

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

FORM 5

AMENDED REPORT
(highlight changes)

APPLICATION FOR PERMIT TO DRILL				5. MINERAL LEASE NO: ML 47805	6. SURFACE: State
1A. TYPE OF WORK: DRILL <input checked="" type="checkbox"/> REENTER <input type="checkbox"/> DEEPEN <input type="checkbox"/>				7. IF INDIAN, ALLOTTEE OR TRIBE NAME:	
B. TYPE OF WELL: OIL <input 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: Tidewater Oil & Gas Company, LLC				9. WELL NAME and NUMBER: Cactus Rose 36-43-2217	
3. ADDRESS OF OPERATOR: 1645 Court Pl, Ste 301 Denver CO 80202			PHONE NUMBER: (303) 468-0656	10. FIELD AND POOL, OR WILD CAT: Cactus Rose <i>Wildcat</i>	
4. LOCATION OF WELL (FOOTAGES) AT SURFACE: 1443 FSL, 1243 FEL <i>587713X 38.851074</i> AT PROPOSED PRODUCING ZONE: 1443 FSL, 1243 FEL <i>4300528Y 104.989200</i>				11. QTRQTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NESE 36 22S 17E	
14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE: 17 mi. to Green River, UT				12. COUNTY: Grand	13. STATE: UTAH
15. DISTANCE TO NEAREST PROPERTY OR LEASE LINE (FEET) 1243		16. NUMBER OF ACRES IN LEASE: 640		17. NUMBER OF ACRES ASSIGNED TO THIS WELL: 160	
18. DISTANCE TO NEAREST WELL (DRILLING, COMPLETED, OR APPLIED FOR) ON THIS LEASE (FEET) + 5000 ft		19. PROPOSED DEPTH: 4,300		20. BOND DESCRIPTION: Single Well - 3943121633477	
21. ELEVATIONS (SHOW WHETHER DF, RT, GR, ETC.): Ground level, GL= 4485'		22. APPROXIMATE DATE WORK WILL START: 5/1/2007		23. ESTIMATED DURATION: 14 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		
12.25"	8 5/8"	K55	24	500	Type III cement w/ .2%	300 CF	14.5 ppg
7 7/8"	5.5	K55	15.5	<i>4,300</i> 5,200	Halli CBM lite Type II	500 CF	13.5 ppg
				<i>7 REK</i>	Halli CBM lite Type II	500 CF	13.5 PPG
					2 STAGE CEMENT		

25. **ATTACHMENTS**

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

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

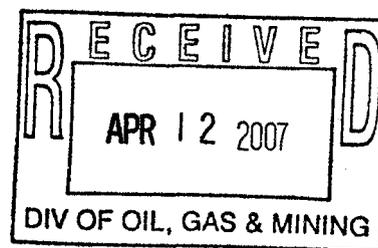
NAME (PLEASE PRINT) R.E. Knight TITLE Agent
SIGNATURE *R.E. Knight* DATE 4/7/2007

(This space for State use only)

API NUMBER ASSIGNED: 43-019-31535

Approved by the
Utah Division of
Oil, Gas and Mining

Date: 05-22-07
By: *[Signature]*



43-019-31535

DESIGNATION OF OPERATOR

The undersigned is, on the records of the School and Institutional Trust Lands Administration, holder of lease, ML 47805

And hereby designates:

NAME: Tidewater Oil & Gas, LLC

ADDRESS: 1645 Court Place, Suite 301

Denver, CO 80202

as his operator and local agent, with full authority to act in his behalf in complying with the terms of the lease and regulations applicable thereto and on whom the Director of the Administration or his representative may serve written or oral instructions in securing compliance with the Rules and Regulations Governing the Issuance of Mineral Leases with respect to (describe acreage to which this designation is applicable):

Township 22 South, Range 17 East

Section 36: SE/4

Operator agrees to comply with all lease provisions, statutes, rules, and regulations, whether federal, state, or local, in its operations on the subject lease.

It is understood that this designation of operator does not relieve the lessee of responsibility for compliance with the terms of the lease and the Rules and Regulations. It is also understood that this designation of operator does not constitute an assignment of any interest in the lease.

In case of default on the part of the designated operator, the lessee will make full and prompt compliance with all regulations, lease terms, or orders of the Director, Trust Lands Administration or his representative.

The lessee agrees promptly to notify the Trust Lands Administration of any change in the designated operator.

D. G. Hill
Signature of Lessee

EnCana Oil & Gas (USA) Inc.
370 17th Street, Suite 1700
Denver, CO 80202
Address

Tidewater Oil & Gas Company LLC
James Jones
Signature of Operator

5/9/2007
Date
5/10/2007
Date

TIDEWATER OIL & GAS COMPANY LLC

1645 Court Place, Suite 301

Denver, Colorado 80202

(303) 468-0656

April 13, 2006

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

Re: Application for Permit to Drill – Location Exception Letter

Cactus Rose 36-43-2217

NESE Sec 36, T22S, R17E

1442.66 FSL, 1242.86 FEL

ML-47805

Grand County, Utah

Dear Utah Division of Oil, Gas & Mining:

Tidewater Oil & Gas, LLC requests a permit to drill an exception location for **Cactus Rose 36-43-2217**. Tidewater Oil & Gas has lease ML- 47805 which covers all of section 36. Tidewater also controls all offset acreage. This location is part of the Cactus Rose Unit. Tidewater is the only owner within a 460' radius of the proposed location. The exception is requested due to land restrains, and to minimize surface disturbance.

Your assistance in rectifying this matter would be greatly appreciated. If you have questions, please call me at (303)808-5672.

Thank You,
Tidewater Oil & Gas Company, LLC



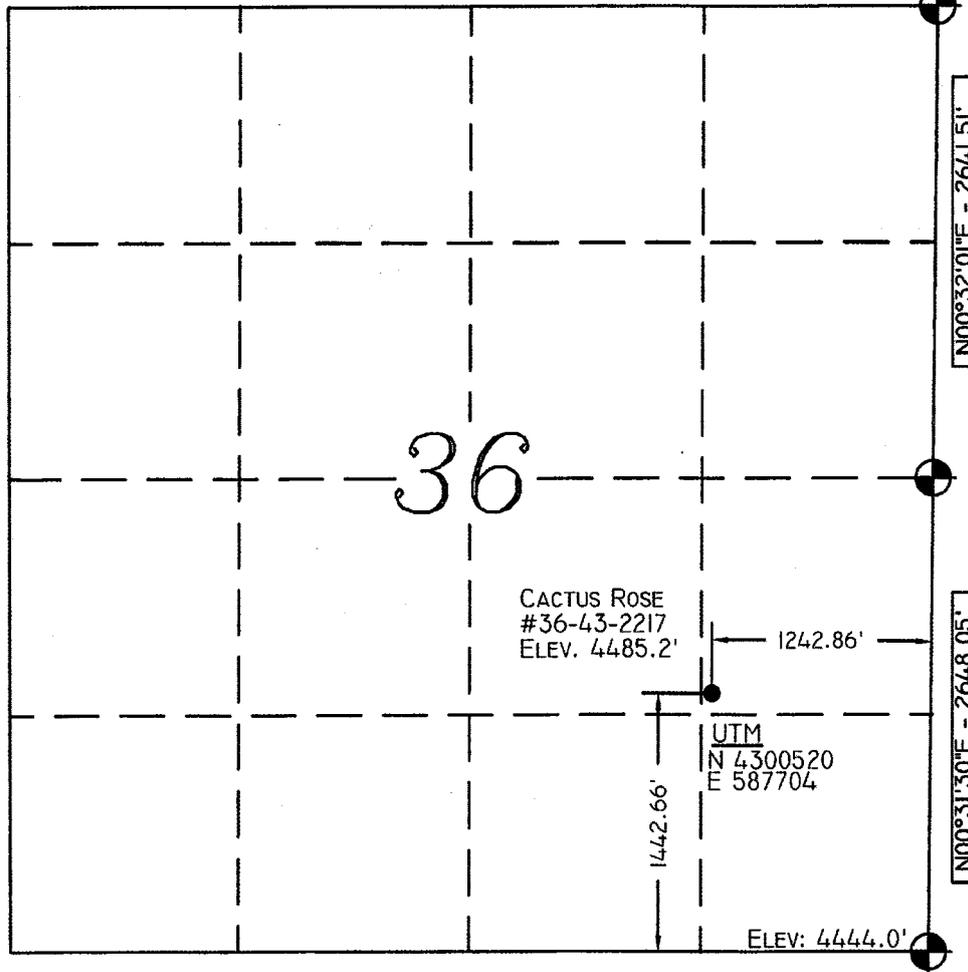
R. E. Knight
Agent

to Roger Knight 5/22/07:
DV tool to be set
by logs - ~2800 ft.
A lost circulation
zone will dictate.
TD will be 4300'
Pipe will be J55.
KSM

Range 17 East

(S89°57'W - 5282.64')

Township 22 South
(N00°01'W)



N00°32'01"E - 2641.51'

N00°31'30"E - 2648.05'

Location:

The well location was determined using a Trimble 5700 GPS survey grade unit.

Basis of Bearing:

The Basis of Bearing is GPS Measured.

GLO Bearing:

The Bearings indicated are per the recorded plat obtained from the U.S. Land Office.

Basis of Elevation:

Basis of Elevation of 4444', being at the Southeast Section Corner of Section 36, Township 22 South, Range 17 East, Salt Lake Base and Meridian, as shown on the Dee Pass Quadrangle 7.5 minute series map.

Description of Location:

Proposed Drill Hole located in the NE/4 SE/4 of Section 36, T22S, R17E, S.L.B.&M., being North 1442.66' from the South Line and West 1242.86' from the East Line of Section 36, T22S, R17E, Salt Lake Base & Meridian.

Surveyor's Certificate:

I, Albert J. Spensko, a Registered Professional Land Surveyor, holding Certificate 146652 State of Utah, do hereby certify that the information on this drawing is a true and accurate survey based on data of record and was conducted under my personal direction and supervision as shown hereon.



TALON RESOURCES, INC.

615 North 400 East P.O. Box 1230
Huntington, Utah 84528

Phone (435)687-5310 Fax (435)687-5311
E-Mail talon@etv.net

TIDEWATER

Cactus Rose #36-43-2217
Section 36, T22S, R17E, S.L.B.&M.
Grand County, Utah

Drawn By: N. BUTKOVICH	Checked By: L.W.J./A.J.S.
Drawing No. A-1	Date: 4/9/07
	Scale: 1" = 1000'
Sheet 1 of 4	
Job No. 2612	

Legend

- Drill Hole Location
- ⊙ Metal Cap (Found)
- Brass Cap (Searched for, but not found)
- △ Calculated Corner
- () GLO

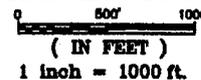
GPS Measured

NOTES:

1. UTM and Latitude / Longitude Coordinates are derived using a GPS Pathfinder and are shown in NAD 27 Datum.

LAT / LONG
38°51'03.608"N
109°59'21.512"W

GRAPHIC SCALE



Cactus Rose 36-43-2217

NESE Sec 36, T22S, R17E
1442.66 FSL, 1242.86 FEL
Elevation = 4485.2' ground level
ML-47805

Tidewater Oil & Gas, LLC

James Jones, Manager
1645 Court Pl, Ste 301, Denver, Co. 80202
303-468-0656

Cactus Rose 36-43-2217

NESE Sec 36, T22S, R17E
1442.66 FSL, 1242.86 FEL
Elevation = 4485.2' ground level

2 - Lease Type

State Lease -

3 - Location Plat

Attached

4 - Water Rights

Water used for drilling and completion operations will be purchased from the Thompson Springs Water District for this project.

5/6 - Estimated Formation Tops

FORMATION		Md, FT
Cedar Mountain		0
Entrada		700
Navajo	HC	1100
Wingate	HC	2000
Chinle	HC	2350
Moenkope		2700
White Rim	HC	3400
Hermosa	HC	4100
TD		4300

Anticipated Water bearing formations

Cactus Rose 36-43-2217

NESE Sec 36, T22S, R17E
1442.66 FSL, 1242.86 FEL
Elevation = 4485.2' ground level
ML-47805

8 - Circulating Medium

The well will be drilled utilizing air or air mist.
If required, a nondispersed, low solids ± 9.0 ppg mud will be used in the well to TD. Adequate weight material will be on location to be able to contain any unforeseen formation pressures during the drilling operations. Viscosity will be maintained at 50 for logging.

Gel/soda ash (no caustic) mud spiked with Drispac-R to help w/ the vis, use only about 7-10 #/BBL GEL and use the Pac to get it up to a 32-34 funnel vis, It all depends on the rig and what kind of pumps they have. You need at least 160-180 past the pipe (AV) to keep your vis this low. and this should keep the WL around 10-12 which

Estimated Mud Program

SPUD MUD

15-20 # PER BBL GEL
2 SACKS CAUSTIC
1-2 SACKS DESCO
MATERIALS
75-100 SACKS GEL
2 SACKS CAUSTIC
1-2 SACKS DESCO

Sulfonated Asphalt 2-3#/ bbl – daily treatment 10-15 sx/day

8# PER BBLs CACL 2.5%
FLUID IS 8.4# PER GAL
½ # PER BBL DRISPAC
Sulfonated ASPHALT PER COMPANY ORDER
TO RAISE VIS TO 40 WITH STARCH OR KLEEN PHASE (TAPIOCA)

BASIC MATERIALS NEEDED FOR 1000 BBLs

80-100# SACKS CACL
10 SACKS DRISPAC

TO LOG

APPROX 150 SACKS STARCH OR 75 SACKS KLEEN PHASE FOR 40 VISCOSITY

Cactus Rose 36-43-2217

NESE Sec 36, T22S, R17E

1442.66 FSL, 1242.86 FEL

Elevation = 4485.2' ground level

ML-47805

iii. 3M system:

—Annular preventers *

—Double ram with blind rams and pipe rams *

—Drilling spool, or blowout preventer with 2 side outlets (choke side shall be 3-inch minimum diameter, kill side shall be at least 2-inch diameter) *

—Kill line (2 inch minimum)

—A minimum of 2 choke line valves (2 inch minimum) *

—3 inch diameter choke line

—2 kill line valves, one of which shall be a check valve (2 inch minimum) *

—2 chokes (refer to diagram in Attachment 1)

—Pressure gauge on choke manifold

—Upper kelly cock valve with handle available

—Safety valve and subs to fit all drill string connections in use

—All BOPE connections subjected to well pressure shall be flanged, welded, or clamped *

—Fill-up line above the uppermost preventer:

Violation: Minor (all items unless marked by asterisk).

Corrective Action: Install the equipment as specified.

Normal Abatement Period: 24 hours.

* **Violation: Major.**

Corrective Action: Install the equipment as specified.

Normal Abatement Period: Prompt correction required.

Cactus Rose 36-43-2217

NESE Sec 36, T22S, R17E
1442.66 FSL, 1242.86 FEL
Elevation = 4485.2' ground level
ML-47805

9 - Well Testing

Cores

No cores are planned for this well.

DST

No DSTs are planned for this well.

Mud Logging

An on-site geologist will be on location from surface to total depth. Take samples every 30 feet while air drilling and 15' while drilling with fluid. Hydrocarbon monitoring and detection equipment will be utilized during drilling operations.

Logging Program

The well will be logged from TD to surface casing with a Resistivity log, Gamma Ray log, Compensated Neutron Log, Sonic Log and Dipmeter.

10 - Anticipated Pressures & Potential hazardous conditions

Anticipated formation pressures will be under hydrostatic gradient. Expected bottom hole pressure is estimated to be less than 2500 psi.

No abnormal pressures or temperatures are anticipated.

No hydrogen sulfide gas is anticipated.

Adequate weight material will be on location to be able to contain any unforeseen formation pressures during the drilling operations.

11- Casing Program

Casing

Run guide shoe and fill-up collar one joint above bottom. Install centralizers on every other joint of casing. Add centralizer across all productive zones. Utilize a DV, 2 stage tool.

Surface pipe - 8 5/8", 24 #/ft, J55

Production - 5 1/2", 15 #/ft, J55
15.5 #/ft. q. Rk

12 - Cementing

An estimated 300 cu. ft = Lead= 330 sx, Type III cement w/ .2% Versaset, .125 #/sx poly flake, 2% CaCl. 14.5 ppg will be used to cement the casing.

Production string will be cemented from TD and use a 2 stage tool = 1st stage= 500 cf, 90 bbls, 350 sx, Halli CBM lite Type III cement + 2% gel, 0.6% Halad 23, 0.3% halad 322, 0.3%

Cactus Rose 36-43-2217

NESE Sec 36, T22S, R17E

1442.66 FSL, 1242.86 FEL

Elevation = 4485.2' ground level

ML-47805

Verset, 0.2% Super CBL, 0.2% HR-2, 1/8 #/sx poly flake + 5#/ sx gilsonite + 6.39 gal/sx fresh water, wt= 13.5 ppg, yield = 1.45 cf/sx

Tail = 500 cf, 90 bbls, 350 sx, Halli CBM lite Type III cement + 2% gel, 0.6% Halad 23, 0.3% halad 322, 0.3% Verset, 0.2% Super CBL, 0.2% HR-2, 1/8 #/sx poly flake + 5#/ sx gilsonite + 6.39 gal/sx fresh water, wt= 13.5 ppg, yield = 1.45 cf/sx All potential producing zones will be covered with cement.

Drilling Program

1. Move in. Rig up
2. Drill 12 1/2" hole to 500 ft. using native solids. Take directional survey at 250' and at 500'.
3. Run surface pipe to TD. Cement casing in hole from TD to surface. Estimate 300 cf of cement required.
4. Wait 12 hours on cement. Install casing head.
5. Rig up BOPE equipment. Test BOPs to 3000 psi. Test casing to 1500 psi.
6. Drill out cement with 7 7/8" bit. Mud up with low solids dispersed mud. Drill to ±4300' Rig up mud logging equipment at 500'. Samples will be taken every 30' from surface casing to top of Navajo while drilling.
7. Drill 7 7/8" hole from 1100' to 4300'. Take deviation survey every 250'. Samples will be taken every 15' from 1100' to total depth. Drill hole to match casing length.
8. Circulate hole at TD and prepare mud for logging.
9. Run Resistivity log, Gamma Ray, Neutron Log, Sonic and Dip meter logs from total depth to surface casing.
10. Run 5 1/2", 15.5 lb/ft production casing to TD. It is anticipated that a 2 stage tool will be used. Cement casing from TD following cementing program list below.
11. Land casing. Set 3000 psi casing head.
12. Rig down. Move rig off location.

Cactus Rose 36-43-2217

NESE Sec 36, T22S, R17E

1442.66 FSL, 1242.86 FEL

Elevation = 4485.2' ground level

ML-47805

13 – Well will be drilled as a straight hole

Deviation

Take deviation survey every $\pm 250'$.

14 – Designation of Agent

Tidewater Oil & Gas, LLC - Contact Phone Number

Roger Knight - 303-808-5672

15 - Bond

Bond # 3943121633477

16- Affidavit of Surface agreement

17 - Exception Location

Tidewater requests an exception location. Lease ML- 47805 covers all of section 36.

Tidewater controls all offset acreage. All surrounding lands are part of the Cactus Rose Uni

Cactus Rose 36-43-2217

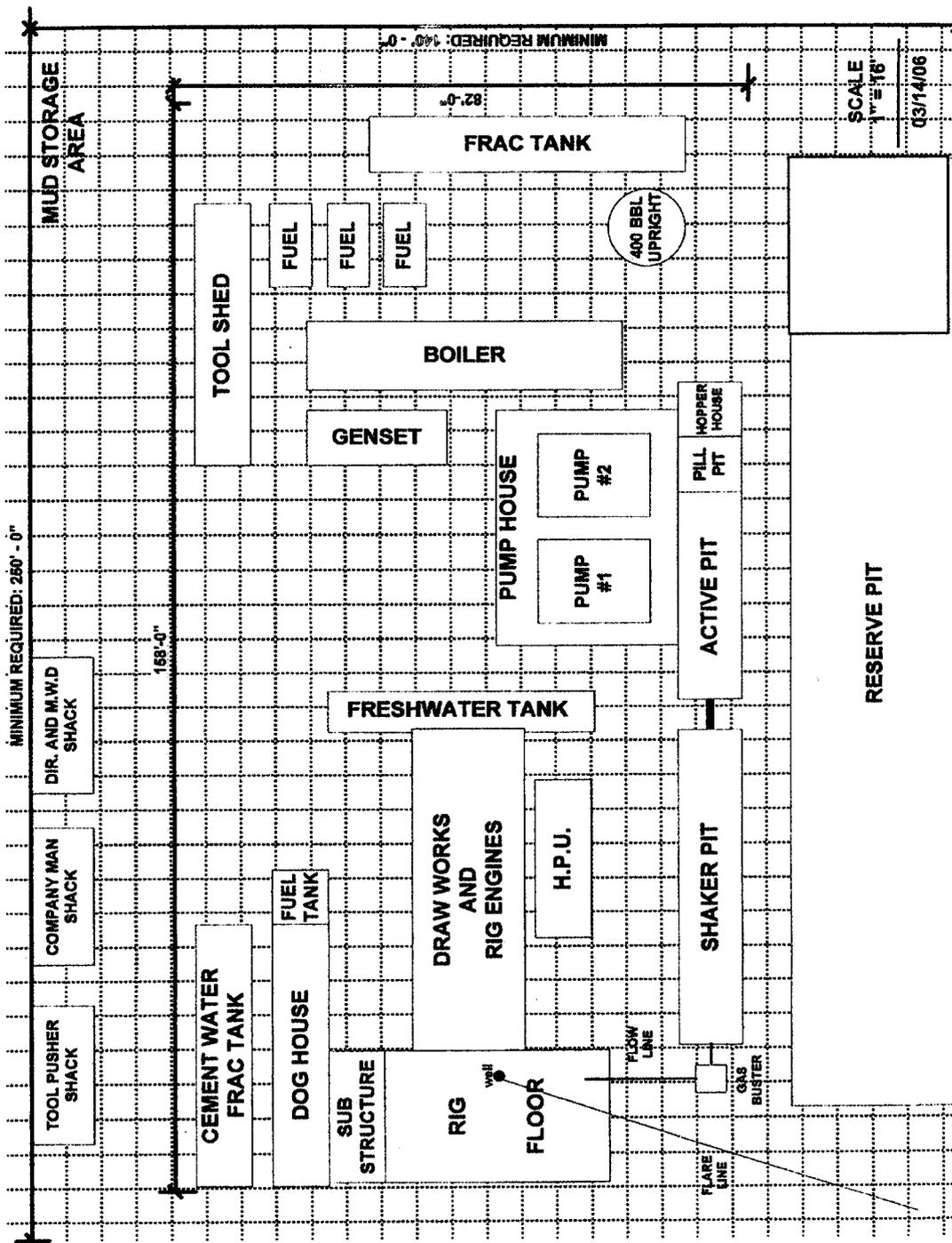
NESE Sec 36, T22S, R17E

1442.66 FSL, 1242.86 FEL

Elevation = 4485.2' ground level

ML-47805

Location layout – Proposed – Not rig specific



Bond No 394312163477

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

FORM 4B

COLLATERAL BOND

KNOW ALL MEN BY THESE PRESENTS:

That we (operator name) Tidewater Oil & Gas, LLC as Principal, which is duly authorized and qualified to do business in the State of Utah, are held and firmly bound unto the State of Utah in the sum of:

Thirty thousand dollars (\$ \$30,000.00) lawful money of the United States by virtue of the following financial instruments (cash account, negotiable bonds of the United States, a state or municipality, or negotiable certificate of deposit - see Rule R649-3-1):

This bond is to be moved from Tidewater State 32-3 - Section 32, T 21S, R 19 E, Grand County, Utah

payable to the Director of the Division of Oil, Gas and Mining, as agent of the State of Utah, for the use and benefit of the State of Utah for the faithful payment of which we bind ourselves, our heirs, executors, administrators and successors, jointly and severally by these presents.

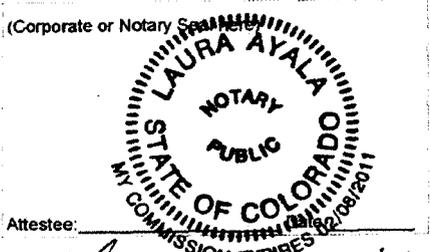
THE CONDITION OF THIS OBLIGATION IS SUCH THAT, WHEREAS the Principal is or will be engaged in the drilling, redrilling, deepening, repairing, operating, and plugging and abandonment of a well or wells and restoring the well site or sites in the State of Utah for the purposes of oil or gas production and/or the injection and disposal of fluids in connection therewith for the following described land or well:

Blanket Bond: To cover all wells drilled in the State of Utah
 Individual Bond: Well No: Cactus Rose 36-43-2217
Section: 36 Township: 22S Range: 17E
County: Grand, Utah

NOW, THEREFORE, if the above bounden Principal shall comply with all the provisions of the laws of the State of Utah and the rules, orders and requirements of the Board of Oil, Gas and Mining of the State of Utah, including, but not limited to the proper plugging and abandonment of wells and well site restoration, then this obligation is void; otherwise, the same shall be and remain in full force and effect.

IN TESTIMONY WHEREOF, said Principal has hereunto subscribed its name and has caused this instrument to be signed by its duly authorized officer, and its corporate or notary seal to be affixed this

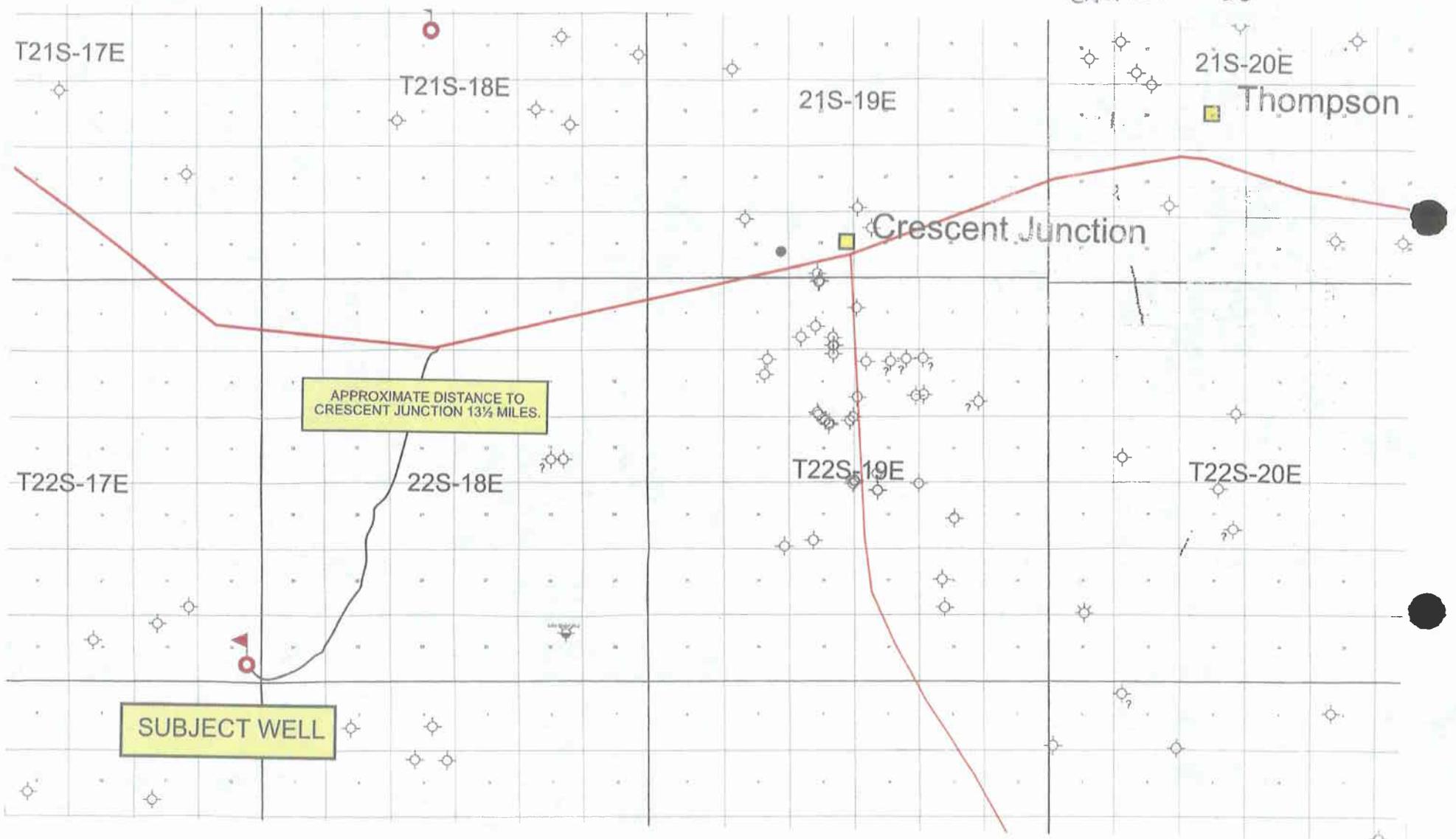
18th day of April, 2007



Attestee: Laura Ayala 4/11/07

Tidewater Oil & Gas, LLC
Principal (company name)
James Jones Manager
Name (print) Title
James Jones
Signature

TIDEWATER OIL + GAS
CACTUS ROSE 36-43-2217



APPROXIMATE DISTANCE TO
CRESCENT JUNCTION 13 1/2 MILES.

SUBJECT WELL

T21S-17E

T21S-18E

T21S-19E

T21S-20E

Thompson

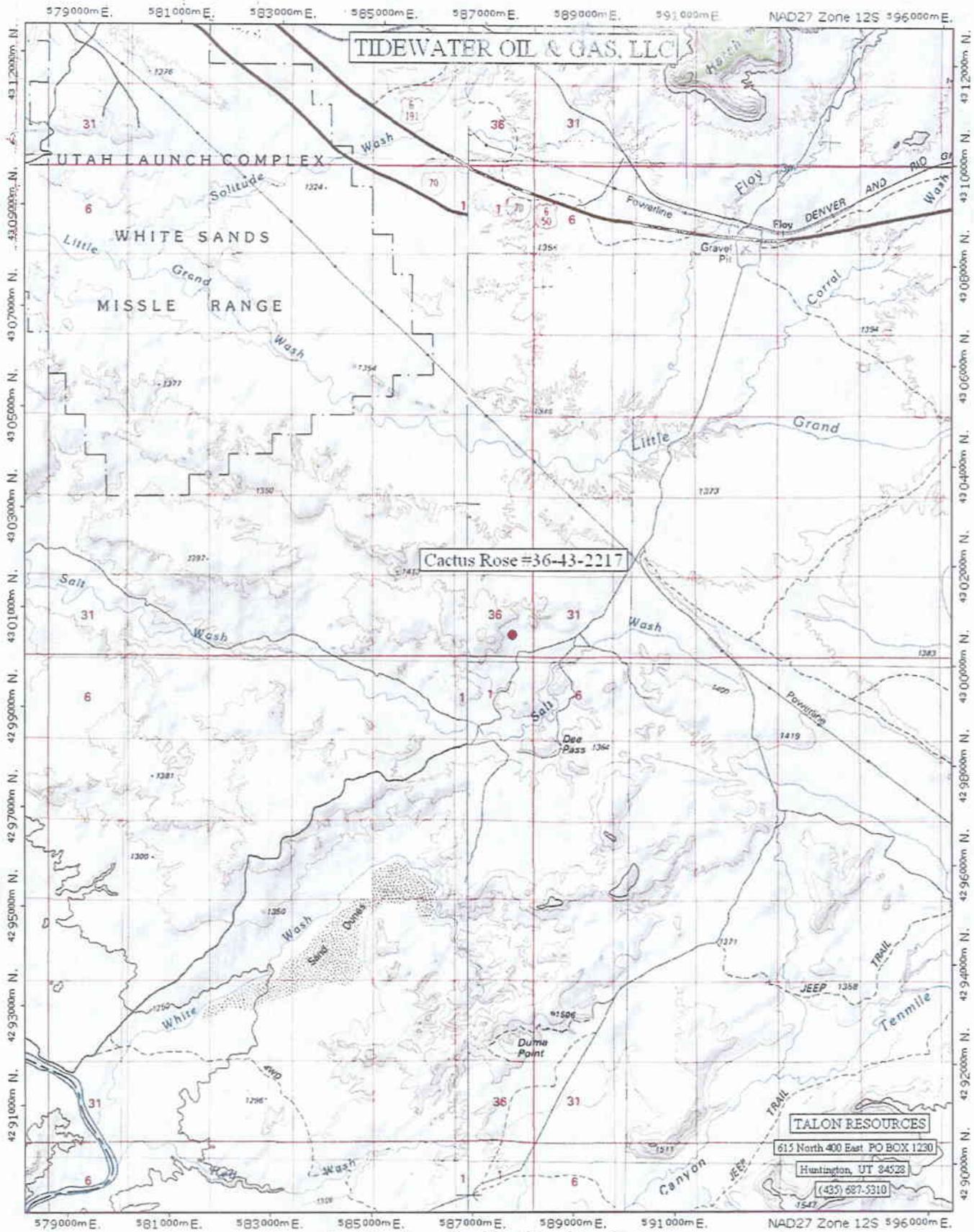
Crescent Junction

T22S-17E

T22S-18E

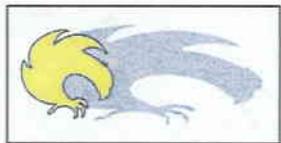
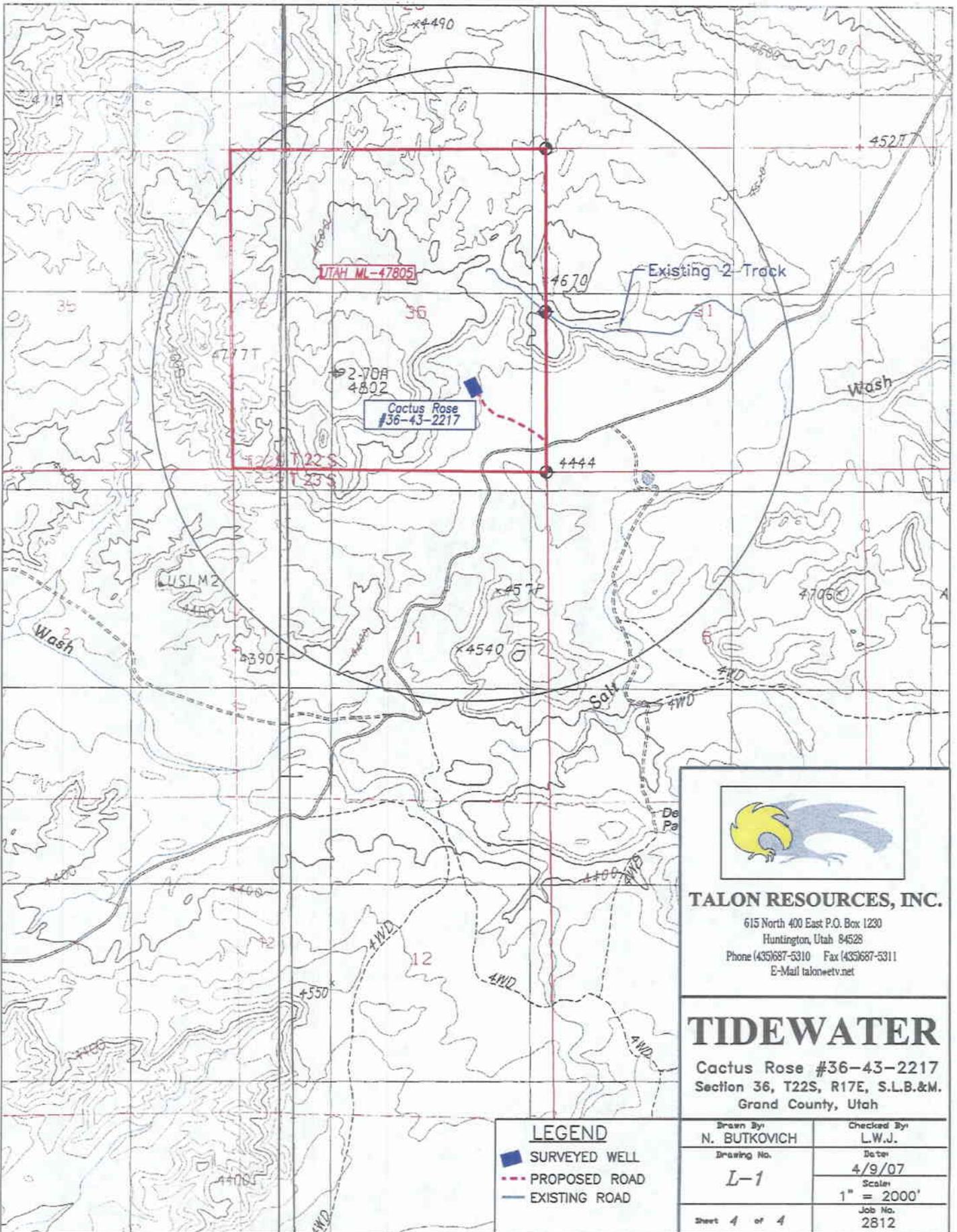
T22S-19E

T22S-20E



TN MN
12°

0 0.5 1.0 1.5 2.0 2.5 3.0 3.5 miles
 0 1 2 3 4 5 km
 Map created with TOPO!® ©2003 National Geographic (www.nationalgeographic.com/topo)



TALON RESOURCES, INC.

615 North 400 East P.O. Box 1230
 Huntington, Utah 84528
 Phone (435)687-5310 Fax (435)687-5311
 E-Mail talonwv.net

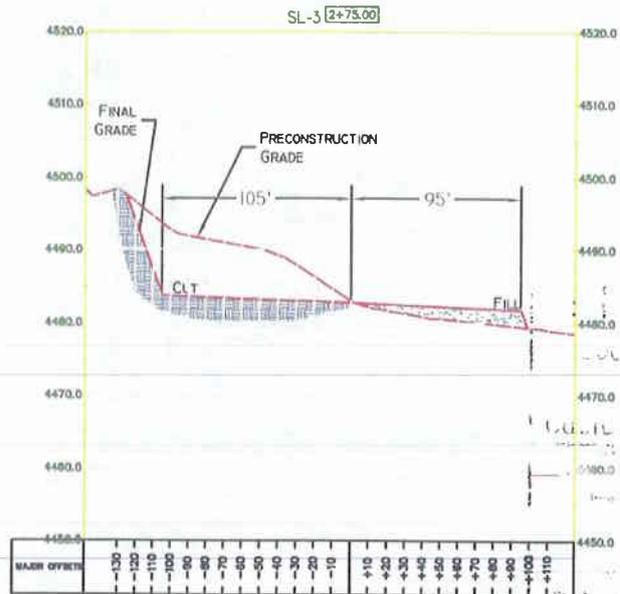
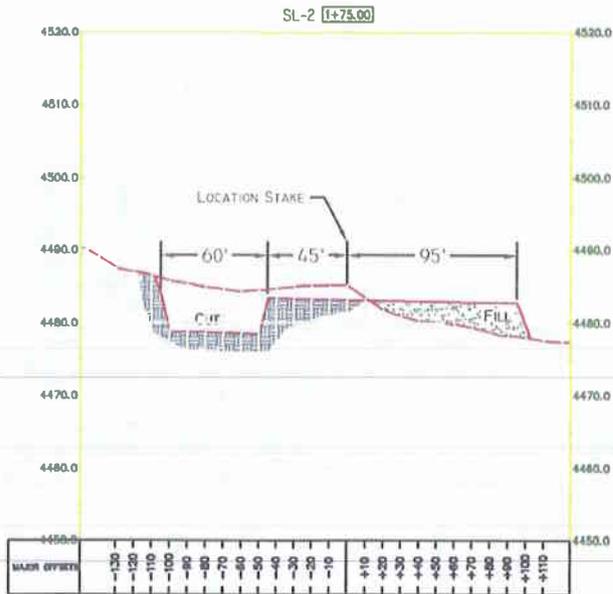
TIDEWATER

Cactus Rose #36-43-2217
 Section 36, T22S, R17E, S.L.B.&M.
 Grand County, Utah

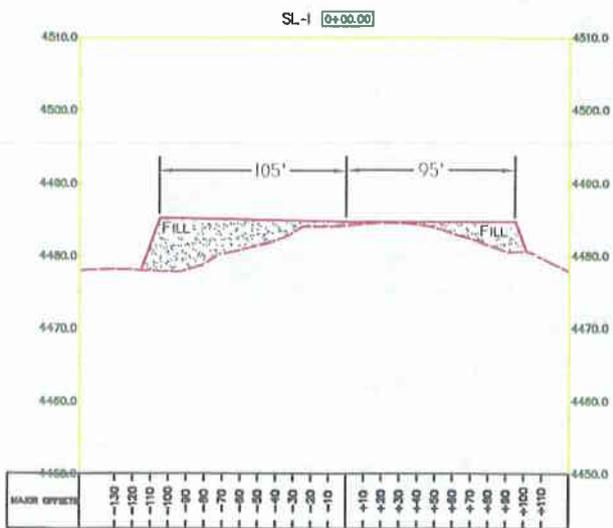
LEGEND

-  SURVEYED WELL
-  PROPOSED ROAD
-  EXISTING ROAD

Drawn By N. BUTKOVICH	Checked By L.W.J.
Drawing No. L-1	Date 4/9/07
	Scale 1" = 2000'
Sheet 4 of 4	Job No. 2812



SECTION 36, T22S, R17E, S.L.B. & M.
 CACTUS ROSE #36-43-2217
 DATE: 4/9/07



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

SLOPE = 1 1/2 : 1
 (EXCEPT PIT)
 PIT SLOPE = 1 : 1

APPROXIMATE YARDAGES
 (6") TOPSOIL STRIPPING = 1,020 CU. YDS.
 TOTAL CUT (INCLUDING PIT) = 4,360 CU. YDS.
 TOTAL FILL = 3,520 CU. YDS.

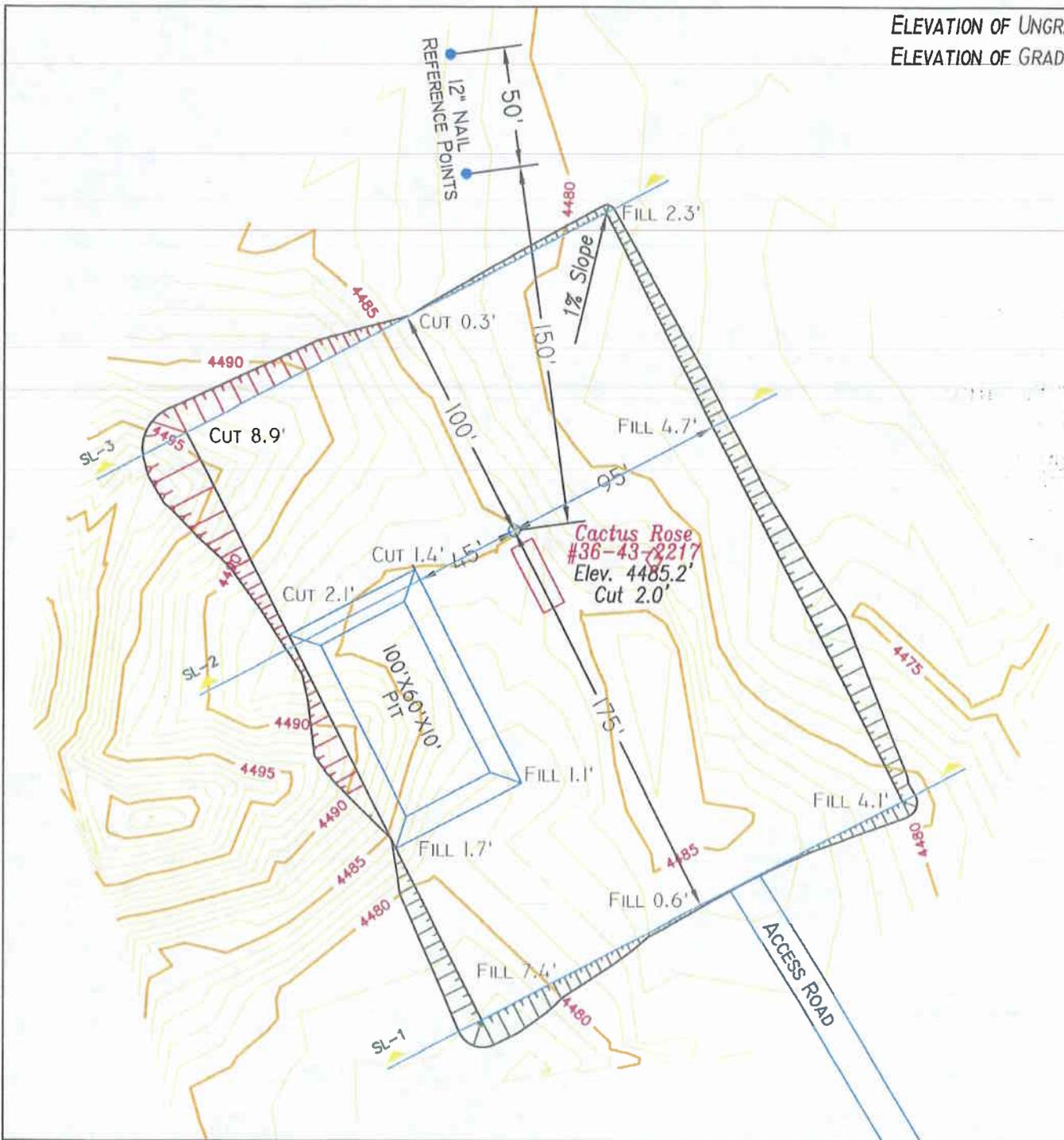


TALON RESOURCES, INC.
 615 North 400 East P.O. Box 1230
 Huntington, Utah 84528
 Phone (435)687-5310 Fax (435)687-5311
 E-Mail talon@trv.net

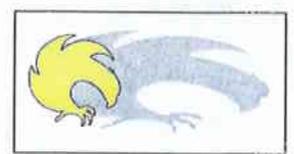
TIDEWATER
 TYPICAL CROSS SECTION
 Section 36, T22S, R17E, S.L.B. & M.
 Cactus Rose #36-43-2217

Drawn By: N. BUTKOVICH	Checked By: L.W.J.
Drawing No. C-1	Date: 4/9/07
	Scale: 1" = 100'
Sheet 3 of 4	Job No. 2812

ELEVATION OF UNGRADED GROUND AT LOCATION STAKE = 4485.2'
 ELEVATION OF GRADED GROUND AT LOCATION STAKE = 4483.2'



DEC 11 2007
 4-1

TALON RESOURCES, INC.
 615 North 400 East P.O. Box 1230
 Huntington, Utah 84528
 Phone (435)687-5310 Fax (435)687-5311
 E-Mail talon@trv.net

TIDEWATER
 LOCATION LAYOUT
 Section 36, T22S, R17, S.L.B.&M.
 Cactus Rose #36-43-2217

Drawn By N. BUTKOVICH	Checked By L.W.J.
Drawing No. A-2	Date 4/9/07
	Scale 1" = 60'
Sheet 2 of 4	Job No. 2812

**WORKSHEET
APPLICATION FOR PERMIT TO DRILL**

APD RECEIVED: 04/12/2007

API NO. ASSIGNED: 43-019-31535

WELL NAME: CACTUS ROSE 36-43-2217
 OPERATOR: TIDEWATER OIL & GAS (N3000)
 CONTACT: R.E. KNIGHT

PHONE NUMBER: 303-468-0656

PROPOSED LOCATION:

INSPECT LOCATN BY: / /		
Tech Review	Initials	Date
Engineering	DKD	5/22/07
Geology		
Surface		

NESE 36 220S 170E
 SURFACE: 1443 FSL 1243 FEL
 BOTTOM: 1443 FSL 1243 FEL
 COUNTY: GRAND
 LATITUDE: 38.85108 LONGITUDE: -109.9892
 UTM SURF EASTINGS: 587713 NORTHINGS: 4300528
 FIELD NAME: WILDCAT (1)

LEASE TYPE: 3 - State
 LEASE NUMBER: ML 47805
 SURFACE OWNER: 3 - State

PROPOSED FORMATION: HRMS
 COALBED METHANE WELL? NO

RECEIVED AND/OR REVIEWED:

- Plat
- Bond: Fed[] Ind[] Sta[] Fee[]
(No. 394312163-477)
- Potash (Y/N)
- Oil Shale 190-5 (B) or 190-3 or 190-13
- Water Permit
(No. MUNICIPAL)
- RDCC Review (Y/N)
(Date: _____)
- Fee Surf Agreement (Y/N)
- Intent to Commingle (Y/N)

LOCATION AND SITING:

- ___ R649-2-3.
- Unit: 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:

Nadiposte (05-08-07)

STIPULATIONS:

1- Specification
2- STATEMENT OF BASIS



OPERATOR: TIDEWATER O&G CO (N3000)

SEC: 36 T.22S R.17E

FIELD: WILDCAT (001)

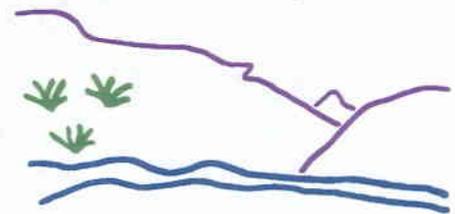
COUNTY: GRAND

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 MASON
DATE: 13-APRIL-2007

Application for Permit to Drill

Statement of Basis

5/17/2007

Utah Division of Oil, Gas and Mining

Page 1

APD No	API WellNo	Status	Well Type	Surf Ownr	CBM
386	43-019-31535-00-00		OW	S	No
Operator	TIDEWATER OIL & GAS COMPANY, LLC		Surface Owner-APD		
Well Name	CACTUS ROSE 36-43-2217	Unit	CACTUS ROSE		
Field	WILDCAT	Type of Work			
Location	NESE 36 22S 17E S 1443 FSL 1243 FEL GPS Coord (UTM) 587713E 4300528N				

Geologic Statement of Basis

While significant volumes of high quality ground water are unlikely to be encountered in the bedrock at this location, a small but locally important quality ground water resource may be encountered in several permeable Mesozoic aquifers in this area. A thin, impermeable soil may be developed on the Brushy Basin Member of the Morrison Formation tht is exposed on this location. The proposed casing and cementing program should adequately isolate any zones of fresh water that may be penetrated. No underground water rights have been filed on any area within a mile of the proposed well site.

Chris Kierst
APD Evaluator

5/16/2007
Date / Time

Surface Statement of Basis

On-site conducted May 8, 2007. In attendance: Bart Kettle-Division of Oil, Gas and Mining (DOGM), Kyle Beagley-Divison of Wildlife Resources (DWR), Leroy Mead-Divison of Wildlife Resources, Jim Jones-Tidewater Oil & Gas Company, Roger Knight-Agent for Tidewater Oil & Gas Company. Invited but choosing not to attend: Jim Davis-Trust Lands Administration (SITLA) and Ed Bonner-Trust Lands Administration (SITLA).

DWR noted that site is potential raptor habitat, Tidewater Oil & Gas should consider monitoring. DOGM noted that an access road composed of predominantly fine clay soils will turn to powder quickly. Operator should be prepared to apply water road early and often if drilling during the hotter dry months of the year in order to remain in compliance with SITLA's standards for Oil and Gas exploration roads.

Bart Kettle
Onsite Evaluator

5/8/2007
Date / Time

Conditions of Approval / Application for Permit to Drill

Category	Condition
Pits	Fence Reserve pit upon completion of drilling.

ON-SITE PREDRILL EVALUATION

Utah Division of Oil, Gas and Mining

Operator TIDEWATER OIL & GAS COMPANY, LLC
Well Name CACTUS ROSE 36-43-2217
API Number 43-019-31535-0 **APD No** 386 **Field/Unit** WILDCAT
Location: 1/4,1/4 NESE **Sec** 36 **Tw** 22S **Rng** 17E 1443 FSL 1243 FEL
GPS Coord (UTM) **Surface Owner**

Participants

Bart Kettle-Division of Oil, Gas and Mining (DOGM), Kyle Beagley-Division of Wildlife Resources (DWR), Leroy Mead-Division of Wildlife Resources, Jim Jones Tidewater Oil & Gas Company, Roger Knight, Agent for Tidewater Oil & Gas Company.

Regional/Local Setting & Topography

Proposed project site is located roughly 17 miles southeast of the town of Green River, in Grand County Utah. Annual precipitation is 6-8", vegetation is extremely sparse at the project site, but would be described as salt scrub black brush mixed rangelands. Topography immediately adjacent to the well is a series of small sandstone capped bluffs and alternating clay valleys cut by numerous small gullies. Drainage is to the west entering the Green River within 15 miles. No perennial water was observed in close proximity to the proposed project site. Drainages in the immediate area are ephemeral in nature, being dry throughout a majority of the year.

Surface Use Plan

Current Surface Use

Grazing
Recreational
Wildlife Habitat

New Road

Miles	Well Pad		Src Const Material	Surface Formation
0.02	Width 200	Length 275	Onsite	MORN

Ancillary Facilities N

Waste Management Plan Adequate?

Environmental Parameters

Affected Floodplains and/or Wetland N

Flora / Fauna

Grass: Hilaria jansii, cheatgrass and Indian rice grass.

Forbs: Halogeton, scarlet globemallow, Yellow peppergrass, Cisco wood aster, desert plantain, evening primrose, sego lily, and desert trumpet.

Shrubs: Shadscale, mat salt brush, Gardner salt brush.

Fauna: Raptors, Small birds, reptiles and mammals possible, incidental bighorn sheep.

Soil Type and Characteristics

Fine red and gray clays, sandstone and chert fragments litter surface.

Erosion Issues Y

Highly erosive soils-no control measures recommended

Sedimentation Issues N

Site Stability Issues N

Drainage Diversion Required N

Berm Required? N

Erosion Sedimentation Control Required? N

Paleo Survey Run? N Paleo Potential Observed? N Cultural Survey Run? Y Cultural Resources? N

Reserve Pit

Site-Specific Factors		Site Ranking
Distance to Groundwater (feet)	>200	0
Distance to Surface Water (feet)	>1000	0
Dist. Nearest Municipal Well (ft)	>5280	0
Distance to Other Wells (feet)	>1320	0
Native Soil Type	Low permeability	0
Fluid Type	Fresh Water	5
Drill Cuttings	Salt or Detrimental	10
Annual Precipitation (inches)	<10	0
Affected Populations	<10	0
Presence Nearby Utility Conduits	Not Present	0
Final Score		15
		2 Sensitivity Level

Characteristics / Requirements

Closed Loop Mud Required? Y Liner Required? N Liner Thickness Pit Underlayment Required? N

Other Observations / Comments

DWR notes that site is capable raptor habitat and is recommending that operator consider monitoring to avoid a "taking" according the Migratory Bird Act. DOGM notes roads will require some water to prevent them from becoming powder while drilling. DOGM referred to SITLA's Roads Standards pamphlet and noted that road would be required to meet the standards and conditions found within.

Bart Kettle
Evaluator

5/8/2007
Date / Time



UTAH DIVISION OF WATER RIGHTS

Sorry. No diversion points. Try browsing!

[Natural Resources](#) | [Contact](#) | [Disclaimer](#) | [Privacy Policy](#) | [Accessibility Policy](#)

Casing Schematic

BHP $0.052(4300) + 9 = 2012 \text{ psi}$
 anticipate = 42500

Gas $.12(4300) = 516$
 $2012 - 516 = 1496 \text{ psi}$, MASP $8-5/8"$ MW 9.
 Frac 19.3

BOPE 3M ✓

Burst 2950
 70% 2065 psi

Max P @ csg. shoe
 $.22(3800) = 836$
 $2012 - 836 = 1176 \text{ psi}$

Max press. allowed @ shoe = 500 psi (18 psi/ft frac grad.)

test to 1176 psi ✓

✓ Adequate DCD 5/22/07

Surface

12%

18%

TOC @ Cedar Mtn. 0. ✓

to surf w/ 8.5% w/o

TOC @ 385.

Surface 500. MD

700' Entrada

1100' Navajo

2000' Wingate

2350' Chinle

2700' Moenkopi
 @ 2800' Approx, DV tool depth

3400' White Rim

4100' Hermosa

5-1/2" MW 9.

Production 4300. MD

Well name:

2007-05 Tidewater Cactus Rose 36-43-2217

Operator: **Tidewater Oil & Gas**

String type: **Surface**

Project ID:

43-019-31535

Location: **Grand County**

Design parameters:

Collapse

Mud weight: 9.000 ppg
Design is based on evacuated pipe.

Minimum design factors:

Collapse:

Design factor 1.125

Burst:

Design factor 1.00

Environment:

H2S considered? No
Surface temperature: 65 °F
Bottom hole temperature: 72 °F
Temperature gradient: 1.40 °F/100ft
Minimum section length: 150 ft

Cement top: Surface

Burst

Max anticipated surface pressure: 440 psi
Internal gradient: 0.120 psi/ft
Calculated BHP 500 psi

No backup mud specified.

Tension:

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

Tension is based on air weight.
Neutral point: 432 ft

Non-directional string.

Re subsequent strings:

Next setting depth: 4,300 ft
Next mud weight: 9.000 ppg
Next setting BHP: 2,010 psi
Fracture mud wt: 19.250 ppg
Fracture depth: 500 ft
Injection pressure: 500 psi

Run Seq	Segment Length (ft)	Size (in)	Nominal Weight (lbs/ft)	Grade	End Finish	True Vert Depth (ft)	Measured Depth (ft)	Drift Diameter (in)	Internal Capacity (ft³)
1	500	8.625	24.00	J-55	ST&C	500	500	7.972	178.7

Run Seq	Collapse Load (psi)	Collapse Strength (psi)	Collapse Design Factor	Burst Load (psi)	Burst Strength (psi)	Burst Design Factor	Tension Load (Kips)	Tension Strength (Kips)	Tension Design Factor
1	234	1370	5.863	500	2950	5.90	12	244	20.34 J

Prepared by: Helen Sadik-Macdonald
Div of Oil, Gas & Minerals

Phone: 801-538-5357

Date: May 22, 2007
Salt Lake City, Utah

ENGINEERING STIPULATIONS: NONE

Collapse strength is based on the Westcott, Dunlop & Kemler method of biaxial correction for tension.
Collapse is based on a vertical depth of 500 ft, a mud weight of 9 ppg. The casing is considered to be evacuated for collapse purposes.
Burst strength is not adjusted for tension.

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

Well name: **2007-05 Tidewater Cactus Rose 36-43-2217**

Operator: **Tidewater Oil & Gas**
 String type: **Production**

Project ID:
 43-019-31535

Location: **Grand County**

Design parameters:

Collapse

Mud weight: 9,000 ppg
 Design is based on evacuated pipe.

Minimum design factors:

Collapse:

Design factor 1.125

Burst:

Design factor 1.00

Environment:

H2S considered? No
 Surface temperature: 65 °F
 Bottom hole temperature: 125 °F
 Temperature gradient: 1.40 °F/100ft
 Minimum section length: 368 ft
 Cement top: 386 ft

Burst

Max anticipated surface pressure: 1,064 psi
 Internal gradient: 0.220 psi/ft
 Calculated BHP 2,010 psi

No backup mud specified.

Tension:

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

Non-directional string.

Tension is based on air weight.
 Neutral point: 3,714 ft

Run Seq	Segment Length (ft)	Size (in)	Nominal Weight (lbs/ft)	Grade	End Finish	True Vert Depth (ft)	Measured Depth (ft)	Drift Diameter (in)	Internal Capacity (ft³)
1	4300	5.5	15.50	J-55	ST&C	4300	4300	4.825	574.6
Run Seq	Collapse Load (psi)	Collapse Strength (psi)	Collapse Design Factor	Burst Load (psi)	Burst Strength (psi)	Burst Design Factor	Tension Load (Kips)	Tension Strength (Kips)	Tension Design Factor
1	2010	4040	2.010	2010	4810	2.39	67	202	3.03 J

Prepared by: Helen Sadik-Macdonald
 Div of Oil, Gas & Minerals

Phone: 801-538-5357

Date: May 22, 2007
 Salt Lake City, Utah

ENGINEERING STIPULATIONS: NONE

Collapse strength is based on the Westcott, Dunlop & Kemler method of biaxial correction for tension.
 Collapse is based on a vertical depth of 4300 ft, a mud weight of 9 ppg. The casing is considered to be evacuated for collapse purposes.
 Burst strength is not adjusted for tension.

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

From: Ed Bonner
To: Mason, Diana
Date: 5/11/2007 4:36 PM
Subject: Well Clearance

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

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

EnCana Oil & Gas (USA) Inc
Middle Mesa State 36-24-29-24 (API 43 037 31856) ✓

Enduring Resources, LLC
Archy Bench 10-22-34-36 (API 43 047 38605) ✓
Asphalt Wash 11-24-41-16 (API 43 047 38768) ✓

EOG Resources, Inc
East Chapita 56-16 (API 43 047 39203) ✓

Kerr McGee Oil & Gas Onshore LP
NBU 1022-24I (API 43 047 39031) ✓

Tidewater Oil & Gas Company, LLC
Cactus Rose 36-43-2217 (API 43 019 31535) ✓

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

TIDEWATER OIL & GAS COMPANY LLC

1645 Court Place, Suite 301

Denver, Colorado 80202

(303) 468-0656

43-019-31535

5/19/2007

State Of Utah Oil, Gas & Mining
1594 W. N. Temple Ste 1210
Salt Lake City, UT 84114

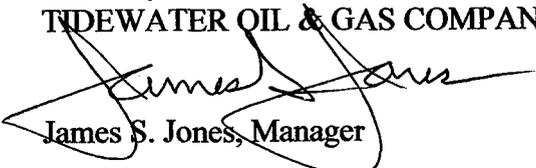
Attention: Diana Whitney

RE: Cactus Rose 36-43-2217 Designation of Operator

Diana,

Please find the enclosed Designation of Operator for the subject well. If there is anything else please do let me know. I can be reached at the number above extension 201 or on my cell phone (303) 547-6404.

Cordially,
TIDEWATER OIL & GAS COMPANY LLC


James S. Jones, Manager

cc: Ed Bonner, State of Utah Trustlands.

RECEIVED
MAY 21 2007
DIV. OF OIL, GAS & MINING

DESIGNATION OF OPERATOR

The undersigned is, on the records of the School and Institutional Trust Lands Administration, holder of lease, ML 47805

And hereby designates:

NAME: Tidewater Oil & Gas, LLC

ADDRESS: 1645 Court Place, Suite 301

Denver, CO 80202

as his operator and local agent, with full authority to act in his behalf in complying with the terms of the lease and regulations applicable thereto and on whom the Director of the Administration or his representative may serve written or oral instructions in securing compliance with the Rules and Regulations Governing the Issuance of Mineral Leases with respect to (describe acreage to which this designation is applicable):

Township 22 South, Range 17 East

Section 36: SE/4

Operator agrees to comply with all lease provisions, statutes, rules, and regulations, whether federal, state, or local, in its operations on the subject lease.

It is understood that this designation of operator does not relieve the lessee of responsibility for compliance with the terms of the lease and the Rules and Regulations. It is also understood that this designation of operator does not constitute an assignment of any interest in the lease.

In case of default on the part of the designated operator, the lessee will make full and prompt compliance with all regulations, lease terms, or orders of the Director, Trust Lands Administration or his representative.

The lessee agrees promptly to notify the Trust Lands Administration of any change in the designated operator.

D. G. Hill
Signature of Lessee

EnCana Oil & Gas (USA) Inc.
370 17th Street, Suite 1700
Denver, CO 80202

Tidewater Oil & Gas Company LLC
James Jones
Signature of Operator

5/9/2007
Date
5/10/2007
Date

RECEIVED
MAY 21 2007



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

May 22, 2007

Tidewater Oil & Gas Company, LLC
1645 Court Pl, Suite 301
Denver, CO 80202

Re: Cactus Rose 36-43-2217 Well, 1443' FSL, 1243' FEL, NE SE, Sec. 36, T. 22
South, R. 17 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 43-019-31535.

Sincerely,

Gil Hunt
Associate Director

er
Enclosures

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

4. Compliance with the State of Utah Antiquities Act forbids disturbance of archeological, historical, or paleontological remains. Should archeological, historical or paleontological remains be encountered during your operations, you are required to immediately suspend all operations and immediately inform the Trust Lands Administration and the Division of State History of the discovery of such remains.
5. 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.
6. Compliance with the Conditions of Approval/Application for Permit to Drill outlined in the Statement of Basis. (Copy Attached)

DIVISION OF OIL, GAS AND MINING

SPUDDING INFORMATION

Name of Company: Tidewater Oil & Gas Company, LLC

Well Name: Cactus Rose 36-43-2217

API No: 43-019-31535 Lease Type: State

Section 36 Township 22S Range 17E County Grand

Drilling Contractor Burk Halter Drilling Rig #

SPUDDED:

Date 5-27-07

Time 9:00 AM

How Dry

Drilling will Commence:

Reported by Neut

Telephone # 970-260-0765

Date 5-30-07 Signed RM

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

FORM 6

ENTITY ACTION FORM

Operator: Tidewater Oil & Gas, LLC Operator Account Number: N 2595
 Address: 1645 Court Place, Suite 301
city Denver
state CO zip 80202 Phone Number: (303) 468-0656

Well 1

API Number	Well Name		QQ	Sec	Twp	Rng	County
4301931535	Cactus Rose 36-43-2217		NESE	36	22S	17E	Grand
Action Code	Current Entity Number	New Entity Number	Spud Date			Entity Assignment Effective Date	
A	99999	16184	6/2/2007			6/14/07	
Comments: <u>HRMS</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)

R.E. KNIGHT

Name (Please Print)

R.E. Knight

Signature

AGENT

6/13/2007

Title

Date

RECEIVED

JUN 13 2007

DIV. OF OIL, GAS & MINING

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

FORM 9

SUNDRY NOTICES AND REPORTS ON WELLS

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

1. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER <u>Dry Hole</u>		5. LEASE DESIGNATION AND SERIAL NUMBER: ML47805
2. NAME OF OPERATOR: TIDEWATER OIL & GAS COMPANY, LLC		6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
3. ADDRESS OF OPERATOR: 1645 Court Pl, #301 CITY Denver STATE CO ZIP 80202		7. UNIT or CA AGREEMENT NAME:
4. LOCATION OF WELL FOOTAGES AT SURFACE: 1443 FSL, 1243 FEL QTRQTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NESE 36 22S 17E		8. WELL NAME and NUMBER: CACTUS ROSE 36-43-2217
PHONE NUMBER: (303) 468-0656		9. API NUMBER: 019-31535
COUNTY: Grand		10. FIELD AND POOL, OR WILDCAT: Wildcat
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: <u>6/22/2007</u>	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> REPERFORATE CURRENT FORMATION
<input type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion:	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> SIDETRACK TO REPAIR WELL
	<input type="checkbox"/> CASING REPAIR	<input type="checkbox"/> NEW CONSTRUCTION	<input type="checkbox"/> TEMPORARILY ABANDON
	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> TUBING REPAIR
	<input type="checkbox"/> CHANGE TUBING	<input checked="" type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> VENT OR FLARE
	<input type="checkbox"/> CHANGE WELL NAME	<input type="checkbox"/> PLUG BACK	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> PRODUCTION (START/RESUME)	<input type="checkbox"/> WATER SHUT-OFF
	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input checked="" type="checkbox"/> OTHER: <u>Drill Deeper to 2990</u>
	<input type="checkbox"/> CONVERT WELL TYPE	<input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION	

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

After conversation w/ Dustin Doucet, we agree to plug well as follows:

Plug # 1: Top of White Rim 3060. Set 45 sx plug 3010 to 3110 over top White Rim

Plug # 2: Top Navajo 1050. Set 45 sx Plug 1000 to 1100 over top of Navajo

Plug # 3: Surface Pipe at 346. Set 45 sx Plug 296 to 396 over bottom of Surface Pipe

Plug # 4: 16 sx surface plug.

Hole is standing full of 9.0 lb mud.

DATE: 6-26-07
BY: RM

NAME (PLEASE PRINT) J. N. Burkhalter
SIGNATURE J. N. Burkhalter

TITLE Agent
DATE 6/22/2007

RECEIVED

JUN 25 2007

DIV. OF OIL, GAS & MINING

APPROVED BY THE STATE
OF UTAH DIVISION OF
OIL, GAS, AND MINING

DATE: 6/26/07

BY: Dustin Doucet
* Approval Given Via Email 6/22/07 (attached)

(This space for State Use only)

From: Dustin Doucet
To: Burkhalter, Newt
Date: 6/22/2007 4:10 PM
Subject: CACTUS ROSE 36-43-2217 P&A

CC: Jarvis, Dan; Johnson, Tom; Jones, Jim; Kettle, Bart
Newt,

According to our conversation in regards to your potential plan to P&A the referenced well, the following is what was agreed upon for a plugging procedure:

Plug 1 : 100' (~45sx) across the White Rim top(3060') from 3100' to 3000'
Plug 2: 100' (~45sx) across the Navajo top(1050') from 1100' to 1000'
Plug 3: 100' (~45sx) across the surface shoe (346') from 400' to 300'
Plug 4: 50' (~16sx) at surface from 50' to surface.

Note: only porosity encountered was in the White Rim Fm. No water or minerals encountered while drilling.
Quantities based on 7 7/8" open hole with 20% washout and 8 5/8" 24# casing.

All Balanced plugs shall be tagged. Contact Bart Kettle @ 435-820-0862 when plans are finalized to go ahead with the plugging. A sundry notice of intent lining out this procedure should be submitted and note the verbal approval given on this date. Any changes to plan must be approved prior to proceeding. Contact me at the office number listed below or my home number 801.733.0983. Upon completion of plugging a subsequent Sundry notice shall be submitted with all the pertinent details of the plugging and also a Well Completion Report shall be filled out and submitted to the Division within 30 days of completion.

Dustin

Dustin K. Doucet
Petroleum Engineer
Utah Division of Oil, Gas and Mining
Oil and Gas Program
1594 West North Temple, Suite 1210
Salt Lake City, UT 84116

Phone: (801) 538-5281
fax: (801) 359-3940
email: dustindoucet@utah.gov

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

CONFIDENTIAL

FORM 9

SUNDRY NOTICES AND REPORTS ON WELLS		5. LEASE DESIGNATION AND SERIAL NUMBER: ML47805
Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.		6. IF INDIAN, ALLOTTEE OR TRIBE NAME: _____
1. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER <u>Dry Hole</u>		7. UNIT or CA AGREEMENT NAME: _____
2. NAME OF OPERATOR: TIDEWATER OIL & GAS COMPANY, LLC		8. WELL NAME and NUMBER: CACTUS ROSE 36-43-2217
3. ADDRESS OF OPERATOR: 1645 Court Pl, #301 CITY Denver STATE CO ZIP 80202		9. API NUMBER: 43-019-31535
4. LOCATION OF WELL FOOTAGES AT SURFACE: 1443 FSL, 1243 FEL		10. FIELD AND POOL, OR WILDCAT: Wildcat
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NESE 36 22S 17E		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 <small>(Submit in Duplicate)</small> Approximate date work will start: <u>6/22/2007</u>	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> REPERFORATE CURRENT FORMATION
	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> SIDETRACK TO REPAIR WELL
<input type="checkbox"/> SUBSEQUENT REPORT <small>(Submit Original Form Only)</small> Date of work completion: _____	<input type="checkbox"/> CASING REPAIR	<input type="checkbox"/> NEW CONSTRUCTION	<input type="checkbox"/> TEMPORARILY ABANDON
	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> TUBING REPAIR
	<input type="checkbox"/> CHANGE TUBING	<input 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 checked="" type="checkbox"/> OTHER: <u>Drill Deeper to 2990</u>
	<input type="checkbox"/> CONVERT WELL TYPE	<input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION	

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

After conversation w/ Dustin Doucet, we agree to plug well as follows:

Plug # 1: Top of White Rim 3060. Set 45 sx plug 3010 to 3110 over top White Rim

Plug # 2: Top Navajo 1050. Set 45 sx Plug 1000 to 1100 over top of Navajo

Plug # 3: Surface Pipe at 346. Set 45 sx Plug 296 to 396 over bottom of Surface Pipe

Plug # 4: 16 sx surface plug.

Hole is standing full of 9.0 lb mud.

NAME (PLEASE PRINT) <u>J. N. Burkhalter</u>	TITLE <u>Agent</u>
SIGNATURE <u>J. N. Burkhalter</u>	DATE <u>6/22/2007</u>

(This space for State use only)

*Fax Copy Approved 6/26/07
 Verbal Approval given 6/22/07
 JKD*

RECEIVED
JUL 13 2007
 DIV. OF OIL, GAS & MINING

TIDEWATER

CACTUS ROSE

36-43-2217

API Well No.:

Grand

PLUG TO ABANDON

**Customer Representative:
Newt Burkover 970-260-0765**

Halliburton Operator:

CHAD MAIN

Ticket No.:

5194860

HALLIBURTON

HALLIBURTON		JOB LOG				TICKET # 5194860	TICKET DATE 6/27/2007
REGION NORTH AMERICA LAND		NWA / COUNTRY ROCKY MOUNTAIN				BDA / STATE COLORADO	COUNTY Grand
MBU ID / EMPL # 335770		H.E.S EMPLOYEE NAME CHAD MAIN				PSL DEPARTMENT CEMENTING SERVICES	
LOCATION GRAND JUNCTION		COMPANY TIDEWATER				CUSTOMER REP / PHONE Newt Burkover 970-260-0765	
TICKET AMOUNT		WELL TYPE 02 GAS				API/UMI #	
WELL LOCATION		DEPARTMENT ZONAL ISOLATION 10003				JOB PURPOSE CODE 7528	Description PLUG TO ABANDON
LEASE NAME CACTUS ROSE		Well No. 6-43-221	SEC / TWP / RNG SEC 14 T 10S R 95W				
No.							
	01800						CONDUCT IN YARD SAFETY MEETING LEAVE YARD
	0200						ARRIVE ON LOCATION 06/26/07
	0205						CONDUCT LOCATION ASSESSMENT SAFETY MEETING
	0500						SPOT EQP. AND RIG UP
	0845						CONDUCT PREJOB SAFETY MEETING
	0919						START JOB PLUG DEPHT @ 3100
	0920			1	3000		PRESSURE TEST 3000PSI
	0922	4.0	22.0	2	375		PUMP FRESH WATER AHEAD
	0936	4.0	9.2	2	418		PUMP CEMENT 45SKS OF MOUNTAIN G @ 15.8PPG 1.15FT3/SK 5.0 GAL/SK
	0938	4.0	3.0	2	71		PUMP FRESH WATER BEHIND
	0939	4.0	16.3	2	61		PUMP MUD DISPLACEMENT
	0943						SHUT DOWN
	0947						RIG CREW STARTED PULLING STANDS 10 STANDS TOTAL
							WAIT 4 HRS TO TAG UP ON CEMENT
							TAGGED TOP OF CEMENT @ 2898 FT
	1700						START JOB PLUG DEPHT @ 1100
	1702			1	3000		PRESSURE TEST 3000PSI
	1703	4.0	22.0	2	39		PUMP FRESH WATER AHEAD
	1722	4.0	9.2	2	162		PUMP CEMENT 45SKS OF MOUNTAIN G @ 15.8PPG 1.15FT3/SK 5.0 GAL/SK
	1724	4.0	3.0	2	46		PUMP FRESH WATER BEHIND
	1725	4.0	3.1	2	45		PUMP MUD DISPLACEMENT
	1726						SHUT DOWN
	1729						RIG CREW STARTED PULLING STANDS 10 STANDS TOTAL
							WAIT 4 HRS TO TAG UP ON CEMENT
							TAGGED TOP OF CEMENT @ 1044 FT
	0001						START JOB PLUG DEPHT @ 400 FT
	0003			1	3000		PRESSURE TEST 3000PSI 6/27/07
	0004	4.0	22.0	2	95		PUMP FRESH WATER AHEAD
	0015	4.0	9.2	2	96		PUMP CEMENT 45SKS OF MOUNTAIN G @ 15.8PPG 1.15FT3/SK 5.0 GAL/SK
	0017	4.0	2.0	2	119		PUMP FRESH WATER DISPLACEMENT
	0018						SHUT DOWN
	0020						RIG CREW STARTED PULLING STANDS 10 STANDS TOTAL
							WAIT 4 HRS TO TAG UP ON CEMENT
							TAGGED TOP OF CEMENT @ 300 FT
	0948						START JOB SURFACE PLUG
	0950			1	3000		PRESSURE TEST 3000PSI
	0955	1.0	5.1	1	7		PUMP CEMENT 25SKS OF MOUNTAIN G @ 15.8PPG 1.15FT3/SK 5.0 GAL/SK
	0959						SHUT DOWN
	1000						END JOB
							RECEIVED
							JUL 13 2007
							THANK YOU FOR USING HALLIBURTON
							CHAD MAIN AND CREW
							DIV. OF OIL, GAS & MINING

HALLIBURTON JOB SUMMARY

REGION NORTH AMERICA		MMA / COUNTRY ROCKY MOUNTAIN		SALES ORDER NUMBER 5194860		TICKET DATE	
EMPLOYEE # 335770		H.E.S. EMPLOYEE NAME CHAD MAIN		BDA / STATE COLORADO		COUNTY Grand	
LOCATION GRAND JUNCTION		COMPANY: TIDEWATER		PBL DEPARTMENT CEMENTING SERVICES			
TICKET AMOUNT		WELL TYPE 02 GAS		CUSTOMER REP / PHONE Newt Burkover 970-260-0765			
WELL LOCATION		DEPARTMENT ZONAL ISOLATION 10003		AP/AM #		Description PLUG TO ABANDON	
LEASE NAME CACTUS ROSE		Well No. 16-43-221		SEC / TWP / RNG SEC 14 T 10S R 95W		SAP BOMB NUMBER 7628	

H.E.S. EMP NAME / EMP # / EXPOSURE HOURS		HRS	H.E.S. EMP NAME / EMP # / EXPOSURE HOURS		HRS
CHAD MAIN 335770		22.0	WALK GALLEGOS 317343		22.0
CHRIS MARTINEZ 221570		22.0	STEVE MILLER 413956		22.0
MICHAEL MAGERS 339439		22.0	JEREMY YOUNG 418013		22.0
RICK EDWARDS 380448		22.0	ERIC BRINDLE		22.0
H.E.S. UNIT #S / (R/T) MILES		R/T MILES	H.E.S. UNIT #S / (R/T) MILES		R/T MILES
10025647		60	10719771		60
10897909 10872429		60	10025012		60

Form. Name _____ Type: _____
 Form. Thickness _____ From _____ To _____
 Packer Type _____ Set At _____
 Bottom Hole Temp. _____ Pressure _____
 Retainer Depth **3800/700** Total Depth _____

Tools and Accessories

Type and Size	Qty	Make
Float Collar		HES
Float Shoe		HES
Centralizers		HES
Top Plug		HES
Limit Clamp		HES
DV Tool		HES
Insert Float		HES
Guide Shoe		HES
Weld-A		HES

Materials

Mud Type	WBM	Density	g	Lb/Gal
Disp. Fluid	H2O	Density	8.33	Lb/Gal
Prop. Type		Size	Lb	
Prop. Type		Size	Lb	
Acid Type		Gal.	%	
Acid Type		Gal.	%	
Surfactant		Gal.	In	
NE Agent		Gal.	In	
Fluid Loss		Gal/Lb	In	
Gelling Agent		Gal/Lb	In	
Fric. Red.		Gal/Lb	In	
Breaker		Gal/Lb	In	
Blocking Agent		Gal/Lb		
Perfpac Balls		Qty.		
Other				

Date	Called Out	On Location	Job Started	Job Completed
	6/25/07	6/26/07	6/26/07	6/27/07
Time	1700	0200	0919	1000

Well Data

	New/Used	Weight	Size	Grade	From	To	Max. Allow
Casing	USED						
Liner							
Liner							
Tubing	USED						
Drill Pipe	USED	16.5	3 1/2		KB	3,100	
Open Hole							Shots/Ft.
Perforations							
Perforations							
DV Tool							

Hours On Location		Operating Hours		Description of Job
Date	Hours	Date	Hours	
6/26/07	22.00	6/26/07	1.00	SEE JOB LOG
6/27/07	10.00	6/27/07	1.00	
Total	32.00	Total	2.00	

RECEIVED

JUL 13 2007

DIV. OF OIL, GAS & MINING

Hydraulic Horsepower

Ordered: N/A	Available: N/A	Used: N/A
Treating: N/A	Average Rate in BPM	Overall: N/A
Feet:	Cement Left in Pipe	Reason: CUSTOMER REQUEST

Cement Data

Stage	Sacks	Cement	Bulk/Sks	Additives	W/Rq.	Yield	Lbs/Gal
Tail	160	mountain G	BULK	2% Calcium Chloride.	5	1.15	15.8

Summary

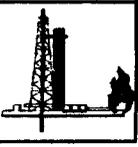
Circulating _____	Displacement _____	Total Preflush BBL: _____	Type: WATER
Breakdown _____	Maximum _____	Load & Bkdn Gal - BBI _____	Pad: Bbl - Gal _____
Lost Returns - YES	Lost Returns - NO	Excess / Return Gal BBI _____	Calc. Disp. _____
Cmt Rtn#Bbl _____	Actual TOC _____	Calc. TOC: _____	Actual Disp. _____
Average _____	Frac. Gradiet _____	Cement Slurry: _____	Disp: Bbl _____
Shut In: Instant _____	5 Min. _____	Cement Mix H2O: _____	BBLs _____
	15 Min _____	Total H2O Volume _____	BBLs _____

Frac Ring #1 _____ | Frac Ring #2 _____ | Frac Ring #3 _____ | Frac Ring #4 _____

THE INFORMATION STATED HEREIN IS CORRECT

CUSTOMER REPRESENTATIVE

SIGNATURE _____



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

AMENDED REPORT FORM 8
(highlight changes)

5. LEASE DESIGNATION AND SERIAL NUMBER:
ML-47805

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

7. UNIT or CA AGREEMENT NAME
Cactus Rose

8. WELL NAME and NUMBER:
Cactus Rose 36-43-2217

9. API NUMBER:
4301931535

10. FIELD AND POOL, OR WILDCAT
Wildcat

11. QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN:
NESE 36 22S 17E

12. COUNTY
Grand

13. STATE
UTAH

WELL COMPLETION OR RECOMPLETION REPORT AND LOG

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

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

2. NAME OF OPERATOR:
Tidewater Oil & Gas Company LLC

3. ADDRESS OF OPERATOR: **110 16th Street** CITY **Denver** STATE **CO** ZIP **80202** PHONE NUMBER: **(303) 468-0656**

4. LOCATION OF WELL (FOOTAGES)
AT SURFACE: **1443 FSL, 1243 FEL**
AT TOP PRODUCING INTERVAL REPORTED BELOW: **NA**
AT TOTAL DEPTH: **Same as Surface**

14. DATE SPUDDED: **5/27/2007** 15. DATE T.D. REACHED: **6/20/2007** 16. DATE COMPLETED: **6/28/2007** ABANDONED READY TO PRODUCE

17. ELEVATIONS (DF, RKB, RT, GL):
4485 grnd, 4495 KB

18. TOTAL DEPTH: MD **3,480** TVD **3,480** 19. PLUG BACK T.D.: MD _____ TVD _____ 20. IF MULTIPLE COMPLETIONS, HOW MANY? * _____

21. DEPTH BRIDGE MD _____ PLUG SET: TVD _____

22. TYPE ELECTRIC AND OTHER MECHANICAL LOGS RUN (Submit copy of each)
Dual Laterolog, Dual Spaced Neutron, Spectral Density, Sonic

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

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

HOLE SIZE	SIZE/GRADE	WEIGHT (#/ft.)	TOP (MD)	BOTTOM (MD)	STAGE CEMENTER DEPTH	CEMENT TYPE & NO. OF SACKS	SLURRY VOLUME (BBL)	CEMENT TOP **	AMOUNT PULLED
12 1/4"	8 5/8 J55	24	0	356		HE 287	74	Circulated	None

25. TUBING RECORD

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

26. PRODUCING INTERVALS

FORMATION NAME	TOP (MD)	BOTTOM (MD)	TOP (TVD)	BOTTOM (TVD)
(A)				
(B)				
(C)				
(D)				

27. PERFORATION RECORD

INTERVAL (Top/Bot - MD)	SIZE	NO. HOLES	PERFORATION STATUS
			Open <input type="checkbox"/> Squeezed <input type="checkbox"/>
			Open <input type="checkbox"/> Squeezed <input type="checkbox"/>
			Open <input type="checkbox"/> Squeezed <input type="checkbox"/>
			Open <input type="checkbox"/> Squeezed <input type="checkbox"/>

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

DEPTH INTERVAL	AMOUNT AND TYPE OF MATERIAL
	RECEIVED
	JUL 13 2007

29. ENCLOSED ATTACHMENTS:

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

DIV. OF OIL, GAS & MINING

30. WELL STATUS:

P & A

31. INITIAL PRODUCTION

INTERVAL A (As shown in item #26)

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

INTERVAL B (As shown in item #26)

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

INTERVAL C (As shown in item #26)

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

INTERVAL D (As shown in item #26)

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

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

33. SUMMARY OF POROUS ZONES (include Aquifers):

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

Formation	Top (MD)	Bottom (MD)	Descriptions, Contents, etc.	Name	Top (Measured Depth)
Navajo	1,050	1,596	Nothing	Morrison	0
White Rim	3,060	3,183	Nothing	Curtis-Moab Tonque	402
				Entrada	425
				Carmel	920
				Navajo	1,050
				Kayenta	1,596
				Wingate	1,772
				Chinle	2,020
				White Rim	3,060
				TD	3,480

34. FORMATION (Log) MARKERS:

35. ADDITIONAL REMARKS (include plugging procedure)

Plug #1: 45sx, 3087-2898; Plug #2: 45sx, 1101-1020; Plug 33: 45sx, 400-300; Surf Plug 16 sx, All Plugs Tagged

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

NAME (PLEASE PRINT) J. N. Burkhalter, PE TITLE Agent
 SIGNATURE *J. N. Burkhalter* DATE 7/9/2007

This report must be submitted within 30 days of

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

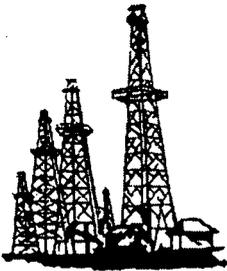
* ITEM 20: Show the number of completions if production is measured separately from two or more formations.

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

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

Phone: 801-538-5340

Fax: 801-359-3940



*Petroleum and Energy Consultants
Registered in Rocky Mountain States
Oil & Gas Production*

BURKHALTER ENGINEERING, INC.

751 Horizon Ct., Suite 245
P.O. Box 60095
Grand Junction, Co 81506
Telephone (970) 243-6060
Fax (970) ~~243-6060~~ 243-6060
Mobile (970) 260-0765

CONFIDENTIAL

July 9, 2007

Dustin Doucet
Division of Oil, Gas & Mining
P.O. Box 145801
Salt Lake City, UT 84114-5801

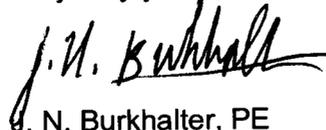
Re: Completion Report
Tidewater Oil & Gas Company LLC
Cactus Rose 36-43-2217
1443 FSL, 1243 FEL, Sec 36, T22S, R17E
Grand County, Utah

Dear Dustin:

Enclosed is the Completion Report and Log for the referenced well. Additionally, I have enclosed a copy of the Sundry with P & A plan, the cement report from Halliburton and the logs. The pit is dry and will be closed in the next couple of days. A regulation dry hole marker will be installed timely.

Please call if you have questions/need further information.

Very truly yours,


J. N. Burkhalter, PE

cc: Jim Jones

RECEIVED
JUL 13 2007
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: 2/12/2008

FROM: (Old Operator): N3000-Tidewater Oil & Gas Company, LLC 110 16th St, Suite 1200 Denver, CO 80202 Phone: 1 (303) 327-7134	TO: (New Operator): N3440-NAE, LLC 16800 Imperial Valley Dr, Suite 380 Houston, TX 77060 Phone: 1 (281) 931-8933
--	--

WELL NAME	CA No.	SEC	TWN	RNG	API NO	ENTITY NO	LEASE TYPE	WELL TYPE	WELL STATUS
CACTUS ROSE MSC 2-1	02	210S	180E	4301931402	14306	State	OW	S	
CACTUS ROSE 36-43-2217	36	220S	170E	4301931535	16184	State	OW	PA	
CACTUS ROSE 16-11-2118	16	210S	180E	4301931546	16416	State	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: 2/26/2008
- (R649-8-10) Sundry or legal documentation was received from the **NEW** operator on: 2/22/2008
- The new company was checked on the **Department of Commerce, Division of Corporations Database** on: 1/15/2008
- a. Is the new operator registered in the State of Utah: Business Number: 6666480-0161
- b. If **NO**, the operator was contacted on: _____
- a. (R649-9-2)Waste Management Plan has been received on: IN PLACE
- b. Inspections of LA PA state/fee well sites complete on: ok
- c. Reports current for Production/Disposition & Sundries on: ok
- Federal and Indian Lease Wells:** The BLM and or the BIA has approved the merger, name change, or operator change for all wells listed on Federal or Indian leases on: BLM not yet BIA
- Federal and Indian Units:**
The BLM or BIA has approved the successor of unit operator for wells listed on: not yet
- 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: 2/27/2008
- Changes have been entered on the **Monthly Operator Change Spread Sheet** on: 2/27/2008
- Bond information entered in RBDMS on: 2/27/2008
- Fee/State wells attached to bond in RBDMS on: 2/27/2008
- Injection Projects to new operator in RBDMS on: n/a
- Receipt of Acceptance of Drilling Procedures for APD/New on: 2/27/2008

BOND VERIFICATION:

- Federal well(s) covered by Bond Number: UTB000296
- Indian well(s) covered by Bond Number: n/a
- a. (R649-3-1) The **NEW** operator of any fee well(s) listed covered by Bond Number 8030575893
- b. The **FORMER** operator has requested a release of liability from their bond on: 2/22/2008
The Division sent response by letter on: n/a

LEASE INTEREST OWNER NOTIFICATION:

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

COMMENTS:

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

FORM 9

SUNDRY NOTICES AND REPORTS ON WELLS

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

5. LEASE DESIGNATION AND SERIAL NUMBER:
6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
7. UNIT or CA AGREEMENT NAME:
8. WELL NAME and NUMBER:
see attached list
9. API NUMBER:
10. FIELD AND POOL, OR WILDCAT:

1. TYPE OF WELL
OIL WELL GAS WELL OTHER _____

2. NAME OF OPERATOR:
NAE, LLC *N3440*

3. ADDRESS OF OPERATOR:
16800 Imperial Valley Dr. CITY Ste. 380 HOUSTON STATE TX ZIP 77060
PHONE NUMBER: (281) 931-8933

4. LOCATION OF WELL
FOOTAGES AT SURFACE: COUNTY:
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: STATE: UTAH

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

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

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

NAE, LLC will be assuming all plugging and reclamation liabilities for the wells on the schedule attached hereto.
Effective Date: 2/12/08
Federal Bond Number: UTB000296
State Bond Number: 8030575893

Name: Tidewater Oil & Gas Company LLC. Address: 110 16th St., Ste 1200, Denver, CO 80202
Signature: *[Signature]* *N3000*
Title: *Manager*
Date: *02/21/08*

NAME (PLEASE PRINT) *MICHAEL CORNISH* TITLE *MANAGER NAE*
SIGNATURE *[Signature]* DATE *2/13/08*

(This space for State use only)

APPROVED *2137108*
Earlene Russell
Division of Oil, Gas and Mining
Earlene Russell, Engineering Technician

(5/2000)

(See Instructions on Reverse Side)

RECEIVED
FEB 22 2008
DIV. OF OIL, GAS & MINING