

(c)

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

FORM 9

SUNDRY NOTICES AND REPORTS ON WELLS

5. LEASE DESIGNATION AND SERIAL NUMBER

SEE BELOW

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

7. UNIT or CA AGREEMENT NAME

8. WELL NAME and NUMBER.

SEE BELOW

9. API NUMBER:

SEE BELOW

10. FIELD AND POOL, OR WILOCAT

Greater Cisco

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

1. TYPE OF WELL

OIL WELL  GAS WELL  OTHER \_\_\_\_\_

2. NAME OF OPERATOR:

Pacific Energy & Mining Company

3. ADDRESS OF OPERATOR:

P.O. Box 18148

CITY Reno

STATE NV

ZIP 89511

PHONE NUMBER:

(775) 852-7444

4. LOCATION OF WELL

FOOTAGES AT SURFACE:

COUNTY: Grand

QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN:

STATE:

UTAH

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

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

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

The following is a listing of the concerned wells:

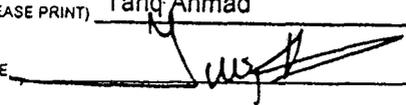
S.N.	WELL NAME	API	Lease Type
1	Whyte-State 2	43-019-16263	ML-48933
2	Sweetheart 7	43-019-31420	ML-48933
3	Little Boy 1	43-019-31459	ML-48933
4	Little Boy 2	43-019-31460	ML-48933
5	Sweetheart 2A	43-019-31418	ML-48933
6	Petro-X-23-1	43-019-30558	Fee
7	14-01	43-019-31450	Fee
8	Sweetheart 14-01	43-019-31451	Fee

At present, Pride Ventures has refused access for shipping our produced natural gas to Elk Resources; thus we can't ship the said gas until the matter is resolved. We will pursue and try to resolve this matter expeditiously. In the interim, we are trying to sell our produced gas locally.

\*\*\*Please see attached email from Elk Resources, Inc.

NAME (PLEASE PRINT) Tariq Ahmad

TITLE Petroleum Engineer

SIGNATURE 

DATE 9/23/2008

(This space for State use only)

(D)



RE: Cisco Meter

Tuesday, September 23, 2008

From: "Tom Young" <tyoung@elkresources.net>.  
To: taroil@yahoo.com

Tariq,

Since your gas is transported into and thru Woosley's line and compressor, I visited with Jim yesterday and he w. that he is unwilling to continue to allow you to do this. Apparently for the last few years he has allowed this but it to problems such as high nitrogen, probably air, in your gas shutting down his compressor to mention one he a mentioned volumes were very small and flow seldom lasted more than a week or so. The only option that I can s you to get a ROW and lay a line to connect directly into us.

Tom C. Young  
VP Southern Operations & Midstream  
Elk Resources, Inc.  
1401 17th Street, Suite 700  
Denver, CO 80202  
(303) 296-4505 - Main  
(303) 339-1917 - Fax  
tyoung@elkresources.net

From: taroil [mailto:taroil@yahoo.com]  
Sent: Monday, September 22, 2008 3:49 PM  
To: Tom Young  
Subject: Cisco Meter

Dear Tom:

Were you able to get the charts changed

Tariq I. Ahmad PE  
PO Box 18148  
Reno, Nevada 89511

775 333-6626 office  
775 333-0225 fax  
775 240-0769 cell  
taroil@yahoo.com

E-MAIL CONFIDENTIALITY NOTICE:

The contents of this e-mail message and any attachments are intended solely for the addressee(s) and may contain confidential and/or legally privileged information. If you are not the intended recipient of this message

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

FORM 9

SUNDRY NOTICES AND REPORTS ON WELLS

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

1. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER _____		5. LEASE DESIGNATION AND SERIAL NUMBER: ML 48933
2. NAME OF OPERATOR: Pacific Energy & Mining Co.		6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
3. ADDRESS OF OPERATOR: PO Box 18148 CITY Reno STATE NV ZIP 89511		7. UNIT or CA AGREEMENT NAME:
4. LOCATION OF WELL FOOTAGES AT SURFACE: 660 FNL 680 FWL COUNTY: Grand		8. WELL NAME and NUMBER: Little Boy 1
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NWNW 24 21S 23E S STATE: UTAH		9. API NUMBER: 43 019 31459
		10. FIELD AND POOL OR WILDCAT: Greater Cisco
		PHONE NUMBER: (775) 852-7444

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

TYPE OF SUBMISSION	TYPE OF ACTION		
<input checked="" type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: <u>3/18/2011</u>	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> REPERFORATE CURRENT FORMATION
<input type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion:	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> SIDETRACK TO REPAIR WELL
	<input type="checkbox"/> CASING REPAIR	<input type="checkbox"/> NEW CONSTRUCTION	<input type="checkbox"/> TEMPORARILY ABANDON
	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> TUBING REPAIR
	<input type="checkbox"/> CHANGE TUBING	<input checked="" type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> VENT OR FLARE
	<input type="checkbox"/> CHANGE WELL NAME	<input type="checkbox"/> PLUG BACK	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> PRODUCTION (START/RESUME)	<input type="checkbox"/> WATER SHUT-OFF
	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input type="checkbox"/> OTHER: _____
	<input type="checkbox"/> CONVERT WELL TYPE	<input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION	

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

Propose to P&A well as follows place 23.25 cubic feet of cement to plug well. Bottom of hole is open hole from 120 to 300 feet 3.5 inch hole.

Will use tubing to tag bottom and pump up.

**COPY SENT TO OPERATOR**  
Date: 3-24-2011  
Initials: KS

NAME (PLEASE PRINT) Tariq Ahmad TITLE Petroleum Engineer  
SIGNATURE [Signature] DATE 3/16/11

APPROVED BY THE STATE OF UTAH DIVISION OF OIL, GAS, AND MINING  
DATE: 3/21/2011  
BY: [Signature]  
\* See conditions of Approval (Attached)

**RECEIVED**  
MAR 16 2011  
DIV. OF OIL, GAS & MINING



GARY R. HERBERT  
Governor

GREGORY S. BELL  
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 PLUG AND ABANDON WELL***

Well Name and Number: Little Boy 1  
API Number: 43-019-31459  
Operator: Pacific Energy & Mining Company  
Reference Document: Original Sundry Notice dated March 16, 2011,  
received by DOGM on March 16, 2011.

### Approval Conditions:

1. Notify the Division at least 24 hours prior to conducting abandonment operations. Please call Bart Kettle directly at 435-820-0862 to arrange witnessing of plugging operations.
2. Cement should be circulated from TD back to surface as indicated on procedure.
3. All annuli shall be cemented from a minimum depth of 100' to the surface. Note: Records do show cement circulated back to surface. This should be confirmed at time of plugging.
4. Surface reclamation shall be done in accordance with R649-3-34 – Well Site Restoration.
5. All requirements in the Oil and Gas Conservation General Rule R649-3-24 shall apply.
6. If there are any changes to the procedure or the wellbore configuration, notify Dustin Doucet at 801-538-5281 (ofc) or 801-733-0983 (home) prior to continuing with the procedure.
7. All other requirements for notice and reporting in the Oil and Gas Conservation General Rules shall apply.

Dustin K. Doucet  
Petroleum Engineer

March 21, 2011

Date

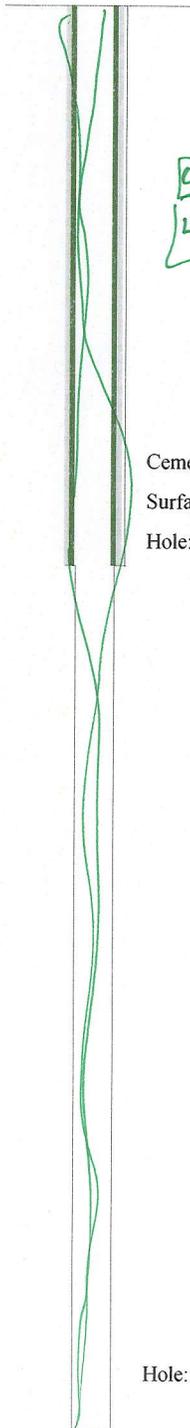
# Wellbore Diagram

**API Well No:** 43-019-31459-00-00    **Permit No:**  
**Company Name:** PACIFIC ENERGY & MINING CO  
**Location:** Sec: 24 T: 21S R: 23E Spot: NWNW  
**Coordinates:** X: 644750 Y: 4314638  
**Field Name:** GREATER CISCO  
**County Name:** GRAND

**Well Name/No:** LITTLE BOY 1

### String Information

String	Bottom (ft sub)	Diameter (inches)	Weight (lb/ft)	Length (ft)	Capacity (F/CF)
HOL1	120	6.25			
SURF	120	4.5	9.5		10.960
HOL2	305	3.5		w/10%wo	123697



Plug # 1

$$\boxed{OH} \quad 185' / (1.15)(123697) = 135x$$

$$\boxed{4\frac{1}{2}''} \quad 120' / (1.15)(10.960) = 105x$$

235x total = 26.45 cf w/10% washout in OH

### Cement Information

String	BOC (ft sub)	TOC (ft sub)	Class	Sacks
SURF	120	0	G	50

Propose 23.25 ✓ 6.25 in. circ. to surface

Cement from 120 ft. to surface

Surface: 4.5 in. @ 120 ft.

Hole: 6.25 in. @ 120 ft.

### Perforation Information

Top (ft sub)	Bottom (ft sub)	Shts/Ft	No Shts	Dt Squeeze
299	305			

### Formation Information

Formation	Depth
DK-SD	299

Hole: 3.5 in. @ 305 ft.

**TD:** 305    **TVD:**    **PBTD:** 305

<b>STATE OF UTAH</b> DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS, AND MINING		<b>FORM 9</b>  <b>5. LEASE DESIGNATION AND SERIAL NUMBER:</b> ML-48933																														
<b>SUNDRY NOTICES AND REPORTS ON WELLS</b>  Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.		<b>6. IF INDIAN, ALLOTTEE OR TRIBE NAME:</b>  <b>7. UNIT or CA AGREEMENT NAME:</b>																														
<b>1. TYPE OF WELL</b> Gas Well	<b>8. WELL NAME and NUMBER:</b> LITTLE BOY 1																															
<b>2. NAME OF OPERATOR:</b> PACIFIC ENERGY & MINING CO	<b>9. API NUMBER:</b> 43019314590000																															
<b>3. ADDRESS OF OPERATOR:</b> P.O. Box 18148 , Reno, NV, 89511	<b>PHONE NUMBER:</b> 775 240-0769 Ext	<b>9. FIELD and POOL or WILDCAT:</b> GREATER CISCO																														
<b>4. LOCATION OF WELL</b> <b>FOOTAGES AT SURFACE:</b> 0660 FNL 0680 FWL <b>QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN:</b> Qtr/Qtr: NWNW Section: 24 Township: 21.0S Range: 23.0E Meridian: S	<b>COUNTY:</b> GRAND  <b>STATE:</b> UTAH																															
11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA																																
<b>TYPE OF SUBMISSION</b>	<b>TYPE OF ACTION</b>																															
<input type="checkbox"/> NOTICE OF INTENT Approximate date work will start:  <input checked="" type="checkbox"/> SUBSEQUENT REPORT Date of Work Completion: 4/9/2011  <input type="checkbox"/> SPUD REPORT Date of Spud:  <input type="checkbox"/> DRILLING REPORT Report Date:	<table style="width: 100%; border: none;"> <tr> <td style="width: 33%; border: none;"><input type="checkbox"/> ACIDIZE</td> <td style="width: 33%; border: none;"><input type="checkbox"/> ALTER CASING</td> <td style="width: 33%; border: none;"><input type="checkbox"/> CASING REPAIR</td> </tr> <tr> <td style="border: none;"><input type="checkbox"/> CHANGE TO PREVIOUS PLANS</td> <td style="border: none;"><input type="checkbox"/> CHANGE TUBING</td> <td style="border: none;"><input type="checkbox"/> CHANGE WELL NAME</td> </tr> <tr> <td style="border: none;"><input type="checkbox"/> CHANGE WELL STATUS</td> <td style="border: none;"><input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS</td> <td style="border: none;"><input type="checkbox"/> CONVERT WELL TYPE</td> </tr> <tr> <td style="border: none;"><input type="checkbox"/> DEEPEN</td> <td style="border: none;"><input type="checkbox"/> FRACTURE TREAT</td> <td style="border: none;"><input type="checkbox"/> NEW CONSTRUCTION</td> </tr> <tr> <td style="border: none;"><input type="checkbox"/> OPERATOR CHANGE</td> <td style="border: none;"><input checked="" type="checkbox"/> PLUG AND ABANDON</td> <td style="border: none;"><input type="checkbox"/> PLUG BACK</td> </tr> <tr> <td style="border: none;"><input type="checkbox"/> PRODUCTION START OR RESUME</td> <td style="border: none;"><input type="checkbox"/> RECLAMATION OF WELL SITE</td> <td style="border: none;"><input type="checkbox"/> RECOMPLETE DIFFERENT FORMATION</td> </tr> <tr> <td style="border: none;"><input type="checkbox"/> REPERFORATE CURRENT FORMATION</td> <td style="border: none;"><input type="checkbox"/> SIDETRACK TO REPAIR WELL</td> <td style="border: none;"><input type="checkbox"/> TEMPORARY ABANDON</td> </tr> <tr> <td style="border: none;"><input type="checkbox"/> TUBING REPAIR</td> <td style="border: none;"><input type="checkbox"/> VENT OR FLARE</td> <td style="border: none;"><input type="checkbox"/> WATER DISPOSAL</td> </tr> <tr> <td style="border: none;"><input type="checkbox"/> WATER SHUTOFF</td> <td style="border: none;"><input type="checkbox"/> SI TA STATUS EXTENSION</td> <td style="border: none;"><input type="checkbox"/> APD EXTENSION</td> </tr> <tr> <td style="border: none;"><input type="checkbox"/> WILDCAT WELL DETERMINATION</td> <td style="border: none;"><input type="checkbox"/> OTHER</td> <td style="border: none;">OTHER: <input style="width: 100px;" type="text"/></td> </tr> </table>		<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> CASING REPAIR	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> CHANGE WELL NAME	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> CONVERT WELL TYPE	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> NEW CONSTRUCTION	<input type="checkbox"/> OPERATOR CHANGE	<input checked="" type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> PLUG BACK	<input type="checkbox"/> PRODUCTION START OR RESUME	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input type="checkbox"/> RECOMPLETE DIFFERENT FORMATION	<input type="checkbox"/> REPERFORATE CURRENT FORMATION	<input type="checkbox"/> SIDETRACK TO REPAIR WELL	<input type="checkbox"/> TEMPORARY ABANDON	<input type="checkbox"/> TUBING REPAIR	<input type="checkbox"/> VENT OR FLARE	<input type="checkbox"/> WATER DISPOSAL	<input type="checkbox"/> WATER SHUTOFF	<input type="checkbox"/> SI TA STATUS EXTENSION	<input type="checkbox"/> APD EXTENSION	<input type="checkbox"/> WILDCAT WELL DETERMINATION	<input type="checkbox"/> OTHER	OTHER: <input style="width: 100px;" type="text"/>
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12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc. <p style="text-align: center;">Cemented from bottom to top put 25 sx cement. Additional 7 sacks to complete the P&amp;A.</p> <p style="text-align: right; font-weight: bold; font-size: 1.2em;">Accepted by the Utah Division of Oil, Gas and Mining <b>FOR RECORD ONLY</b></p>																																
<b>NAME (PLEASE PRINT)</b> Tariq Ahmad	<b>PHONE NUMBER</b> 775 852-7444	<b>TITLE</b> President																														
<b>SIGNATURE</b> N/A	<b>DATE</b> 4/15/2011																															



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

FORM 9

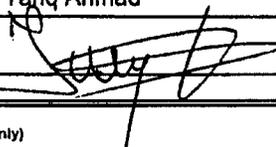
<b>SUNDRY NOTICES AND REPORTS ON WELLS</b>		5. LEASE DESIGNATION AND SERIAL NUMBER: <b>ML 48933</b>
Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.		6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
1. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER _____		7. UNIT or CA AGREEMENT NAME:
2. NAME OF OPERATOR: <b>Pacific Energy &amp; Mining Co.</b>		8. WELL NAME and NUMBER: <b>Little Boy 1</b>
3. ADDRESS OF OPERATOR: PO Box 18148 CITY <b>Reno</b> STATE <b>NV</b> ZIP <b>89511</b>		9. API NUMBER: <b>4301931459</b>
4. LOCATION OF WELL FOOTAGES AT SURFACE: <b>660 FNL 680 FWL</b>		10. FIELD AND POOL, OR WILDCAT: <b>Greater Cisco</b>
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: <b>NWNW 24 21S 23E S</b>		COUNTY: <b>Grand</b>
		STATE: <b>UTAH</b>

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

TYPE OF SUBMISSION	TYPE OF ACTION		
<input type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: _____	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> REPERFORATE CURRENT FORMATION
	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> SIDETRACK TO REPAIR WELL
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	<input type="checkbox"/> CONVERT WELL TYPE	<input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION	

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

Plugged well on March 25, 2011 by pumping 25 sx cement in hole. Cement to surface.

NAME (PLEASE PRINT) <u>Tariq Ahmad</u>	TITLE <u>Petroleum Engineer</u>
SIGNATURE 	DATE <u>3/28/2011</u>

(This space for State use only)

*Little Boy*

<b>K &amp; R Construction, Inc. aka Keys Construction</b> Ready Mix Plant 2180 S. Hwy 191 435-259-6224 Moab, UT. 84532 <b>INVOICE &amp; CONCRETE TICKET</b>					<b>9893</b>		
Sold To <i>PACIFIC ENERGY</i>					Terms: Net 10th		
Billing Address <i>PO 13143</i>					Date <i>3-25-11</i>		
Delivery Information <i>Ren # 375</i>					Customer Acct. No.		
<i>LISCO</i>					Customer Purchase Order No.		
Type Placement					Truck No.		Driver
Mileage Start <i>840</i>		Finish			Total Miles		Batch Time
Time Arrive Job		Start Pour		Finish Pour		Leave Job	Job Time
Total Time		Total Amount					
Temp	Strength	%Air	Ordered Slump	Water Added*	Units	Unit Price	Amount
			In	GAL			
			Hot Water				
Concrete	5	5 1/2	6	6 1/2	7		
Ready Mix							
Small Load Charge <i>25 sacks</i>					<input checked="" type="checkbox"/>		
* CANCEL OR H.E.							
Hot Water							
Admixtures							
Pumper <i>Pump truck</i>							
Rental or Standby Hours at \$ Per Hour							
Delivery					<input checked="" type="checkbox"/>		
<b>Notice:</b> * Additional Water added to Concrete will reduce its strength. Any water added over the ordered slump is done at customer's risk. Not responsible for damage resulting from deliveries made inside curb or property lines. Customers will be charged for costs incurred for attempted deliveries to inaccessible sites. We reserve the right to refuse orders which cannot be delivered safely. CAUTION: Freshly mixed cement, mortar, concrete or grout may cause skin injury. Avoid contact with skin where possible and wash exposed skin areas promptly with water. If any cement or cement mixtures get into the eye, rinse immediately and repeatedly with water and get prompt medical attention. KEEP OUT OF REACH OF CHILDREN. TERMS: NET DUE & PAYABLE 10TH OF THE MONTH FOLLOWING THE DATE OF DELIVERY. Finance charge of 1 1/2% per month, annual rate 18%, will be charged on all past due amounts. Customer agrees to pay full attorney's fees, collection costs and all expenses involved in the event legal action is necessary for the collection of this account. Notice is hereby given of intent to file lien as required by state law if payment is not made when due.					Tax		
					Total		
					VISA & Mastercard accepted		
RECEIVED AND THE ABOVE TERMS AGREED TO					<b>Please Remit Payment to:</b> <b>Keys Construction</b> <b>287 E. 100 N.</b> <b>Moab, UT 84532</b> <b>435-259-6696</b>		