



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

August 8, 2006

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

Attn: Diana Whitney

Re: **MSC Exploration, L.P.**
Little Grand #35-2
1320' FNL and 1320' FEL
NE NE Sec. 35, T22S - R18E
Grand County, Utah
Lease No. U-73490

Dear Diana,

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

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

Sincerely,

PERMITCO INC.

Venessa Langmacher
Consultant for:
MSC Exploration, L.P.

Enc.

cc:

Samson Resources Company - Denver, CO
MSC Exploration, L.P. - Ridgefield, CT
Tidewater Oil and Gas Company LLC - Denver, CO

RECEIVED

AUG 10 2006

DIV. OF OIL, GAS & MINING

AMENDED REPORT
(highlight changes)

APPLICATION FOR PERMIT TO DRILL			5. MINERAL LEASE NO.: U-73490	6. SURFACE: BLM
1A. TYPE OF WORK: DRILL <input checked="" type="checkbox"/> REENTER <input type="checkbox"/> DEEPEN <input type="checkbox"/>			7. IF INDIAN, ALLOTTEE OR TRIBE NAME: N/A	
B. TYPE OF WELL: OIL <input checked="" type="checkbox"/> GAS <input type="checkbox"/> OTHER _____ SINGLE ZONE <input type="checkbox"/> MULTIPLE ZONE <input checked="" type="checkbox"/>			8. UNIT or CA AGREEMENT NAME: Cactus Rose Unit	
2. NAME OF OPERATOR: MSC Exploration, L.P.			9. WELL NAME and NUMBER: Little Grand #35-2	
3. ADDRESS OF OPERATOR: 369 Florida Hill Road, Ridgefield, CT 06877		PHONE NUMBER: 203/994-1079	10. FIELD AND POOL, OR WILDCAT: Wildcat	
4. LOCATION OF WELL (FOOTAGES) AT SURFACE: 595698X 1320' FNL and 1320' FEL 38.857932 AT PROPOSED PRODUCING ZONE: NE NE 4301382Y 109.897087			11. QTR/QTR, SECTION, TOWNSHIP, RANGE MERIDIAN: Section 35, T22S - R18E	
14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE: Approximately 10.8 miles Southwest of Cresent Junction.			12. COUNTY: Grand	13. STATE: UT
15. DISTANCE TO NEAREST PROPERTY OR LEASE LINE (FEET) 1320'	16. NUMBER OF ACRES IN LEASE: 1440.00	17. NUMBER OF ACRES ASSIGNED TO THIS WELL: 40 acres		
18. DISTANCE TO NEAREST WELL (DRILLING, COMPLETED, OR APPLIED FOR) ON THIS LEASE (FEET): None	19. PROPOSED DEPTH: 5010'	20. BOND DESCRIPTION: UTB000113		
21. ELEVATIONS (SHOW WHETHER DF, RT, GR, ETC.): 4562' GL	22. APPROXIMATE DATE WORK WILL START: ASAP	23. ESTIMATED DURATION: 8 Days		

24. **PROPOSED CASING AND CEMENTING PROGRAM**

SIZE OF HOLE	CASING SIZE, GRADE, AND WEIGHT PER FOOT	SETTING DEPTH	CEMENT TYPE, QUANTITY, YIELD, AND SLURRY WEIGHT
12-1/4"	8-5/8", 26#, K-55	350'	Redimix
7-7/8"	4-1/2", 10.5 #, K-55	5010'	Single Slurry: Class "G" w/5% gel, 4% celloflake, 2% CaCl
CONFIDENTIAL-TIGHT HOLE			

25. **ATTACHMENTS**

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

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

AGENT: **PermitCo Inc., 14421 County Road 10, Fort Lupton, CO 80621** AGENT'S PHONE NO.: **303/857-9999**

NAME (PLEASE PRINT) **Venessa Langmacher** TITLE **Agent for MSC Exploration, L.P.**

SIGNATURE *Venessa Langmacher* DATE **August 8, 2006**

(This space for State use only)

API NUMBER ASSIGNED: **43-019-31496**

Approved by the Utah Division of Oil, Gas and Mining

Date: **10/10/06** (See instructions on Reverse Side)
By: *[Signature]*

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(11/2001) Federal Approval of this Action is Necessary

T22S, R18E, S.L.B.&M.

MSC Exploration, L.P.

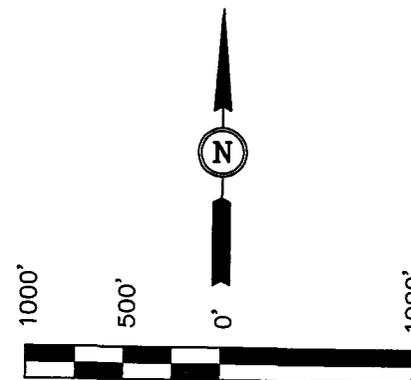
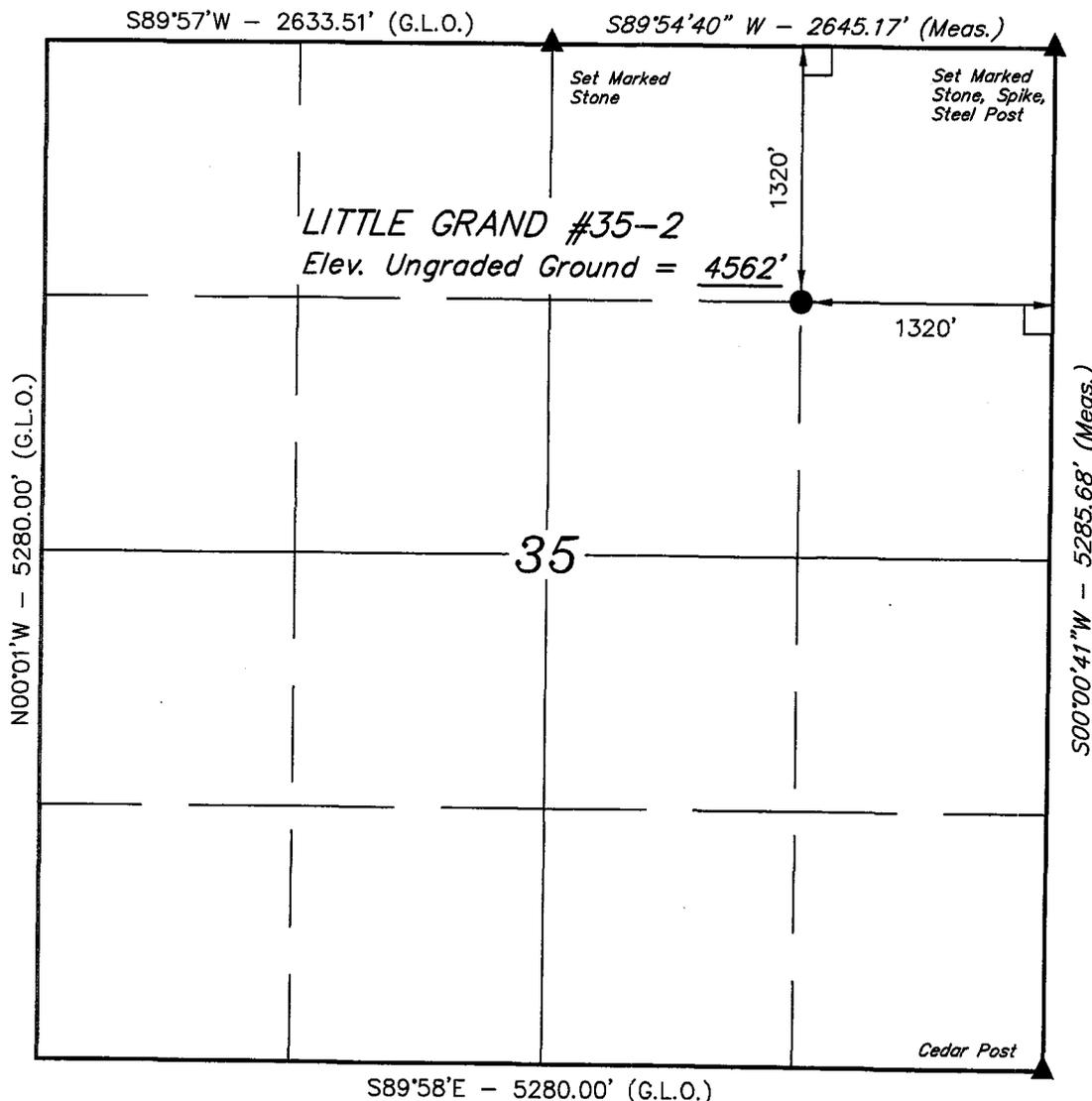
Well location, LITTLE GRAND #35-2, located as shown in the NE 1/4 of Section 35, T22S, R18E, S.L.B.&M., Grand County, Utah.

BASIS OF BEARINGS

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

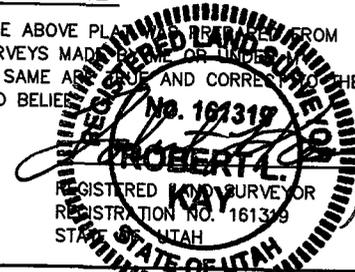
BASIS OF ELEVATION

SPOT ELEVATION AT THE NORTHEAST CORNER OF SECTION 4, T22S, R18E, 6th. P.M. TAKEN FROM THE DEE PASS QUADRANGLE, UTAH, GRAND COUNTY, 7.5 MINUTE QUAD. (TOPOGRAPHIC MAP) PUBLISHED BY THE UNITED STATES DEPARTMENT OF THE INTERIOR, GEOLOGICAL SURVEY. SAID ELEVATION IS MARKED AS BEING 4724 FEET.



SCALE
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.



LEGEND:

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

(AUTONOMOUS NAD 83)
 LATITUDE = 38°51'28.79" (38.857997)
 LONGITUDE = 109°53'52.21" (109.897836)
 (AUTONOMOUS NAD 27)
 LATITUDE = 38°51'28.88" (38.858022)
 LONGITUDE = 109°53'49.76" (109.897156)

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

SCALE 1" = 1000'	DATE SURVEYED: 07-25-06	DATE DRAWN: 07-27-06
PARTY B.H. F.Y. L.K.	REFERENCES G.L.O. PLAT	
WEATHER HOT	FILE MSC Exploration, L.P.	

ONSHORE OIL & GAS ORDER NO. 1

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

Little Grand #35-2
1320' FNL and 1320' FEL
NE NE Section 35, T22S - R18E
Grand County, Utah

Prepared For:

MSC Exploration, L.P.

By:

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

CONFIDENTIAL-TIGHT HOLE

Copies Sent To:

- 4 - BLM - Moab, UT
- 1 - BLM - Price, UT
- 1 - Utah Division of Oil, Gas & Mining - SLC, UT
- 2 - Samson Resources Company - Denver, CO
- 1 - MSC Exploration, L.P. - Ridgfield, CT
- 1 - Tidewater Oil and Gas Company LLC - Denver, CO



APPLICATION FOR PERMIT TO DRILL OR REENTER

24. Attachments

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

1. Well plat certified by a registered surveyor.

Attached.

2. A Drilling Plan

Attached.

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

See Surface Use Plan Attached.

4. Bond to cover the operations unless covered by an existing bond on file (see Item 20).

Bond coverage for this well is provided by MSC Exploration, L.P. under their BLM Bond No. UTB000113.

5. Operator certification.

Please be advised that MSC Exploration, L.P. is considered to be the operator of the above mentioned well. MSC Exploration, L.P. agrees to be responsible under the terms and conditions of the lease for the operations conducted upon the leased lands.

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

MSC Exploration, L.P.

Little Grand #35-2

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

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

1. ESTIMATED TOPS/ GEOLOGIC MARKERS

The estimated tops of important geologic markers are as follows:

<i>Formation</i>	<i>Measured Depth</i>	<i>Subsea</i>
Dakota Silt	1,550'	3,000'
Moab Tongue	2,300'	2,250'
Entrada	2,450'	2,100'
Carmel	2,750'	1,800'
Navajo	2,850'	1,700'
Kayenta	3,300'	1,250'
Wingate	3,450'	1,100'
Chinle	3,750'	800'
Moenkopi	4,150'	400'
White Rim	4,650'	-100'
TD	5,010'	-460'



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

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

<i>Substance</i>	<i>Formation</i>	<i>Depth</i>
Oil	Moab Tongue	2,300'
Oil	Entrada	2,450'
Oil	Navajo	2,850'
Oil	Wingate	3,450'
Oil	White Rim	4,650'

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

3. BLOWOUT PREVENTER (BOP) EQUIPMENT

MSC Exploration, L.P.'s minimum specifications for pressure control equipment are as follows:

Ram Type: 11" - 3000 psi w.p.

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



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

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

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

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

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

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

Pressure tests shall apply to all related well control equipment.

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

Pressure tests shall apply to all related well control equipment.

- a. The size and rating of the BOP stack is shown on the attached diagram. Although a rig has not been chosen to drill this well, most of the equipment for this depth of hole in the area use a 11", 10,000 psi working pressure blowout preventor.
- b. A choke line and a kill line are to be properly installed. The kill line is not to be used as a fill-up line.



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- c. The accumulator system shall have a pressure capacity to provide for repeated operation of hydraulic preventers.
- d. Drill string safety valve(s), to fit all tools in the drill string, are to be maintained on the rig floor while drilling operations are in progress.
- e. When drilling with air, the requirements of Onshore Oil and Gas Order No. 2, part III, E, Special Drilling Operations, shall apply. Requirements in this section include:

- Rotating Head
- Spark arresters
- Bloolie line discharge 100 feet from wellbore
- Straight bloolie line
- Deduster equipment
- Float valve above bit
- Automatic igniter on the bloolie line
- Compressors 100 feet from wellbore, opposite the bloolie line
- Available drilling fluid/materials to maintain hole volume

4. CASING AND CEMENTING PROGRAM

- a. The proposed casing and cementing program shall be conducted as approved to protect and/or isolate all usable water zones, potentially productive zones, lost circulation zones, abnormally pressured zones, and any prospectively valuable deposits of minerals. Any isolating medium other than cement shall receive approval prior to use. The casing setting depth shall be calculated to position the casing seat opposite a competent formation which will contain the maximum pressure to which it will be exposed during normal drilling operations. Determination of casing setting depth shall be based on all relevant factors, including; presence/absence of hydrocarbons; fracture gradients; usable water zones; formation pressures; lost circulation zones; other minerals; or other unusual characteristics. All indications of usable water shall be reported.
- b. Casing design shall assume formation pressure gradients of 0.44 to 0.50 psi per foot for exploratory wells (lacking better data).
- c. Casing design shall assume fracture gradients from 0.70 to 1.00 psi per foot for exploratory wells (lacking better data)



- d. Casing collars shall have a minimum clearance of 0.422 inches of all sides in the hole/casing annulus, with recognition that variances can be granted for justified exceptions.
- e. All waiting on cement times shall be adequate to achieve a minimum of 500 psi compressive strength at the casing shoe prior to drilling out.
- f. All casing except the conductor casing, shall be new or reconditioned and tested used casing that meets or exceeds API standards for new casing.
- g. The surface casing shall be cemented back to surface either during the primary cement job or by remedial cementing.
- h. All indications of usable water shall be reported to the authorized officer prior to running the next string of casing or before plugging orders are requested, whichever occurs first.
- i. Three centralizers will be run on the bottom three joints of surface casing with a minimum of one centralizer per joint starting with the shoe joint.
- j. Top plugs shall be used to reduce contamination of cement by displacement fluid. A bottom plug or other acceptable technique, such as a suitable preflush fluid, inner string cement method, etc. shall be utilized to help isolate the cement from contamination by the mud fluid being displaced ahead of the cement slurry.
- k. All casing strings below the conductor shall be pressure tested to 0.22 psi per foot of casing string length or 1500 psi, whichever is greater, but not to exceed 70 percent of the minimum internal yield. If pressure declines more than 10 percent in 30 minutes, corrective action shall be taken.
- l. On all exploratory wells, and on that portion of any well approved for a 5M BOPE system or greater, a pressure integrity test of each casing shoe shall be performed. Formation at the shoe shall be tested to a minimum of the mud weight equivalent anticipated to control the formation pressure to the next casing depth or at total depth of the well. This test shall be performed before drilling more than 20 feet of new hole.



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m. The proposed casing program will be as follows:

<i>Purpose</i>	<i>Depth</i>	<i>Hole Size</i>	<i>O.D.</i>	<i>Weight</i>	<i>Grade</i>	<i>Type</i>	<i>New/Used</i>
Surface	0' - 350'	12-1/4"	8-5/8"	26#	K-55	LT&C	New
Production	0' - 5,010'	7-7/8"	4-1/2"	10.5#	K-55	LT&C	New

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

o. The cement program will be as follows:

<i>Surface</i>	<i>Type and Amount</i>
TOC @ Surface	Redimix
<i>Production</i>	<i>Type and Amount</i>
Base of Surface Casing	Single Slurry: Class "G" w/5% gel, 4% CelloFlake, 2% CaCl

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

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

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

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

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



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r. Auxiliary equipment to be used is as follows:

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

5. MUD PROGRAM

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

<i>Interval</i>	<i>Mud Type</i>	<i>Mud Wt.</i>	<i>Visc.</i>	<i>F/L</i>	<i>pH</i>
0-350'	Air/Mist	---	---	---	---
350'-2000'	Air/Mist	---	---	---	---
2000'-TD	LSND	+/-9.0 ppg	20	12-17	+/-9

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

- b. Due to potential for contamination of usable quality water aquifers, chromates are banned from Federal leases.
- c. Hazardous substances specifically listed by the EPA as a hazardous waste or demonstrating a characteristic of a hazardous waste will not be used in drilling, testing or completion operations.

6. TESTING, LOGGING AND CORING

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

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



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

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

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

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

- b. The logging program will consist of a Triple Combo, Dip Meter, Sonic from Surface Casing to TD.
- c. No cores are anticipated.
- d. Whether the well is completed as a dry hole or as a producer, "Well Completion and Recompletion Report and Log" (Form 3160-4) will be submitted not later than 30 days after completion of the well or after completion of operations being performed, in accordance with 43 CFR 3164. Two copies of all logs, core descriptions, core analyses, well-test data, geologic summaries, sample description, and all other surveys or data obtained and compiled during the drilling, workover, and/or completion operations, will be filed with form 3160-4. Samples (cuttings, fluids, and/or gases) will be submitted when requested by the authorized officer (AO).
- e. The anticipated completion program is as follows:

This well is programs for perforation and testing as natural completion(s). May require acidizing, but fracture stimulation is not placed at this time. The well will most likely need to have 2-3/8" tubing run and a pumping unit and associated equipment installed when placed on production.



7. ANTICIPATED PRESSURES AND H₂S

- a. The expected maximum bottom hole pressure is 1000 psi. The maximum bottom hole temperature is 150 degrees. No abnormal pressures are anticipated.
- b. No hydrogen sulfide gas is anticipated.
- c. As per Onshore Order No. 6, III,A,2.b., if hydrogen sulfide is present the "operator shall initially test the H₂S concentration of the gas stream for each well or production facility..." Submit the results of this test within 30 days of filing Form 3160-4, "Well Completion or Recompletion Report and Log".

8. OTHER INFORMATION AND NOTIFICATION REQUIREMENTS

- a. Should the well be successfully completed for production, the AO will be notified when the well is placed in a producing status. Such notification will be sent by telegram or other written communications, not later than 5 days following the date on which the well is placed on production.
- b. Production data shall be reported to the MMS pursuant to 30 CFR 216.5 using form MMS/3160.
- c. The date on which production is commenced or resumed will be construed for oil wells as the date on which liquid hydrocarbons are first sold or shipped from a temporary storage facility, such as a test tank, and for which a run ticket is required to be generated or, the date on which liquid hydrocarbons are first produced into a permanent storage facility, whichever first occurs; and, for gas wells as the date on which associated liquid hydrocarbons are first sold or shipped from a temporary storage facility, such as a test tank, and for which a run ticket is required to be generated or the date on which gas is first measured through permanent metering facilities, whichever first occurs.
- d. Pursuant to NTL-4A, lessees or operators are authorized to vent/flare gas during initial well evaluation tests, not exceeding a period of 30 days or the production of 50 MMCF of gas, whichever occurs first. An application must be filed with the District Engineer and approval received, for any venting/flaring of gas beyond the initial 30 day or authorized test period.



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- e. Gas produced from this well may not be vented or flared beyond an initial authorized test period of 30 days or 50 MMCF following its completion, whichever occurs first, without the prior written approval of the Authorized Officer. Should gas be vented or flared without approval beyond the authorized test period, the operator may be directed to shut-in the well until the gas can be captured or the operator shall be required to compensate the lessor for that portion of the gas vented or flared without approval which is determined to have been avoidably lost.
- f. A schematic facilities diagram as required by 43 CFR 3162.7-2, 3162.7-3 and 3162.7-4 shall be submitted to the appropriate District Office within 30 days of installation or first production, whichever occurs first. All site security regulations as specified in 43 CFR 3162.7 and Onshore Order No. 3 shall be adhered to. All product lines entering and leaving hydrocarbon storage tanks will be effectively sealed in accordance with 43 CFR 3162.7-4.
- g. Section 102(b)(3) of the Federal Oil and Gas Royalty Management Act of 1982, as implemented by the applicable provisions of the operating regulations at Title 43 CFR 3162.4-1(c), requires that "not later than the 5th business day after any well begins production on which royalty is due anywhere on a lease site or allocated to a lease site, or resumes production in the case of a well which has been off production for more than 90 days, the operator shall notify the authorized officer by letter or sundry notice, Form 3160-5, or orally to be followed by a letter or sundry notice, of the date on which such production has begun or resumed."

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

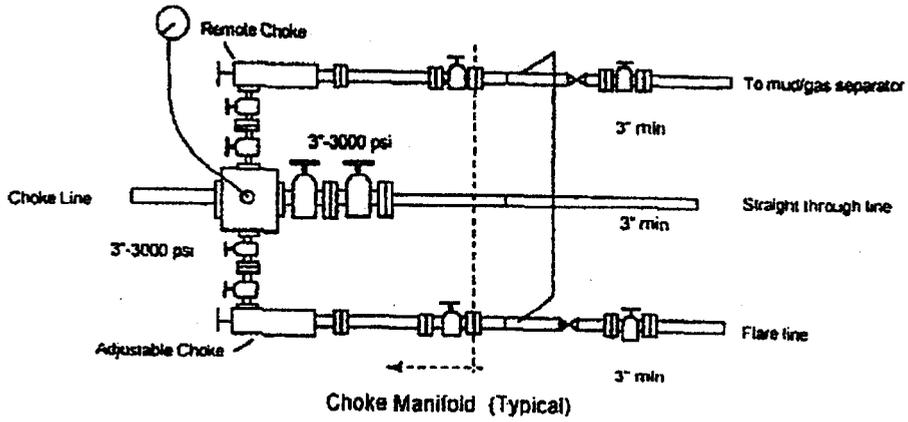
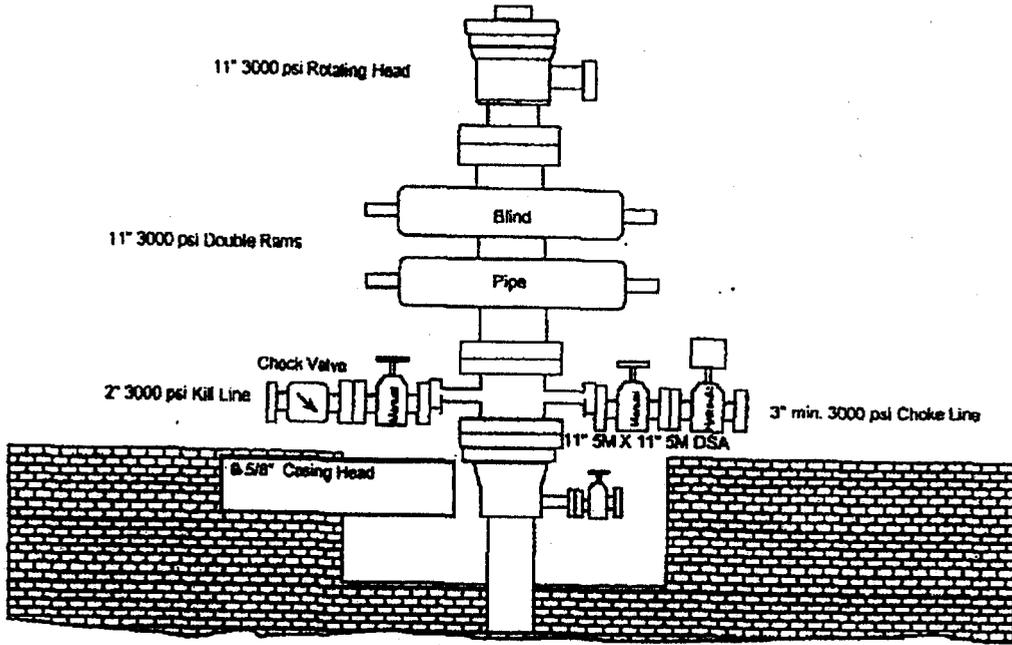
- h. Drilling operations are planned to commence upon approval of this application.
- i. It is anticipated that the drilling of this well will take approximately 8 days.
- j. No location will be constructed or moved, no well will be plugged, and no drilling or workover equipment will be removed from a well to be placed in a suspended status without prior approval of the AO. If operations are to be suspended, prior approval of the AO will be obtained and notification given before resumption of operations.



- k. Immediate Report: Spills, blowouts, fires, leaks, accidents, or any other unusual occurrences shall be promptly reported in accordance with the requirements of NTL-3A or its revision.
- l. If a replacement rig is contemplated for completion operations, a "Sundry Notice" Form 3160-5 to that effect will be filed, for prior approval of the AO, and all conditions of this approved plan are applicable during all operations conducted with the replacement rig.
- m. Pursuant to Onshore Order No. 7, with the approval of the District Engineer, produced water may be temporarily disposed of into unlined pits for a period of up to 90 days. During the period so authorized, an application for approval of the permanent disposal method, along with the required water analysis and other information, must be submitted to the District Engineer.
- n. No well abandonment operations will be commenced without the prior approval of the AO. In the case of newly drilled dry holes or failures, and in emergency situations, oral approval will be obtained from the SO. A "Subsequent Report of Abandonment" Form 3160-5, will be filed with the AO within 30 days following completion of the well for abandonment. This report will indicate where plugs were placed and the current status of surface restoration. Final abandonment will not be approved until the surface reclamation work required by the approved APD or approved abandonment notice has been completed to the satisfaction of the AO or his representative. or the appropriate Surface Managing Agency.



**BOPE Diagram
3000 psi WP**



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

An onsite inspection of the subject well was conducted on Wednesday, July 26, 2006 at approximately 10:15 a.m. Weather conditions were sunny and hot. In attendance at the onsite inspection were the following individuals:

Rich McClure	NRS	Bureau of Land Management
Lisa Smith	President	Permitco Inc.
Randy Smith	Field Operations	Permitco Inc.
Larry Van Campen	Field Coordinator	Trigon (Field Rep for Samson)
Jesse Walton	Surveyor	Uintah Eng. and Land Surveying
Travis Baker	Survey Hand	Uintah Eng. and Land Surveying
Carol DeFrancia	Archeologist	4-Corners Archeology

1. EXISTING ROADS

- a. The proposed well site is located approximately 10.8 miles southeast of Crescent Junction, Utah.
- b. Directions to the location from Crescent Junction, Utah are as follows:

From Exit 180 on I-70, proceed south on US 191 for 5.2 miles to mile post 151.95. Turn right at a gate onto County Road 334 (dirt with light gravel) and proceed westerly for 3.3 miles. Turn left onto an existing two-track trail and proceed southwesterly for 1.6 miles. Turn right onto the new proposed access road and proceed southwesterly 0.7 miles to the location.
- c. For location of access roads within a 2-Mile radius, see Maps A & B.
- d. Improvement to the existing access will not be necessary since all roads are maintained by the Grand County Road Department.
- e. All existing roads will be maintained and kept in good repair during all drilling and completion operations associated with this well.
- f. Existing roads and newly constructed roads on surface under the jurisdiction of any Surface Managing Agency shall be maintained in accordance with the standards of the SMA.



MSC Exploration, L.P.

Little Grand #35-2

Lease No. U-73490

1320' FNL and 1320' FEL

NE NE Section 35, T22S - R18E

Grand County, Utah

SURFACE USE PLAN

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2. PLANNED ACCESS ROADS

- a. There will be approximately 0.7 miles of new access road.
- b. The new access will be flat bladed initially for drilling purposes to a maximum width of 21 feet. If production is established the road will be improved to a crowned and ditched road with a running surface of the road will be 15 to 21 feet with a maximum disturbed width of 35 feet.
- c. The maximum grade of the new access will be approximately 5%.
- d. No turnouts will be necessary.
- e. A wide bottom wash (sheet drain) is located approximately 500 feet east of the location and will be crossed by the access road. Due to the anticipated spud of this well during September, MSC proposes to cross this drainage as a dry crossing. No culverts or upgrading will be done at this time. If the well is productive, an engineered plan will be submitted to determine what upgrading of this crossing will be necessary.
- f. The new access road was centerline flagged at the time of staking.
- g. Surfacing of the pad and access prior to drilling and completion operations is not anticipated, however, some portions of the access road may require surfacing if the well is productive.
- h. Upgrading of existing cattle guards along County Road 334 may be necessary. If replaced, the cattle guards will be heavy duty and will be a minimum of 18 feet wide.
- i. Surface disturbance and vehicular travel will be limited to the approved location and approved access route. Any additional area needed will be approved by the Field Manager in advance.
- j. If at any time the facilities located on public lands authorized by the terms of the lease are no longer included in the lease (due to a contraction in the unit or other lease or unit boundary change) the BLM will process a change in authorization to the appropriate statute. The authorization will be subject to appropriate rental, or other financial obligations determined by the authorized officer.
- k. A road right of way to this area has previously been issued to MSC Exploration, L.P. under ROW #UTU-82645.



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

- a. Water wells - none
- b. Injection wells - none
- c. Producing wells - none
- d. Drilling wells - none
- e. Shut In wells - none
- f. Abandoned wells - none

4. **PROPOSED PRODUCTION FACILITIES**

- a. Production facilities will be located on the well pad. If production is established a production facility layout will be submitted via Sundry Notice.
- b. All permanent structures (onsite for six months or longer) constructed or installed (including oil well pump jacks) will be painted a flat, nonreflective color to match the standard environmental colors, as determined by the Rocky Mountain Five-State Interagency Committee. All facilities will be painted within six months of installation. Facilities required to comply with the Occupational Safety and Health Act (OSHA) may be excluded. Colors will match the adjacent vegetation. The actual color will be specified by the Bureau of Land Management.
- c. All site security guidelines identified in 43 CFR 3162.7-5 and Onshore Oil and Gas Order No. 3 shall be followed:
- d. If a gas meter run is constructed, it will be located within 500 feet of the wellhead. The gas flowline will be buried from the wellhead to the meter and will be buried downstream of the meter until it leaves the pad. Meter runs will be housed and/or fenced. The gas meter shall be calibrated prior to first sales and shall be calibrated quarterly thereafter. All gas production and measurement shall comply with the provision of 43 CFR 3162.7-3, Onshore Order No. 5 and American Gas Association (AGA) Report No. 3.



MSC Exploration, L.P.

Little Grand #35-2

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1320' FNL and 1320' FEL

NE NE Section 35, T22S - R18E

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Grand County, Utah

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- e. The tank battery will be surrounded by a berm of sufficient capacity to contain 1-1/2 times the storage capacity of the largest tank. All loading lines and valves will be placed inside the berm surrounding the tank battery. All oil production and measurement shall conform to the provisions of 43 CFR 3162.7-3 and Onshore Oil and Gas Order No. 4.
- f. Production facilities on location may include a lined or unlined produced water pit as specified in Onshore Order No. 7. If water is produced from the well, an Onshore Order No. 7 application must be submitted.
- g. Any necessary pits will be properly fenced to prevent any wildlife entry.
- h. All off-lease storage, off-lease measurement, or commingling on-lease or off-lease will have prior written approval from the Authorized Officer.
- i. All access roads will be maintained as necessary to prevent erosion and accommodate year-round traffic.
- j. The road will be maintained in a safe useable condition.

5. LOCATION AND TYPE OF WATER SUPPLY

- a. All water needed for drilling purposes will be obtained from Thompson Special Service District. The load point will be northeast of the post office in Thompson Springs.
- b. Water will be hauled to location over the roads marked on Maps A and B.
- c. No water well is to be drilled on this lease.
- d. This water source is permitted under Water Right No. 92-180.

6. CONSTRUCTION MATERIALS

- a. Pad construction material will be native (that found in the well pad).
- b. Native material found in the pad may also be used for road upgrading.



- c. The use of materials under BLM jurisdiction will conform with 43 CFR 3610.2-3.
- d. No construction materials will be removed from Federal land.

7. METHODS OF HANDLING WASTE DISPOSAL

- a. All fluids contained within the reserve pit will be allowed to evaporate and the pit will be backfilled. The reserve pit will not be lined.
- b. Burning will not be allowed. All trash will be contained in a trash cage and its contents removed at the end of drilling operations and hauled to an approved disposal sight. Trash will be hauled as necessary, but not later than at the completion of drilling operations.
- c. Any salts and/or chemicals which are an integral part of the drilling system will be disposed of in the same manner as the drilling fluid.
- d. Sewage will be placed in a portable chemical toilet or holding tank and disposed of in accordance with state and county regulations.
- e. The produced fluids (other than water) will be produced into a test tank until such time as construction of production facilities is completed. Any spills of oil, gas salt water or other produced fluids will be cleaned up and removed.

8. ANCILLARY FACILITIES

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

9. WELLSITE LAYOUT

- a. See Location Layout (Figure #1) and Typical Cross Sections (Figure #2) for orientation of rig, cross section of drill pad and cuts and fills.



MSC Exploration, L.P.

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- b. Six inches of topsoil (or the maximum available) will be salvaged during construction and reserved for use in reclamation.
- c. Topsoil will be stockpiled as shown on the Location Layout (Figure #1).
- e. All wells, whether drilling, producing, suspended, or abandoned, will be identified in accordance with 43 CFR 3162.6
- f. The location of mud tanks; reserve pit, trash cage; pipe racks; living facilities and soil stockpiles will be shown on the Typical Rig Layout (Figure #3).
- g. A flare pit will be located a minimum of 30 feet from the edge of the reserve pit and a minimum of 130 feet from the well head.
- h. Any pits containing fluid will be fenced to prevent wildlife entry.

10. PLANS FOR RESTORATION OF SURFACE

- a. Immediately upon completion of drilling, all equipment that is not necessary for production shall be removed.
- b. The cuttings pit will be allowed to dry and will then be backfilled.
- c. Immediately upon well completion, the location and surrounding area will be cleared of all unused tubing, equipment, debris, materials, trash and junk not required for production.
- d. Seeding will be done in the fall as required by the BLM. The suggested seed mixture is as follows:

<i>Species</i>	<i>#'s PLS/Acre</i>
Crested wheatgrass	10
Four-wing saltbush	4
TOTAL	14



MSC Exploration, L.P.

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- e. The abandonment marker will be at least four feet above ground level and will be inscribed with the following: operator name, lease number, well name and surveyed description (township, range, section and either quarter-quarter or footages).
- f. At such time as the well is plugged and abandoned, the operator shall submit a subsequent report of abandonment.

11. **SURFACE/MINERAL OWNERSHIP**

Access Roads - All roads are County maintained or are located on lands managed by the BLM, with the exception of the proposed access road located in Sec. 36, T22S - R18E which is located on State of Utah. An easement will be filed with SITLA for use of access across this portion of road..

Well pad - The well pad is located on lands managed by the BLM.

12. **OTHER INFORMATION**

- a. A Class III archeological survey will be conducted by Four Corners Archeological. A copy of this report will be submitted to the appropriate agencies by Four Corners Archeological.
- b. The operator is responsible for informing all persons in the areas who are associated with this project that they will be subject to prosecution for knowingly disturbing historic or archaeological sites, or for collecting artifacts. If historic or archaeological materials are uncovered during construction, the operator is to immediately stop work that might further disturb such materials, and contact the authorized officer (AO). Within five working days the AO will inform the operator as to:

-whether the materials appear eligible for the National Register of Historic Places;

-the mitigation measures the operator will likely have to undertake before the site can be used (assuming in situ preservation is not necessary); and

-a time frame for the AO to complete and expedited review under 36 CFR 800.11 to confirm, through the State Historic Preservation Officer, that the findings of the AO are correct and that mitigation is appropriate.



MSC Exploration, L.P.

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NE NE Section 35, T22S - R18E

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

- c. All lease and/or unit operations will be conducted in such a manner that full compliance is made with all applicable laws, regulations, Onshore Oil and Gas Orders, the approved plan of operations, and any applicable Notice to Lessees. The operator is fully responsible for the actions of his subcontractors. A copy of these conditions will be furnished the field representative to insure compliance.
- d. A complete copy of the approved APD shall be on location during construction of the location and drilling activities.
- e. There will be no deviation from the proposed drilling and/or work over program without prior approval from the AO. Safe drilling and operating practices must be observed. All wells, whether drilling, producing, suspended, or abandoned will be identified in accordance with 43 CFR 3162.h.
- f. "Sundry Notice and Report on Wells" (From 3160-5) will be filed for approval for all changes of plans and other operations in accordance with 43 CFR 3162.3-2.
- g. This permit will be valid for a period of one year from the date of approval. An extension period may be granted, if requested, prior to the expiration of the original approval period.
- h. The operator or his contractor shall contact the BLM Offices at 435/259-6111 48 hours prior to construction activities.



MSC Exploration, L.P.

Lease No. U-73490

Little Grand #35-2

1320' FNL and 1320' FEL

NE NE Section 35, T22S - R18E

SURFACE USE PLAN

Grand County, Utah

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

Permit Matters

PERMITCO INC.

Lisa L. Smith

14421 County Road 10

Ft. Lupton, CO 80621

303/857-9999 (Office)

303/857-0577 (Fax)

Drilling & Completion Matters

MSC Exploration, L.P.

369 Florida Hill Road

Ridgefield, CT 06877

Michael Cornish - President

Bob Graff - Samson Resources, Inc.

720-239-4387 (office)

303-880-2895 (cell)

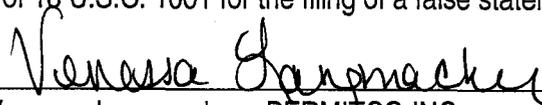
CERTIFICATION

I hereby certify that I, or persons under my direct supervision, have inspected the proposed drill site and access route; that I am familiar with the conditions which currently exist; that the statements made in this plan are, to the best of my knowledge, true and correct; and that the work associated with the operations proposed herein will be performed by MSC Exploration, L.P. and their contractors and subcontractors in conformity with this plan and the terms and conditions under which it is approved.

This statement is subject to the provisions of 18 U.S.C. 1001 for the filing of a false statement.

August 8, 2006

Date:



Venessa Langmacher - PERMITCO INC.

Authorized Agent for:

MSC Exploration, L.P.



FEDERAL STIPULATIONS

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



ARCHEOLOGY

A Class III Archeological Survey will be conducted by Four Corners Archeological. No significant cultural resources were found and clearance for the project has been recommended. A copy of the report will be submitted directly to the appropriate agencies by Four Corners Archeological.



MSC EXPLORATION, L.P.
369 FLORIDA HILL ROAD
RIDGEFIELD, CT. 06877

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

Attn: Minerals Specialist

Re: Authorization of Agent
Little Grand #35-2
Section 35-T22S-R18E Ctr NE
Grand County, Utah

Gentlemen:

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

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

MSC EXPLORATION, L.P. agrees to accept full responsibility for operations conducted in order to drill, complete and produce the above-mentioned well. MSC EXPLORATION, L.P. shall drill, operate the subject well under Operators Bond #UTB000113.

Should you have any questions, please me at 203-994-1079 or Kevin Stowe, at Samson Resources Company, 720-239-4373.

Sincerely,
MSC EXPLORATION, L.P.



Michael Cornish
President

MSC EXPLORATION, L.P.
LITTLE GRAND #35-2
 LOCATED IN GRAND COUNTY, UTAH
 SECTION 35, T22S, R18E, S.L.B.&M.

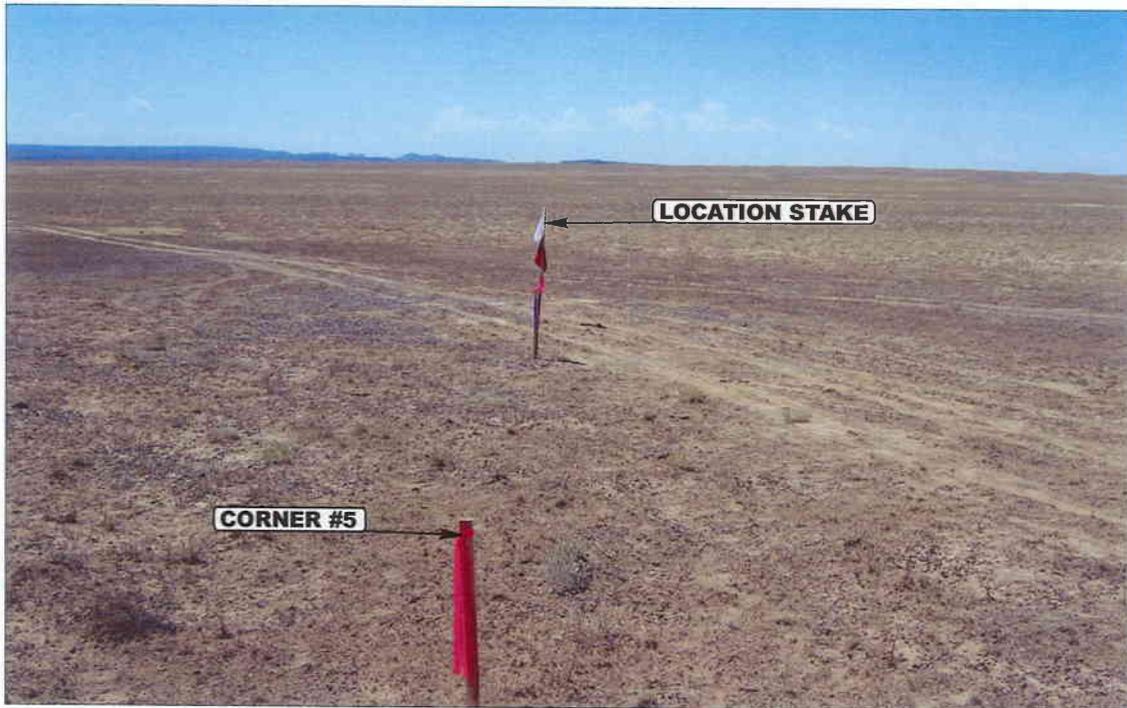


PHOTO: VIEW FROM CORNER #5 TO LOCATION STAKE

CAMERA ANGLE: SOUTHWESTERLY



PHOTO: VIEW FROM BEGINNING OF PROPOSED ACCESS ROAD

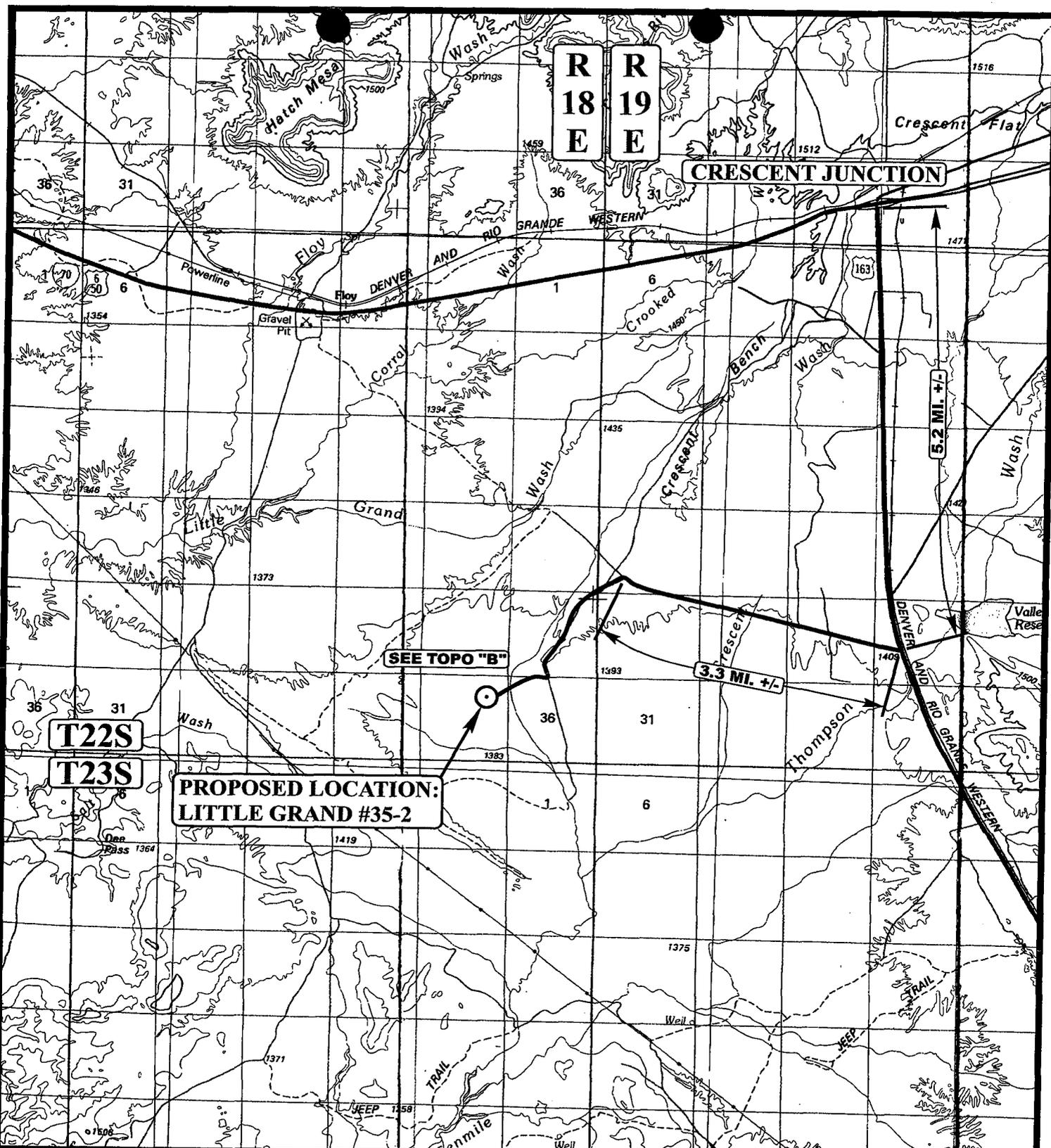
CAMERA ANGLE: SOUTHWESTERLY



- Since 1964 -

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

LOCATION PHOTOS	07	28	06	PHOTO
	MONTH	DAY	YEAR	
TAKEN BY: J.W.	DRAWN BY: C.P.		REVISED: 00-00-00	



LEGEND:

⊙ PROPOSED LOCATION

MSC EXPLORATION, L.P.

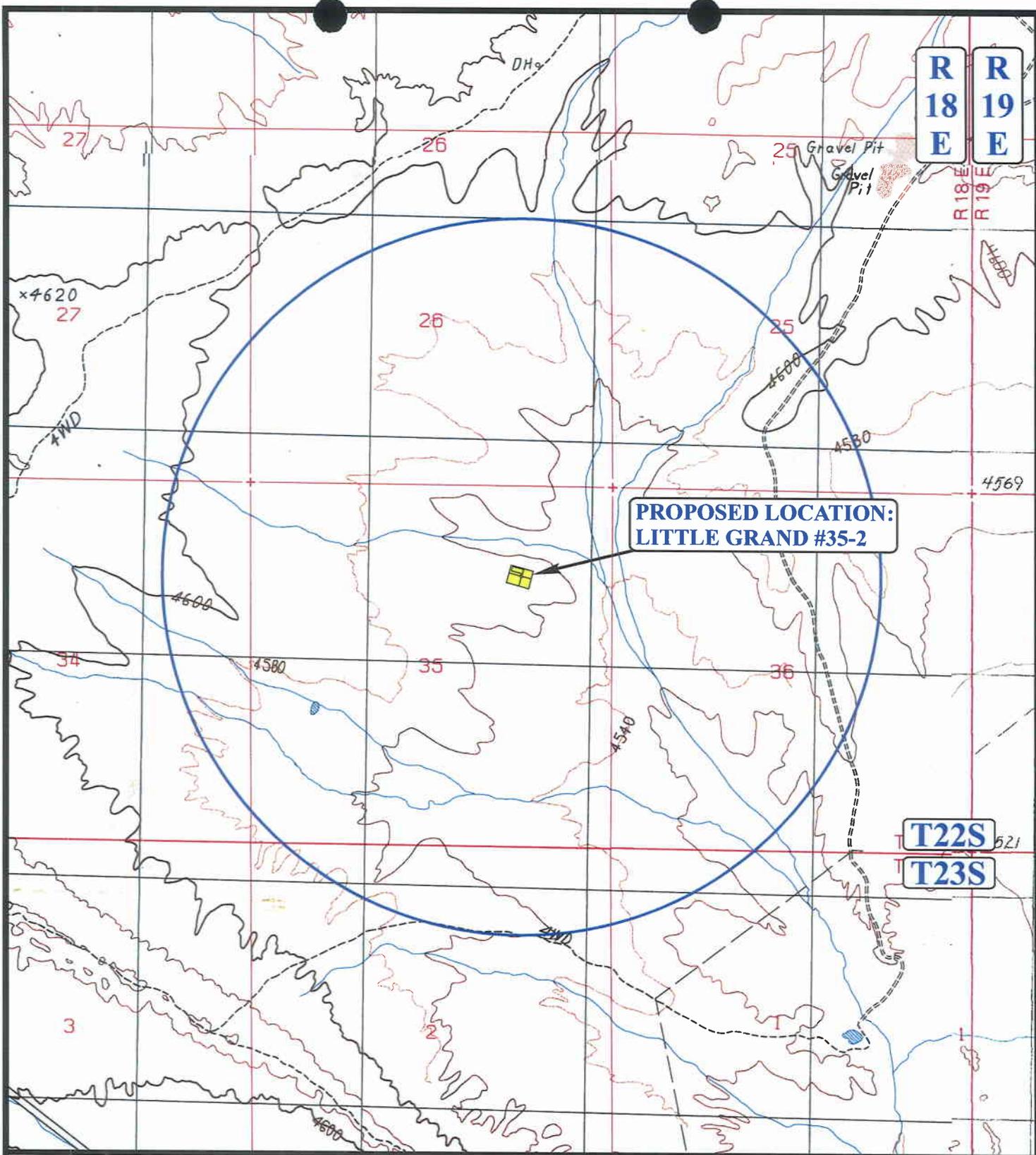
LITTLE GRAND #35-2
SECTION 35, T22S, R18E, S.L.B.&M.
1320' FNL 1320' FEL

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



TOPOGRAPHIC 07 28 06
MAP MONTH DAY YEAR
 SCALE: 1 : 100,000 DRAWN BY: C.P. REVISED: 00-00-00





R 18 E
R 19 E

T22S
T23S

**PROPOSED LOCATION:
LITTLE GRAND #35-2**

LEGEND:

- | | |
|-------------------|-------------------------|
| ∅ DISPOSAL WELLS | ♂ WATER WELLS |
| ● PRODUCING WELLS | ● ABANDONED WELLS |
| ● SHUT IN WELLS | ● TEMPORARILY ABANDONED |



MSC EXPLORATION, L.P.

LITTLE GRAND #35-2
SECTION 35, T22S, R18E, S.L.B.&M.
1320' FNL 1320' FEL

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

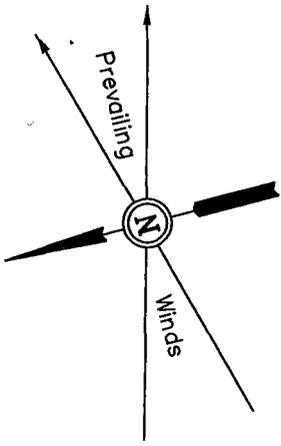
TOPOGRAPHIC MAP **07 28 06**
MONTH DAY YEAR
SCALE: 1" = 2000' DRAWN BY: C.P. REVISED: 00-00-00 **C TOPO**

MSC Exploration, L.P.

FIGURE #1

LOCATION LAYOUT FOR

LITTLE GRAND #35-2
SECTION 35, T22S, R18E, S.L.B.&M.
1320' FNL 1320' FEL

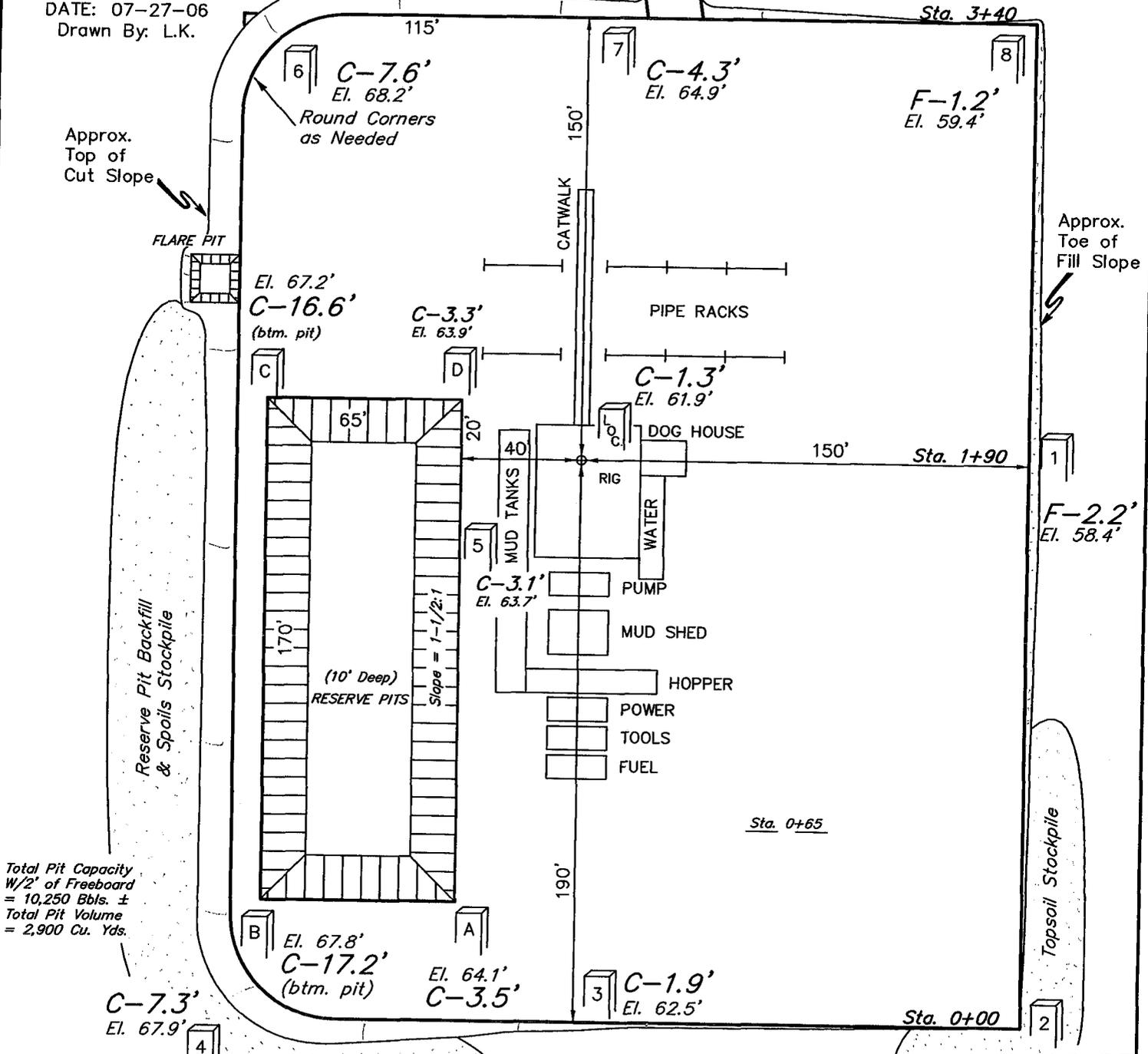


SCALE: 1" = 50'
DATE: 07-27-06
Drawn By: L.K.

Proposed Access Road

Approx. Top of Cut Slope

Approx. Toe of Fill Slope



Total Pit Capacity
W/2' of Freeboard
= 10,250 Bbbls. ±
Total Pit Volume
= 2,900 Cu. Yds.

Elev. Ungraded Ground at Location Stake = 4561.9'
Elev. Graded Ground at Location Stake = 4560.6'

UINTAH ENGINEERING & LAND SURVEYING
85 So. 200 East * Vernal, Utah 84078 * (801) 789-1017

GRADE
El. 60.6'

MSC Exploration, L.P.

FIGURE #2

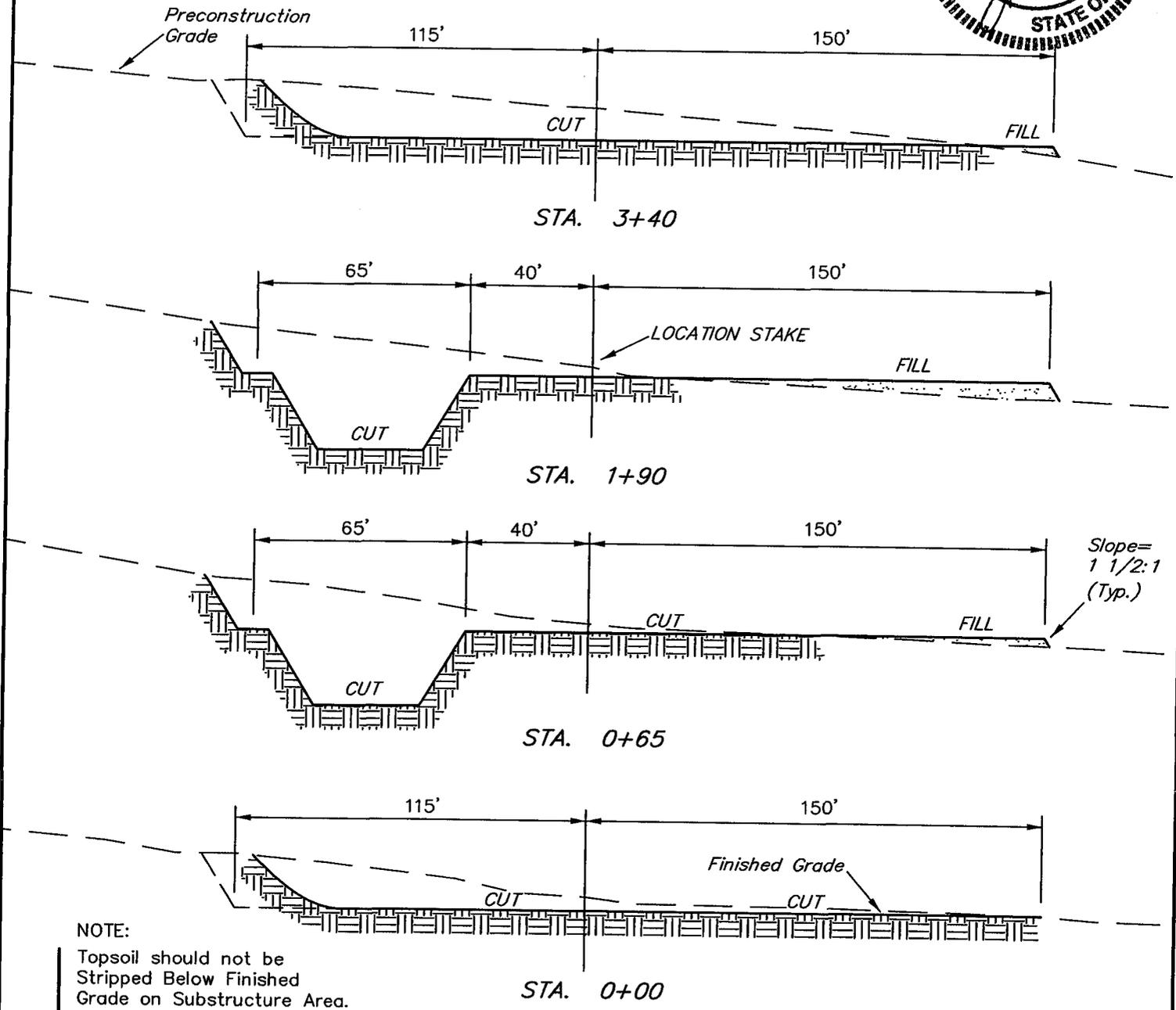
TYPICAL CROSS SECTIONS FOR

LITTLE GRAND #35-2
SECTION 35, T22S, R18E, S.L.B.&M.
1320' FNL 1320' FEL



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

DATE: 07-27-06
Drawn By: L.K.



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

* NOTE:
FILL QUANTITY INCLUDES 5% FOR COMPACTION

APPROXIMATE YARDAGES

CUT		
(6") Topsoil Stripping	=	1,830 Cu. Yds.
Remaining Location	=	9,410 Cu. Yds.
TOTAL CUT	=	11,240 CU.YDS.
FILL	=	1,720 CU.YDS.

EXCESS MATERIAL	=	9,520 Cu. Yds.
Topsoil & Pit Backfill (1/2 Pit Vol.)	=	3,280 Cu. Yds.
EXCESS UNBALANCE (After Interim Rehabilitation)	=	6,240 Cu. Yds.

UINTAH ENGINEERING & LAND SURVEYING
85 So. 200 East * Vernal, Utah 84078 * (801) 789-1017

**WORKSHEET
APPLICATION FOR PERMIT TO DRILL**

APD RECEIVED: 08/10/2006

API NO. ASSIGNED: 43-019-31496

WELL NAME: LITTLE GRAND 35-2
 OPERATOR: MSC EXPLORATION, LP (N2595)
 CONTACT: VENESSA LANGMACHER

PHONE NUMBER: 303-857-9999

PROPOSED LOCATION:

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

NENE 35 220S 180E
 SURFACE: 1320 FNL 1320 FEL
 BOTTOM: 1320 FNL 1320 FEL
 COUNTY: GRAND
 LATITUDE: 38.85793 LONGITUDE: -109.8971
 UTM SURF EASTINGS: 595698 NORTHINGS: 4301382
 FIELD NAME: WILDCAT (1)

LEASE TYPE: 1 - Federal
 LEASE NUMBER: U-73490
 SURFACE OWNER: 1 - Federal

PROPOSED FORMATION: WHRM
 COALBED METHANE WELL? NO

RECEIVED AND/OR REVIEWED:

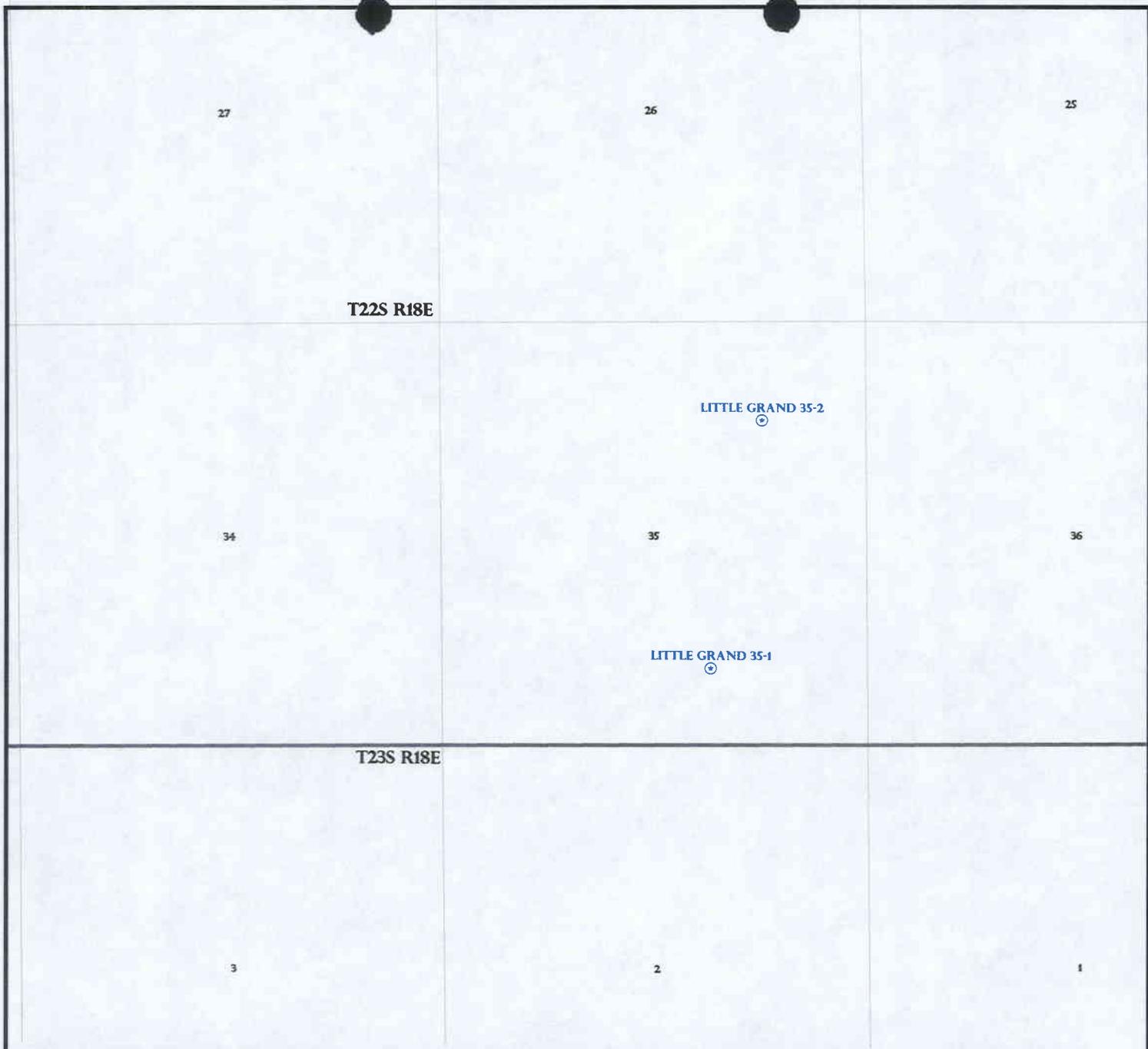
- Plat
- Bond: Fed[1] Ind[] Sta[] Fee[]
(No. UTB000113)
- Potash (Y/N)
- Oil Shale 190-5 (B) or 190-3 or 190-13
- Water Permit
(No. 92-180)
- RDCC Review (Y/N)
(Date: _____)
- Fee Surf Agreement (Y/N)
- Intent to Commingle (Y/N)

LOCATION AND SITING:

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

COMMENTS: _____

STIPULATIONS: 1- Federal Approval
2- Spacing Slip



OPERATOR: MSC EXPLORATION LP (N2595)

SEC: 35 T.22S R. 18E

FIELD: WILDCAT (001)

COUNTY: GRAND

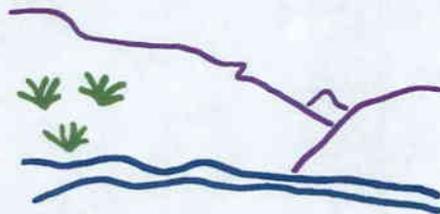
SPACING: R649-3-3 / EXCEPTION LOCATION

- 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: 17-AUGUST-2006

United States Department of the Interior

BUREAU OF LAND MANAGEMENT

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

IN REPLY REFER TO:
3160
(UT-922)

August 17, 2006

Memorandum

To: AFM-Resources, Moab Field Office

From: Michael Coulthard, Petroleum Engineer

Subject: 2006 Plan of Development Cactus Rose Unit Grand County,
Utah.

Pursuant to email between Diana Whitney, Division of Oil, Gas and Mining, and Mickey Coulthard, Utah State Office, Bureau of Land Management, the following well is planned for calendar year 2006 within the Cactus Rose Unit, Grand County, Utah.

API #	WELL NAME	LOCATION
-------	-----------	----------

(Proposed PZ Wingate)

43-019-31496 Little Grand 35-2 Sec 35 T22S R18E 1320 FNL 1320 FEL

The well must be drilled to test the upper 10 feet of the Chinle formation or a depth of 3000 feet to serve as an obligation well for the unit. This office has no objection to permitting the well at this time.

/s/ Michael L. Coulthard

bcc: File – Cactus Rose Unit
Division of Oil Gas and Mining
Central Files
Agr. Sec. Chron
Fluid Chron

MCoulthard:mc:8-17-06

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

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

APPLICATION FOR PERMIT TO DRILL OR REENTER

1a. Type of Work: <input checked="" type="checkbox"/> DRILL <input type="checkbox"/> REENTER		5. Lease Serial No. U-73490
b. Type of Well: <input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other <input type="checkbox"/> Single Zone <input checked="" type="checkbox"/> Multiple Zone		6. If Indian, Allottee or Tribe Name N/A
2. Name of Operator MSC Exploration, L.P.		7. If Unit or CA Agreement, Name and No. Cactus Rose Unit
3. Name of Agent PermitCo Inc. - Agent		8. Lease Name and Well No. Little Grand #35-2
4. Location of Well (Report location clearly and in accordance with any State requirements. *) At surface 1320' FNL and 1320' FEL At proposed prod. zone NE NE		9. API Well No. 4301931496
14. Distance in miles and direction from nearest town or post office* Approximately 10.8 miles Southwest of Cresent Junction.		10. Field and Pool, or Exploratory Wildcat
15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any) 1320'	16. No. of Acres in lease 1440.00	11. Sec., T., R., M., or Blk. and Survey or Area Section 35, T22S - R18E
18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft. None	19. Proposed Depth 5010'	12. County or Parish Grand
21. Elevations (Show whether DF, KDB, RT, GL, etc.) 4562' GL	22. Approximate date work will start* ASAP	13. State UT
23. Estimated duration 8 Days		24. Attachments CONFIDENTIAL-TIGHT HOLE

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

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

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

25. Signature <i>Venessa Langmacher</i>	Name (Printed/Typed) Venessa Langmacher	Date 8/8/2006
Title Authorized Agent for MSC Exploration, L.P.		
Approved by (Signature) <i>/s/ A. Lynn Jackson</i>	Name (Printed/Typed) /s/ A. Lynn Jackson	Date 9/19/06
Title Assistant Field Manager, Division of Resources	Office Division of Resources Moab Field Office	

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

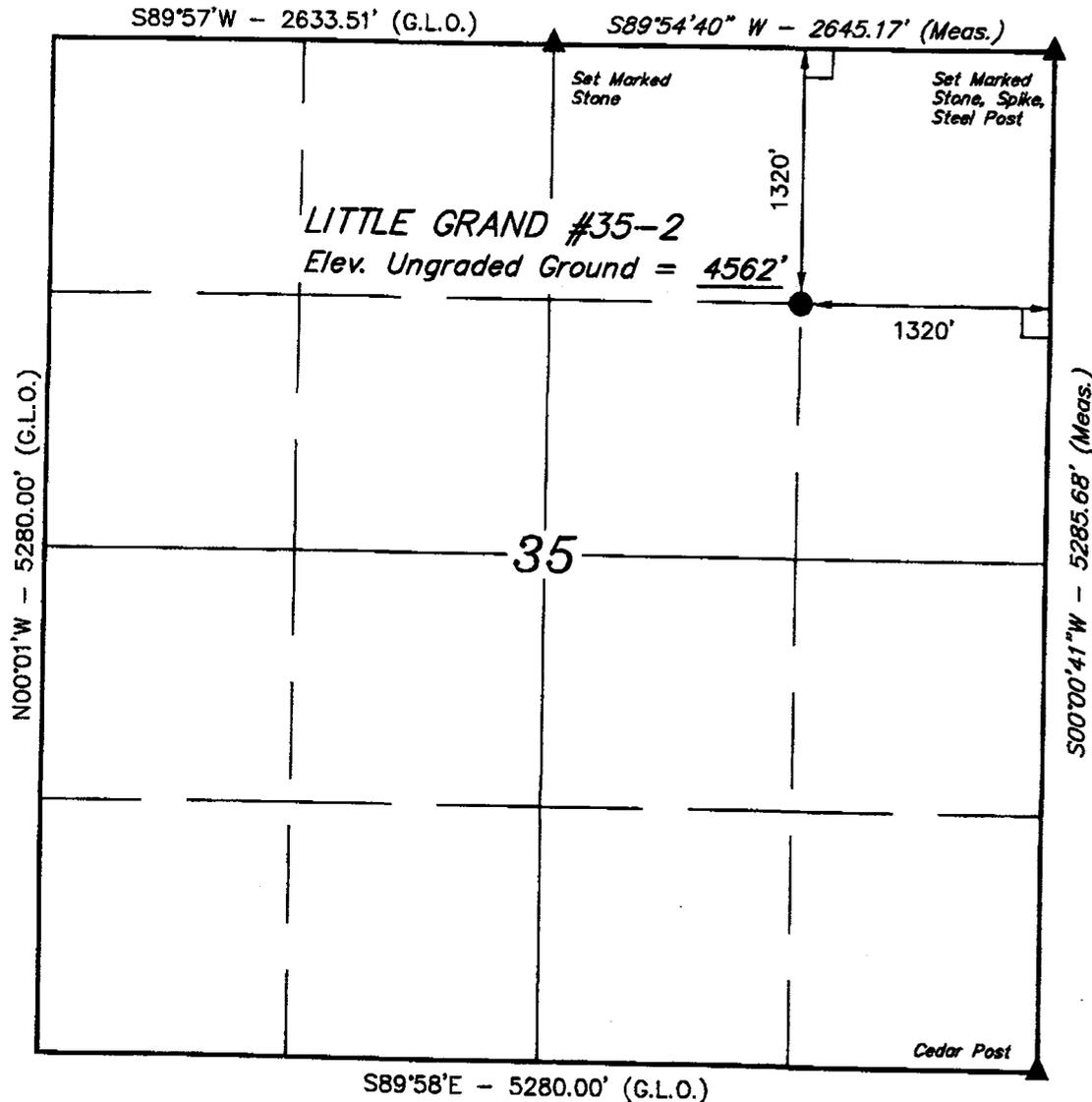
Conditions of approval, if any, are attached.

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

*(Instructions on reverse)

RECEIVED
SEP 25 2006
CONDITIONS OF APPROVAL ATTACHED
DIV. OF OIL, GAS & MINING

T22S, R18E, S.L.B.&M.



LEGEND:

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

(AUTONOMOUS NAD 83)
 LATITUDE = 38°51'28.79" (38.857997)
 LONGITUDE = 109°53'52.21" (109.897836)
 (AUTONOMOUS NAD 27)
 LATITUDE = 38°51'28.88" (38.858022)
 LONGITUDE = 109°53'49.76" (109.897156)

MSC Exploration, L.P.

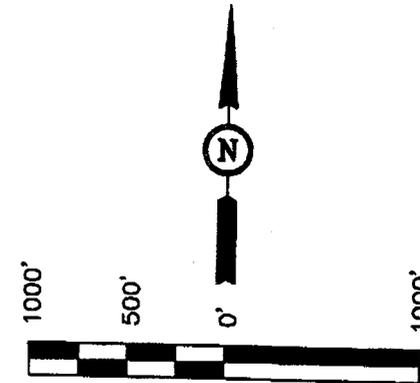
Well location, LITTLE GRAND #35-2, located as shown in the NE 1/4 of Section 35, T22S, R18E, S.L.B.&M., Grand County, Utah.

BASIS OF BEARINGS

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

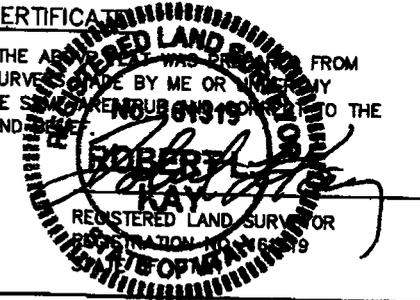
BASIS OF ELEVATION

SPOT ELEVATION AT THE NORTHEAST CORNER OF SECTION 4, T22S, R18E, 6th. P.M. TAKEN FROM THE DEE PASS QUADRANGLE, UTAH, GRAND COUNTY, 7.5 MINUTE QUAD. (TOPOGRAPHIC MAP) PUBLISHED BY THE UNITED STATES DEPARTMENT OF THE INTERIOR, GEOLOGICAL SURVEY. SAID ELEVATION IS MARKED AS BEING 4724 FEET.



SCALE
 CERTIFICATION

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



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

SCALE 1" = 1000'	DATE SURVEYED: 07-25-06	DATE DRAWN: 07-27-06
PARTY B.H. F.Y. L.K.	REFERENCES G.L.O. PLAT	
WEATHER HOT	FILE MSC Exploration, L.P.	

MSC Exploration, LP
Little Grand No. 35-2
Lease UTU-73490
Cactus Rose Unit
NE Section 35, T22S, R18E
Grand County, Utah

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

CONDITIONS OF APPROVAL

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

Be advised that MSC Exploration, LP is considered to be the operator of the above well and is responsible under the terms and conditions of the lease for the operations conducted on the leased lands.

Bond coverage for this well is provided by BLM bond no. **UTB000113** (Principal – MSC Exploration, LP) via surety consent as provided for in 43 CFR 3104.2.

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

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

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

A. DRILLING PROGRAM

1. The 3M BOPE, in a 2M configuration (no annular preventer) as proposed, is adequate for anticipated conditions. Testing to 2M standards is acceptable. Installation, testing and operation of the system shall be in conformance with Onshore Oil and Gas Order No. 2.
2. Concurrent approval from the State of Utah, Division of Oil, Gas & Mining (DOG M) is required before conducting any surface disturbing activities.
3. The volume of cement proposed for the production casing does not appear adequate to fully isolate the Dakota/Morrison interval. The cement volume shall be sufficient to bring the cement height at least 300 feet above the top of the Dakota Sandstone. A Cement Bong Log, Temperature Survey or other appropriate tool shall be run on the production casing to verify that cementing objectives are achieved.
4. The requirements for air drilling, found in Onshore Oil and Gas Order No. 2, part III, E (Special Drilling Operations), shall be followed.

B. SURFACE USE PLAN

1. In order to protect watershed values, no road/well pad construction or drilling operations will be authorized between November 1 and April 30. The limitation does not apply to maintenance and operation of producing wells. Exceptions to this limitation may be specified in writing by the Moab Field Office.
2. In order to protect nesting raptors, no road/well pad construction or drilling operations will be authorized within 0.5 mile of raptor nesting sites between March 1 and August 31. The limitation does not apply to maintenance and operation of producing wells. Exceptions to this limitation may be specified in writing by the Moab Field Office.
3. If the No. 35-2 Well is drilled between November 1 and May 15, cattleguards will be installed at each location where the road crosses a fence between Highway 191 and the well. Exceptions to this limitation may be specified in writing by the Moab Field Office.
4. If the No. 35-2 Well is completed for production, cattleguards will be installed at each location where the road crosses a fence between Highway 191 and the well. Exceptions to this limitation may be specified in writing by the Moab Field Office.
5. If the well is productive, the access road will be brought to Resource (Class III) Road Standards within 60 days of dismantling the rig. If upgraded, the access road must be maintained at these standards until the well is properly abandoned. If this time frame cannot be met, the authorized officer will be notified so that temporary drainage control can be installed along the access road. Portions of the road will be surfaced with pit-run gravel or other rock materials if the road is used for all-weather access.
6. In the event the well pad or road is graveled or surfaced, the material will be removed prior to recontouring the surface for rehabilitation.
7. The operator will be responsible for weed control on the disturbed areas within the limits of the well pad and road construction. The operator will be responsible for consultation with the authorized officer and/or local authorities for acceptable weed control methods.

C. REQUIRED APPROVALS, REPORTS AND NOTIFICATIONS

Required verbal notifications are summarized in Table 1, attached.

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

Spud- The spud date will be reported to BLM 24-hours prior to spudding. Written notification in the form of a Sundry Notice (Form 3160-5) will be submitted to the Moab Field Office within 24-hours after spudding, regardless of whether spud was made with a dry hole digger or big rig.

Daily Drilling Reports- Daily drilling reports shall detail the progress and status of the well and shall be submitted to the Moab Field Office on a weekly basis.

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

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

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

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

Cultural Resources- If cultural resources are discovered during construction, work that might disturb the resources is to stop, and the Moab Field Office is to be notified.

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

A first production conference will be scheduled as soon as the productivity of the well is apparent. This conference should be coordinated through the Moab Field Office. The Moab Field Office shall be notified prior to the first sale.

Well Completion Report- Whether the well is completed as a dry hole or as a producer, "Well Completion and Recompletion Report and Log" (Form 3160-4) will be submitted to the Moab Field Office not later than thirty-days after completion of the well or after completion of operations being performed, in accordance with 43 CFR 3162.4-1. Two copies of all logs, core descriptions, core analyses, well test data, geologic summaries, sample description, and all other surveys or data obtained and compiled during the drilling, workover, and/or completion operations, will be filed with Form 3160-4. When requested, samples (cuttings and/or samples) will be submitted to the Moab Field Office.

Venting/Flaring of Gas- Gas produced from this well may not be vented/flared beyond an initial, authorized test period of 30 days or 50 MMcf, whichever first occurs, without the prior, written approval of the Moab Field Office. Should gas be vented or flared without approval beyond the authorized test period, the well may be ordered shut-in until the gas can be captured or approval to continue the venting/flaring as uneconomic is granted. In such case, compensation to the lessor (BLM) shall be required for that portion of the gas that is vented/flared without approval and which is determined to have been avoidably lost.

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

Off-Lease Measurement, Storage, Commingling- Prior approval must be obtained from the Moab Field Office for off-lease measurement, off-lease storage and/or commingling (either down-hole or at the surface).

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

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

TABLE 1

NOTIFICATIONS

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

2 days prior to commencement of dirt work, construction and reclamation (McClure);

1 day prior to spud (Johnson);

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

3 hours prior to testing BOPs (Johnson).

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

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

Eric Jones, Petroleum Engineer

Office: 435-259-2117
Home: 435-259-2214

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: U-73490
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: NA
1. TYPE OF WELL OIL WELL <input checked="" type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER _____		7. UNIT or CA AGREEMENT NAME: Cactus Rose Uit
2. NAME OF OPERATOR: MSC Exploration, Ip.		8. WELL NAME and NUMBER: Little Grand 35-2
3. ADDRESS OF OPERATOR: 369 FLORIDA HILL RD CITY RIDGEFIELD STATE CT ZIP 06877		9. API NUMBER: 4301931496
4. LOCATION OF WELL FOOTAGES AT SURFACE: 1320 FNL, 1320 FEI		10. FIELD AND POOL, OR WILDCAT: WILDCAT
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NENE 35 22S 18E		COUNTY: GRAND
		STATE: UTAH

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA			
TYPE OF SUBMISSION	TYPE OF ACTION		
<input checked="" type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: _____ <input type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion: _____	<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 checked="" type="checkbox"/> OPERATOR CHANGE <input type="checkbox"/> PLUG AND ABANDON <input type="checkbox"/> PLUG BACK <input type="checkbox"/> PRODUCTION (START/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"/> TEMPORARILY ABANDON <input type="checkbox"/> TUBING REPAIR <input type="checkbox"/> VENT OR FLARE <input type="checkbox"/> WATER DISPOSAL <input type="checkbox"/> WATER SHUT-OFF <input checked="" type="checkbox"/> OTHER: TRANSFER APD TO TIDEWATER OIL &

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

NAME (PLEASE PRINT) Michael Cornish	TITLE President
SIGNATURE	DATE 10/1/2006

(This space for State use only)

TIDEWATER OIL & GAS COMPANY LLC

1645 Court Place, Suite 301

Denver, Colorado 80202

(303) 468-0656

October 2, 2006

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

Re: Exception Location Request
Little Grand 35-2
Bottomhole Location – 1320' FNL 1320' FEL
Section 35-T22S-R18E
Grand County, UT

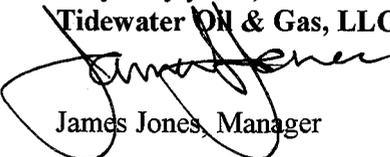
Dear Mr. Hill:

Please let this letter serve as a request for a waiver for the captioned oil and gas well. The above well requires an exception location due to the location of the well not being in the center of legal location.

Tidewater Oil & Gas, LLC requests approval due to geological and topographic reasons.

At your convenience, please approve the location change. Tidewater Oil & Gas, LLC has a rig available and this exception is required for an APD approval. Thank you for your assistance in this matter. If you have any questions or comments, please call me at (303) 468-0656 ext 201 or Roger Knight 303-808-5672

Very truly yours,
Tidewater Oil & Gas, LLC


James Jones, Manager

Agreed to:
ENCANA OIL & GAS (USA) INC.

SIGNED AND DATED THIS 2ND DAY OF OCTOBER, 2006.

By: Brian R. Hale

Phone: (720) 876-5361

RECEIVED

OCT 03 2006

DIV. OF OIL, GAS & MINING

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

Request to Transfer Application or Permit to Drill

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

Well name:	Little Grand 35-2
API number:	4301931496
Location:	NENE 35 22S 18E
Company that filed original application:	MSC Exploration, LP
Date original permit was issued:	
Company that permit was issued to:	MSC EXPLORATION, LP

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

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

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

Name (please print) R.E. KNIGHT Title AGENT
 Signature *R.E. Knight* Date 10/03/2006
 Representing (company name) TIDEWATER OIL & GAS, LLC

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

DEPARTMENT OF THE INTERIOR
 BUREAU OF LAND MANAGEMENT
 CASE RECORDATION
 (MABS) Serial Register Page

RunDate/Time: 10/06/06 09:11 AM Page 1 of 1
 01 12-22-1987;1015TA11330;36U3C181 ET SE Total Acres 1,440.080 Serial Number UTU--- - 073490
 Case Type 311121: O&G LSE NONCOMP PD -1887
 Commodity 459: OIL & GAS L
 Case Disposition: AUTHORIZED

Serial Number: UTU--- - 073490
 Name & Address Int. Vol. & Interest
 ENCANA OIL & GAS (USA) INC 370 7TH ST W 1700 DENVER CO 80202 LESSEE 100.000000000

Serial Number: UTU--- - 073490

Map Twp	Range	Sec	STYP	SNF	Subdivision	District/Resource Area	County	Mgmt Agency
26 0220S	0180E	035	ALIC	SONE		MOAB FIELD OFFICE	GRAND	BUREAU OF LAND MGMT
26 0220S	0180E	034	ALIC	ALL		MOAB FIELD OFFICE	GRAND	BUREAU OF LAND MGMT
26 0220S	0180E	036	ALIC	ALL		MOAB FIELD OFFICE	GRAND	BUREAU OF LAND MGMT

Serial Number: UTU--- - 073490

Act Date	Code	Action	Action Remarks	Pending Office
08/30/1994	124	ASGN RECD	\$0.00;	
08/20/1994	129	DAY AFTER SALE OFFER	01;	
09/18/1994	237	LEASE ISSUED		
09/20/1994	111	RENTAL RECEIVED	\$2160.00;21	
09/21/1994	600	RECORDS NOTED		
10/20/1994	530	ALTY RATE - 12 1/2%		
10/21/1994	866	EFFECTIVE DATE		
04/26/1995	140	ASGN FILED	01	
05/04/1995	139	ASGN APPROVED	EFF 05/01/95;	
02/23/1995	084	RENTAL RECEIVED BY MMS	\$2160.00;21/000001000	
02/19/1995	084	RENTAL RECEIVED BY MMS	\$2160.00;21/000001000	
04/04/1997	140	ASGN FILED		
04/17/1997	139	ASGN APPROVED	EFF 05/01/97;	
08/05/1997	140	ASGN FILED		
03/16/1997	139	ASGN APPROVED	EFF 10/01/97;	
08/29/1996	084	RENTAL RECEIVED BY MMS	\$2160.00;21/000000000	
04/02/1999	140	ASGN FILED		
04/07/1999	139	ASGN APPROVED	EFF 05/01/99;	
08/20/1999	084	RENTAL RECEIVED BY MMS	\$2880.21/19	
08/25/2000	084	RENTAL RECEIVED BY MMS	\$2880.21/22	
02/05/2001	140	ASGN FILED		
02/14/2001	139	ASGN APPROVED	EFF 03/01/01;	
08/12/2001	084	RENTAL RECEIVED BY MMS	\$2880.21/70	
05/10/2002	540	NAME CHANGE RECOGNIZED	1A/ MFE 04/05/02;	
09/28/2004	232	LEASE COMMITTED TO UNIT	UTU016530;CACTUS ROSE	
09/30/2004	235	EXTENDED	TRK0 05/30/2005;DRLE	
04/01/2005	870	SUS OPS & PRODU PMT		
05/31/2005	878	SUSP LIFTED		

Serial Number: UTU--- - 073490

Zone No	Remarks
0001	7A/ ASO OIL & GAS (USA) INC TO
0002	ENCANA OIL & GAS (USA) INC

NO WARRANTY IS MADE BY BLM
 FOR USE OF THE DATA FOR
 PURPOSES NOT INTENDED BY BLM

FAX (303) 534-1400

October 6, 2006

Jim/Tom, UTU-73490 is in the name of EnCana as of 10/6/2006

SenJa

TIDEWATER OIL & GAS COMPANY LLC

1645 Court Place, Suite 301

Denver, Colorado 80202

(303) 468-0656

Division of Oil, Gas & Mining
Attn: Brad Hill
1594 West North Temple, Suite 1210
Box 145801
Salt Lake City, Utah 84114

October 5, 2006

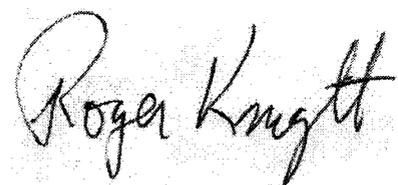
RE: **Little Grand 35-2 – LOCATION EXCEPTION**
NENE Sec 35, T22S, R18E
1320 FNL 1320 FEL
UTU- 73490

Dear Brad,

To clarify the location exception letter submitted to the Division of Oil, Gas & Mining, Tidewater and Encana controls the entire NE/4 of section Sec 35, T22S, R18E. Attached is a copy of the BLM Serial Register for the UTU_73490 lease which indicates that Encana is the leasee.

Contact me if you have any questions at 303-808-5672.

Thank you

A handwritten signature in black ink that reads "Roger Knight". The signature is written in a cursive, slightly slanted style.

Roger Knight, Agent



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

October 10, 2006

MSC Exploration, LP
369 Florida Hill Road
Ridgefield, CT 06877

Re: Little Grand 35-2 Well, 1320' FNL, 1320' FEL, NE NE, Sec. 35, T. 22 South,
R. 18 East, Grand County, Utah

Gentlemen:

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

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

This approval shall expire one year from the above date unless substantial and continuous operation is underway, or a request for extension is made prior to the expiration date. The API identification number assigned to this well is 43-019-31496.

Sincerely,

Gil Hunt
Associate Director

pab
Enclosures

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

Operator: MSC Exploration, LP
Well Name & Number Little Grand 35-2
API Number: 43-019-31496
Lease: U-73490

Location: NE NE Sec. 35 T. 22 South R. 18 East

Conditions of Approval

1. General

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

2. Notification Requirements

Notify the Division within 24 hours of spudding the well.

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

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

- Contact Dan Jarvis at (801) 538-5338

3. Reporting Requirements

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

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

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

CONFIDENTIAL

DIVISION OF OIL, GAS AND MINING

SPUDDING INFORMATION

Name of Company: MSC EXPLORATION LP

Well Name: LITTLE GRAND 35-2

Api No: 43-019-31496 Lease Type: FEDERAL

Section 35 Township 22S Range 18E County GRAND

Drilling Contractor PETE MARTIN'S RIG # RATHOLE

SPUDDED:

Date 10/30/06

Time _____

How DRY

Drilling will Commence: _____

Reported by ROGER KNIGHT

Telephone # (303) 808-5672

Date 10/30/06 Signed CHD

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

FORM 6

ENTITY ACTION FORM

Operator: TIDEWATER OIL + GAS COMPANY, LLC * Operator Account Number: N 2595
Address: 1645 COURT PL STE 301
city DENVER
state CO zip 80202
Phone Number: 303-327-7141
* Agent for MSC Exploration

Well 1

API Number	Well Name		QQ	Sec	Twp	Rng	County
43-019-31496	LITTLE GRAND 35-2		NWSE	35	22S	1BE	GRAND
Action Code	Current Entity Number	New Entity Number	Spud Date		Entity Assignment Effective Date		
A	99999	15774	10-30-06		11/8/06		
Comments: <u>WHRM</u>							

Well 2

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

Well 3

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

ACTION CODES:

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

THOMAS F. JOHNSON

Name (Please Print)

Thomas F. Johnson

Signature

OFFICE MANAGER

11-08-06

Date

RECEIVED

NOV 08 2006

DIV. OF OIL, GAS & MINING

Division of Oil, Gas and Mining
OPERATOR CHANGE WORKSHEET

ROUTING

1. DJJ
2. CDW

X - Change of Operator (Well Sold)

Operator Name Change/Merger

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

1/18/2007

FROM: (Old Operator): N2595-MSC Exploration, LP 369 Florida Hill Rd Ridgefield, CT 06877 Phone: 1 (203) 994-1079	TO: (New Operator): N2175-Encana Oil & Gas (USA) Inc. 370 17th St, Suite 1700 Denver, CO 80202 Phone: 1 (720) 876-5068
---	--

CA No.

Unit:

CACTUS ROSE

WELL NAME	SEC	TWN	RNG	API NO	ENTITY NO	LEASE TYPE	WELL TYPE	WELL STATUS
LITTLE GRAND 35-2	35	220S	180E	4301931496	15774	Federal	OW	DRL

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: 1/23/2007
- (R649-8-10) Sundry or legal documentation was received from the **NEW** operator on: 1/23/2007
- The new company was checked on the **Department of Commerce, Division of Corporations Database** on: 1/30/2007
- 4a. Is the new operator registered in the State of Utah: YES Business Number: 5053175-0143
- 5a. (R649-9-2)Waste Management Plan has been received on: IN PLACE
- 5b. Inspections of LA PA state/fee well sites complete on: requested
- 5c. Reports current for Production/Disposition & Sundries on: _____
- 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 see below BIA
- Federal and Indian Units:**
The BLM or BIA has approved the successor of unit operator for wells listed on: see below
- Federal and Indian Communization Agreements ("CA"):**
The BLM or BIA has approved the operator for all wells listed within a CA on: N/A
- Underground Injection Control ("UIC")** The Division has approved UIC Form 5, **Transfer of Authority to Inject**, for the enhanced/secondary recovery unit/project for the water disposal well(s) listed on: N/A

DATA ENTRY:

- Changes entered in the **Oil and Gas Database** on: 1/30/2007
- Changes have been entered on the **Monthly Operator Change Spread Sheet** on: 1/30/2007
- Bond information entered in RBDMS on: n/a
- Fee/State wells attached to bond in RBDMS on: n/a
- Injection Projects to new operator in RBDMS on: n/a
- Receipt of Acceptance of Drilling Procedures for APD/New on: 1/23/2007

BOND VERIFICATION:

- Federal well(s) covered by Bond Number: UT-1005
- Indian well(s) covered by Bond Number: n/a
- 3a. (R649-3-1) The **NEW** operator of any fee well(s) listed covered by Bond Number n/a
- 3b. The **FORMER** operator has requested a release of liability from their bond on: n/a

CONFIDENTIAL

LEASE INTEREST OWNER NOTIFICATION:

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

COMMENTS:

THIS IS ONLY A DESIGNATION OF AGENT (FARMOUT) IN ORDER TO SAVE THE LEASE. MSC WILL REMAIN OPERATOR OF RECORD FOR THE UNIT.

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

FORM 9

<p>SUNDRY NOTICES AND REPORTS ON WELLS</p> <p>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.</p>		<p>5. LEASE DESIGNATION AND SERIAL NUMBER: U-73490</p>
		<p>6. IF INDIAN, ALLOTTEE OR TRIBE NAME: N/A</p>
		<p>7. UNIT or CA AGREEMENT NAME: Cactus Rose Unit</p>
<p>1. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER _____</p>		<p>8. WELL NAME and NUMBER: Little Grand 35-2</p>
<p>2. NAME OF OPERATOR: MSC Exploration, L.P. <i>N2595</i></p>		<p>9. API NUMBER: 4301931496</p>
<p>3. ADDRESS OF OPERATOR: 369 Florida Hill Road CITY Ridgefield STATE CT ZIP 06877</p>		<p>10. FIELD AND POOL, OR WILDCAT: Wildcat</p>
<p>4. LOCATION OF WELL FOOTAGES AT SURFACE: 1320' FNL and 1320' FEL COUNTY: Grand</p> <p>OTRQTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NENE 35 22S 18E STATE: UTAH</p>		

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 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.

Current operator MSC Exploration, L.P., 369 Florida Hill Road, Ridgefield, CT 06877, requests operator change to:
EnCana Oil & Gas (USA) Inc. *N2175*
370 17th Street, Suite 1700 *BOND UT-1005*
Denver, CO 80202

CONFIDENTIAL

NAME (PLEASE PRINT) <u>Michael S. Cornish</u>	TITLE <u>President</u>
SIGNATURE <u><i>[Signature]</i></u>	DATE <u>1/17/07</u>

(This space for State use only)

APPROVED 1/30/2007
E Russell
Division of Oil, Gas and Mining
Earlene Russell, Engineering Technician

(See Instructions on Reverse Side)

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JAN 23 2007

DIV. OF OIL, GAS & MINING

(9/2000)

DESIGNATION OF AGENT OR OPERATOR

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

LEASE NAME: (USD) Bureau of Land Management
LEASE NUMBER: UTU-73490

and hereby designates

NAME: EnCana Oil & Gas (USA) Inc.
ADDRESS: 370 17th Street, Suite 1700
city Denver state CO zip 80202

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

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

Township 22 South, Range 18 East
Section 35: NE/4NE/4
Little Grand 35-2
API # 43-019-31496

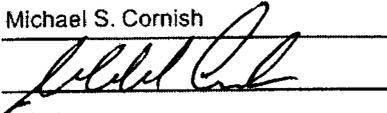
CONFIDENTIAL

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

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

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

Effective Date of Designation: 01/18/2006 ~~2006~~ 2007

BY: (Name) Michael S. Cornish
(Signature) 
(Title) President
(Phone) (203) 894-1100

OF: (Company) MSC Exploration, L.P.
(Address) 369 Florida Hill Road
city Ridgefield
state CT zip 06877

(5/2000)

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JAN 23 2007

DIV. OF OIL, GAS & MINING

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

Request to Transfer Application or Permit to Drill

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

Well name:	Little Grand 35-2
API number:	4301931496
Location:	Qtr-Qtr: NENE Section: 35 Township: 22S Range: 18E
Company that filed original application:	MSC Exploration, L.P.
Date original permit was issued:	09/19/2006
Company that permit was issued to:	MSC Exploration, L.P.

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

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

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

CONFIDENTIAL

Name (please print) Michael S. Cornish Title President
Signature  Date 1/17/07
Representing (company name) MSC Exploration, L.P.

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

(3/2004)

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JAN 23 2007

DIV. OF OIL, GAS & MINING



EnCana Oil & Gas (USA) Inc.

January 22, 2007

Utah Division of Oil, Gas, and Mining
1594 West North Temple, Suite 1210
Salt Lake City, UT 84114-5801
(801)538-5340

Re: Little Grand 35-2
API# 43-019-31496-00-00
Township 22 South, Range 18 East
Section 35: NE/4NE/4
Grand County, Utah

Enclosed are two copies of each of the following: Designation of Agent or Operator (Form 5), Request to Transfer Application or Permit to Drill, and Sundry Notices and Reports on Wells (Form 9).

MSC Exploration, L.P. designates EnCana Oil & Gas (USA) Inc. (EnCana) as operator for the above captioned well. EnCana will assume responsibility of operator upon approval from the state of Utah and the Bureau of Land Management.

If you have any questions, please feel free to contact the undersigned at (720)876-5361. Thank you for your help in this matter.

Sincerely,
ENCANA OIL & GAS (USA) INC.

Oscar Duarte
Land Negotiator

fax 720 876-6361

370 17th Street
Suite 1700
Denver, CO 80202

tel: (303) 623-2300
fax: (303) 623-2400
www.encana.com

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JAN 23 2007

DIV. OF OIL, GAS & MINING

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

CONFIDENTIAL

FORM APPROVED
OMB NO. 1004-0137
Expires: November 30, 2000

WELL COMPLETION OR RECOMPLETION REPORT AND LOG *

1a. Type of Well: Oil Well Gas Well Dry Other: _____

1b. Type of Completion: New Well Workover Deepen Plug Back Oil Reser. Other: _____

2. Name of Operator: **EnCana Oil & Gas (USA) Inc.**

3. Address: **370 Seventeenth Street, Suite 1700, Denver, CO 80202**

4. Location of Well (Report location clearly and in accordance with Federal requirements):
At Surface: **SWSW SECTION 35-T22S-R18W, 1320' FNL & 1320' FEL**
At top prod. interval reported below:
At total depth:

5. Lease Serial No. _____

6. If Indian, Allottee or Tribe Name _____

7. Unit or CA Agreement Name and No. _____

8. Lease Name and Well No.: **Little Grand #35-2**

9. API Well No.: **43-019-314960000**

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

11. Sec. T., R., M., on Block and Survey or Area: **Sec.35-T22S-R18E**

12. County/Parish: **Grand County**

13. State: **Utah**

14. Date Spudded: **11-02-06**

15. Date T.D. Reached _____

16. Date Completed (prod): D&A Ready to Prod. **5-27-07**

17. Elevations (DF, RKB, RT, GL): **4562' GL**

18. Total Depth: MD MD **3648'** TVD _____

19. Plug Back T.D.: MD **3170'** TVD _____

20. Depth Bridge Plug Set: MD _____ TVD _____

21. Type Electric & Other Mechanical Logs Run (Submit Copy of each): **HRI**

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

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

Hole Size	Size/Grade	Wt. (#/ft.)	Top (MD)	Bottom (MD)	Stage Cementer Depth	No. of Sks & Type of Cement	Slurry vol. (BBL)	Cement Top*	Amount Pulled
12-1/4"	9.625"	26#	surface	328'				surface	
7-7/8"	5.5	15.5	surface	3648'				950'	

24. Tubing Record

Size	Depth Set (MD)	Packer Depth (MD)	Size	Depth Set (MD)	Packer Depth (MD)	Size	Depth Set (MD)	Packer Depth (MD)
2.875"	2410.70'							

25. Producing Intervals

Formation	Top	Bottom	Perforated Interval	Size	No. Holes	Perf Status
A) Navajo	2416'	2436'	2416' - 2436'	.33"	80	
B) Kayenta	3240'	3250'	3240' - 3250'	.33"	40	CIBP @ 3200'
B) Chinle	3460'	3482'	3460' - 3482'	.33"	36	CIBP @ 3400'
B) Chinle	3488'	3491'	3488' - 3491'	.33"	12	
B) Chinle	3496'	3500'	3496' - 3500'	.33"	16	
B) Chinle	3510'	3514'	3510' - 3514'	.33"	16	

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

Depth Interval	Amount and Type of Material
3460' - 3482'	Frac'd w/ SLB 25,200 gal WF 120 70Q foam, 3300 gal of WF 120 and 49,800# of 20/40 Jordan-Unimin sand.

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MAY 25 2007

28. Production - Interval A

Date First Prod	Test Date	Hours Tested	Test Production	Oil (BBL)	Gas (MCF)	Water (BBL)	Oil Gravity Cor.	Gas Gravity	Production Method
							API		SI
Choke Size	Thg Press. Plug / St	Csg Press.	24 Hr. Rate	Oil (BBL)	Gas (MCF)	Water (BBL)	Gas:Oil Ratio	Well Status	

28a. Production - Interval B

Date First Prod	Test Date	Hours Tested	Test Production	Oil (BBL)	Gas (MCF)	Water (BBL)	Oil Gravity Cor.	Gas Gravity	Production Method
							API		
Choke Size	Thg Press. Plug / St	Csg Press.	24 Hr. Rate	Oil (BBL)	Gas (MCF)	Water (BBL)	Gas:Oil Ratio	Well Status	

(See instructions and spaces for additional data on reverse side)

28b. Production - Interval C

Date First Prod	Test Date	Hours Tested	Test Production	Oil (BBL)	Gas (MCF)	Water (BBL)	Oil Gravity Corr. API	Gas Gravity	Production Method
Choke Size	Tag Press. Pmp/ B	Csg Press.	24 Hr. Rate	Oil (BBL)	Gas (MCF)	Water (BBL)	Gas:Oil Ratio	Well Status	

28c. Production - Interval D

Date First Prod	Test Date	Hours Tested	Test Production	Oil (BBL)	Gas (MCF)	Water (BBL)	Oil Gravity Corr. API	Gas Gravity	Production Method
Choke Size	Tag Press. Pmp/ B	Csg Press.	24 Hr. Rate	Oil (BBL)	Gas (MCF)	Water (BBL)	Gas:Oil Ratio	Well Status	

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

30. Summary of Porous Zones (include Aquifers):

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

31. Formation (Log) Markers

Formation	Top	Bottom	Descriptions, Contents, etc.	Name	Top
					Meas. Depth
				Chinle Wingate Navajo	3458' 3320' 2416'

32. Additional remarks (include plugging procedure):

33. Circle enclosed attachments:

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

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

Name (please print) Sheilla Reed-High Title Operations Technologist
 Signature *Sheilla Reed-High* Date May 23, 2007

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

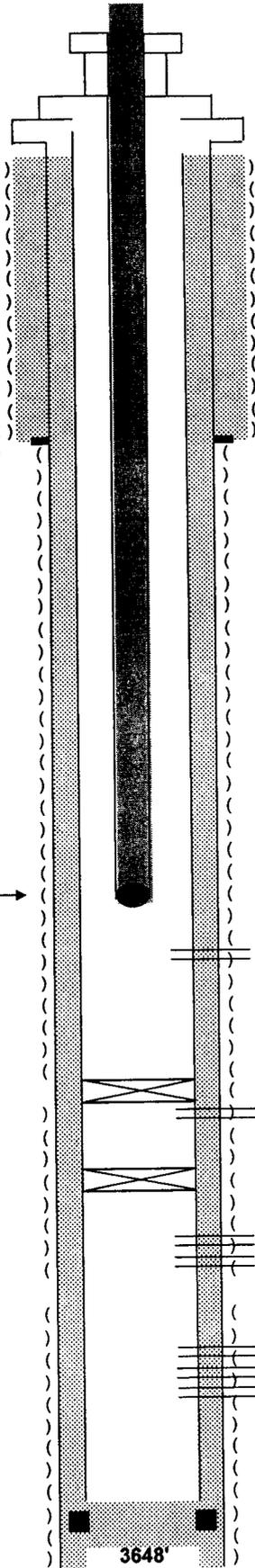
WELLBORE DIAGRAM

Surface Loc: 1320' FNL & 1320' FEL

Operator: EnCana Oil & Gas (USA) Inc.
 Well Name: Little Grand 35-2
 Lease Number:
 Location: Sec. 35-T22S-R18E
 Field: Cactus Rose Unit
 County: Grand County, Utah
 API Number: 43-019-314960000

FORMATIONS

Chinle 3458'
 Wingate 3320'
 Navajo 2416'



GL 4562'

Well History

Spud Date 11-02-2006
 TD Reached 11-26-2006
 Rig Released 11-28-2006

TOC 950' (CBL)

Tubing Detail:

KB
 73 jts of 2-7/8" J-55 tbg
 2.31 F-Nipple
 1 jt 2-7/8" tbg, J-55 tbg.
 2.25 F-Nipple
 2-7/8" N-80 pup jt.
 EOT

Depth:

8.00
 2360.23
 0.97
 32.33
 0.97
 8.20
 2410.70

EOT @2410.70

2416' - 2436' Navajo Perfs shot 02-20-07, 4 SPF, 120° phasing

CIBP @ 3200', topped w/ 30' cmt on plug
 3240' - 3250' Kayenta Perfs, 4 SPF, 120° phasing
 (shot prior to EnCana Operatorship)

CIBP @ 3400', topped w/ 30' cmt on plug

3460' - 3464' Chinle Perfs shot 02-01-07, 4 SPF, 120° phasing
 3477' - 3482' Acized w/ 3300 gal WF 120 70Q foam,
 49,800# 20/40 Jordan-Unimin sand

3488' - 3491' Chinle Perfs, 4 SPF, 120° phasing
 3496' - 3500' (shot prior to EnCana Operatorship)
 3510' - 3514'

96 jts 5.5" 15# csg set @ 3648'
 cmt w/ 280 sx Type III first stage, 310 sx Type 2nd stage

3648'

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

SUNDRY NOTICES AND REPORTS ON WELLS

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

1. TYPE OF WELL: OIL WELL GAS WELL OTHER _____

2. NAME OF OPERATOR: EnCana Oil & Gas (USA) Inc.

3. ADDRESS OF OPERATOR: 370-17th Street, Suite 1700 CITY Denver STATE CO ZIP 80202 PHONE NUMBER: (720) 876-5339

4. LOCATION OF WELL: FOOTAGES AT SURFACE: 1320' FNL & 1320' FEL COUNTY: Grand QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NENE 35 22S 18E S STATE: UTAH

5. LEASE DESIGNATION AND SERIAL NUMBER: U-73490

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

7. UNIT OR CA AGREEMENT NAME: Cactus Rose Unit

8. WELL NAME and NUMBER: Little Grand #35-2

9. API NUMBER: 4301931496

10. FIELD AND POOL, OR WILDCAT: Wildcat

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

TYPE OF SUBMISSION	TYPE OF ACTION		
<input checked="" type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: 8/1/2007	<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.

EnCana Oil & Gas (USA) Inc. plans to plug and abandon the subject well upon approval and reclaim the well site per BLM's instructions.

Please find attached the Plug & Abandon Procedure and a wellbore diagram, dated 7/16/2007.

COPY SENT TO OPERATOR
Date: 7/16/07
Initials: JCD

NAME (PLEASE PRINT) Jevin Croteau TITLE Regulatory Analyst

SIGNATURE *[Signature]* DATE 7/18/07

(This space for State use only)

Accepted by the Utah Division of Oil, Gas and Mining

Federal Approval Of This Action Is Necessary

RECEIVED JUL 18 2007

Date: 7/26/07 (See Instructions on Reverse Side)

By: *[Signature]*

(5/2000) DIV. OF OIL, GAS & MINING



EnCana Oil & Gas (USA) Inc.

Little Grand #35-2

**Section 35, T22S, R18E
1,320 ft FNL & 1,320 ft FEL
Wildcat
Grand County, Utah**

**Plug & Abandonment Procedure
July 16, 2007**

Prepared by: _____
Ross Wilkerson - Production Engineer

Reviewed by: _____
Chris Amador - Geologist

Reviewed by: _____
David Hill - DJ/Paradox Team Lead

Attachments: 1. Wellbore Diagram – Before P&A
 2. Wellbore Diagram – After P&A

Well Information

API Number: 43019314960000

Spud Date: November 2, 2006

GL Elevation: 4,562 ft
KB to GL: Unknown
TD: 3,648 ft
PBSD: 3,170 ft

Surface Casing: 8 5/8", 26 lb/ft, K-55, set @ 328 ft
Surface cement to surface (Circulated)
12 1/4" hole

Production Casing: 5-1/2", 15.5 lb/ft, set @ 3,648 ft
TOC at 950 ft (CBL)
7 7/8" hole

Casing Properties: ID: 4.950"
Drift ID: 4.825"
Collapse: Unknown
Burst: Unknown
Joint Yield Strength: Unknown
Capacity: 0.0238 BBL/ft
Annular capacity 5 1/2" csg x 8 5/8" csg: 0.0343 BBL/ft

Tubing: 2 7/8" OD 6.5 lb/ft J-55

Tubing Properties: ID: 2.441"
Drift ID: 2.347"
Coupling OD: 3.668"
Collapse: 7,680 psi
Burst: 7,260 psi
Joint Yield Strength: 100,000 lbs @ 100%
Capacity: 0.00579 BBL/ft
Annular capacity 2 7/8" tbg x 5 1/2" 15.5 lb/ft csg: 0.0158 BBL/ft

Formation Tops: Chinle – 3,458 ft
Wingate – 3,320 ft
Navajo – 2,416 ft

Background Information

Objective

Plug and abandon a non-productive well.

Background

Little Grand #35-2 was drilled in November of 2006. After testing the Chinle, Kayenta, and Navajo formations, it was decided that this well was a dry hole. This procedure will plug and abandon this well.

Safety

Safety meetings are to be held with all service company personnel prior to each job. The wellsite supervisor must notify contractors as to known hazards of which the contractors may be unaware. Well site supervisor must ensure that all workers are aware of their responsibilities and duties under the EH&S guidelines. All safety meetings will be recorded on the EnCana daily completion reports in Well Core.

Regulations

All verbal notifications and approval from government regulatory agencies will be recorded on the EnCana daily report. The name of the individual contacted and the subject matter of approval or notification will be recorded.

Plug and Abandonment Procedure

1. MIRU pulling unit. Spot, hook up, and test all equipment.
2. Blow well down if necessary. ND WH. NU and test BOP equipment.
3. POOH with tubing.
4. MIRU wireline service.
5. PU CIBP.
6. RIH with CIBP and set at 2,350 ft (66 ft above highest open interval).
7. Dump 50 ft (1.2 BBL) cement on top of CIBP.
8. Circulate hole full of 9 lb/gal mud (approximately 55 BBL).
9. PU perforation guns.
10. RIH and shoot 4 holes at 378 ft.
11. PU CICR.
12. RIH and set CICR at 368 ft.
13. RIH with tubing and sting into CICR at 368 ft.
14. Begin pumping mud through tubing to establish injection into casing annulus.
15. If injectivity is established, and returns reach surface, go to Step 16. If injectivity is not established, and returns do not reach surface, spot 2.5 BBL of cement on top of CICR and go to Step 21.
16. Pump 6 BBL of cement.
17. Sting out of CICR and spot remaining 2.25 BBL of cement into casing by pumping 2.25 BBL mud.
18. POOH with tubing to 150 ft.
19. Reverse circulate tubing clean.
20. POOH.
21. RIH with CIBP and set at 60 ft below surface.
22. Fill casing with cement to surface (1.5 BBL).
23. Cut off well 4 ft below surface and weld on plate.

EnCana Contacts

Name	Title, Location	Telephone Number
Ross Wilkerson	Production Engineer, Denver	720-876-5768 Office 303-968-5094 Cell
Kenny Allred	HSE, Lisbon	435-686-2236 Office
Rusty Calhoun	Production, Andy's Mesa	970-260-4268 Cell
Rick Costanza	Production Supervisor, Lisbon	435-686-7612 Office 435-260-1671 Cell
Jevin Croteau	Regulatory, Denver	720-876-5339 Office
Tom Flynn	Completion Supervisor, Paradox	970-201-7466 cell 970-864-3369 Office
Brent Miller	Geophysicist, Denver	720-876-5050 Office
Darrell Mott	Completion Supervisor, Paradox	970-739-3522 Cell 970-864-3369 Office
David Hill	DJ/Paradox Team Lead, Denver	720-876-3689 Office
Jane Washburn	Engineering Tech, Denver	720-876-5431 Office
Matthew Davis	Geologist, Denver	720-876-5443 Office 303-547-7748 Cell
Chris Williams	HSE, Denver	720-876-5485 Office 303-888-6978 Cell

Attachment #1 – Wellbore Diagram Before P&A

WELLBORE DIAGRAM

Surface Loc: 1320' FNL & 1320' FEL

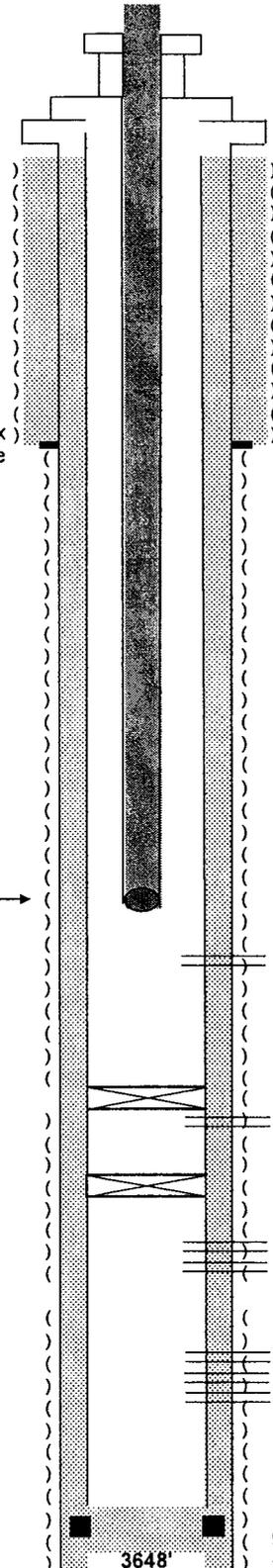
Operator: EnCana Oil & Gas (USA) Inc.
 Well Name: Little Grand 35-2
 Lease Number:
 Location: Sec. 35-T22S-R18E
 Field: Cactus Rose Unit
 County: Grand County, Utah
 API Number: 43-019-314960000

FORMATIONS

Chinle 3458'
 Wingate 3320'
 Navajo 2416'

8-5/8" 26# K-55
 csg set @ 328'; cmt w/ 220 sx)
 cmt w/2% CCI, 1/2# sx flocele

EOT @2410.70 →



GL 4562'

Well History

Spud Date 11-02-2006
 TD Reached 11-26-2006
 Rig Released 11-28-2006

TOC 950' (CBL)

Tubing Detail:

	Depth:
KB	8.00
73 jts of 2-7/8" J-55 tbg	2360.23
2.31 F-Nipple	0.97
1 jt 2-7/8" tbg, J-55 tbg.	32.33
2.25 F-Nipple	0.97
2-7/8" N-80 pup jt.	8.20
EOT	2410.70

2416' - 2436' Navajo Perfs shot 02-20-07, 4 SPF, 120° phasing

CIBP @ 3200', topped w/ 30' cmt on plug
 3240' - 3250' Kayenta Perfs, 4 SPF, 120° phasing
 (shot prior to EnCana Operatorship)

CIBP @ 3400', topped w/ 30' cmt on plug

3460' - 3464' Chinle Perfs shot 02-01-07, 4 SPF, 120° phasing
 3477' - 3482' Acized w/ 3300 gal WF 120 70Q foam,
 49,800# 20/40 Jordan-Unimin sand

3488' - 3491' Chinle Perfs, 4 SPF, 120° phasing
 3496' - 3500' (shot prior to EnCana Operatorship)
 3510' - 3514'

3648' 96 jts 5.5" 15# csg set @ 3648'
 cmt w/ 280 sx Type III first stage, 310 sx Type 2nd stage

Attachment #2 – Wellbore Diagram After P&A

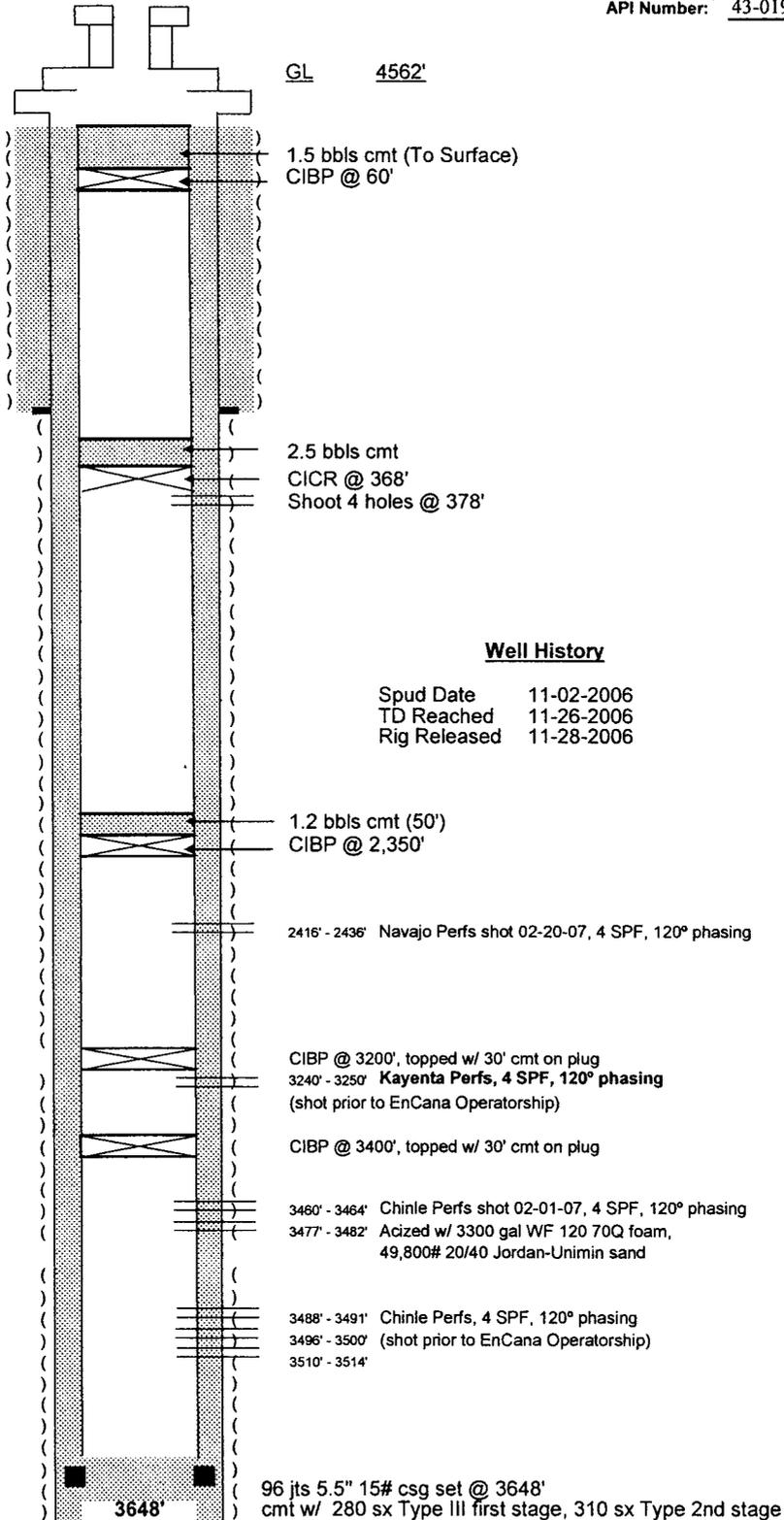
WELLBORE DIAGRAM

Surface Loc: 1320' FNL & 1320' FEL

Operator: EnCana Oil & Gas (USA) Inc.
 Well Name: Little Grand 35-2
 Lease Number: _____
 Location: Sec. 35-T22S-R18E
 Field: Cactus Rose Unit
 County: Grand County, Utah
 API Number: 43-019-314960000

FORMATIONS

Chinle 3458'
 Wingate 3320'
 Navajo 2416'



Well History

Spud Date 11-02-2006
 TD Reached 11-26-2006
 Rig Released 11-28-2006

CONFIDENTIAL

Little Grand 35-2
Tidewater Oil & Gas, LLC

43,019,31496

DATE	ACTIVITY
11/28/06	<p>Cemented 5.5" 15.5 #/ft casing with 2 stage cement job. DV tool @ 2403' '1st stage = 480 cf, 86 bbls, 280 sx, Halli CBM lite Type III cement + 1/8 #/sx poly flake + 10#/ sx gilsonite + 8.09 gal/sx fresh water wt= 13.5 ppg, yield = 1.74 cf/sx 2 nd stage: 2nd stage = 540 cf, 96 bbls, 310 sx, Halli CBM lite Type III cement ++ 1/8 #/sx poly flake + 10#/ sx gilsonite + 8.09 gal/sx fresh water, wt= 13.5 ppg, yield = 1.74 cf/sx Bumped plug with 1500 psi. Plug held. Rig released @ 0700 hrs 11/28/06</p> <p>Daily Costs \$79,967 Cumulative Costs \$764,263</p>
11/27/06	<p>WO cemeters for 5.5" casing @ 0700. Completed logging of well. TIH with drill pipe. Circulated on bottom. Max gas units on trip gas 10,400. Gas steady @ 3900 units after peak. TOOH laying down drill pipe. Rig up casing crew, safety meeting, run 96 jts of 5.5" 15.5 #/ft casing to 3648'. Circulating well, waiting on cementors.</p> <p>Daily Costs \$83,740 Cumulative Costs \$684,296</p>
11/26/06	<p>TD 3648' Logged well with Halliburton. BHC Sonic, Sprectral Density, Dual Spaced Neutron, High Res. Induction, Sprectral Gamma Ray, Micro Log</p> <p>Daily Costs \$20,866 Cumulative Costs \$600,556</p>
11/25/06	<p>Prep to TOOH for logs. TD - 3649'. Drilled 183 ft in 17 hrs drilling. Chinle top est @ 3465' Background gas @ 3426' - 580 units Background gas @ 3473' - 1,513 units Background gas @ 3496' - 1,735 units Background gas @ 3635' - 445 units Background gas @ 3522' - 10,000 units Called Halliburton to come to location to run logs. Ordered pipe to location</p> <p>Daily Costs \$23,449 Cumulative Costs \$579,690</p>
11/24/06	<p>Drilling @ 3465'. Drilled 245' in 12.25 hrs. Trip gas 6300 units. Show @ 3380' to 3400' - 400 units</p> <p>Daily Costs \$15,670 Cumulative Costs \$556,241</p>
11/23/06	<p>Pick up bit. Start in hole @ 0700 hrs Rig Repair - 23 hrs. Rigged up repaired swivel. Strung new drilling line on drilling blocks.</p> <p>Daily Costs \$1,670 Cumulative Costs \$540,571</p>

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11/22/06 Rig Repair - 24 hrs.Rebuilt swivel. Swivel on way to rig.
Daily Costs \$1,670
Cumulative Costs \$538,901

11/21/06 Rig Repair - 24 hrs. Waited on inspector. Inspected all subs and drill collars.
Swivel parts to arrive today.
Daily Costs \$1,670
Cumulative Costs \$537,231

11/20/06 Rig Repair - 24 hrs. Pulled pipe with no problems. Waited on inspector. Will
inspect all subs and drill collars
Daily Costs \$4,377
Cumulative Costs \$535,561

11/19/06 Rig repair. Swivel repair.
Daily Costs \$4,342
Cumulative Costs \$531,184

11/18/06 Rig repair @ 0700 hrs. Depth 3218'. Drilled 72' in 4.25 hrs. Blocks dropped.
Swivel damaged. Rig Repair 19.75 hrs
Daily Costs \$9,406
Cumulative Costs \$526,842

11/17/06 Drilling at 3146' in Navajo. Drilled 376' in 17.75 hrs. 5.5 hrs rig repair. Shows
2801' -2811' (100,180, 80 gas units) & 2836'- 2849' (80, 200, 120 gas units)
Daily Costs \$20,922
Cumulative Costs \$517,436

11/16/06 Drilling @ 2770' @ 0700. Drilled 115'. Recovered slip die with magnet. TIH with
bit #4. Wash and reamed 8 jts to bottom. Drilling
Daily Costs \$18,939
Cumulative Costs \$496,514

11/15/06 Depth @ 0700 hrs 2655' TIH. Washed and reamed 25' to bottom. Bit plugged.
TOOH. Lost slip die. TIH with 7" magnet. TOOH with magnet.
Daily Costs \$21,771
Cumulative Costs \$477,575

11/14/06 Depth @ 0700 hrs 2655' - Recovered fish. LD 6 DCs. PU bit #4. TIH. Wash and
ream 2625' to 2655'. Bit plugged. TOOH
Daily Costs \$45,120
Cumulative Costs \$455,804

11/13/06 Depth @ 0700 hrs 2655' - Drill collar twisted off. TIH with overshot
Daily Costs \$19,536
Cumulative Costs \$410,684

11/12/06 Depth 2654' @ 0700 hrs. Drilled 284' in hrs 16.75 hrs - 17.5 ft/hr, Rig Repair 5
hrs pack swivel. Drilling in Navajo. Gas increased from 20 units to 150 units
during day. Carmel 2335', Navajo - 2464'.
Daily Costs \$22,317

Cumulative Costs \$391,148

11/11/06 Depth - 2370'. Got pipe loose. Conditioned hole. Changed out pump liners to 5.5".
'Moab Tongue 2048', 'Entrada - 2175', no shows, background gas 14

Daily Costs \$31,439
Cumulative Costs \$368,831

11/10/06 Stuck @ 2085'. Drilled 283' in 16 hrs. Conducted BOP drills with both crews.
Moab Tongue sample top @ 2048'.

Daily Costs \$22,762
Cumulative Costs \$337,392

11/09/06 Depth 1802' - Drilled 498 ft in 16.25 hrs. Changing out pump liners to 5.5".

Daily Costs \$21,373
Cumulative Costs \$314,630

11/08/06 Depth - 1304' - Circulating and conditioning hole. LD air hammer. RU to drill with
mud. TIH with bit #3 to 1304'. Filled hole with mud. Circulated hole, no problems.
Shaker motor quit running. WOO electrician

Daily Costs \$24,750
Cumulative Costs \$293,257

11/07/06 1304' - TOO H to mud up @ 0700' Casing pressure test OK'd. BLM OK'd to
proceed. Drilled 966' in 9 hrs.

Daily Costs \$33,256
Cumulative Costs \$268,507

11/06/06 Testing BOPs @ 0700 hrs. Rigged up BOP and choke manifold. Pressure
tested. BOP and all valves passed pressure test. Casing had slow leak. Ordered
packer to put in casing for pressure test. All equipment rigged for air drilling. Jack
Johnson, BLM witnessed BOP pressure test.

Daily Costs \$30,866
Cumulative Costs \$235,251

11/05/06 Cemented casing with 220 sxs cement with 2 % CaCl, 1/4 #/sx flocele. Good
returns during pumping. Five barrels to pit. Jack Johnson, BLM witnessed
cementing. Nippling up BOPE.

Daily Costs \$56,355
Cumulative Costs \$204,385

11/04/06 Drilled hole to 338'. Pipe got stuck. Jarred pipe loose. Cleaned hole. Ran 8 5/8"
casing to 328'. Waiting on cementors. Jack Johnson, BLM witnessed casing
running.

Daily Costs \$33,370
Cumulative Costs \$148,030

11/03/06 0700 - 0200 hours Rig Repair. Ordered replacement air package. Trucks delivered compressors @2330 hrs. Rigged up new compressor units. 0200 - 0700 hrs Drilled 65' to 205' with air hammer (5 hr). 205' Air Drilling 12 1/2" hole.

Daily Costs \$7,320
Cumulative Costs \$114,660

11/02/06 65' - Installed riser & blooie line. 2000-0700 hrs - Rig repaired - ready to drill. Started air compressors. Booster starter would not engage. Working on starter. Starter coming from Grand Junction @ 0800 hrs

Daily Costs \$4,220
Cumulative Costs \$107,340

11/01/06 Sundry Notice, Form 3160-5 (attached) hand delivered to BLM Field Office in Moab at 1530 hrs. Continuous drilling operations, have had some issue with the booster - may need to get new starter.

Daily Costs \$12,020
Cumulative Costs \$103,120

10/31/06 Bucket rig was moved off and Frank's Rig #3 was moved on location. Rig and equipment was moved to location. Derrick could not be raised due to vandalism. Equipment was repaired and the derrick was raised.

Daily Costs \$91,100
Cumulative Costs \$91,100

10/30/06 Spread rock on the flats. Still having problems getting road to withstand any traffic. Digging resrve pit. Drilled and set 65' of 20" (Martin Drilling) conductor pipe. Will gravel road tomorrow and move rig in. Well spudded. Forecast to start drilling Tuesday pm.

10/29/06 Gravel trucks did not show up today. Working on pit. Moved rig in to set conductor. Set 4' ring. Will start moving drilling rig in tomorrow. Gravel trucks set to dump gravel on road @ 0800. Notified Carol Daniels (St. of Utah) and Jack Johnson/ Rich McClure (BLM) of spud, email and telephone calls

10/28/06 Location flat, start digging pit. Spreading gravel across "the flats"

10/27/06 building location and road. Spreading gravel across "the flats"

10/26/06 Building Location and road. Road too muddy for gravel trucks

10/25/06 Building Location and road.

10/24/06 Building Location and road.

10/23/06 Building Location and road.

10/22/06 Building Location and road.

10/21/06 Building Location and road.

10/20/06 Shut down for rain

10/19/06 Shut down for rain

10/18/06 Shut down for rain

10/17/06 Shut down for rain

10/16/06 Working on location with dozer. Flat portion about ½ finished. Grader working on road. @1700 hrs. heavy rain started with baseball sized hail. Will check tomorrow for conductor schedule.

10/15/06 Worked on road into location. Started building location. Scheduled conductor to be set Wed. 10/18 while pit being dug.

10/14/06 Heavy rain. Checked road to LG35-2. Too muddy to work location.

10/13/06 PU lowboy trailer, load dozer. Drove grader to Crescent Junction to loading dock. All trucks loaded and ready to move to LG 35-2. Drove to LG 35-2 – (1230) Unloaded dozer. Worked dozer for 5 hrs. until 1830 Drove to Green River.

10/06/06 Notified Rich McClure (BLM) of commencement of dirt work. Call and email.

To: **Tidewater Oil & Gas Co LLC** Roger Knight goldenknightre@yahoo.com
1645 Court Pl, Ste 301
Denver Co, 80202

From: Entrada GeoSciences Matt Giffels anvil@ureach.com
 11 Inverness Way S
 Englewood Co, 80112

Daily Report: 11/27/2006

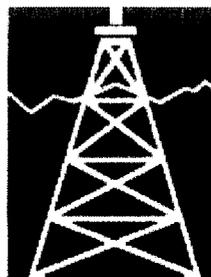
Well: Little Grand 35-2

Surface Location: Sec 35, T22S-R18E, Grand County, UT
 1320 FNL, 1320 FEL

Field: Wildcat Cactus Rose Unit
API #: 43-019 31496

Ground Elevation: 4562 ft
KB: 4571 ft

Today's Depth: 3648 ft 05:00 time
Yesterday's Depth: 3648 ft 05:00 time
Drilled in 24 hours: 0 ft



ENTRADA
GeoSciences

ACTIVITY AND REMARKS:

TOH on 11-25-06. Run elogs. TIH on 11-26-06, circulate bottoms up. Recorded Trip gas = 10,000 units TG (100% Methane). TOH, run 5.5 inch casing. Released by company hand on 11-27-06.

FORMATION TOPS:

Formation	Sample Top	Subsea	Predicted Tops	Prognosis	Drill Interval to Next Top	E-Log Tops
Dakota Sandstone	1190	3381	1190	1025	822	
Moab Tongue	2048	2523	2048	1847	30	
Entrada Slickrock	2135	2436	2135	1877	355	
Carmel	2335	2236	2335	2232	120	
Navajo	2464	2107	2464	2352	700	
Kayenta	3093	1478	3093	3052	250	
Wingate	3320	1251	3320	3302	250	
Chinle	3465	1106	3465	3552	400	
Moenkopi			3865	3952	500	
White Rim			4365	4452	360	
TD	3648		3648	4812		

CURRENT LITHOLOGY:

3440-3460 Sh, dk-lt gy-prpl-vgt, wxy, mod hd, calc ip, abnt Ss vf-fgr, trans-rd-brn, m wl srt, sli calc, ltwt oil floating on water in smpl dish, occ black tar, yellow fluor, fluor yellow flash cut

3500-3520 Ss, wh-gy-brn, f-m gr, sbrd, sft-hd, mod srt, sl-mod calc, with gy sh, tr br sltst, tr yel flor, nsoc

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3600-3620 Ss, rd-ormg-brn, f-m gr, sbrd, mod-w srt, mod hd, mod-v calc, tr sh, gy, tr ss, bk, f gr, heavy oil staining, occ bk tar, tr yel fluor, fluor yellow flash cut

SHOWS:

INTERVAL	DRILL RATE (b,d,a)	PEAK GAS (b,d,a)	LITHOLOGY

MUD GAS:

	DEPTH	UNITS	DEPTH	UNITS	DEPTH	UNITS	DEPTH	UNITS
Background Gas	none							
Connection Gas	none							
Trip Gas	3648	10000						
Down-time Gas	none							

MUD PARAMETERS:

DATE	WT	VIS	pH	Cake	Cl
11/24/2006	9.1	43	8.0	film	5000

DRILLING BITS:

#	MAKE	TYPE	SIZE	DEPTH IN	DEPTH OUT	TOTAL FOOTAGE	HOURS RUN
1					338		
2	MARQ	C6736	7 7/8	338	1299	961	
3	Security		7 7/8	1299	2655	1356	
4	Security	XS275	7 7/8	2655	3238	583	22.25
5	Security	XS255R	7 7/8	3238			

DEVIATION SURVEYS:

DEPTH	DEGREE	DIR

**Little Grand 35-2
Tidewater Oil & Gas, LLC**

DATE	Revised Cost Est.	ACTIVITY
Cumulative Costs \$203,532		
01/08/07		<p>No pressure on well @ 0700 hours. PU packer. TIH. Set packer @ 3264'. Tried to swab well. Pull tubing, found crimped jt@ 63 jts down. LD bad joint. TIH. Set packer @ 3234'. Filled annulus with water. Swabbed well down to packer. On last run, swab tool hit lubricator and dropped down well. POOH with tubing to recover swab. Recovered swab. TIH with packer. Set packer @ 3234' Filled annulus with 2% KCL. Swabbed well. Treated perms with 1000 gal. 15% HCL w/ 5 gal non-emulsifier and 66 balls. Good ball action, balled out. Pressure decreased when acid on formation. Max displacement rate 6.2 bpm @ 3600 psi. ISIP = 1562 PSI, 5 MIN = 1338 PSI, 10 MIN = 1299 PSI. SDFN</p>
		COMPLETION
		Daily Costs \$25,271
		Cumulative Costs \$194,696
01/07/07		<p>Ran Bond log. Good bond at perforation intervals. Swabbed well down. Placed 30 bbls 2% KCL Fluid level = 3000'</p>
		COMPLETION
		<p>Perforate well @ 3488' – 3491' (3') , 3496' – 3500' (4') 3510' – 3514' (4') with .5" holes, 4 spf, premium jet No fluid entry after perforating. Slight blow. SDFN</p>
		Daily Costs \$19,404
		Cumulative Costs \$169,425
01/06/07		<p>Drilled DV collar. TIH to TD and circulated hole clean. TOOH with tubing. LD BHA. SDFN.</p>
		COMPLETION
		Daily Costs \$14,368
		Cumulative Costs \$150,021
01/05/07		<p>Rig on location @ 1000 hrs. Rig up. PU bit, Drill collars, & scraper. RIH with 2 7/8" tubing to 1246'. SDFN</p>
		COMPLETION
		Daily Costs \$10,686
		Cumulative Costs \$135,653
01/04/07		<p>The rig was held at the Point of Entry. Crews came to move equipment to axle out the weight properly. When the truck was ready to go over the scales again, the accelerator broke (this is a six month old tractor). A mechanic came and repaired the accelerator. The unit weighted out properly and was waiting for the oversized permits to be issued. The equipment could not be moved in the dark. Crews will be at the port @ 0700 ready to move to location on 1/04/07.</p>
		COMPLETION
		Daily Costs \$0
		Cumulative Costs \$124,967
11/28/06		<p>Cemented 5.5" 15.5 #/ft casing with 2 stage cement job. DV tool @ 2403'</p>
		COMPLETION
		<p>'1st stage = 480 cf, 86 bbls, 280 sx, Halli CBM lite Type III cement + 1/8 #/sx poly flake + 10#/ sx gilsonite + 8.09 gal/sx fresh water wt= 13.5 ppg, yield = 1.74 cf/sx 2 nd stage</p>
		Daily Costs \$124,967
		Cumulative Costs \$124,967

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**Little Grand 35-2
Tidewater Oil & Gas, LLC**

DATE	Revised Cost Est.	ACTIVITY
01/16/07	COMPLETION	Swabbing well. SITP = 0 psi FL= 700'. Recover 16.5 bbls fluid in 9 hrs swabbing on 16 runs. Recovered black oily substance on 6 runs(14.5 bbls) then 2 bbls muddy water with very little to no fluid entry. Total 66.5 bbls recovered. All of load recovered. Cold temperatures all day. Daily Costs \$8,844 Cumulative Costs \$295,248
01/15/07	COMPLETION	Shut down for weekend Daily Costs \$1,166 Cumulative Costs \$286,404
01/14/07	COMPLETION	Shut down for weekend Daily Costs \$1,166 Cumulative Costs \$285,238
01/13/07	COMPLETION	Swabbing well. SITP = 0 psi. Recover 13 bbls fluid in 9 hrs swabbing on 11 runs. Recovering water and brown/black oil. Total load recovered 50 bbls. 6 bbls load to recover. Rig shut down until Monday morning. Cold and freezing rain. I-70 shut down in PM Daily Costs \$8,996 Cumulative Costs \$284,072
01/12/07	COMPLETION	SITP = 30 psi. Initial FL= 300'. Recovered 21 bbls fluid in 10 hrs. No gas on any swab run. Fluid entering well at about 200' per hour. Recovered acid, water and oily fluid. Last two runs had dark brown to black oil smelling fluid. Total fluid recovered = 37 bbls. 19 bbls load to recover. SDFN Daily Costs \$8,642 Cumulative Costs \$275,076
01/11/07	COMPLETION	SITP= 20 psi. RU Weatherford wireline. Perforate from 3240' to 3250'. Set CIBP @ 3450'. Set packer @ 3203'. Treated well with 750 gal 15% HCL, 220 gal Paragon (xylene equivalent), 110 gals MBE, 2 gal non-emulsifier. Max rate = 4.5 bpm, max pressure = 4054 psi, avg rate = 3.8 bpm during trmt, avg pres = 3232 psi, ISIP = 2599, 5 min = 1984 psi, 10 min = 1925 psi. Swabbed 16 bbls from tubing. No fluid entry. SDFN Daily Costs \$54,150 Cumulative Costs \$266,434
01/10/07	COMPLETION	SITP= 50 psi. Swabbed 16 bbls water and acid from well. No gas shows during swabbing. FI dropped to seating nipple. 4 bbls over load recover. SDFN Will perforate Wingate & acidize the Wingate today. Daily Costs \$8,752 Cumulative Costs \$212,284
01/09/07	COMPLETION	SITP= 500 psi. Swabbed 45 bbls water and acid from well. No gas shows during swabbing. FI dropped to seating nipple. 10 bbls load to recover. SDFN Daily Costs \$8,836

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Little Grand 35-2
Tidewater Oil & Gas, LLC

DATE	Revised Cost Est.	ACTIVITY
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11/27/06

WO cementors for 5.5" casing @ 0700. Completed logging of well. TIH with drill pipe. Circulated on bottom. Max gas units on trip gas 10,400. Gas steady @ 3900 units after peak. TOOH laying down drill pipe. Rig up casing crew, safety meeting, run 96 jts o

Daily Costs \$62,730
Cumulative Costs \$690,277

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STATE OF UTAH
DIVISION OF OIL, GAS AND MINING

5. Lease Designation and Serial No.
U-73490

SUNDRY NOTICES AND REPORTS ON WELLS

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

6. If Indian, Allottee or Tribe Name
NA

7. Unit Agreement Name
Cactus Rose Unit

8. Well Name and Number
Little Grand 35-2

1. Type of Well
 Oil Well Gas Well Other Dry

2. Name of Operator: EnCana Oil & Gas (USA) Inc. Contact: Jane Washburn
Phone: 720/876-5431

9. API Well Number
4301931496

3. Address and Telephone No.
370 17th Street, Suite 1700, Denver, CO 80202

10. Field and Pool, or Exploratory Area
Wildcat

4. Location of Well
Footages: 1320' FNL, 1320' FWL County: Grand
QQ, Sec T,R,M: NENE Sec 35-T~~35~~S-R18E S State: Utah
22

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

NOTICE OF INTENT
(Submit in Duplicate)

SUBSEQUENT REPORT
(Submit Original Form Only)

- Abandon
- Repair Casing
- Change Plans
- Convert to Injection
- Fracture Treat or Acidize
- Multiple Completion
- Other
- New Construction
- Pull or Alter Casing
- Recomplete
- Reperforate
- Vent or Flare
- Water Shut-Off

- Abandon*
- Repair Casing
- Change Plans
- Convert to Injection
- Fracture Treat or Acidize
- Other P&A
- New Construction
- Pull or Alter Casing
- Recomplete
- Reperforate
- Vent or Flare
- Water Shut-Off

Approximate date work will start _____

Date of work completion _____

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

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

The Little Grand 35-2 was plugged and abandoned on 6/24/09. Plugs were set as follows:

- Plug #1, RBP @ 2350', 50' cmt plug
- Plug #2, RBP @ 368', 200' cmt plug
- Surface Plug - CIBP set, 60' cmt to surface

Attached is a wellbore diagram and the cement report.

13. Name (Printed/Typed) Jane Washburn	Title Production Engineering Tech
Signature 	Date 08/06/2009

(This space for State use only)

RECEIVED
AUG 11 2009

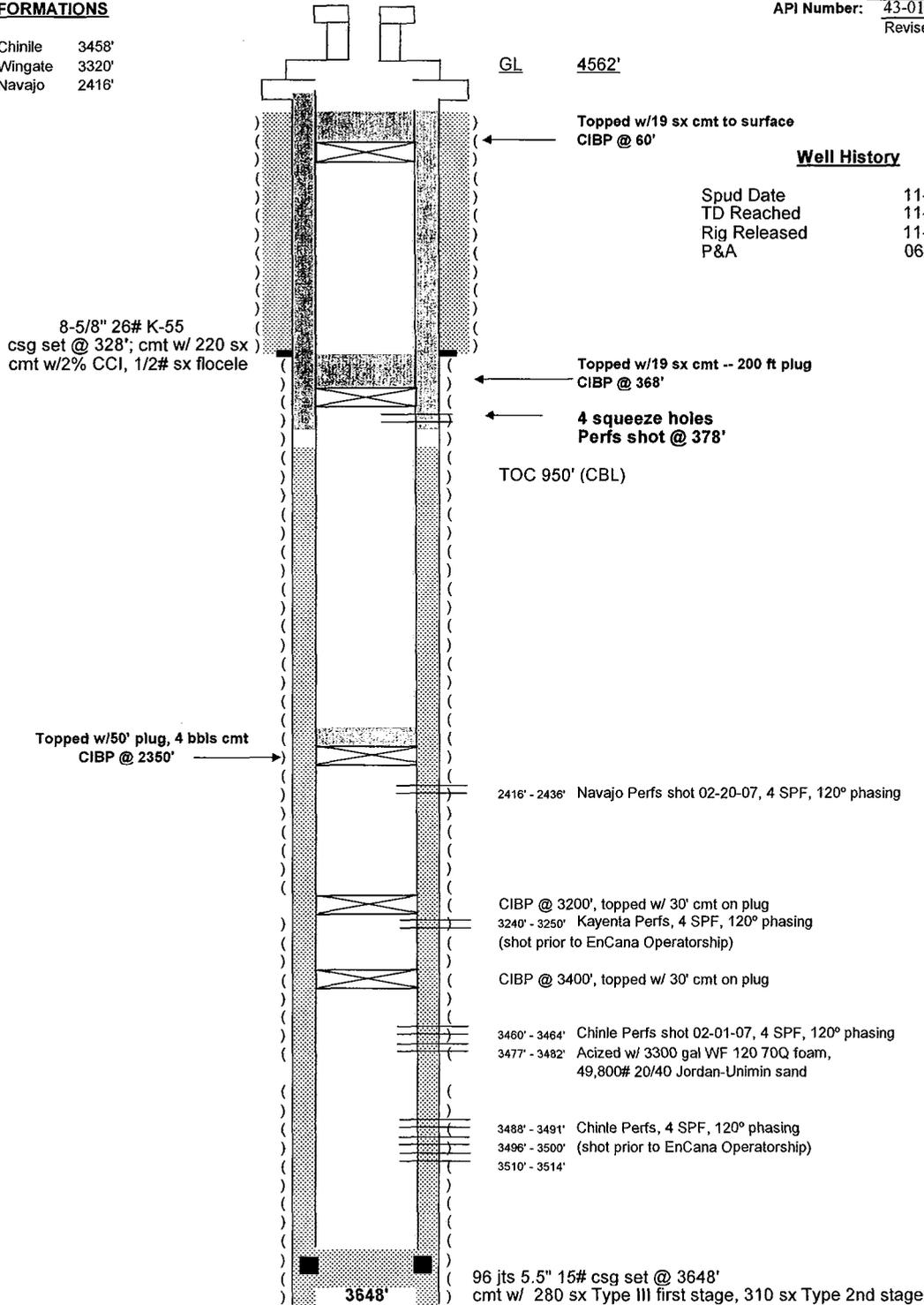
WELLBORE DIAGRAM
P&A

Surface Loc: 1320' FNL & 1320' FEL

FORMATIONS

Chinle 3458'
Wingate 3320'
Navajo 2416'

Operator: EnCana Oil & Gas (USA) Inc.
Well Name: Little Grand 35-2
Lease Number: _____
Location: Sec. 35-T22S-R18E
Field: Cactus Rose Unit
County: Grand County, Utah
API Number: 43-019-314960000
Revised 8/5/09 - jw



HALLIBURTON

Cementing Job Summary

The Road to Excellence Starts with Safety

Sold To #: 340078	Ship To #: 2721774	Quote #:	Sales Order #: 6738162
Customer: ENCANA OIL & GAS (USA) INC. - EBUS		Customer Rep: ZUNICH, TODD	
Well Name: LITTLE GRAND	Well #: 35-2	API/UWI #: 43-019-31496	
Field: WILDCAT	City (SAP): MUSCAT	County/Parish: Grand	State: Utah
Contractor: Work Over		Rig/Platform Name/Num: Workover	
Job Purpose: Plug to Abandon Service			
Well Type: Development Well		Job Type: Plug to Abandon Service	
Sales Person: METLI, MARSHALL		Srvc Supervisor: BLANCHETTE, JAMES	MBU ID Emp #: 371360

Job Personnel

HES Emp Name	Exp Hrs	Emp #	HES Emp Name	Exp Hrs	Emp #	HES Emp Name	Exp Hrs	Emp #
BLANCHETTE, JAMES George	15	371360	CRONKHITE, KENT Alan	15	336769	MUHLESTEIN, RYAN Herrick	15	453609
SAUTER, MARK A	15	410526	SMITH, DUSTIN Michael	15	418015			

Equipment

HES Unit #	Distance-1 way						
10296148C	85 mile	10804567	85 mile	10867425	85 mile	10897891	85 mile
10951247	85 mile						

Job Hours

Date	On Location Hours	Operating Hours	Date	On Location Hours	Operating Hours	Date	On Location Hours	Operating Hours
06-22-09	9	1	06-23-09	6	2			

TOTAL Total is the sum of each column separately

Job

Job Times

Formation Name	Formation Depth (MD)	Top	Bottom	Called Out	Date	Time	Time Zone
				22 - Jun - 2009	03:00	MST	
Form Type			BHST	On Location	22 - Jun - 2009	09:00	MST
Job depth MD	2350. ft		Job Depth TVD	Job Started	22 - Jun - 2009	16:19	MST
Water Depth			Wk Ht Above Floor	Job Completed	23 - Jun - 2009	13:00	MST
Perforation Depth (MD)	From		To	Departed Loc	23 - Jun - 2009	14:00	MST

Well Data

Description	New / Used	Max pressure psig	Size in	ID in	Weight lbm/ft	Thread	Grade	Top MD ft	Bottom MD ft	Top TVD ft	Bottom TVD ft

Tools and Accessories

Type	Size	Qty	Make	Depth	Type	Size	Qty	Make	Depth	Type	Size	Qty	Make
Guide Shoe					Packer					Top Plug			
Float Shoe					Bridge Plug					Bottom Plug			
Float Collar					Retainer					SSR plug set			
Insert Float										Plug Container			
Stage Tool										Centralizers			

Miscellaneous Materials

Gelling Agt	Conc	Surfactant	Conc	Acid Type	Qty	Conc %
Treatment Fld	Conc	Inhibitor	Conc	Sand Type	Size	Qty

Fluid Data

Stage/Plug #: 1									
Fluid #	Stage Type	Fluid Name	Qty	Qty uom	Mixing Density lbm/gal	Yield ft ³ /sk	Mix Fluid Gal/sk	Rate bbl/min	Total Mix Fluid Gal/sk

HALLIBURTON

Cementing Job Summary

Stage/Plug #: 1									
Fluid #	Stage Type	Fluid Name	Qty	Qty uom	Mixing Density lbm/gal	Yield ft ³ /sk	Mix Fluid Gal/sk	Rate bbl/min	Total Mix Fluid Gal/sk
1	MUD		100	bbl	9.	.0	.0	.0	
	14 lbm/bbl	HALLIBURTON GEL, 50 LB SK (100064040)							
	28 lbm/bbl	BAROID 41 - 100 LB BAG (478096)							
2	Tail Cement	HALCEM (TM) SYSTEM (452986)	65	sacks	15.8	1.15	5.0		
	4.989 Gal	FRESH WATER							
3	DISPLACEMENT		27	bbl	9	.0	.0	.0	
Calculated Values		Pressures			Volumes				
Displacement	27	Shut In: Instant		Lost Returns	NO	Cement Slurry	12	Pad	
Top Of Cement	SURFACE	5 Min		Cement Returns	1.5	Actual Displacement	27	Treatment	
Frac Gradient		15 Min		Spacers	24	Load and Breakdown		Total Job	
Rates									
Circulating		Mixing		2	Displacement		2	Avg. Job	2
Cement Left In Pipe	Amount	0 ft	Reason	Shoe Joint					
Frac Ring # 1 @	ID	Frac ring # 2 @	ID	Frac Ring # 3 @	ID	Frac Ring # 4 @	ID		
The Information Stated Herein Is Correct				Customer Representative Signature					

HALLIBURTON

Cementing Job Log

The Road to Excellence Starts with Safety

Sold To #: 340078	Ship To #: 2721774	Quote #:	Sales Order #: 6738162
Customer: ENCANA OIL & GAS (USA) INC. - EBUS		Customer Rep: ZUNICH, TODD	
Well Name: LITTLE GRAND	Well #: 35-2	API/UWI #: 43-019-31496	
Field: WILDCAT	City (SAP): MUSCAT	County/Parish: Grand	State: Utah
Legal Description:			
Lat: N 0 deg. OR N 0 deg. 0 min. 0 secs.		Long: E 0 deg. OR E 0 deg. 0 min. 0 secs.	
Contractor: Work Over		Rig/Platform Name/Num: Workover	
Job Purpose: Plug to Abandon Service			Ticket Amount:
Well Type: Development Well		Job Type: Plug to Abandon Service	
Sales Person: METLI, MARSHALL		Srvc Supervisor: BLANCHETTE, JAMES	MBU ID Emp #: 371360

Activity Description	Date/Time	Cht #	Rate bbl/min	Volume bbl		Pressure psig		Comments
				Stage	Total	Tubing	Casing	
Pre-Convoy Safety Meeting	06/22/2009 05:15							WITH ALL HES EE'S
Depart from Service Center or Other Site	06/22/2009 05:30							
Arrive at Location from Service Center	06/22/2009 09:00							WORKOVER RIG SHOWED UP 2 HOURS AFTER WE HAD SHOWED UP TO LOCATION
Assessment Of Location Safety Meeting	06/22/2009 09:15							WITH ALL HES EE'S
Pre-Rig Up Safety Meeting	06/22/2009 14:45							WITH ALL HES EE'S
Rig-Up Equipment	06/22/2009 15:00							1-F450 PICK UP, 1-F150 PICK UP, 1-HT400 PUMP TRUCK, 1-660 CEMENT BULK TRUCK
Pre-Job Safety Meeting	06/22/2009 15:45							WITH ALL HES EE'S AND ALL RIG CREW
Start Job	06/22/2009 16:19							5 1/2 -15.5# CASING TO 2350', 2 7/8 TUBING 6.5# SET 2350, 4 PERFS @ 378', RETAINER SET AT 368', BRIDGE PLUG SET AT 65'

Sold To #: 340078

Ship To #: 2721774

Quote #:

Sales Order #:

6738162

SUMMIT Version: 7.20.130

Tuesday, June 23, 2009 01:34:00

HALLIBURTON

Cementing Job Log

Activity Description	Date/Time	Cht #	Rate bbl/min	Volume bbl		Pressure psig		Comments
				Stage	Total	Tubing	Casing	
Test Lines	06/22/2009 16:20		0.4				4375. 0	TEST LINES TO 3000 PSI, HAD TO TEST 4 DIFFERENT TIMES WE HAD A VALVE CLOSED ON MANIFOLD ON ONE TEST AND 2 OTHERS WE DISCOVERED A LEAK ON THE DOUBLE WING ON THE RIG FLOOR, AND ON THE FOURTH TEST EVERYTHING WAS GOOD, PRESSURE HELD AT 3800PSI
Pump Spacer 1	06/22/2009 16:35		2	14			130.0	FRESH WATER AHEAD, IN THE MIDDLE OF WATER AHEAD OPERATOR NOTICED THAT THE RATE AND STAGE TOTAL WAS NOT WORKING, WE ALREADY HAD 4 BBLS OF CEMENT MIXED UP SO WE WENT OFF THE DISPLACEMENT TANK COUNTER FOR WATER AHEAD AND SHUTDOWN AFTER CEMENT TO MIX UP MUD
Other	06/22/2009 16:35							WITH INSIDE WATER SO WE WOULD BE ON COUNT WITH THE BBLS, IN THE MEAN TIME WHILE WE WERE SHUTDOWN WE FOUND THE PROBLEM AND FIXED IT, IT WAS A LOSE WIRE ON THE BBL COUNTER ON THE DRIVE SHAFT ON THE PASSENGER SIDE. ONCE FIXED THE COUNTERS WERE WORKING

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Quote #:

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SUMMIT Version: 7.20.130

Tuesday, June 23, 2009 01:34:00

HALLIBURTON

Cementing Job Log

Activity Description	Date/Time	Cht #	Rate bbl/min	Volume bbl		Pressure psig		Comments
				Stage	Total	Tubing	Casing	
Pump Tail Cement	06/22/2009 16:49		2	4			120.0	4 BBLS OF CEMENT ON TOP OF CIBP @ 2350', 19 SKS OF HALCEM PUMPED @ 15.8 PPG , YIELD 1.15, WATER 5.0, ADC NOT USED
Pump Spacer 1	06/22/2009 16:59		2	12			26.0	PUMPED 9.0 PPG MUD BEHIND CEMENT, AFTER PUMPING MUD SPACER WE SHUTDOWN AND RIG PULLED 9 JOINTS OUT OF THE HOLE ABOVE CEMENT TO CIRCULATE WELL WITH MUD.
Circulate Well	06/22/2009 17:27		3	50.7			308	CIRCULATE WELL WITH 9.0PPG MUD, HAD GOOD RETURNS THROUGHTOUT CIRCULATION OF WELL, WE DIDN'T SEE ANY CEMENT COME BACK TO THE PIT
Shutdown	06/22/2009 17:45							RIG POOH, LOGGING RUN IN AND SHOOT PERFS @ 378' AND RIG TRIP BACK IN AND SET CIBP @ 368'
End Job	06/22/2009 17:47							PER COMPANY REP, CALLED IT A DAY AND SAID TO BE BACK AT 07:00 ON 06-23-09 TO PUMP THE OTHER 2 PLUGS
Pre-Job Safety Meeting	06/23/2009 08:00							WITH ALL RIG CREW AND ALL HES EE'S

Sold To # : 340078

Ship To # :2721774

Quote # :

Sales Order # : 6738162

SUMMIT Version: 7.20.130

Tuesday, June 23, 2009 01:34:00

HALLIBURTON

Cementing Job Log

Activity Description	Date/Time	Cht #	Rate bbl/min	Volume bbl		Pressure psig		Comments
				Stage	Total	Tubing	Casing	
Start Job	06/23/2009 10:05							ARRIVED BACK TO LOCATION AT 07:00 ON 6-23-09, RIG CREW HAD TO PULL TUBING AND LOGGING HAD TO GO BACK IN AND SHOOT PERFS AND SET CIBP AND RIG CREW HAS TO RUN TUBING BACK IN TO 368'
Test Lines	06/23/2009 10:06		0.4				3000.0	TEST LINES TO 3000PSI , TEST OK
Injection Test	06/23/2009 10:13		3	9			67.0	WITH 9.0PPG MUD, BEFORE WE DID INJECTION TEST WE PUMPED A LITTLE WATER TO MAKE SURE THAT TUBING WAS STUNG INTO RETAINER, NO RETURNS ON INJECTION TEST, PER COMPANY REP WE PULLED UP OUT OF RETAINER AND SET PLUG ABOVE RETAINER
Pump Tail Cement	06/23/2009 10:41		2	4			60.0	19 SKS OF HALCEM @ 15.8 PPG, YIELD 1.15, WATER 5.0, ADC NOT USED
Shutdown	06/23/2009 10:44							RIG POOH TO 150' AND REVERSE CIRCULATE WELL
Reverse Circ Well	06/23/2009 10:58		1	7.5			35.0	PUMPED 9.0 PPG MUD TO REVERSE OUT WITH, GOOD RETURNS THROUGHOUT AND NO CEMENT BACK TO PIT

Sold To # : 340078

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SUMMIT Version: 7.20.130

Tuesday, June 23, 2009 01:34:00

HALLIBURTON

Cementing Job Log

Activity Description	Date/Time	Cht #	Rate bbl/min	Volume bbl		Pressure psig		Comments
				Stage	Total	Tubing	Casing	
Pump Tail Cement	06/23/2009 12:45		1	3			23.0	19 SKS OF HALCEM PUMPED @ 15.8 PPG, YIELD 1.15, WATER 5.0, FROM CIBP AT 65' TO SURFACE, ADC NOT USED, CIRCULATED 1.5 BBLS OF CEMENT BACK TO THE PIT=8 SKS OF CEMENT, CEMENT HAD 2% CALCIUM CHLORIDE MIXED IN.
Shutdown	06/23/2009 12:50							GOOD RETURNS ON CEMENT
End Job	06/23/2009 12:55							
Post-Job Safety Meeting (Pre Rig-Down)	06/23/2009 13:00							WITH AAL HES EE'S
Pre-Convoy Safety Meeting	06/23/2009 13:45							WITH ALL HES EE'S
Depart Location for Service Center or Other Site	06/23/2009 14:00							THANK YOU FOR USING GRAND JUNCTION HALLIBURTON CEMENT DEPARTMENT, JIM BLANCHETTE AND CREW

Sold To # : 340078

Ship To # :2721774

Quote # :

Sales Order # : 6738162

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Tuesday, June 23, 2009 01:34:00