

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

FORM 3

AMENDED REPORT
(highlight changes)

APPLICATION FOR PERMIT TO DRILL		5. MINERAL LEASE NO: UTU-077518	6. SURFACE: Federal
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 UTU-81653X	
2. NAME OF OPERATOR: North American Exploration, LLC, Attn: Walt Lowry		9. WELL NAME and NUMBER: CRU 14-31D-2118	
3. ADDRESS OF OPERATOR: 110 16th St. Suite 1220 CITY Denver STATE CO ZIP 80202		PHONE NUMBER: (303) 327-7145	10. FIELD AND POOL, OR WILDCAT: Wildcat
4. LOCATION OF WELL (FOOTAGES) AT SURFACE: 1,202' FNL & 1,634' FEL Sec. 14-T21S-R18E AT PROPOSED PRODUCING ZONE: 740' FSL & 670' FEL Sec. 11-T21S-R18E SESE 595711X 4316640Y 38.995412 -109.894800		11. QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NWNE 14 21S 18E	
14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE: Approximately 20 miles East of Green River, Utah		12. COUNTY: Grand	13. STATE: UTAH
15. DISTANCE TO NEAREST PROPERTY OR LEASE LINE (FEET) 1,634' FEL	16. NUMBER OF ACRES IN LEASE: 1,680 Acres	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: 5,405	20. BOND DESCRIPTION: UTB000296	
21. ELEVATIONS (SHOW WHETHER DF, RT, GR, ETC.): 5,050' GR	22. APPROXIMATE DATE WORK WILL START: 9/1/2008	23. ESTIMATED DURATION: 30 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.			
20"	16" .25" w.t.	40				
12-1/4"	8-5/8" J-55 STC 24#	650	HowcoLT+.25 ply flk	250 SXS	2.08 yld	12.8#
7-7/8"	5-1/2" N-80 LTC 17#	6,075	Stage 1:			
			HowcoLT+.25 Celoflk	375 SXS	2.08 yld	12.8#
			Stage 2:			
			HowcoLT+.25 Ceoflk	325 SXS	2.08 yld	12.8#

25. **ATTACHMENTS**

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

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

NAME (PLEASE PRINT) Glen T. Nebeker TITLE Authorized Agent For: North American Exploration
SIGNATURE *Glen T. Nebeker* DATE 8-25-08

(This space for State use only)

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

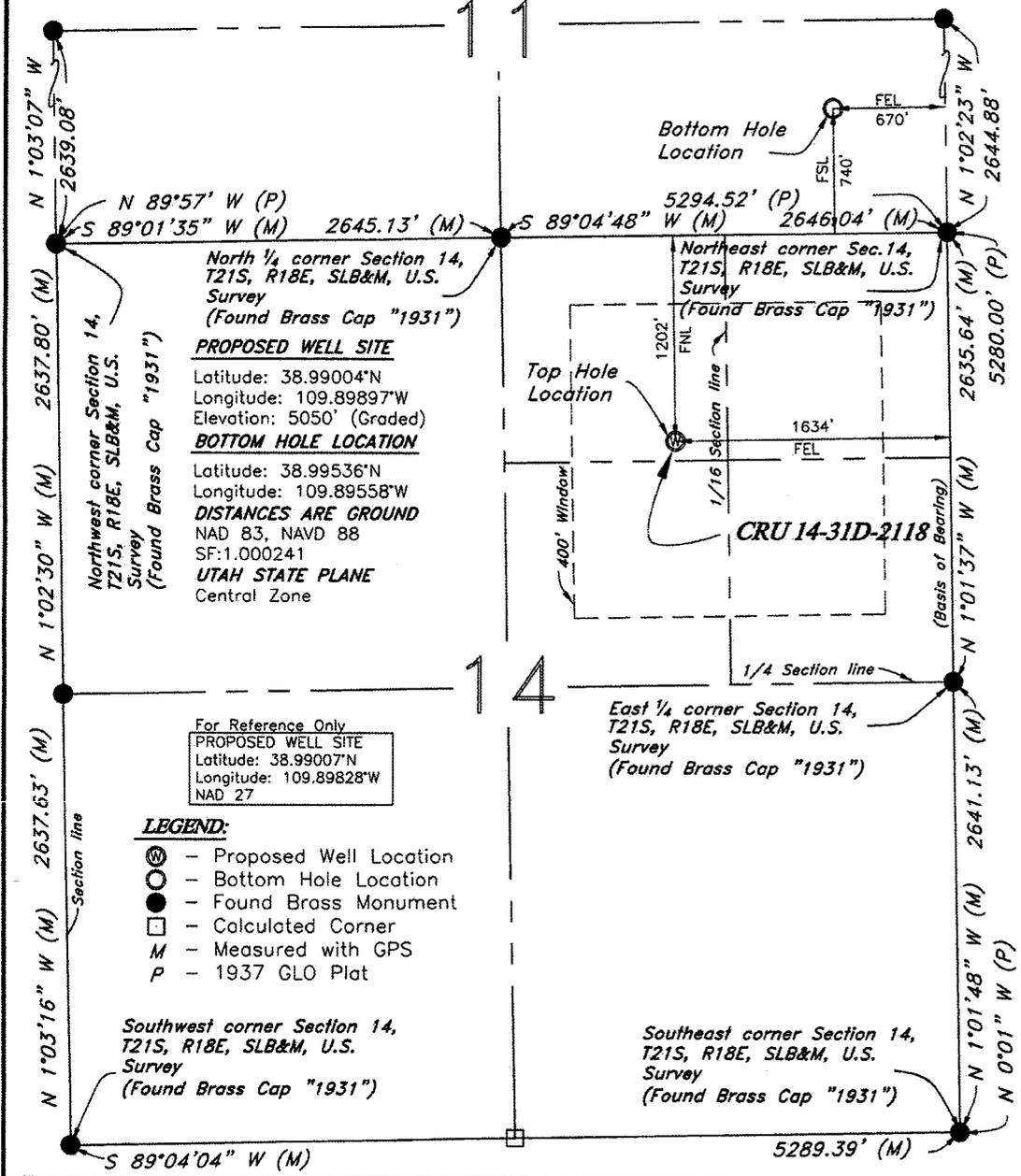
API NUMBER ASSIGNED: 43-019-31598

APPROVAL:

Date: 09-10-08
(See Instructions on Reverse Side)
By: *[Signature]*

RECEIVED
AUG 27 2008
DIV. OF OIL, GAS & MINING

WELL PLAT FOR "CRU 14-31D-2118"
SECTION 14, T21S-R18E, SLB&M, GRAND COUNTY, UTAH

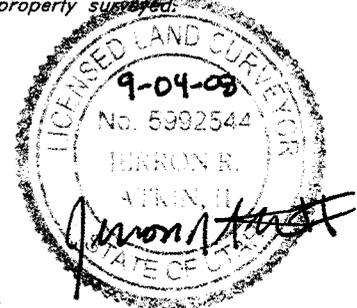


For Reference Only
PROPOSED WELL SITE
 Latitude: 38.99007°N
 Longitude: 109.89828°W
 NAD 27

- LEGEND:**
- ⊙ - Proposed Well Location
 - - Bottom Hole Location
 - - Found Brass Monument
 - - Calculated Corner
 - M - Measured with GPS
 - P - 1937 GLO Plat

CERTIFICATION

I, Jerron R. Atkin II, do hereby certify that I am a Registered Land Surveyor, and that I hold Certificate No. 5992544, as prescribed by the Laws of the State of Utah, and I have made a survey based on information collected on the ground and of record. I have relied upon a GLO plat and notes of Township 21 South, Range 18 East, conducted by Chas. F. Moore and approved on May 12, 1937 as file No. 1168. I further certify that the above plat correctly shows the true dimensions of the property surveyed.



BASIS OF BEARING

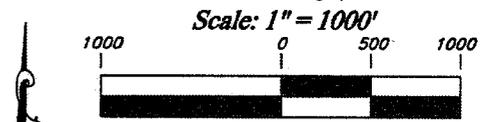
Basis of bearing is N 1°01'37" W between the East and Northeast corners of Section 14, T21S, R18E, S.L.B.&M., U.S. Survey.

BASIS OF ELEVATION

Elevation based on a GPS observation of a rebar control point set by Western Land Services for this survey which is located in the Southwest Quarter of Section 14, T21S, R18E, S.L.B.&M., U.S. Survey. Elevation=5212 feet.

NARRATIVE

The purpose of this survey is to plat the location of the proposed well "CRU 14-31D-2118" which is located in the Northwest 1/4 of the Northeast Quarter of Section 14, T21S, R18E, S.L.B.&M., U.S. Survey. Bottom Hole Location based on dimensions shown on the drilling plan for this site.



Graphic Scale

NORTH AMERICAN EXPLORATION
 PROJECT: CRU 14-31D-2118



WESTERN LAND SERVICES
 Richfield, UT 84701 (435) 896-5501

File: CRU 14-31D-2118 PLAT.DWG	Date: 09/04/08
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BLM- Utah State Office
Attn: Mickey Coulthard
440 West 200 South, Suite 500
Salt Lake City, Utah 84101
PH: (801) 539-4112

August 25th, 2008

Dear Mickey,

Please allow Western Land Services (WLS), who resides at 195 North 100 East, Suite #201, Richfield, Utah 84701 and their assigns to act as NAE, LLC's agent in the permitting of NAE LLC's oil, gas and other wells in the State of Utah. They may act in full capacity as our agent to file and request official documents, perform field work, and any other task necessary to file and acquire APDs. Please acknowledge and approve of this agent designation at your earliest convenience.

Thank you and if you should any problems, please do not hesitate to contact me at 303-327-7144.

Thank You,


Erik Larsen
North American Exploration LLC

Bureau of Land Management
Moab Field Office
Moab, Utah
Application for Permit to Drill

TIGHT HOLE STATUS

Company: North American Exploration

Well No. CRU 14-31D-2118

Location: Sec 14 T21S R18E

Lease No. UTU-77518

On-Site Inspection Date: 08/13/08

All operations will be conducted in such a manner that full compliance is made with applicable laws, regulations (43 CFR § 3100 & 43 CFR § 3160), Onshore Oil and Gas Orders, the approved plan of operations and the conditions of approval. The operator is fully responsible for the actions of his subcontractors. A copy of these conditions will be furnished to the field representative to ensure compliance.

THIRTEEN POINT SURFACE USE PLAN

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

1. Existing Roads:
 - a. Proposed route to location (submit a map depicting access and well location, 1:100,000 scale). See attached Overview and APD maps.
 - b. Location of proposed well in relation to town or other reference point:
The well location is approximately 20 miles southeast of Green River, Utah.
 - c. Plans for improvement and/or maintenance of existing roads: Existing county roads will be upgraded and maintained as necessary. When necessary, roads will be re-graded to establish a running surface of 14 feet. Where soil conditions dictate the use of stabilizing material, 6 inches of 4 inch minus granular borrow will be used.
 - d. Other: NA
2. Planned Access Roads (1:24,000 scale: 12 inch surveyor stakes):
 - a. Location (centerline): Refer to construction diagrams, Sheets PP-1 through PP-12, and APD Map.
 - b. Length of new access to be constructed: 0 miles
 - c. Length of existing roads to be upgraded: 6.1 miles
 - d. Maximum total disturbed width: approximately 24 feet (Turnouts)
 - e. Maximum travel surface width: 14 foot travel lanes, 24 foot turnouts
 - f. Maximum grades: 12.2%

- g. Turnouts: 12
- h. Surface materials: 4 inch minus granular barrow
- i. Drainage (crowning, ditching, culverts, etc): none
- j. Cattleguards: none
- k. Length of new and/or existing roads which lie outside the lease or unit boundary for which a BLM right-of-way is required: 0 mile
- l. Other:

Surface disturbance and vehicular travel will be limited to the approved location and access road. Any additional area needed must be approved by BLM in advance.

If a right-of-way is necessary, no surface disturbing activities shall take place on the subject right-of-way until the associated APD is approved. The holder will adhere to conditions of approval in the Surface Use Program of the approved APD, relevant to any right-of-way facilities.

If a right-of-way is secured, boundary adjustments in the lease or unit shall automatically amend this right-of-way to include that portion of the facility no longer contained within the lease or unit. In the event of an automatic amendment to this right-of-way grant, the prior on-lease/unit conditions of approval of this facility will not be affected even though they would now apply to facilities outside of the lease/unit as a result of a boundary adjustment. Rental fees, if appropriate shall be recalculated based on the conditions of this grant and the regulations in effect at the time of an automatic amendment.

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 fees, or other financial obligations determined by the BLM.

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 Field Office Manager will be notified so that temporary drainage control can be installed along the access road.

- 3. Location of Existing Wells: On a map (1:24,000 scale), show the location of all water, injection, disposal, producing and drilling wells within a one mile radius of the proposed well, and describe the status of each.

No existing wells of any type exist within a one mile radius of this proposed well.

- 4. Location of Production Facilities:

- a. On-site facilities: If the well is a producer on-site facilities will be applied for and installed. All or part of this equipment could be on a location:

There will be five (5) 400 BBL oil tanks and two (2) 400 BBL salt water tanks.
One (1) high pressure 36" x 10' 3 phase separator

One (1) low pressure 30" x 10' 3 phase separator
One (1) 6' x 20' heater treater
One (1) 3 phase high pressure gas production unit
One (1) gas dehydrator
One (1) gas compressor
Two (2) transfer pumps for handling produced fluids
One (1) large beam pumping unit and engine

b. Off-site facilities: None

c. Other: All permanent (in place for six months or longer) structures constructed or installed (including oil well pump jacks) will be painted a flat, non-reflective 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 be as follows: Colors will match the surrounding soils and vegetation.

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

If a gas meter run is constructed, it will be located on lease 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 provisions of 43 CFR § 3162.7, Onshore Oil and Gas Order No. 5, and American Gas Association (AGA) Report No. 3.

If a tank battery is constructed on this lease, it will be surrounded by a berm of sufficient capacity to contain 1½ 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 and Onshore Oil and Gas Order No. 4. If water is produced from the well; steel coated water tanks will be used.

5. Location and Type of Water Supply:

All water needed for drilling purposes will be obtained from (describe location and/or show on a map): Municipal water from Thompson Springs, Utah.

6. Source of Construction Material:

Pad construction material will be obtained from (if the source is Federally owned, show location on a map).

Materials needed will be obtained from a private source.

The use of materials under BLM jurisdiction will conform to 43 CFR § 3610.2-3.

7. Methods of Handling Waste Disposal:

Describe the methods and locations proposed for safe containment and disposal of waste material, e.g. cuttings, produced water, garbage, sewage, chemicals, etc.

The reserve pit will be lined with (native material, bentonite, synthetic material): The pit

will be lined with 12 mil, or greater (depending on the pit substrate), thick polyethylene nylon reinforced liner material.

The reserve pit will be located: See construction diagrams, Sheet PAD. The pit walls will be sloped at no greater than 2 to 1.

The reserve pit shall be located in cut material, with at least 50% of the pit volume being below original ground level. Three sides of the reserve pit will be fenced before drilling starts. The fourth side will be fenced as soon as drilling is completed, and shall remain until the pit is dry. As soon as the reserve pit has dried, all areas not needed for production will be rehabilitated.

The reserve pit will be used for the disposal of waste mud and drill cuttings. All borehole fluids will be contained in the reserve pit. All appropriate measures will be taken to prevent leakage into the substratum or onto the surface. All appropriate measures will be taken to prevent overflow, and a minimum of 2 feet of freeboard will be maintained in the reserve pit. It will be constructed on the well pad. See construction diagrams, Sheet PAD.

Wastewater will not be discharged on the surface at this site and the drilling of the well will not require a wastewater management plan.

All rubbish and debris will be kept in containers on the well site, and will be hauled to an approved disposal site upon completion of drilling and completion operations and as needed during such operations. There will be no chemical disposal of any type. Self-contained, portable toilets will be used for human waste, and the waste will be disposed at an approved landfill. Sanitation will comply with local and state regulations for the disposal of human waste.

8. Ancillary Facilities: Trailers, garbage containers and portable toilets.
9. Well Site Layout: Depict the pit, rig, cut and fill, topsoil, etc. on a plat with a scale of at least 1"=50'. See construction diagrams, Sheet PAD.

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

Access to the well pad will be from: See construction diagrams, Sheet PAD.

The blooie line will be located: At least 100 feet from the well head.

To minimize the amount of fugitive dust and spray escaping from the blooie pit, the following blooie line deflection method will be employed: water injection

10. Plans for Restoration of the Surface:
The top 2 to 3 inches of topsoil material will be removed from the location and stockpiled separately on: adjacent to the pad

Topsoil along the access road will be reserved in place adjacent to the road.

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

The reserve pit and that portion of the location not needed for production will be reclaimed.

Before any dirt work to restore the location takes place, the reserve pit must be completely dry.

All road surfacing will be removed prior to the rehabilitation of roads.

Reclaimed roads will have the berms and cuts reduced and will be closed to vehicle use.

All disturbed areas will be recontoured to replicate the natural slope.

The stockpiled topsoil will be evenly distributed over the disturbed area.

The abandonment marker will be one of the following, as specified by BLM:

- 1) At least four feet above ground level,
- 2) At restored ground level, or
- 3) Below ground level.

In any case the marker shall be inscribed with the following: operator name, lease number, well name and surveyed description (township, range, section and either quarter-quarter or footages).

Reclamation of the surface will commence as soon after construction, drilling and well completion are concluded, as is practicable. In the event of a dry hole, the drill site and roadways will be restored to their original condition within 180 days after plugging date of the well, depending on weather and other extenuating circumstances.

All junk, debris, or other foreign material must be removed before initiating any dirt work to restore the location. The fence around the reserve pit will be maintained in good repair during the drilling operations and will be completed by constructing the fourth side while the pit is drying. It will remain in place until the pit is completely dry and the site restoration begins. All fences will be four-strand barbed wire.

The reserve pit and that portion of the location and access road not needed for production or production facilities will be reclaimed. All stockpiled topsoil, in proportion to the area being reclaimed, will be used in reclaiming areas without an on-going operation.

Site reclamation will include:

- Removing the road base material from the access road and any other surface that may be covered by such material;
- Recontouring the location to approximate natural contours, to the extent practicable; evenly redistributing stockpiled topsoil over the recontoured areas;
- Scarifying recontoured areas, including the access road, by use of a disk or harrow prior to seeding; and
- Drilling or broadcasting seeds.

The seed mix and rate used will be that recommended by the Authorized Officer. Seed will be drilled where-ever possible. If the seed is broadcast, then a harrow or some other implement will be dragged over the seeded area to assure seed coverage. The seed will be certified, pure live seed, and the seed tags will be available if requested by the Authorized Officer. Certified weed free seed will be used to rehabilitate reclaimed land.

All hillsides and other places where the contractor has moved earthen materials to facilitate operations will be restored to as near original condition as practical. The surface of the re-contoured land will be left in a slightly roughened condition to collect precipitation and to promote seed germination. The site will be fenced with four-strand barbed wire until vegetation is reestablished.

Road base material, used in the construction of the access road and pad, will be removed from the site and disposed in a proper manner. If the reserve pit has adequate capacity, then some or all of the gravel will be buried in the reserve pit, provided that the gravel is not contaminated by oil or other waste materials. The access road will be recontoured using of an excavator or similar equipment, rather than simply ripping the surface.

Culverts will be removed from the site and disposed in an approved landfill. The concrete cellar will be removed from the site and similarly disposed in a landfill, or with the approval of the Authorized Officer may be broken down into small pieces and buried during the Recontouring on the site.

During the life of the project and until the site is released from liability for reclamation, the project will be inspected at least annually for noxious weeds. If invasive noxious weeds are found, the weeds will be treated to eliminate further reproduction (spread), and treatment shall continue until the weeds have been eradicated. If noxious weeds are found, the BLM will be notified of their occurrence.

11. Surface and Mineral Ownership:

The surface of the proposed well site is federally owned and is administered by the Bureau of Land Management, United States Department of Interior.

12. Other Information:

- a. Archeological Concerns: A cultural survey was completed by Western Land Services and no sites were identified.

The operator is responsible for informing all persons in the area who are associated with this project that they will be subject to prosecution for knowingly disturbing historic or archaeological sites, or for collecting artifacts. If historic or archaeological materials are uncovered during construction, the operator is to immediately stop work that might further disturb such materials, and contact the BLM Field Office. Within five (5) working days, the BLM will inform the operator as to:

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

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

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

If the operator wishes, at any time, to relocate activities to avoid the expense of mitigation and/or the delays associated with this process, the BLM will assume responsibility for whatever recordation and stabilization of the exposed materials may be required. Otherwise, the operator will be responsible for mitigation costs. The

BLM will provide technical and procedural guidelines for the conduct of mitigation. Upon verification from the BLM that the required mitigation has been completed, the operator will then be allowed to resume construction.

b. Other:

Heavy equipment, used to construct and rehabilitate the well pad and access road, will be cleaned and/or sprayed to remove any noxious or invasive weeds and seeds, prior to being moved to the project site. Any other equipment and vehicles, that have been used in other locations, where noxious weeds or seeds could have attached to the equipment, will also be sprayed and/or cleaned.

Any accumulation of hydrocarbons in the reserve pit will be removed and recovered for sale unless it is determined by the Authorized Officer to be waste oil. All waste oil will be disposed of properly at approved facilities.

For reclamation, the pit liner, which is exposed above the cuttings, will be cut and removed from the site and disposed in an authorized landfill. The reserve pit will be backfilled to slightly above grade to allow for settling of the unconsolidated fill material.

All equipment and vehicles will be confined to the access roads and well pad.

Any facilities in an existing right of way that are damaged as a result of the oil and gas operations will be repaired or replaced.

Fire suppression equipment will be available to suppress any wildfires caused by construction or related activities. In the event of a wildfire, the Moab Fire Center will be notified (435)259-1850.

North American Exploration, LLC
CRU (Cactus Rose Unit) 14-31D-2118
NWNE Sec. 14-T21S-R18E
Grand County, Utah
Lease # UTU 077518

ONSHORE ORDER 1 - DRILLING PLAN

1. Estimated Tops of Geological Markers:

Formation	Depth (TVD)
Blackhawk	Surface
Ferron	2055'
Juana Lopez	2320'
Dakota	2991'
Summerville	3455'
Moab Tongue	3738'
Entrada	3760'
Navajo	4300'
Wingate	4859'
Chinle	5311'
Total Depth	5405'

2. Estimated Depths of Anticipated Water, Oil, Gas or Other Minerals:
(per Proposed Wellbore Construction Diagram attached)

Formation	Depth (TVD)	Substance
Juana Lopez	2320'	Oil/Gas
Dakota	2991'	Gas
Summerville (Morrison)	3455'	Gas
Moab Tongue	3738'	Oil
Entrada	3760'	Oil
Navajo	4300'	Oil
Wingate	4859'	Oil
Estimated TD (TVD)		5405'

3. Pressure Control Equipment: (3000 psi schematic attached)

- A. Type: Eleven (11) inch double gate hydraulic BOP with eleven (11) inch annular preventer on 3,000 psi casinghead, with 3,000 psi choke manifold equipped per the attached diagram. BOPE as specified in *Onshore Oil & Gas Order Number*.
- B. A PVT, stroke counter and flow sensor will be installed to check for flow and monitor pit volume.
- C. Pressure Rating: 3,000 psi BOPE.
- D. Kelly will be equipped with upper and lower Kelly valves.
- E. Testing Procedure:

Annular Preventer

At a minimum, the annular preventer will be pressure tested to 50% of the stack rated working pressure for a period of ten (10) minutes or until provisions of the test are met, whichever is longer.

At a minimum, the above pressure test will be performed:

1. When the annular preventer is initially installed;
2. Whenever any seal subject to test pressure is broken;
3. Following related repairs; and
4. At thirty (30) day intervals.

In addition to the above, the annular preventer will be functionally operated at least weekly.

Blow-Out Preventer (Pipe Rams and Blind Rams)

At a minimum, the BOP, choke manifold, and related equipment will be pressure tested to the approved working pressure of the BOP stack (if isolated from the surface casing by a test plug) or to 70% of the internal yield strength of the surface casing (if the BOP is not isolated from the casing by a test plug). Pressure will be maintained for a period of at least ten (10) minutes or until the requirements of the test are met, whichever is longer.

At a minimum, the above pressure test will be performed:

1. When the BOP is initially installed;
2. Whenever any seal subject to test pressure is broken;
3. Following related repairs; and
4. At thirty (30) day intervals.

In addition to the above, the pipe and blind rams will be activated each trip, but not more than once each day. All BOP drills and tests will be recorded in the IADC driller's log.

F. Miscellaneous Information:

The blowout preventer and related pressure control equipment will be installed, tested and maintained in compliance with the specifications in and requirements of *Onshore Oil & Gas Order Number 2*.

4. Proposed Casing & Cementing Program:

A. Casing Program: All New

Hole Size	Casing Size	Wt./Ft.	Grade	Joint	Depth Set (MD)
20"	16" O.D.	0.25" w.t.			40' (BGL)
12-1/4"	8-5/8" O.D.	24#	J-55	ST&C	0 – 650' (KB) est.
7-7/8"	5-1/2" O.D.	17.0#	N-80	LT&C	0 – 6,075' (KB) est.

The surface casing will have guide shoe, 1 joint, and float collar. Centralize the shoe joint with bowspring centralizers in the middle and top of the joint and then place bowspring centralizers on every other collar to surface (~6 centralizers total). Thread lock guide shoe and bottom of float collar.

Casing string(s) will be pressure tested to 0.22 psi/foot of casing string length or 1500 psi, whichever is greater (not to exceed 70% of the internal yield strength of the casing), after cementing and prior to drilling out from under the casing shoe.

B. Casing Design Parameters:

Depth (MD)	Casing	Collapse (psi)/SF	Burst (psi)/SF	Tension (Mlbs)/SF
40' (GL)	16" OD	NA	NA	NA
650' (KB)	8-5/8", 24#/ft, J55, STC	1370/4.50(a)	2950/1.17(b)	244M/15.64(c)
6075' (KB)	5-1/2", 17.0#/ft, N80, LTC	6280/2.23(d)	7740/2.75(e)	348M/3.37(f)

- (a.) based on full evacuation of pipe with 9.0 ppg fluid on annulus
- (b.) based on 9.0 ppg gradient with no fluid on annulus
- (c.) based on casing string weight in air
- (d.) based on full evacuation of pipe with 10.0 ppg fluid on annulus
- (e.) based on 9.2 ppg gradient, gas to surface, with no fluid on annulus, 0.1 psi/ft gas gradient
- (f.) based on casing string weight in air

PROPOSED CEMENTING PROGRAM

Surface Casing (if well will circulate)-Cemented to surface

CASING	SLURRY	FT. of FILL	CEMENT TYPE	SXS	EXCESS (%)	WEIGHT (ppg)	YIELD (ft ³ /sx)
8-5/8"	Lead/Tail	650'	Howco Rockies LT cement + 0.25 pps Poly-E-Flake	250	100%	12.8	2.08

A cement top job is required if cement fallback is greater than 10' below ground level. Top job (weight 15.8 ppg, yield 1.15 ft³/sx) cement will be premium cement w/ 3% CaCl₂ + 0.25 pps celloflake. Volume as required.

Production Casing - Cemented TD to surface

CASING	SLURRY	FT. of FILL	CEMENT TYPE	SXS	EXCESS (%)	WEIGHT (ppg)	YIELD (ft ³ /sx)
5-1/2"	Stage 1	2825	Howco Rockies LT + 0.25 pps celloflake	375	50% over gauge	12.8	2.08
5-1/2"	Stage 2	2550	Howco Rockies LT + 0.25 pps celloflake	325	50% over gauge	12.8	2.08

Cement volumes for the 5-1/2" Production Casing will be calculated to provide a top of cement to 50' inside surface casing shoe. Cement volumes are approximate and are calculated under the assumption that a gauge hole will be achieved. Actual cement volumes may vary due to variations in the actual hole size and will be determined by running a caliper log on the drilled hole and adding 20% excess. Actual cement types may vary due to hole conditions and cement contractor used.

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

5. **Drilling Fluids Program:**

Interval (MD)	Mud Weight	Fluid Loss	Viscosity	Mud Type
0' - 40' (KB)	<8.4	No cntrl	28	Water
40'-650' (KB)	8.4-8.6	No cntrl	28-36	FW Gel/Lime
650'-6075' (KB)	8.4-9.0	8 - 10 ml	32-42	Gel/Polymer Fresh Water Base

Sufficient mud material(s) to maintain mud properties, control lost circulation and contain a blowout will be available at the well site during drilling operations.

6. Evaluation Program:

Tests: As required.

Coring: No cores are currently planned.

Samples: Two (2) sets of cleaned, dried, labeled formation samples will be taken not less than every 20' from the top of the Juana Lopez formation (~2320' TVD) to Total Depth.

Logging

Dual Induction – Triple Combo (CNL/FDC/DIL/GR/CAL)

- Cement Bond Log / Gamma Ray:
TD to Base of Surface Casing or Top of Cement if below Base of Surface Casing

Stimulation: A stimulation or frac treatment will be designed for completion of this well based on openhole log analysis. The drill site, as approved, will be sufficient size to accommodate all completion activities.

7. Abnormal Conditions:

No abnormal temperatures or pressures are anticipated. No H₂S has been encountered or known to exist from previous wells drilled to similar depths in the general area.

Maximum anticipated bottom hole pressure equals approximately 2530 psi (calculated at 0.468 psi/ft gradient) and maximum anticipated surface pressure equals approximately 1189 psi (anticipated bottom hole pressure minus the pressure of a partially evacuated hole calculated at 0.22 psi/foot).

8. Anticipated Starting Dates:

- Anticipated Commencement Date- Within one year of APD issue.
- Drilling Days- Approximately 25 days
- Completion Days - Approximately 7 days
- Anticipate location construction within 7 days of permit issue.

9. Variances:

None anticipated

10. Other:

This well is planned as a directional well. A copy of the proposed directional plan is attached to this 8-point drilling program.

A Cultural Resource Inventory and Paleontology reconnaissance shall be conducted for the well location, access route and pipeline. The reports shall be submitted to the Division of Oil, Gas and Mining and the Bureau of Land Management upon their receipt.

Single Shot directional surveys will be dropped on every bit trip or will be run on slick line not less than every 1000' of hole drilled, and a survey will be dropped at TD.



North American Resources

**Grand County, UT
Sec 14-T21S-R18E
Cactus Rose Unit 14-31D-2118
Wellbore #1**

Plan: Plan #2

Standard Planning Report

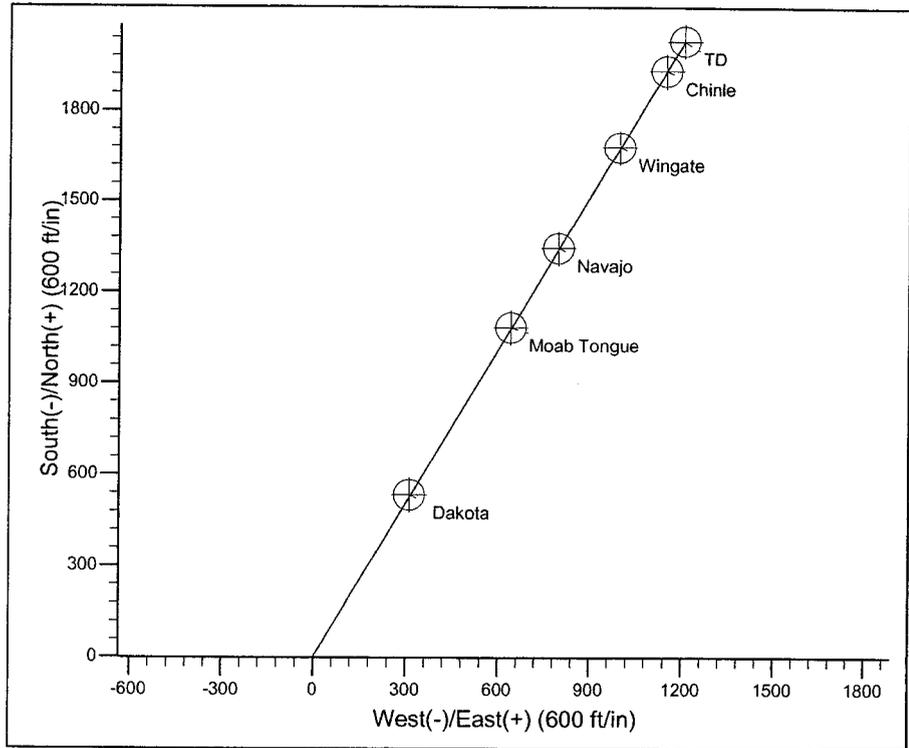
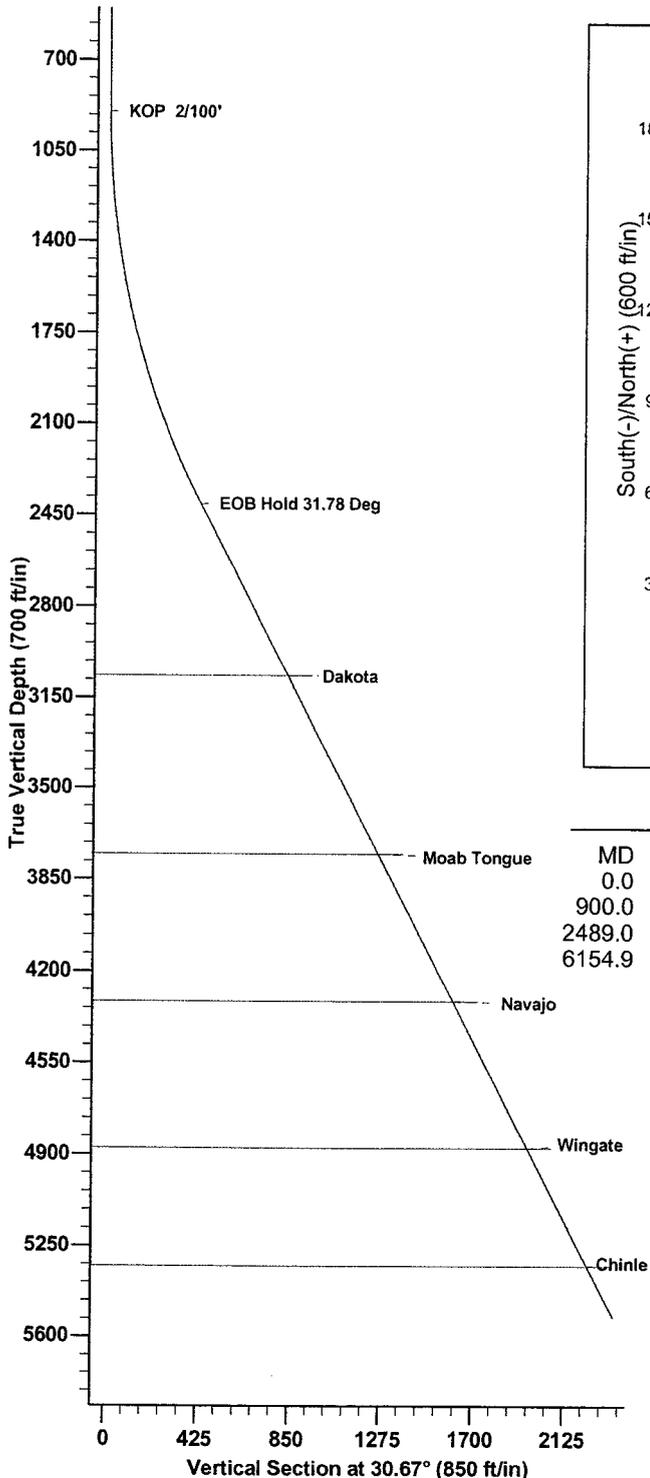
15 August, 2008



**North American Resources
Cactus Rose Unit 14-31D-2118
Grand County, UT
Plan #2**

PROJECT DETAILS: Grand County, UT
Geodetic System: US State Plane 1927 (Exact solution) Datum: NAD 1927 (NADCON CONUS) Ellipsoid: Clarke 1866 Zone: Utah Central 4302

Azimuths to True North
 Magnetic North: 11.44°
 Magnetic Field
 Strength: 52065.1snT
 Dip Angle: 65.03°
 Date: 7/28/2008
 Model: IGRF200510



SECTION DETAILS

MD	Inc	Azi	TVD	+N/-S	+E/-W	DLeg	TFace	VSec	Target
0.0	0.00	0.00	0.0	0.0	0.0	0.00	0.00	0.0	
900.0	0.00	0.00	900.0	0.0	0.0	0.00	0.00	0.0	
2489.0	31.78	30.67	2408.8	369.4	219.1	2.00	30.67	429.5	
6154.9	31.78	30.67	5525.0	2030.0	1204.0	0.00	0.00	2360.2	TD

FORMATION TOP DETAILS

TVDPPath	MDPath	Formation
3066.0	3262.2	Dakota
3753.0	4070.3	Moab Tongue
4315.0	4731.4	Navajo
4874.0	5389.0	Wingate
5326.0	5920.8	Chinle



Crescent Directional Drilling L.P.

Planning Report

Database: EDM 2003.16 Single User Db
Company: North American Resources
Project: Grand County, UT
Site: Sec 14-T21S-R18E
Well: Cactus Rose Unit 14-31D-2118
Wellbore: Wellbore #1
Design: Plan #2

Local Co-ordinate Reference: Well Cactus Rose Unit 14-31D-2118
TVD Reference: WELL @ 0.0ft (Original Well Elev)
MD Reference: WELL @ 0.0ft (Original Well Elev)
North Reference: True
Survey Calculation Method: Minimum Curvature

Project	Grand County, UT		
Map System:	US State Plane 1927 (Exact solution)	System Datum:	Mean Sea Level
Geo Datum:	NAD 1927 (NADCON CONUS)		
Map Zone:	Utah Central 4302		

Site	Sec 14-T21S-R18E		
Site Position:		Northing:	74,147.77 m
From:	Lat/Long	Easting:	748,309.51 m
Position Uncertainty:	0.0 ft	Slot Radius:	in
		Latitude:	38° 59' 24.120 N
		Longitude:	109° 53' 56.280 W
		Grid Convergence:	1.03 °

Well	Cactus Rose Unit 14-31D-2118		
Well Position	+N/-S	0.0 ft	Northing:
	+E/-W	0.0 ft	Easting:
			74,148.41 m
			Latitude:
			38° 59' 24.140 N
Position Uncertainty	0.0 ft	Wellhead Elevation:	ft
			Ground Level:
			0.0 ft

Wellbore	Wellbore #1				
Magnetics	Model Name	Sample Date	Declination	Dip Angle	Field Strength
	IGRF200510	7/28/2008	(°)	(°)	(nT)
			11.44	65.03	52,065

Design	Plan #2			
Audit Notes:				
Version:	Phase:	PROTOTYPE	Tie On Depth:	0.0
Vertical Section:	Depth From (TVD)	+N/-S	+E/-W	Direction
	(ft)	(ft)	(ft)	(°)
	0.0	0.0	0.0	30.67

Plan Sections										
Measured Depth (ft)	Inclination (°)	Azimuth (°)	Vertical Depth (ft)	+N/-S (ft)	+E/-W (ft)	Dogleg Rate (°/100ft)	Build Rate (°/100ft)	Turn Rate (°/100ft)	TFO (°)	Target
0.0	0.00	0.00	0.0	0.0	0.0	0.00	0.00	0.00	0.00	
900.0	0.00	0.00	900.0	0.0	0.0	0.00	0.00	0.00	0.00	
2,489.0	31.78	30.67	2,408.8	369.4	219.1	2.00	2.00	0.00	30.67	
6,154.9	31.78	30.67	5,525.0	2,030.0	1,204.0	0.00	0.00	0.00	0.00	TD



Crescent Directional Drilling L.P.

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MD Reference: WELL @ 0.0ft (Original Well Elev)
North Reference: True
Survey Calculation Method: Minimum Curvature

Planned Survey

Measured Depth (ft)	Inclination (°)	Azimuth (°)	Vertical Depth (ft)	+N/-S (ft)	+E/-W (ft)	Vertical Section (ft)	Dogleg Rate (°/100ft)	Build Rate (°/100ft)	Turn Rate (°/100ft)
0.0	0.00	0.00	0.0	0.0	0.0	0.0	0.00	0.00	0.00
100.0	0.00	0.00	100.0	0.0	0.0	0.0	0.00	0.00	0.00
200.0	0.00	0.00	200.0	0.0	0.0	0.0	0.00	0.00	0.00
300.0	0.00	0.00	300.0	0.0	0.0	0.0	0.00	0.00	0.00
400.0	0.00	0.00	400.0	0.0	0.0	0.0	0.00	0.00	0.00
500.0	0.00	0.00	500.0	0.0	0.0	0.0	0.00	0.00	0.00
600.0	0.00	0.00	600.0	0.0	0.0	0.0	0.00	0.00	0.00
700.0	0.00	0.00	700.0	0.0	0.0	0.0	0.00	0.00	0.00
800.0	0.00	0.00	800.0	0.0	0.0	0.0	0.00	0.00	0.00
900.0	0.00	0.00	900.0	0.0	0.0	0.0	0.00	0.00	0.00
KOP 2/100'									
1,000.0	2.00	30.67	1,000.0	1.5	0.9	1.7	2.00	2.00	0.00
1,100.0	4.00	30.67	1,099.8	6.0	3.6	7.0	2.00	2.00	0.00
1,200.0	6.00	30.67	1,199.5	13.5	8.0	15.7	2.00	2.00	0.00
1,300.0	8.00	30.67	1,298.7	24.0	14.2	27.9	2.00	2.00	0.00
1,400.0	10.00	30.67	1,397.5	37.4	22.2	43.5	2.00	2.00	0.00
1,500.0	12.00	30.67	1,495.6	53.8	31.9	62.6	2.00	2.00	0.00
1,600.0	14.00	30.67	1,593.1	73.2	43.4	85.1	2.00	2.00	0.00
1,700.0	16.00	30.67	1,689.6	95.5	56.6	111.0	2.00	2.00	0.00
1,800.0	18.00	30.67	1,785.3	120.6	71.5	140.2	2.00	2.00	0.00
1,900.0	20.00	30.67	1,879.8	148.6	88.1	172.8	2.00	2.00	0.00
2,000.0	22.00	30.67	1,973.2	179.4	106.4	208.6	2.00	2.00	0.00
2,100.0	24.00	30.67	2,065.2	213.0	126.3	247.7	2.00	2.00	0.00
2,200.0	26.00	30.67	2,155.8	249.4	147.9	289.9	2.00	2.00	0.00
2,300.0	28.00	30.67	2,244.9	288.4	171.1	335.3	2.00	2.00	0.00
2,400.0	30.00	30.67	2,332.4	330.1	195.8	383.8	2.00	2.00	0.00
2,489.0	31.78	30.67	2,408.8	369.4	219.1	429.5	2.00	2.00	0.00
EOB Hold 31.78 Deg									
2,500.0	31.78	30.67	2,418.1	374.4	222.1	435.3	0.01	0.01	0.00
2,600.0	31.78	30.67	2,503.1	419.7	248.9	488.0	0.00	0.00	0.00
2,700.0	31.78	30.67	2,588.1	465.0	275.8	540.6	0.00	0.00	0.00
2,800.0	31.78	30.67	2,673.1	510.3	302.7	593.3	0.00	0.00	0.00
2,900.0	31.78	30.67	2,758.1	555.6	329.5	646.0	0.00	0.00	0.00
3,000.0	31.78	30.67	2,843.2	600.9	356.4	698.6	0.00	0.00	0.00
3,100.0	31.78	30.67	2,928.2	646.2	383.3	751.3	0.00	0.00	0.00
3,146.5	31.78	30.67	2,967.7	667.2	395.7	775.8	0.00	0.00	0.00
Dakota									
3,200.0	31.78	30.67	3,013.2	691.5	410.1	804.0	0.00	0.00	0.00
3,262.2	31.78	30.67	3,066.0	719.6	426.8	836.7	0.00	0.00	0.00
Dakota									
3,300.0	31.78	30.67	3,098.2	736.8	437.0	856.6	0.00	0.00	0.00
3,400.0	31.78	30.67	3,183.2	782.1	463.9	909.3	0.00	0.00	0.00
3,500.0	31.78	30.67	3,268.2	827.4	490.7	962.0	0.00	0.00	0.00
3,600.0	31.78	30.67	3,353.2	872.7	517.6	1,014.6	0.00	0.00	0.00
3,700.0	31.78	30.67	3,438.2	918.0	544.5	1,067.3	0.00	0.00	0.00
3,800.0	31.78	30.67	3,523.2	963.3	571.3	1,120.0	0.00	0.00	0.00
3,900.0	31.78	30.67	3,608.2	1,008.6	598.2	1,172.6	0.00	0.00	0.00
4,000.0	31.78	30.67	3,693.2	1,053.9	625.1	1,225.3	0.00	0.00	0.00
4,068.5	31.78	30.67	3,751.4	1,084.9	643.5	1,261.4	0.00	0.00	0.00
Moab Tongue									
4,070.3	31.78	30.67	3,753.0	1,085.7	644.0	1,262.3	0.00	0.00	0.00
Moab Tongue									
4,100.0	31.78	30.67	3,778.2	1,099.2	651.9	1,278.0	0.00	0.00	0.00



Crescent Directional Drilling L.P.

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MD Reference: WELL @ 0.0ft (Original Well Elev)
North Reference: True
Survey Calculation Method: Minimum Curvature

Planned Survey

Measured Depth (ft)	Inclination (°)	Azimuth (°)	Vertical Depth (ft)	+N/-S (ft)	+E/-W (ft)	Vertical Section (ft)	Dogleg Rate (°/100ft)	Build Rate (°/100ft)	Turn Rate (°/100ft)	
4,200.0	31.78	30.67	3,863.2	1,144.5	678.8	1,330.6	0.00	0.00	0.00	
4,300.0	31.78	30.67	3,948.2	1,189.8	705.7	1,383.3	0.00	0.00	0.00	
4,400.0	31.78	30.67	4,033.3	1,235.1	732.5	1,436.0	0.00	0.00	0.00	
4,500.0	31.78	30.67	4,118.3	1,280.4	759.4	1,488.6	0.00	0.00	0.00	
4,600.0	31.78	30.67	4,203.3	1,325.7	786.3	1,541.3	0.00	0.00	0.00	
4,700.0	31.78	30.67	4,288.3	1,371.0	813.1	1,594.0	0.00	0.00	0.00	
4,706.1	31.78	30.67	4,293.4	1,373.7	814.8	1,597.2	0.00	0.00	0.00	
Navajo										
4,731.4	31.78	30.67	4,315.0	1,385.2	821.6	1,610.5	0.00	0.00	0.00	
Navajo										
4,800.0	31.78	30.67	4,373.3	1,416.3	840.0	1,646.6	0.00	0.00	0.00	
4,900.0	31.78	30.67	4,458.3	1,461.6	866.9	1,699.3	0.00	0.00	0.00	
5,000.0	31.78	30.67	4,543.3	1,506.9	893.7	1,752.0	0.00	0.00	0.00	
5,100.0	31.78	30.67	4,628.3	1,552.2	920.6	1,804.6	0.00	0.00	0.00	
5,200.0	31.78	30.67	4,713.3	1,597.5	947.5	1,857.3	0.00	0.00	0.00	
5,300.0	31.78	30.67	4,798.3	1,642.8	974.3	1,910.0	0.00	0.00	0.00	
5,385.6	31.78	30.67	4,871.1	1,681.5	997.3	1,955.0	0.00	0.00	0.00	
Wingate										
5,389.0	31.78	30.67	4,874.0	1,683.1	998.2	1,956.9	0.00	0.00	0.00	
Wingate										
5,400.0	31.78	30.67	4,883.3	1,688.1	1,001.2	1,962.6	0.00	0.00	0.00	
5,500.0	31.78	30.67	4,968.3	1,733.4	1,028.1	2,015.3	0.00	0.00	0.00	
5,600.0	31.78	30.67	5,053.3	1,778.7	1,054.9	2,068.0	0.00	0.00	0.00	
5,700.0	31.78	30.67	5,138.3	1,824.0	1,081.8	2,120.6	0.00	0.00	0.00	
5,800.0	31.78	30.67	5,223.3	1,869.3	1,108.7	2,173.3	0.00	0.00	0.00	
5,900.0	31.78	30.67	5,308.4	1,914.6	1,135.5	2,226.0	0.00	0.00	0.00	
5,920.8	31.78	30.67	5,326.0	1,924.0	1,141.1	2,236.9	0.00	0.00	0.00	
Chinle										
5,925.0	31.78	30.67	5,329.6	1,925.9	1,142.2	2,239.1	0.00	0.00	0.00	
Chinle										
6,000.0	31.78	30.67	5,393.4	1,959.9	1,162.4	2,278.6	0.00	0.00	0.00	
6,100.0	31.78	30.67	5,478.4	2,005.2	1,189.3	2,331.3	0.00	0.00	0.00	
6,154.9	31.78	30.67	5,525.0	2,030.0	1,204.0	2,360.2	0.00	0.00	0.00	
TD										



Crescent Directional Drilling L.P.

Planning Report

Database: EDM 2003.16 Single User Db
Company: North American Resources
Project: Grand County, UT
Site: Sec 14-T21S-R18E
Well: Cactus Rose Unit 14-31D-2118
Wellbore: Wellbore #1
Design: Plan #2

Local Co-ordinate Reference: Well Cactus Rose Unit 14-31D-2118
TVD Reference: WELL @ 0.0ft (Original Well Elev)
MD Reference: WELL @ 0.0ft (Original Well Elev)
North Reference: True
Survey Calculation Method: Minimum Curvature

Targets

Target Name	- hit/miss target	Dip Angle	Dip Dir.	TVD	+N/-S	+E/-W	Northing	Easting	Latitude	Longitude
- Shape	(°)	(°)	(ft)	(ft)	(ft)	(ft)	(m)	(m)		
Dakota		0.00	0.00	3,066.0	533.0	311.0	74,312.54	748,401.94	38° 59' 29.409 N	109° 53' 52.317 W
	- plan misses by 186.7ft at 3146.5ft MD (2967.7 TVD, 667.2 N, 395.7 E)									
	- Circle (radius 50.0)									
Chinle		0.00	0.00	5,326.0	1,931.0	1,145.0	74,743.13	748,648.48	38° 59' 43.226 N	109° 53' 41.754 W
	- plan misses by 6.8ft at 5925.0ft MD (5329.6 TVD, 1925.9 N, 1142.2 E)									
	- Circle (radius 50.0)									
Moab Tongue		0.00	0.00	3,753.0	1,084.0	640.0	74,482.25	748,499.20	38° 59' 34.855 N	109° 53' 48.150 W
	- plan misses by 3.9ft at 4068.5ft MD (3751.4 TVD, 1084.9 N, 643.5 E)									
	- Circle (radius 50.0)									
TD		0.00	0.00	5,525.0	2,030.0	1,204.0	74,773.62	748,665.92	38° 59' 44.205 N	109° 53' 41.007 W
	- plan hits target									
	- Circle (radius 50.0)									
Navajo		0.00	0.00	4,315.0	1,345.0	795.0	74,562.64	748,545.01	38° 59' 37.434 N	109° 53' 46.187 W
	- plan misses by 41.0ft at 4706.1ft MD (4293.4 TVD, 1373.7 N, 814.8 E)									
	- Circle (radius 50.0)									
Wingate		0.00	0.00	4,874.0	1,678.0	994.0	74,665.20	748,603.84	38° 59' 40.726 N	109° 53' 43.667 W
	- plan misses by 5.7ft at 5385.6ft MD (4871.1 TVD, 1681.5 N, 997.3 E)									
	- Circle (radius 50.0)									

Formations

Measured Depth (ft)	Vertical Depth (ft)	Name	Lithology	Dip (°)	Dip Direction (°)
4,070.3	3,753.0	Moab Tongue		0.00	
5,920.8	5,326.0	Chinle		0.00	
3,262.2	3,066.0	Dakota		0.00	
4,731.4	4,315.0	Navajo		0.00	
5,389.0	4,874.0	Wingate		0.00	

Plan Annotations

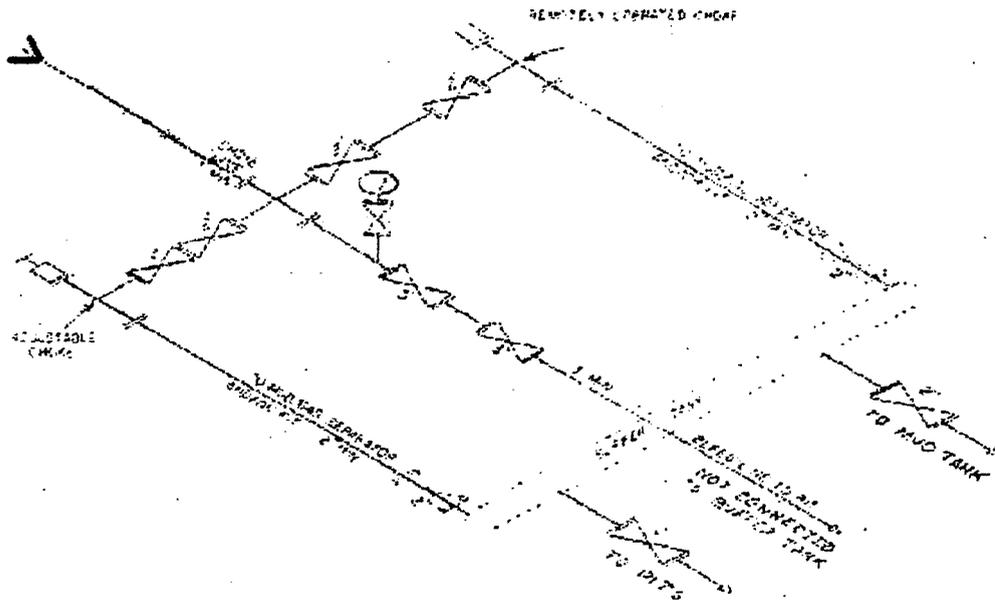
Measured Depth (ft)	Vertical Depth (ft)	Local Coordinates		Comment
		+N/-S (ft)	+E/-W (ft)	
900.0	900.0	0.0	0.0	KOP 2/100'
2,489.0	2,408.8	369.4	219.1	EOB Hold 31.78 Deg

CACTUS ROSE UNIT (CRU) 14-31D-2118
SECTION 14-T21S-R18E
SHL: 1202' FNL & 1634' FEL OF SECTION 14-T21S-R18E
BHL: 740' FSL & 670' FEL OF SECTION 11-T21S-R18E

Surface casing set and cemented to 500' will isolate and protect any potential fresh water zones encountered. Any other water or hydrocarbon bearing zones below 500' will be isolated with casing and cement when the well is cased.

7 - Pressure Control Equipment

Well will utilize a 3000 psi BOP. The BOP will have a pipe rams, blind rams and a hydril. A rotating head will be utilized while drilling with air. All BOPs will be tested to 3000 psi when the equipment is installed and if the integrity of the pressure control system is compromised during drilling operations.



3M CHOKER MANIFOLD EQUIPMENT — CONFIGURATION MAY VARY

CACTUS ROSE UNIT (CRU) 14-31D-2118
SECTION 14-T21S-R18E
SHL: 1202' FNL & 1634' FEL OF SECTION 14-T21S-R18E
BHL: 740' FSL & 670' FEL OF SECTION 11-T21S-R18E

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).

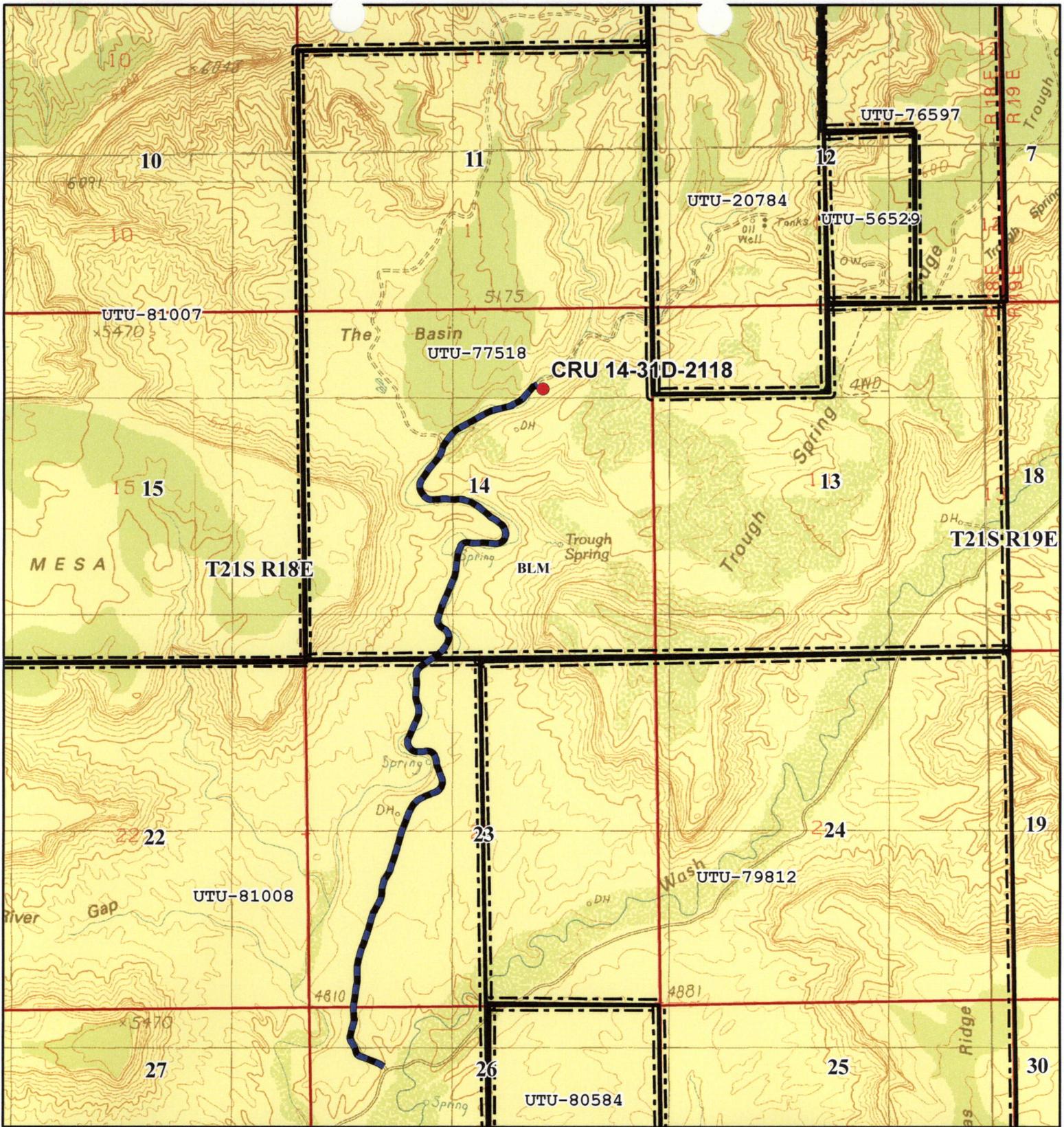
Corrective Action: Install the equipment as specified.

Normal Abatement Period: 24 hours.

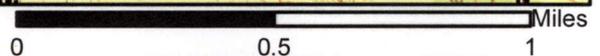
* Violation: Major.

Corrective Action: Install the equipment as specified.

Normal Abatement Period: Prompt correction required.



Hatch Mesa, UT USGS 7.5' Quadrangle



Legend

- Well
- Existing Road Turnouts Only
- Lease Boundary
- BLM



General Project Location



North American Exploration	
CRU 14-31D-2118	
WESTERN LAND SERVICES Richfield, UT 84701 (435) 896-5501	
CONFIDENTIAL	
Prepared By: DTJ	Date: August 22, 2008

No warranty is made for data usage purposes other than those intended by Western Land Services. Maps are created as part of a GIS that compiles records, information, and data from various sources. This data experiences frequent updates and accordingly, WLS shall not be liable for any errors or omissions herein.

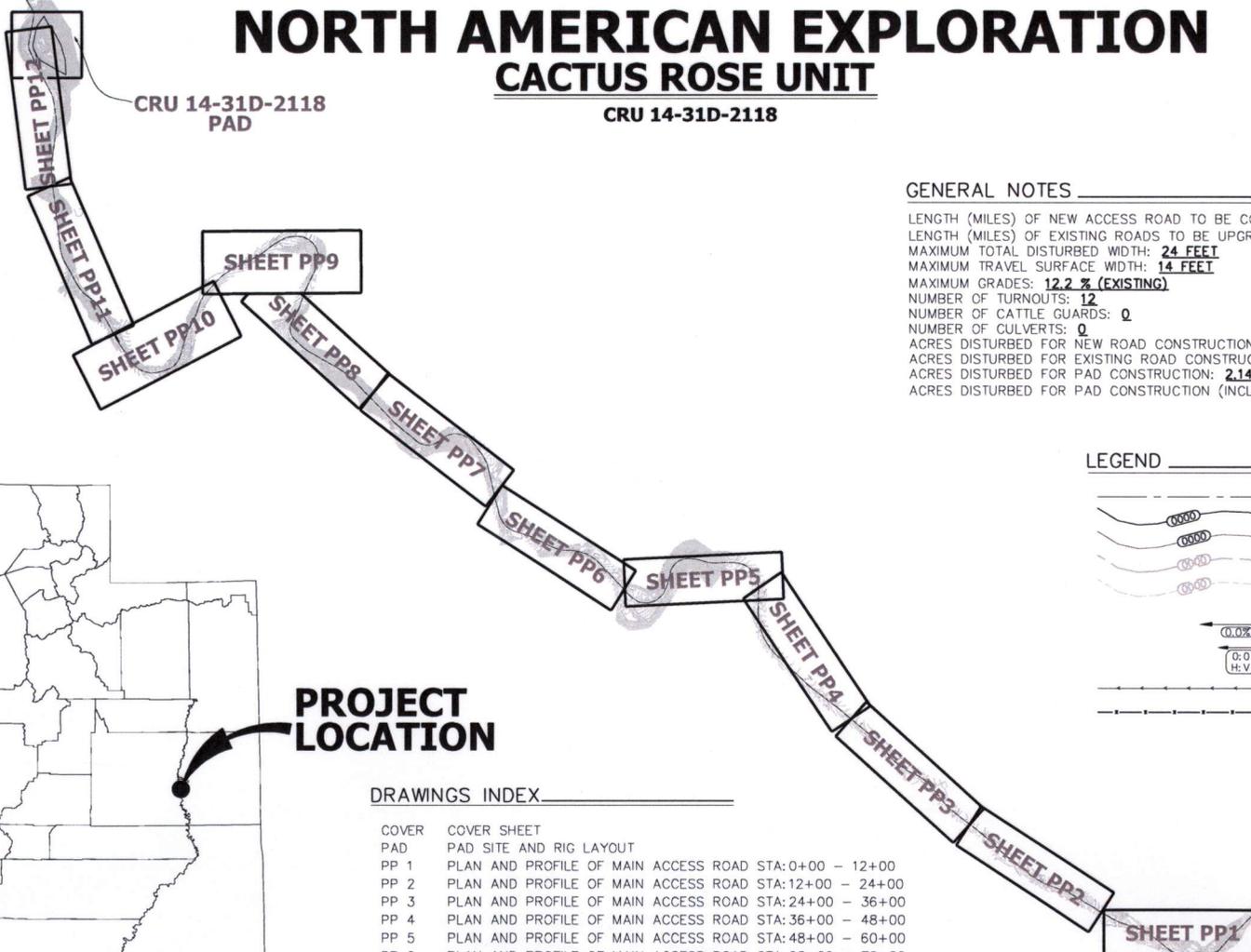
NORTH AMERICAN EXPLORATION CACTUS ROSE UNIT

CRU 14-31D-2118

CRU 14-31D-2118
PAD



SCALE: NTS



**PROJECT
LOCATION**

DRAWINGS INDEX

COVER	COVER SHEET
PAD	PAD SITE AND RIG LAYOUT
PP 1	PLAN AND PROFILE OF MAIN ACCESS ROAD STA: 0+00 - 12+00
PP 2	PLAN AND PROFILE OF MAIN ACCESS ROAD STA: 12+00 - 24+00
PP 3	PLAN AND PROFILE OF MAIN ACCESS ROAD STA: 24+00 - 36+00
PP 4	PLAN AND PROFILE OF MAIN ACCESS ROAD STA: 36+00 - 48+00
PP 5	PLAN AND PROFILE OF MAIN ACCESS ROAD STA: 48+00 - 60+00
PP 6	PLAN AND PROFILE OF MAIN ACCESS ROAD STA: 60+00 - 72+00
PP 7	PLAN AND PROFILE OF MAIN ACCESS ROAD STA: 72+00 - 84+00
PP 8	PLAN AND PROFILE OF MAIN ACCESS ROAD STA: 84+00 - 96+00
PP 9	PLAN AND PROFILE OF MAIN ACCESS ROAD STA: 96+00 - 108+00
PP 10	PLAN AND PROFILE OF MAIN ACCESS ROAD STA: 108+00 - 120+00
PP 11	PLAN AND PROFILE OF MAIN ACCESS ROAD STA: 120+00 - 132+00
PP 12	PLAN AND PROFILE OF MAIN ACCESS ROAD STA: 132+00 - 141+53.37
D1	DETAILS
D2	DETAILS

GENERAL NOTES

LENGTH (MILES) OF NEW ACCESS ROAD TO BE CONSTRUCTED: **0 MILES**
 LENGTH (MILES) OF EXISTING ROADS TO BE UPGRADED: **6.1 MILES**
 MAXIMUM TOTAL DISTURBED WIDTH: **24 FEET**
 MAXIMUM TRAVEL SURFACE WIDTH: **14 FEET**
 MAXIMUM GRADES: **12.2 % (EXISTING)**
 NUMBER OF TURNOUTS: **12**
 NUMBER OF CATTLE GUARDS: **0**
 NUMBER OF CULVERTS: **0**
 ACRES DISTURBED FOR NEW ROAD CONSTRUCTION: **0 ACRES**
 ACRES DISTURBED FOR EXISTING ROAD CONSTRUCTION: **14.8 ACRES**
 ACRES DISTURBED FOR PAD CONSTRUCTION: **2.14 ACRES**
 ACRES DISTURBED FOR PAD CONSTRUCTION (INCLUDING STOCKPILES): **2.62 ACRES**

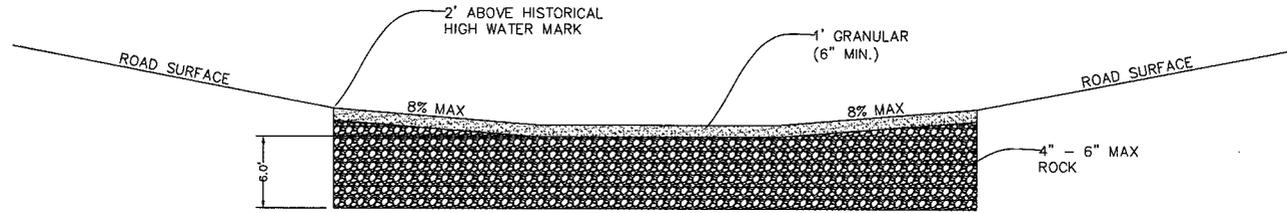
LEGEND

	ROAD CENTERLINE
	CONTOURS PROPOSED MAJOR
	CONTOURS PROPOSED MINOR
	CONTOURS EXISTING MAJOR
	CONTOURS EXISTING MINOR
	SURFACE SLOPE
	SURFACE SLOPE HORIZ:VERT
	SWALE ∇ AND DIRECTION
	SILT FENCE

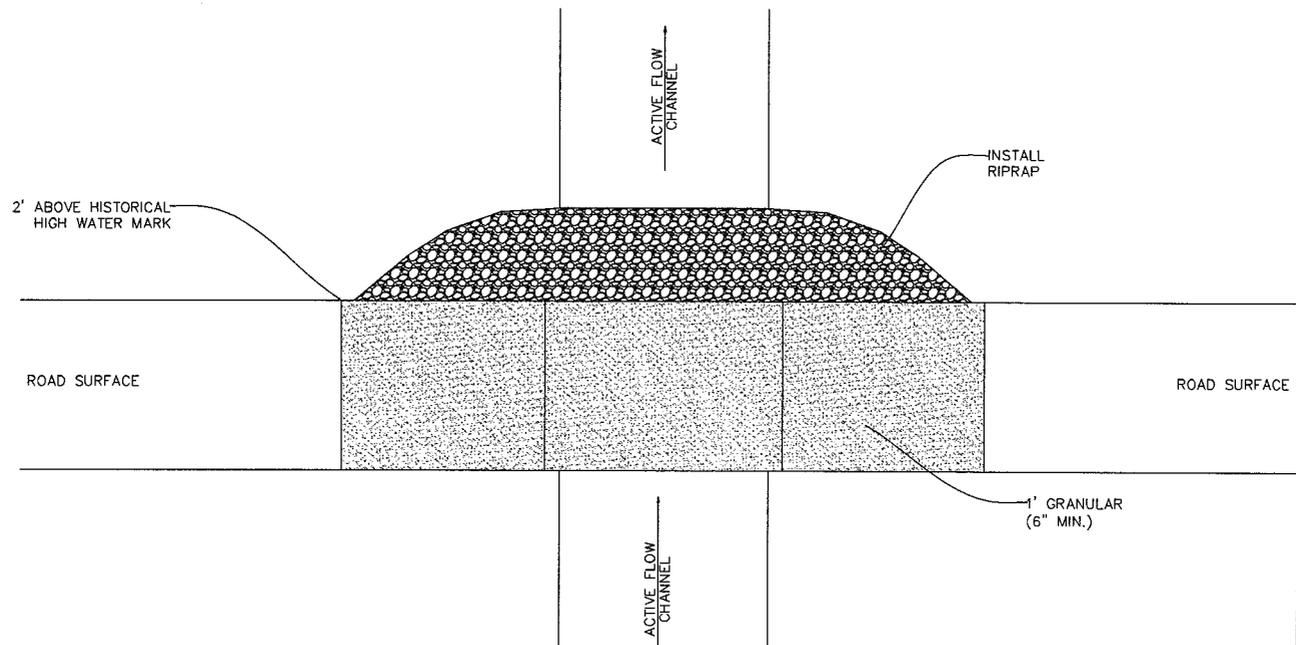
CLIENT: NORTH AMERICAN EXPLORATION
PROJECT: CRU 14-31D-2118

WESTERN LAND SERVICES
Richfield, UT 84701 (435)896-5501

DRAWN BY: C. HILL DATE: 8/19/08 SHEET NO: **COVER**
CHECKED BY: J. ATKIN



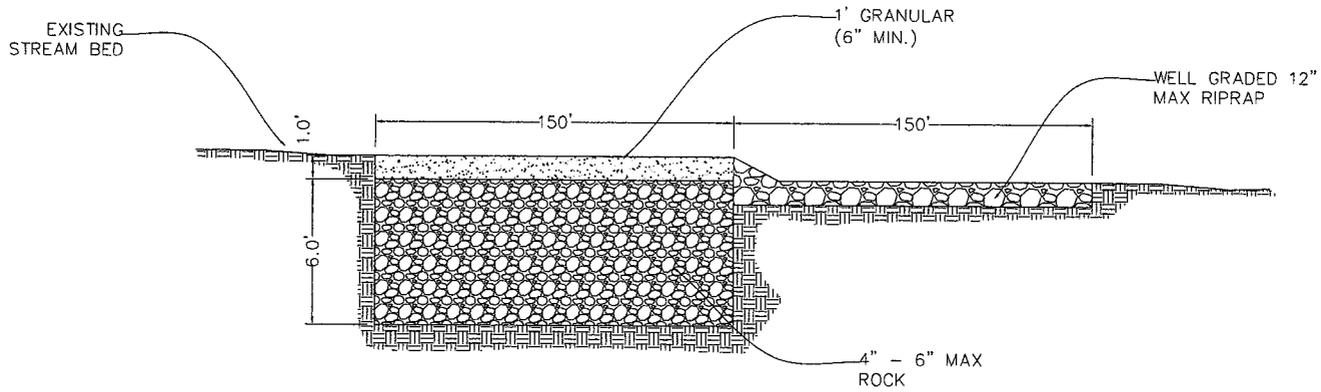
LARGE ROCK LOW WATER CROSSING
ROAD PROFILE



LARGE ROCK LOW WATER CROSSING
PLAN VIEW

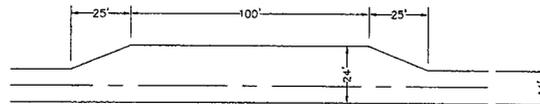
CLIENT: NORTH AMERICAN EXPLORATION
PROJECT: CRU 14-31D-2118

 WESTERN LAND SERVICES Richfield, UT 84701 (435)896-5501			
DRAWN BY:	C.HILL	DATE:	8/19/08
CHECKED BY:	J. ATKIN	SHEET NO:	D1

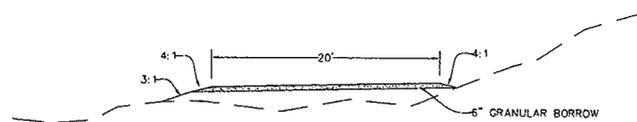


LARGE ROCK LOW WATER CROSSING

CROSS SECTION



PLAN VIEW



SECTION VIEW

TRUCK TURN-OUT TYPICAL

CLIENT: NORTH AMERICAN EXPLORATION
 PROJECT: CRU 14-31D-2118

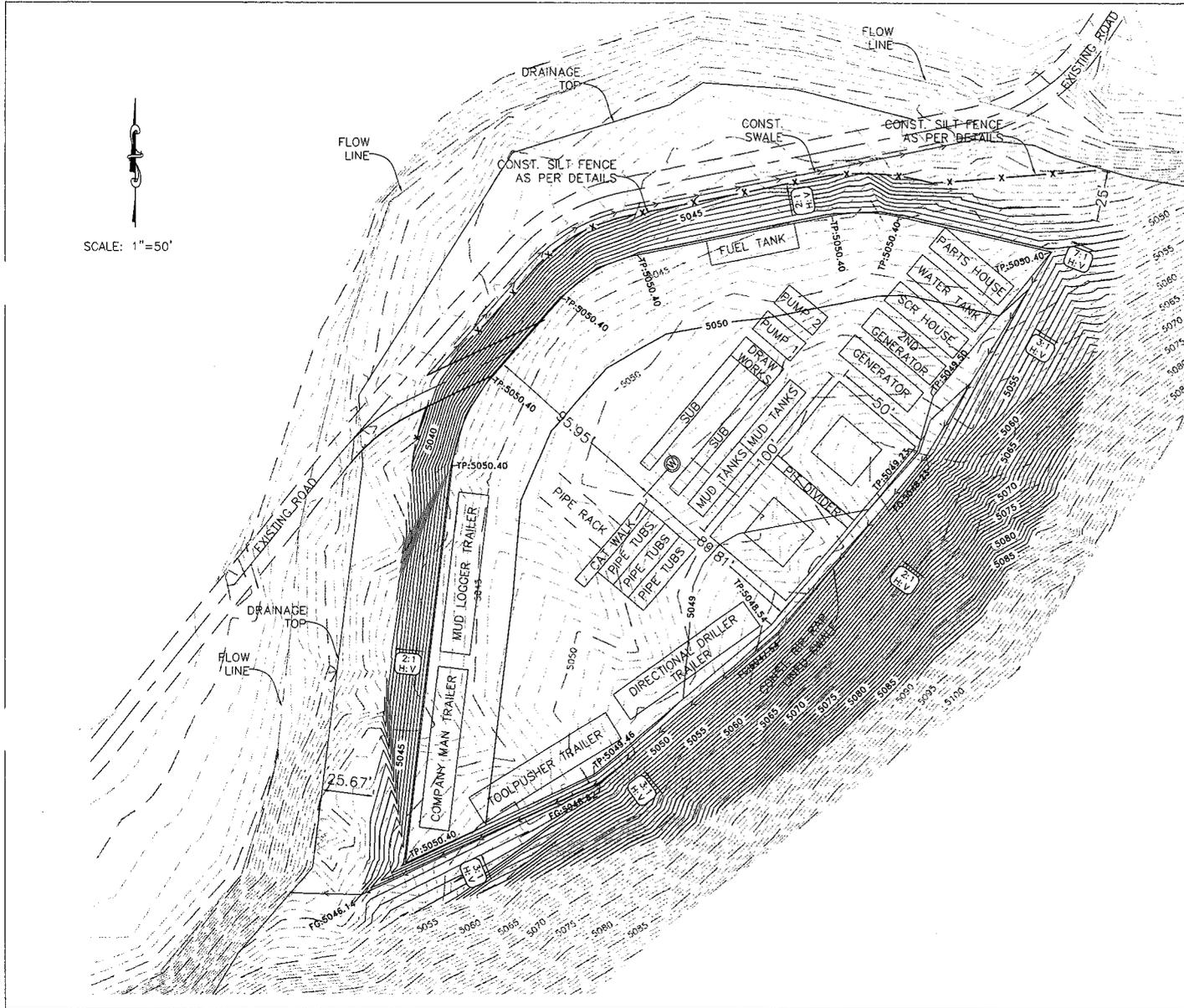


WESTERN LAND SERVICES

Richfield, UT 84701 (435)896-5501

DESIGNED BY: C. HILL	DRAWN BY: R. TORR	CHECKED BY: J. ATKIN	DATE: D2
-------------------------	----------------------	-------------------------	-------------

SCALE: 1"=50'



NORTH AMERICAN EXPLORATION
SECTION 14, T21S, R18W, SLB&M

ESTIMATED EARTHWORK VOLUMES
VOLUMES ARE UNADJUSTED

PAD	
PAD ELEV:	5050.40
TOPSOIL STRIPPING:	989.37 CU.YDS
REMAINING CUT:	5275.65 CU.YDS
TOTAL CUT:	6265.02 CU.YDS
TOTAL FILL:	5716.70 CU.YDS
NET VOLUME:	551.30 CU.YDS (CUT)
PIT	
VOLUME:	1220 CU.YDS

CONTRACTOR NOTES:

1. CONTRACTOR TO CLEAR AND GRUB 6"-8" OF TOP SOIL. TOP SOIL TO BE STORED AT OFFSITE LOCATION.
2. CONTRACTOR TO INSTALL GEOFABRIC MAT ON ALL FILL SLOPES.
3. RECLAIM ALL DRAINAGE'S AFTER PROJECT COMPLETION.

LEGEND

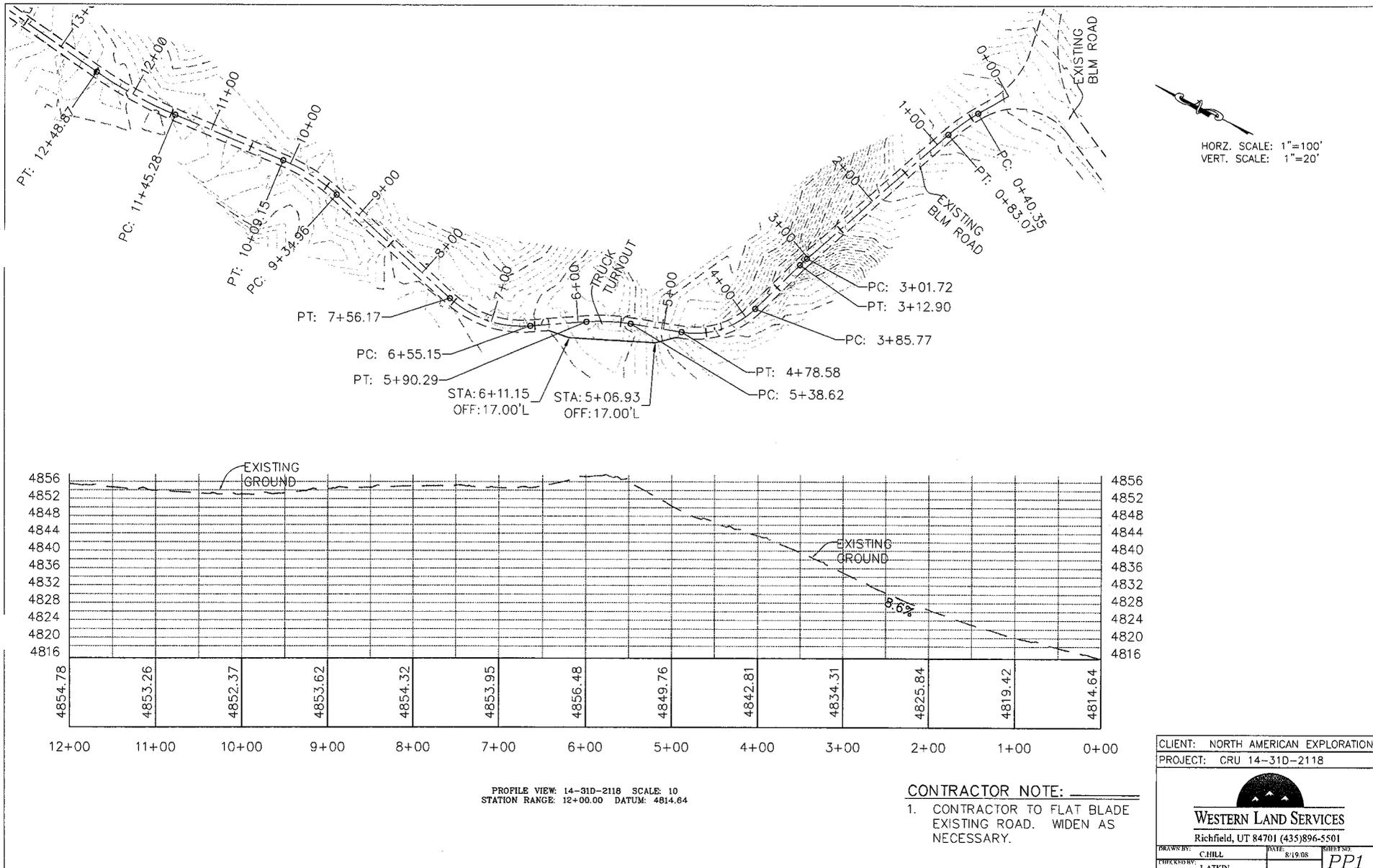
	ROAD CENTERLINE
	CONTOURS PROPOSED MAJOR
	CONTOURS PROPOSED MINOR
	CONTOURS EXISTING MAJOR
	CONTOURS EXISTING MINOR
	SURFACE SLOPE
	SURFACE SLOPE HORIZ: VERT
	SWALE [] AND DIRECTION
	SILT FENCE

CLIENT: NORTH AMERICAN EXPLORATION
PROJECT: CRU 14-310-2118



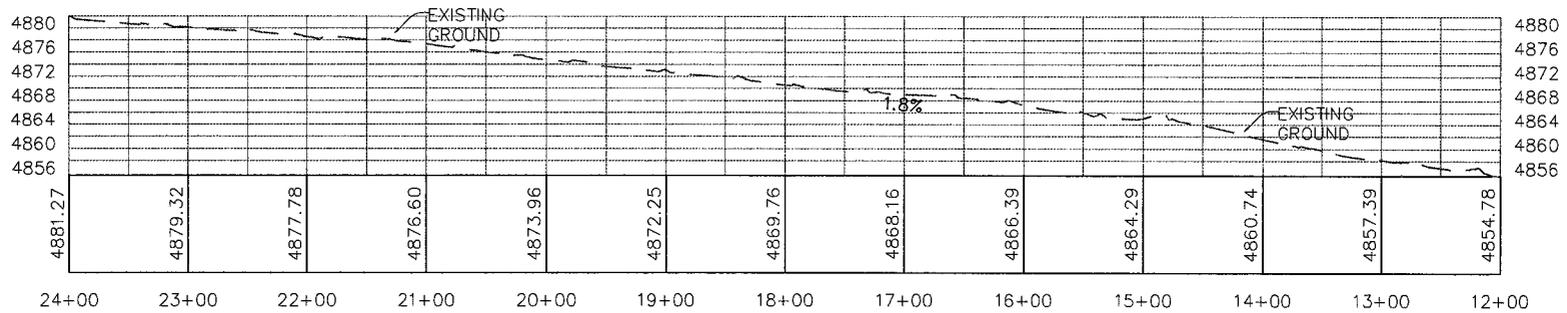
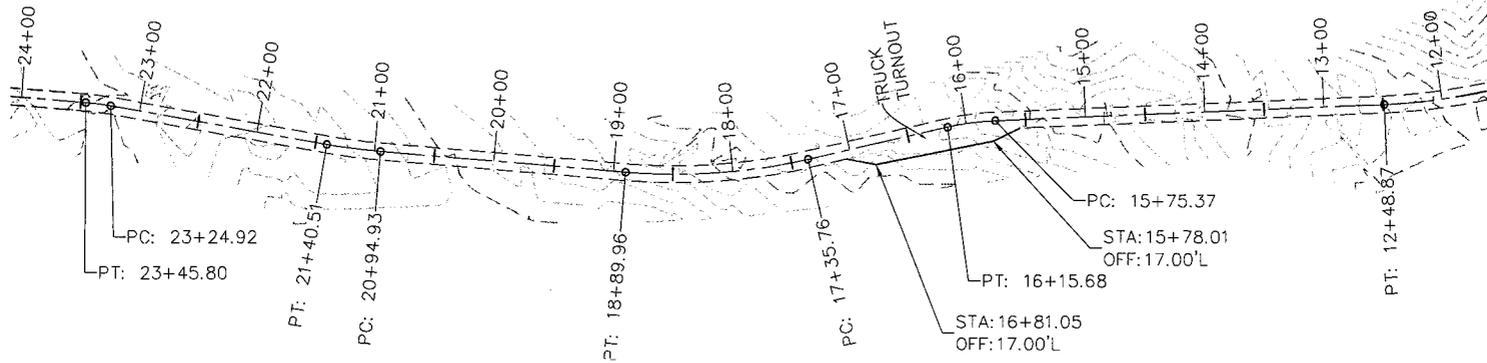
WESTERN LAND SERVICES
Richfield, UT 84701 (435)896-5501

DRAWN BY: C.HILL	DATE: 8/19/08	SHEET NO: PAD
CHECKED BY: J. ATKIN		



HORZ. SCALE: 1"=100'
 VERT. SCALE: 1"=20'

HORZ. SCALE: 1"=100'
 VERT. SCALE: 1"=20'



PROFILE VIEW: 14-31D-2118 (2) SCALE: 10
 STATION RANGE: 12+00.00 DATUM: 4854.78

CONTRACTOR NOTE: _____

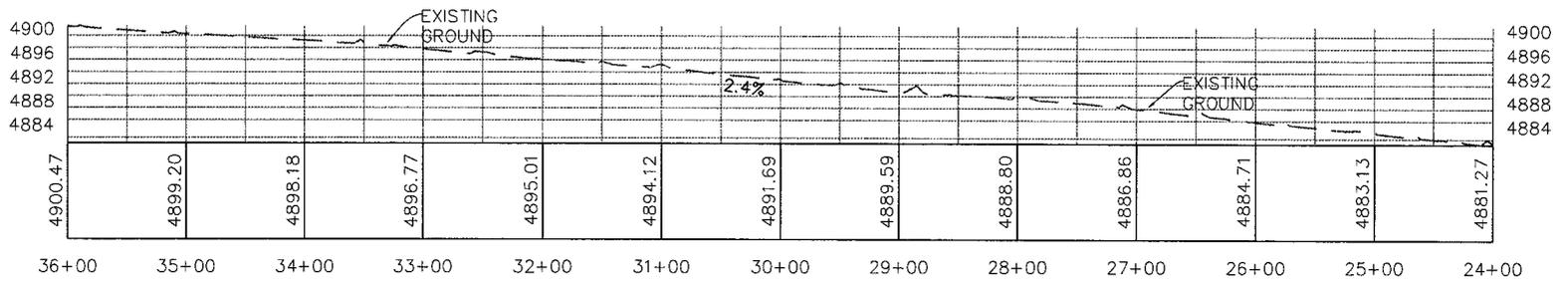
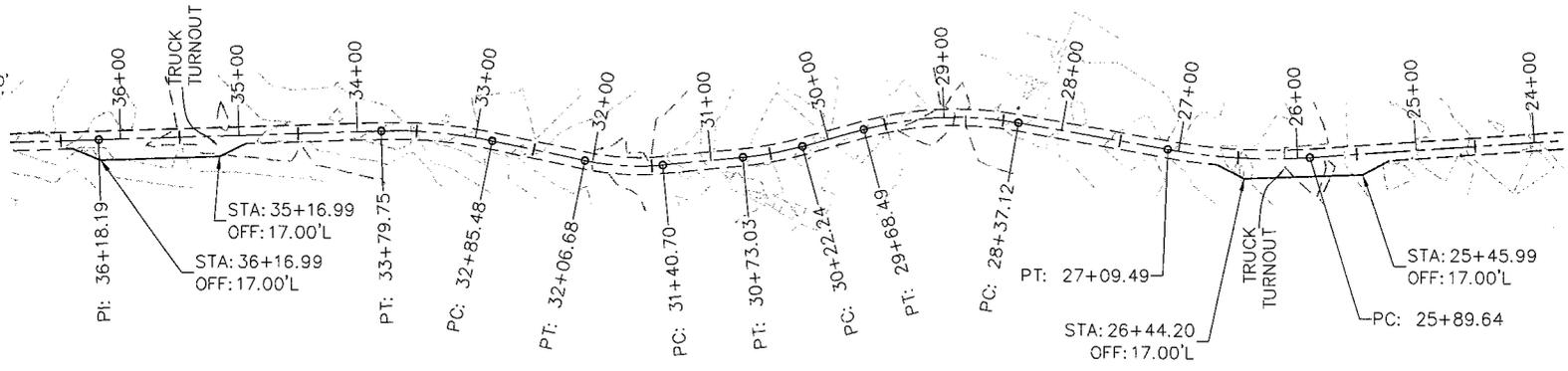
- CONTRACTOR TO FLAT BLADE EXISTING ROAD. WIDEN AS NECESSARY.

CLIENT: NORTH AMERICAN EXPLORATION
 PROJECT: CRU 14-31D-2118


WESTERN LAND SERVICES
 Richfield, UT 84701 (435)896-5501

DRAWN BY: C.HILL	DATE: 8/19/08	SHEET NO: PP2
CHECKED BY: J. ATKIN		

HORZ. SCALE: 1"=100'
 VERT. SCALE: 1"=20'

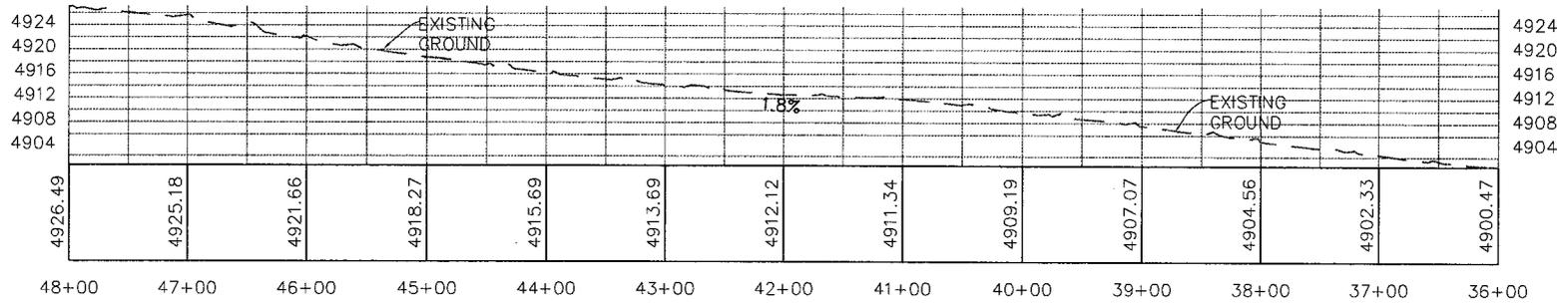
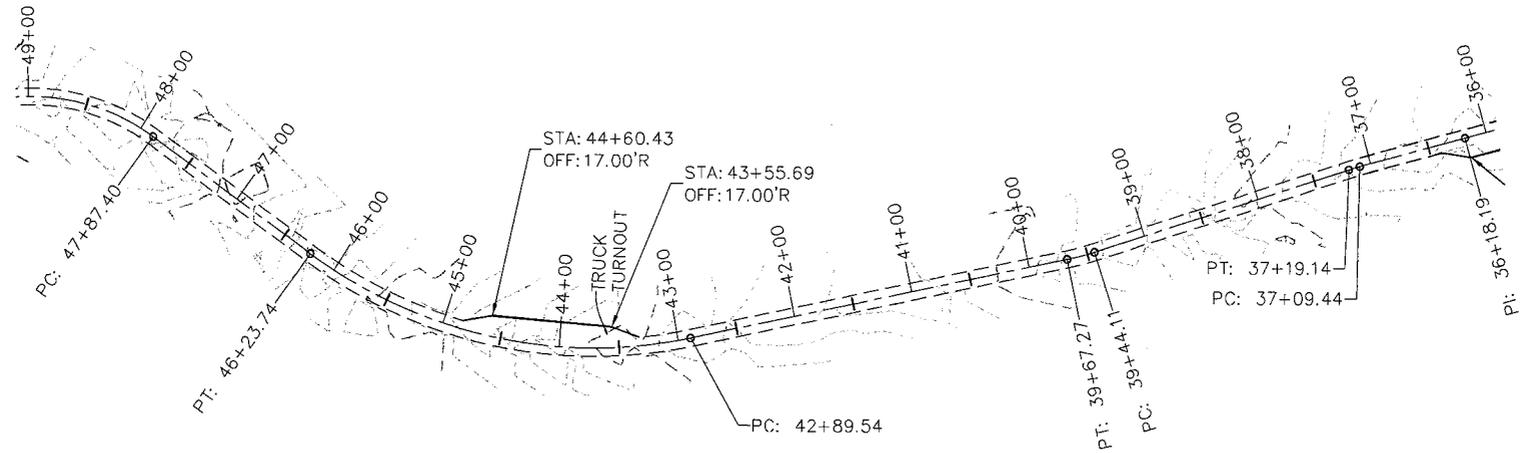


PROFILE VIEW: 14-31D-2118 (3) SCALE: 10
 STATION RANGE: 12+00.00 DATUM: 4881.06

CONTRACTOR NOTE: _____
 1. CONTRACTOR TO FLAT BLADE EXISTING ROAD. WIDEN AS NECESSARY.

CLIENT: NORTH AMERICAN EXPLORATION		
PROJECT: CRU 14-31D-2118		
 WESTERN LAND SERVICES Richfield, UT 84701 (435)896-5501		
DRAWN BY: C.HILL	DATE: 8/19/08	SHEET NO: PP3
CHECKED BY: J. ATKIN		

HORZ. SCALE: 1"=100'
 VERT. SCALE: 1"=20'



PROFILE VIEW: 14-31D-2118 (4) SCALE: 10
 STATION RANGE: 12+00.00 DATUM: 4900.47

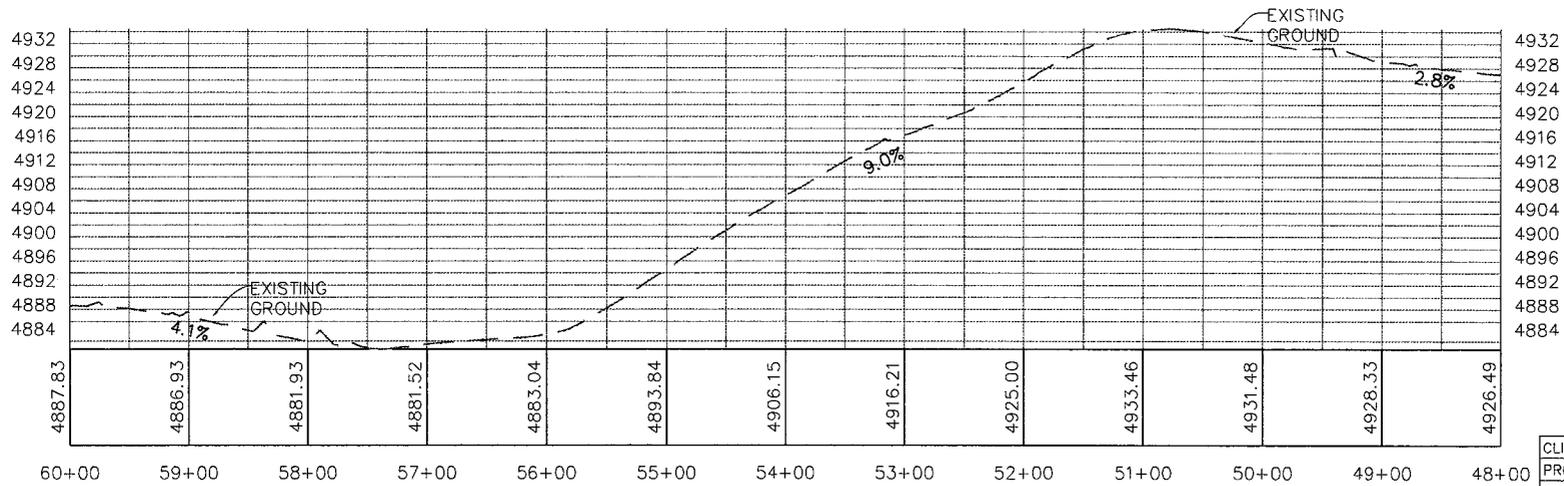
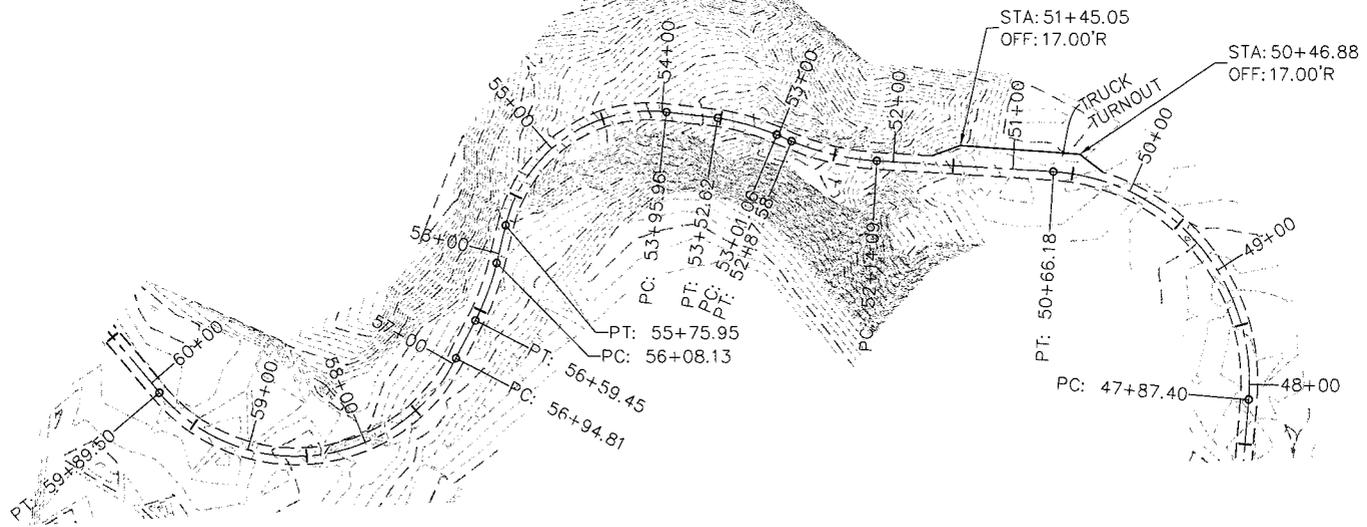
CONTRACTOR NOTE: _____

1. CONTRACTOR TO FLAT BLADE EXISTING ROAD. WIDEN AS NECESSARY.

CLIENT: NORTH AMERICAN EXPLORATION
 PROJECT: CRU 14-31D-2118

 WESTERN LAND SERVICES Richfield, UT 84701 (435)896-5501			
DESIGNED BY:	C. HILL	DATE:	8/19/08
CHECKED BY:	J. ATKIN	SHEET NO.	PP4

HORZ. SCALE: 1"=100'
 VERT. SCALE: 1"=20'



PROFILE VIEW: 14-31D-2118 (5) SCALE: 10
 STATION RANGE: 12+00.00 DATUM: 4880.73

CONTRACTOR NOTE: _____

1. CONTRACTOR TO FLAT BLADE EXISTING ROAD. WIDEN AS NECESSARY.

CLIENT: NORTH AMERICAN EXPLORATION
 PROJECT: CRU 14-31D-2118

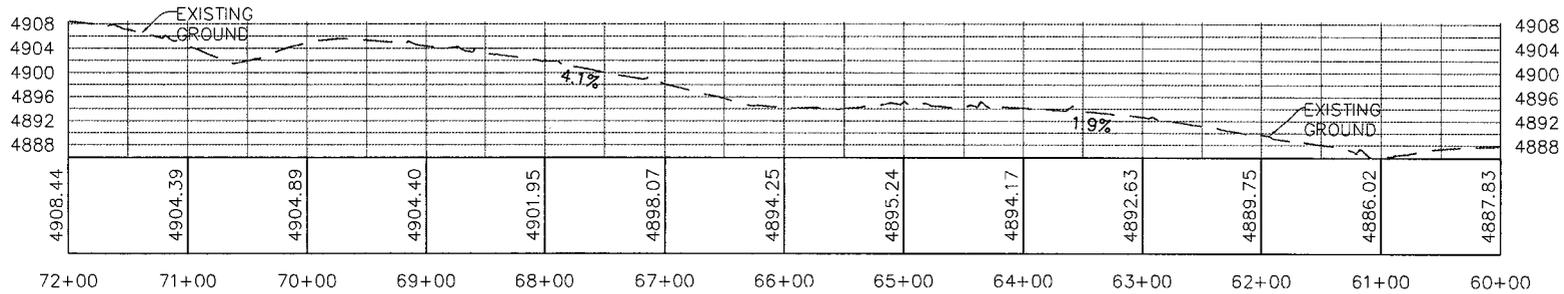
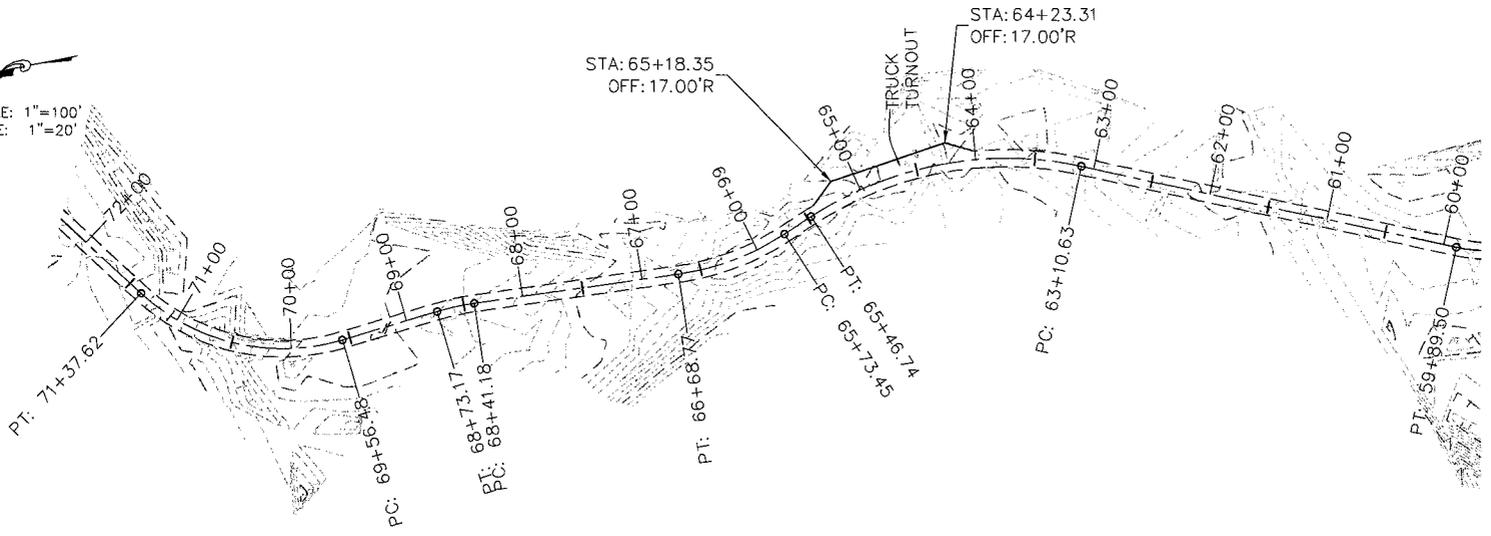


WESTERN LAND SERVICES

Richfield, UT 84701 (435)896-5501

DESIGNED BY: C.HILL	DATE: 8/19/08	SHEET NO: PP5
CHECKED BY: J.ATKIN		

HORZ. SCALE: 1"=100'
 VERT. SCALE: 1"=20'



PROFILE VIEW: 14-31D-2118 (6) SCALE: 10
 STATION RANGE: 12+00.00 DATUM: 4886.97

CONTRACTOR NOTE:

1. CONTRACTOR TO FLAT BLADE EXISTING ROAD. WIDEN AS NECESSARY.

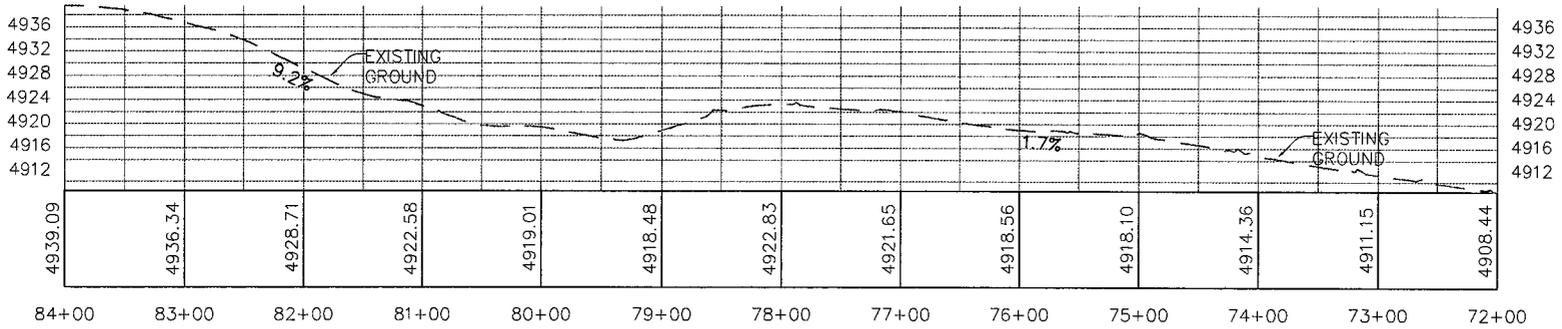
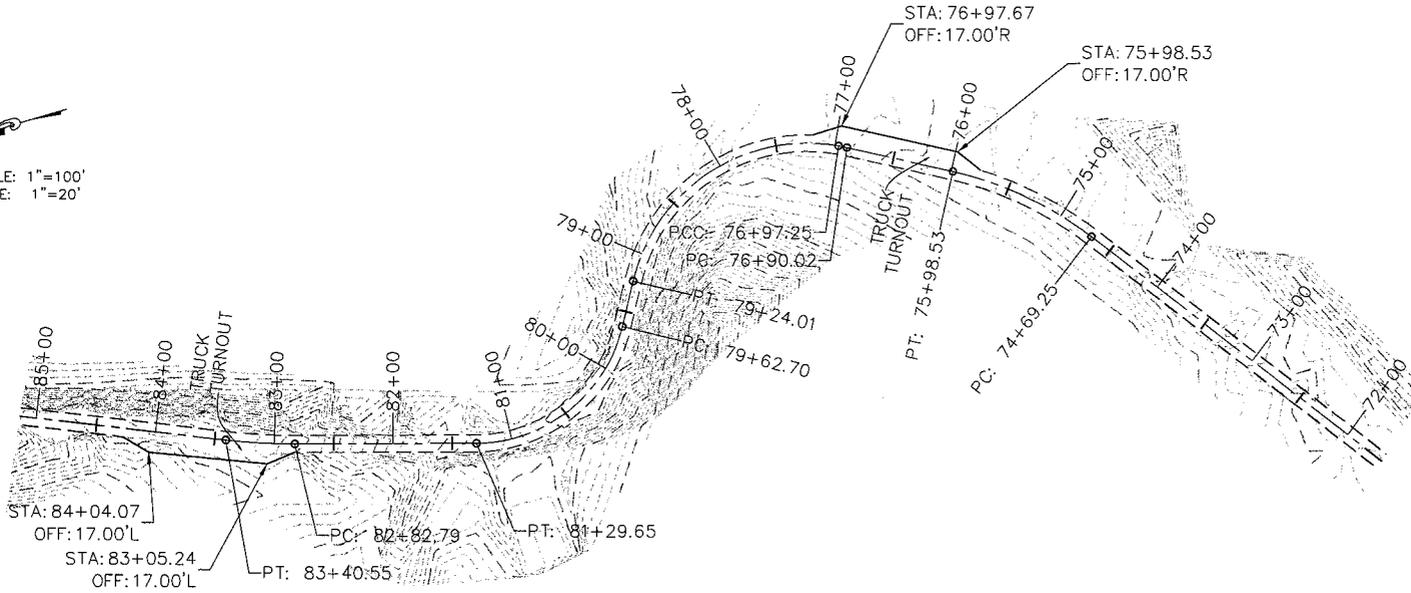
CLIENT: NORTH AMERICAN EXPLORATION
 PROJECT: CRU 14-31D-2118



WESTERN LAND SERVICES
 Richfield, UT 84701 (435)896-5501

DRAWN BY: C.HILL	DATE: 8/19/08	SHEET NO:
CHECKED BY: J. ATKIN		PP6

HORZ. SCALE: 1"=100'
 VERT. SCALE: 1"=20'



PROFILE VIEW: 14-31D-2118 (7) SCALE: 10
 STATION RANGE: 12+00.00 DATUM: 4908.44

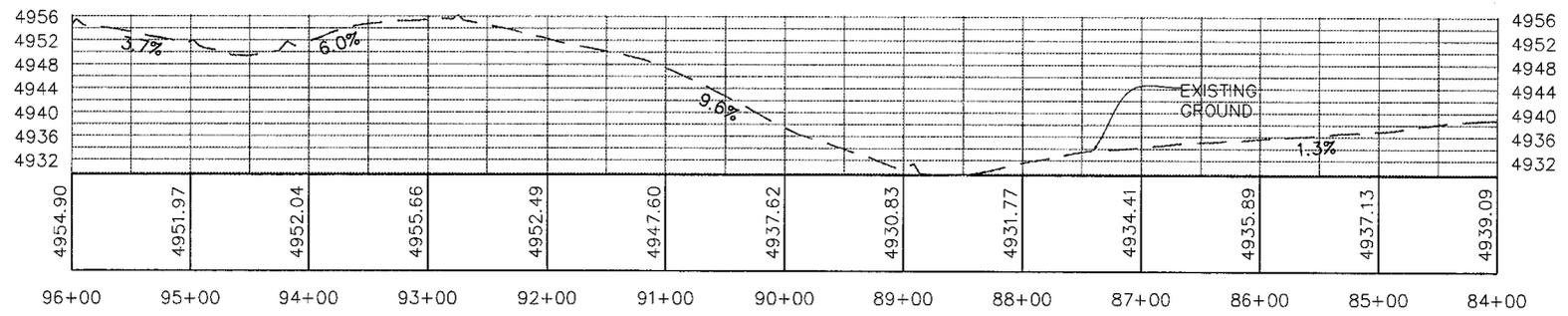
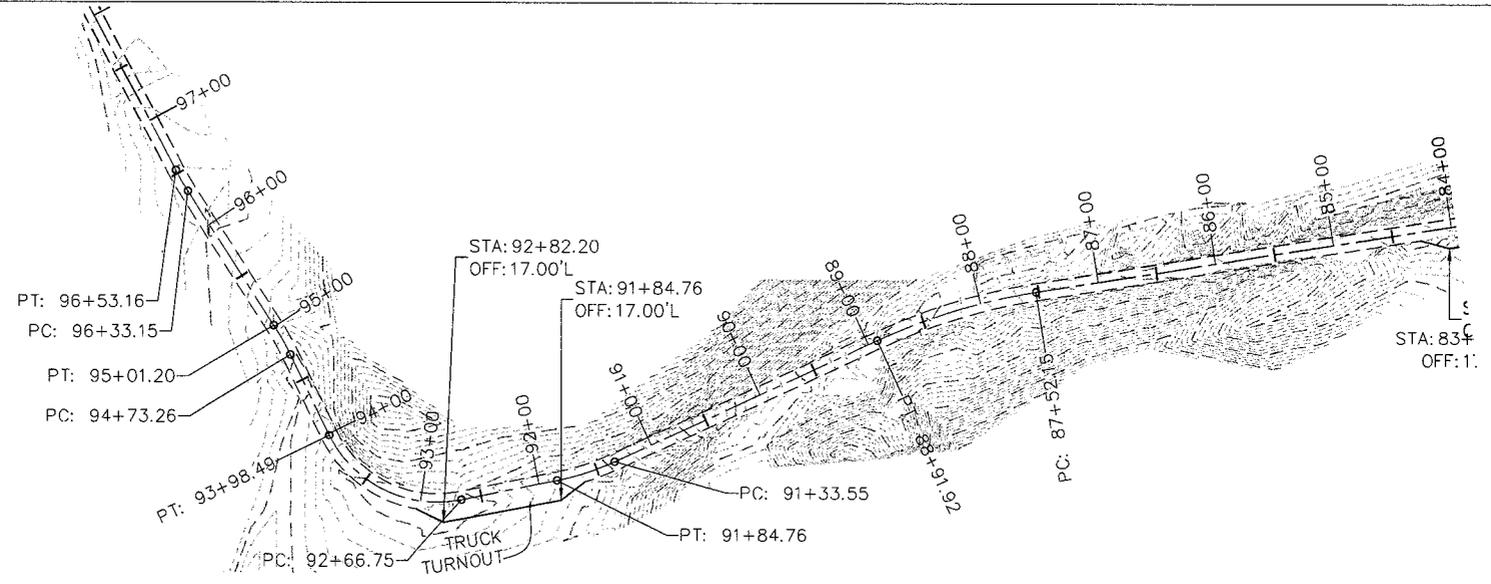
CONTRACTOR NOTE:
 1. CONTRACTOR TO FLAT BLADE EXISTING ROAD. WIDEN AS NECESSARY.

CLIENT: NORTH AMERICAN EXPLORATION
 PROJECT: CRU 14-31D-2118

WESTERN LAND SERVICES
 Richfield, UT 84701 (435)896-5501

DESIGNED BY: C. HILL	DATE: 8/19/08	SHEET NO:
CHECKED BY: J. ATKIN		PP7

HORZ. SCALE: 1"=100'
 VERT. SCALE: 1"=20'



PROFILE VIEW: 14-31D-2118 (8) SCALE: 10
 STATION RANGE: 12+00.00 DATUM: 4929.76

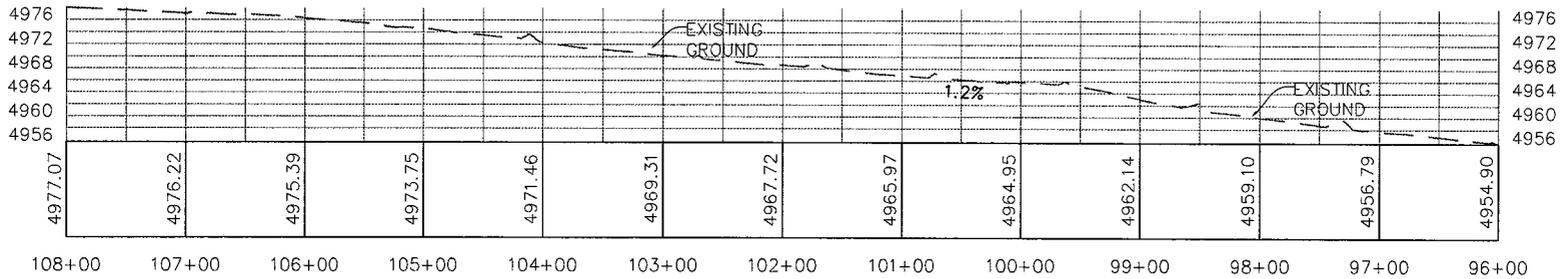
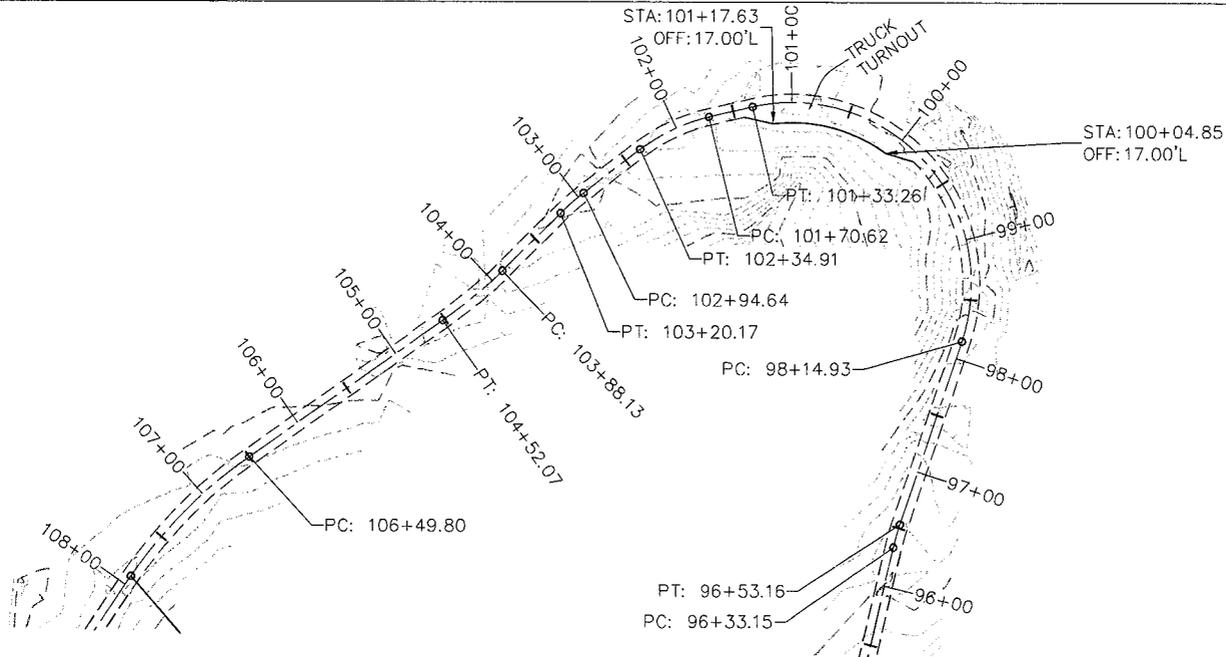
CONTRACTOR NOTE:
 1. CONTRACTOR TO FLAT BLADE EXISTING ROAD. WIDEN AS NECESSARY.

CLIENT: NORTH AMERICAN EXPLORATION
 PROJECT: CRU 14-31D-2118

WESTERN LAND SERVICES
 Richfield, UT 84701 (435)896-5501

DRAWN BY: C. HILL	DATE: 8/19/08	SHEET NO.:
CHECKED BY: J. ATKIN		PP8

HORZ. SCALE: 1"=100'
 VERT. SCALE: 1"=20'



PROFILE VIEW: 14-31D-2118 (9) SCALE: 10
 STATION RANGE: 12+00.00 DATUM: 4954.87

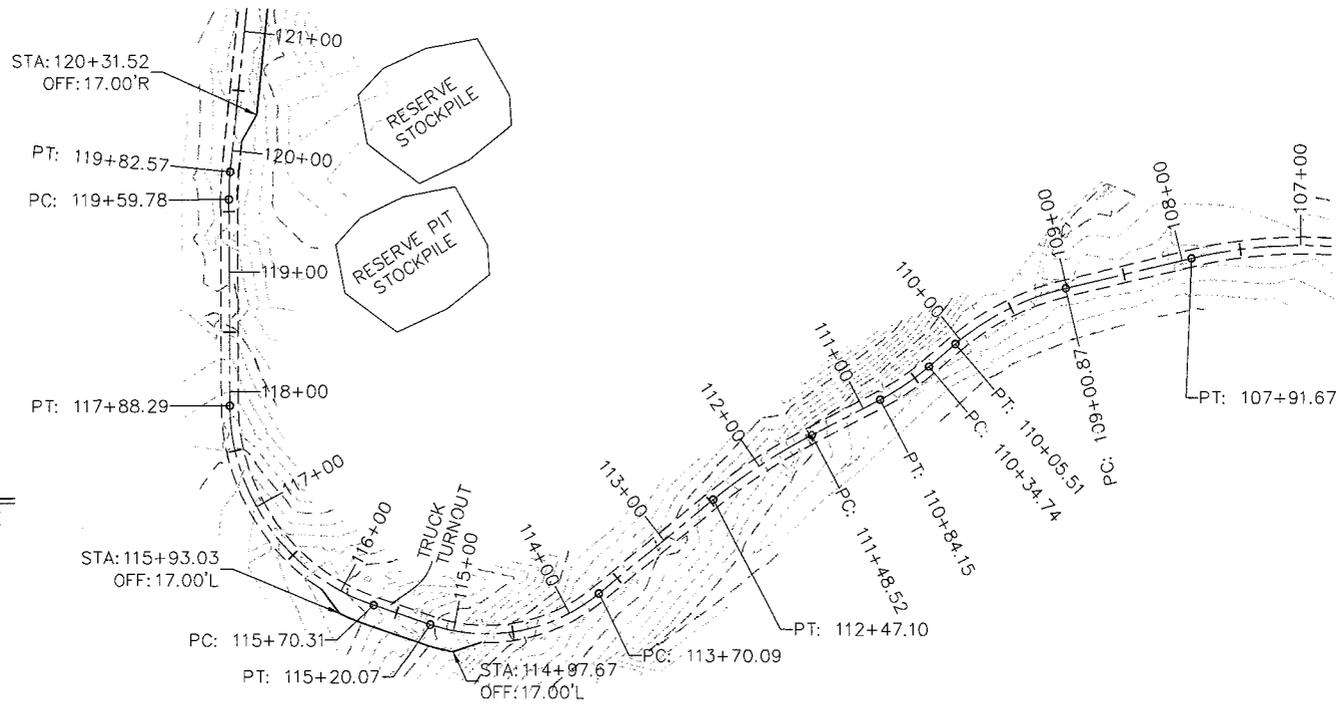
CONTRACTOR NOTE:
 1. CONTRACTOR TO FLAT BLADE EXISTING ROAD. WIDEN AS NECESSARY.

CLIENT: NORTH AMERICAN EXPLORATION
 PROJECT: CRU 14-31D-2118

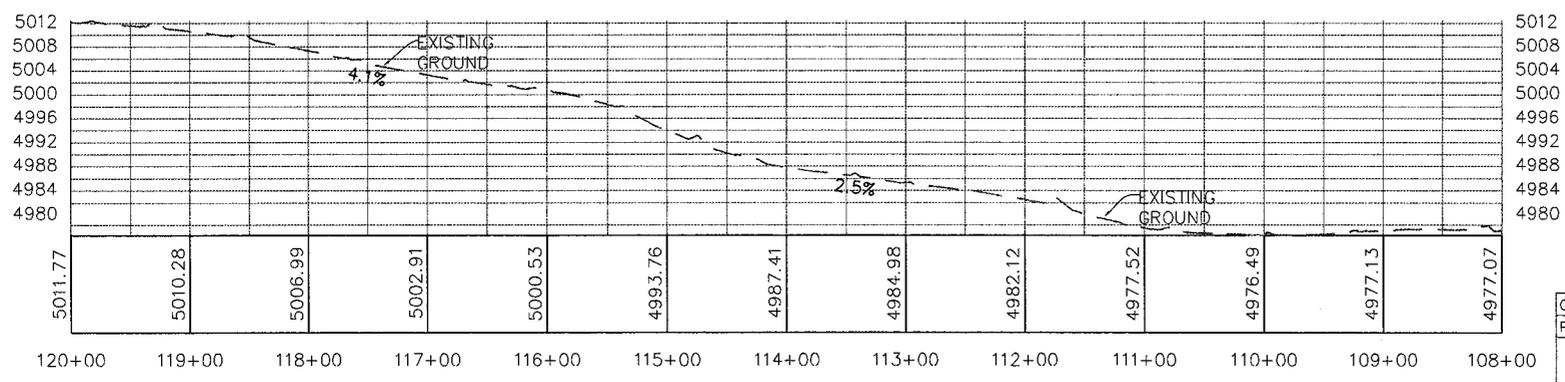


DESIGNED BY: C. HILL	DATE: 8/19/08	SHEET NO.:
CHECKED BY: J. ATKIN		PP9

HORZ. SCALE: 1"=100'
 VERT. SCALE: 1"=20'



CONTRACTOR NOTE:
 1. CONTRACTOR TO FLAT BLADE EXISTING ROAD. WIDEN AS NECESSARY.

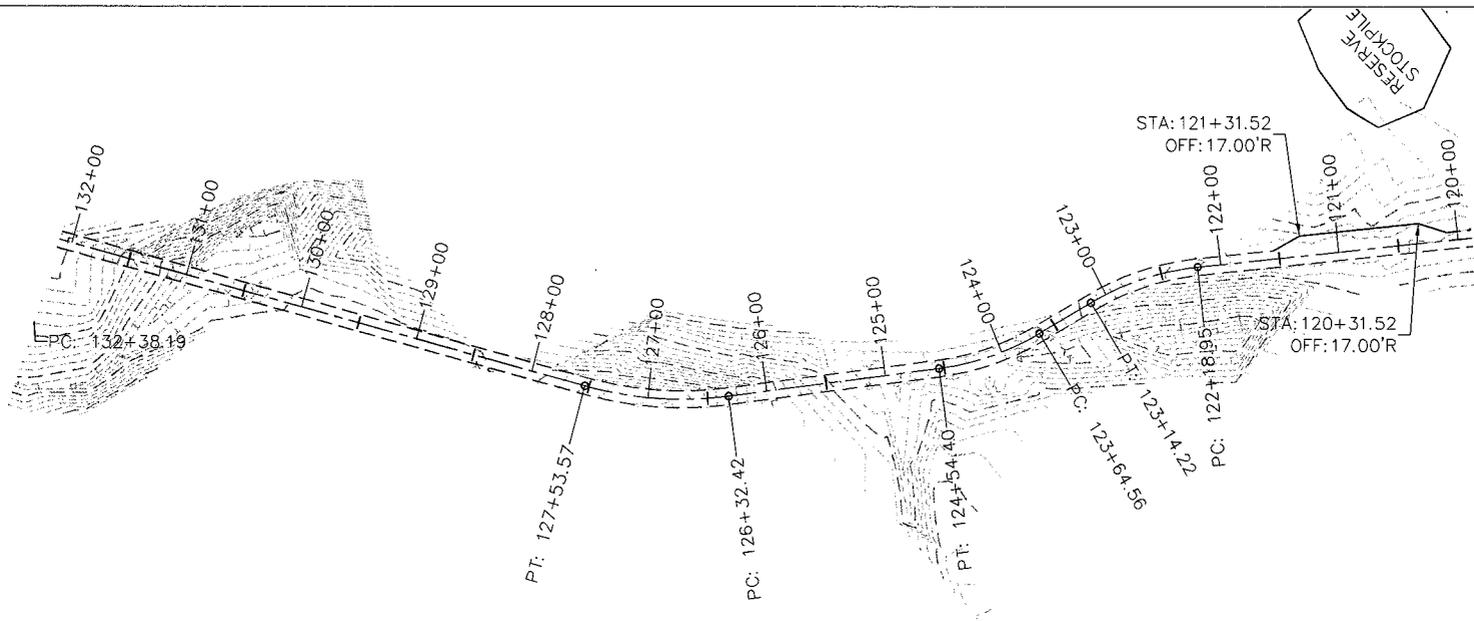


PROFILE VIEW: 14-31D-2118 (10) SCALE: 10
 STATION RANGE: 12+00.00 DATUM: 4976.36

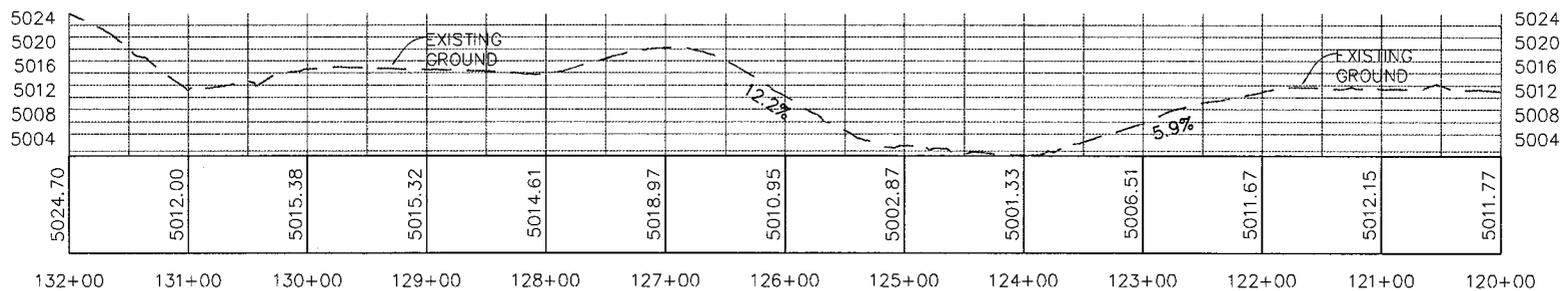
CLIENT: NORTH AMERICAN EXPLORATION
 PROJECT: CRU 14-31D-2118



DRAWN BY: C.HILL DATE: 8/19/08 SHEET NO: PP10
 CHECKED BY: J. ATKIN



HORZ. SCALE: 1"=100'
VERT. SCALE: 1"=20'



PROFILE VIEW: 14-31D-2118 (11) SCALE: 10
STATION RANGE: 12+00.00 DATUM: 5001.20

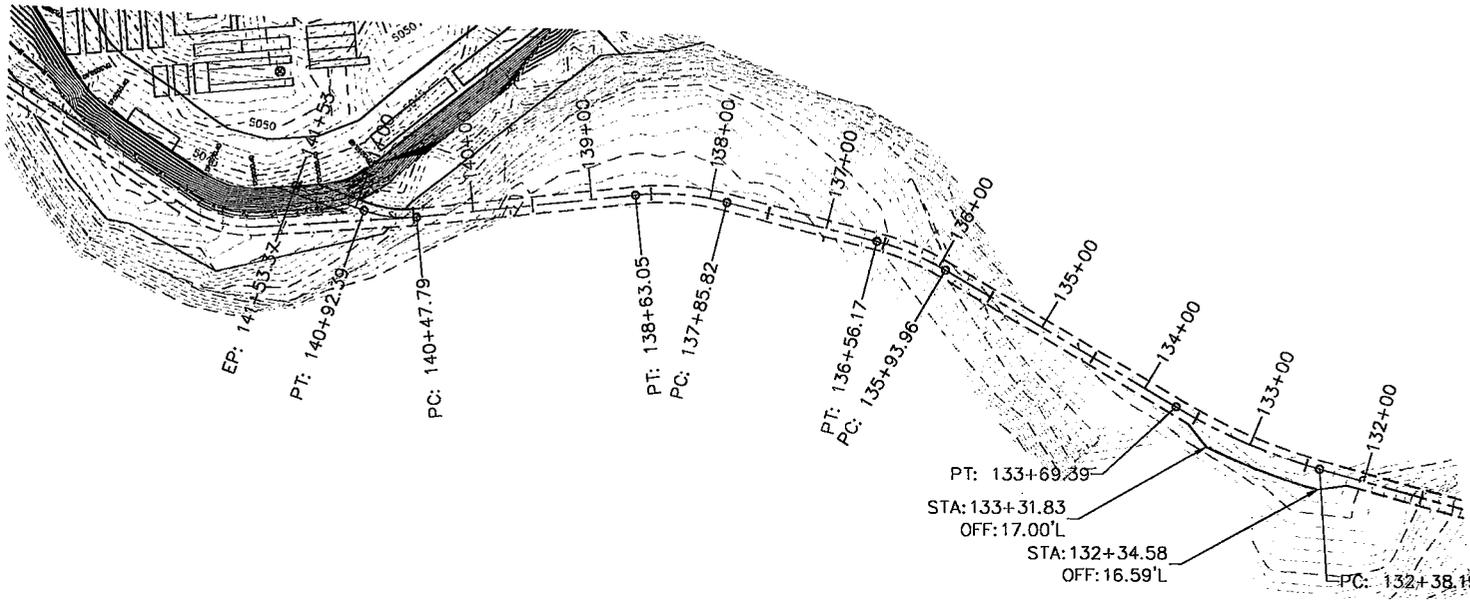
CONTRACTOR NOTE:

1. CONTRACTOR TO FLAT BLADE EXISTING ROAD. WIDEN AS NECESSARY.

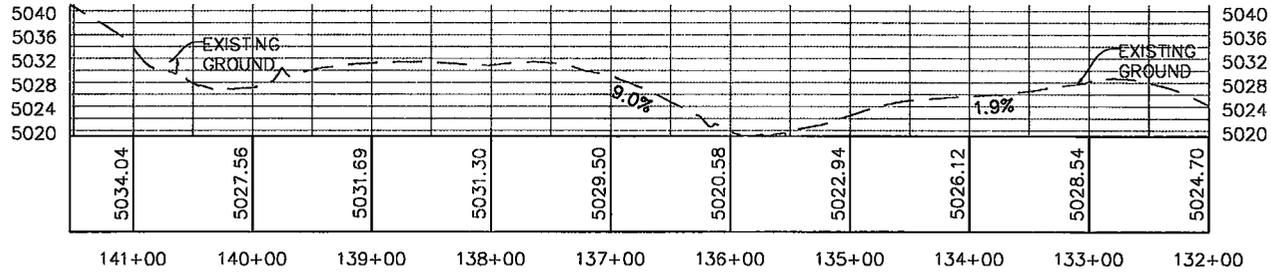
CLIENT: NORTH AMERICAN EXPLORATION
PROJECT: CRU 14-31D-2118



DRAWN BY: C.HILL	DATE: 8/19/08	SHEET NO: PP11
CHECKED BY: J. ATKIN		



HORZ. SCALE: 1"=100'
 VERT. SCALE: 1"=20'



PROFILE VIEW: 14-31D-2118 (12) SCALE: 10
 STATION RANGE: 9+53.37 DATUM: 6019.86

CONTRACTOR NOTE:
 1. CONTRACTOR TO FLAT BLADE EXISTING ROAD. WIDEN AS NECESSARY.

CLIENT: NORTH AMERICAN EXPLORATION
 PROJECT: CRU 14-31D-2118

WESTERN LAND SERVICES
 Richfield, UT 84701 (435)896-5501

DRAWN BY: C. HILL DATE: 8/19/08 SHEET NO:
 CHECKED BY: J. ATKIN **PP12**

**WORKSHEET
APPLICATION FOR PERMIT TO DRILL**

APD RECEIVED: 08/27/2008

API NO. ASSIGNED: 43-019-31598

WELL NAME: CRU 14-31D-2118
 OPERATOR: NAE, LLC (N3440)
 CONTACT: GLEN NEBEKER

PHONE NUMBER: 303-327-7145

PROPOSED LOCATION:
 NWNE 14 210S 180E
 SURFACE: 1202 FNL 1634 FEL
 SESE BOTTOM: 0740 FSL 0670 FEL *Sec. 11*
 COUNTY: GRAND
 LATITUDE: 38.99008 LONGITUDE: -109.8982
 UTM SURF EASTINGS: 595425 NORTHINGS: 4316045
 FIELD NAME: WILDCAT (1)

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

LEASE TYPE: 1 - Federal
 LEASE NUMBER: UTU-077518
 SURFACE OWNER: 1 - Federal

PROPOSED FORMATION: CNCR
 COALBED METHANE WELL? NO

RECEIVED AND/OR REVIEWED:

Plat

Bond: Fed[1] Ind[] Sta[] Fee[]
 (No. UTB000296)

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 *JK*

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

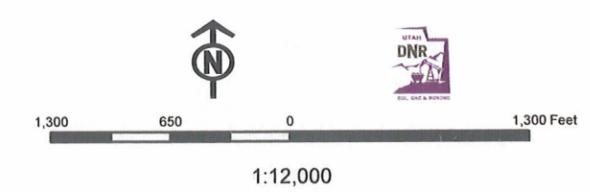
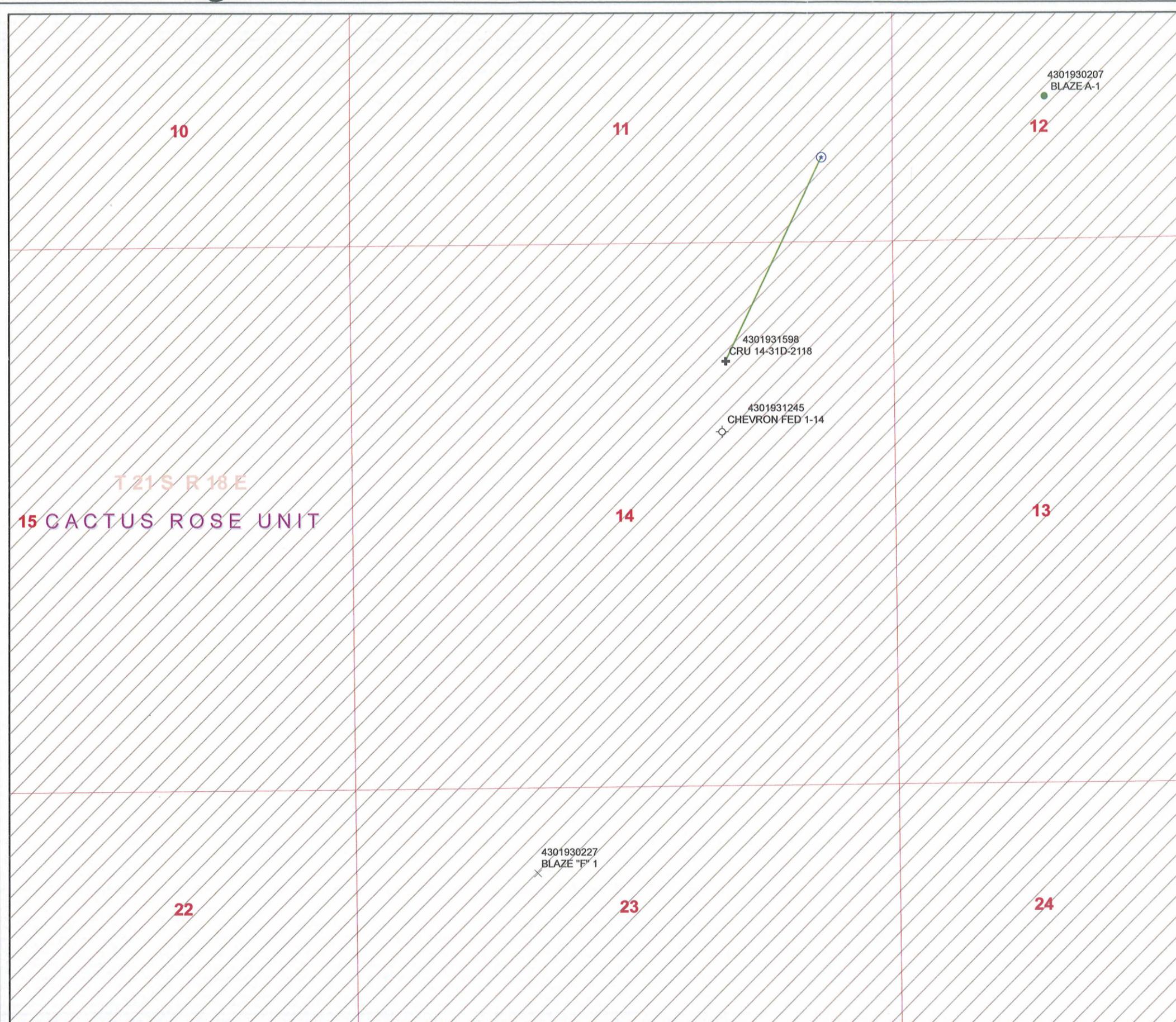
COMMENTS: _____

STIPULATIONS: 1 Federal Permit
2 Spacing Strip

API Number: 4301931598
Well Name: CRU 14-31D-2118
Township 21.0 S Range 18.0 E Section 14
Meridian: SLBM
Operator: NAE, LLC

Map Prepared:
 Map Produced by Diana Mason

- | Units | Wells Query Events |
|--------------|----------------------|
| STATUS | <Null> |
| ACTIVE | APD |
| EXPLORATORY | DRL |
| GAS STORAGE | GI |
| NF PP OIL | GS |
| NF SECONDARY | LA |
| PI OIL | NEW |
| PP GAS | OPS |
| PP GEOTHERM. | PA |
| PP OIL | PGW |
| SECONDARY | POW |
| TERMINATED | RET |
| Fields | SGW |
| STATUS | SOW |
| ACTIVE | TA |
| COMBINED | TW |
| Sections | WD |
| Township | WI |
| | WS |
| | Bottom Hole Location |





JON M. HUNTSMAN, JR.
Governor

GARY R. HERBERT
Lieutenant Governor

State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA
Division Director

September 10, 2008

North American Exploration, LLC
110 16th St., Ste. 1220
Denver, CO 80202

Re: CRU 14-31D-2118 Well, Surface Location 1202' FNL, 1634' FEL, NW NE, Sec. 14,
T. 21 South, R. 18 East, Bottom Location 740' FSL, 670' FEL, SE SE, Sec. 11,
T. 21 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.

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 43-019-31598.

Sincerely,

Gil Hunt
Associate Director

pab
Enclosures

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

Operator: North American Exploration, LLC

Well Name & Number CRU 14-31D-2118

API Number: 43-019-31598

Lease: UTU-77518

Surface Location: NW NE **Sec. 14** **T. 21 South** **R. 18 East**

Bottom Location: SE SE **Sec. 11** **T. 21 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 Dustin Doucet at (801) 538-5281 (801) 733-0983 home

3. Reporting Requirements

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

4. State approval of this well does not supersede the required federal approval, which must be obtained prior to drilling.
5. In accordance with Utah Admin. R.649-3-11, Directional Drilling, the operator shall submit a complete angular deviation and directional survey report to the Division within 30 days following completion of the well.
6. 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.

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)

December 5, 2008

Memorandum

43-019-31598

To: AFM-Resources, Moab Field Office
From: Michael Coulthard, Petroleum Engineer
Subject: 2008 Plan of Development Cactus Rose Unit Grand County,
Utah.

Pursuant to email from Eric Jones, Moab Field Office, the following well will be directionally drilled (not a horizontal completion). The well is planned for calendar year 2008 within the Cactus Rose Unit, Grand County, Utah (this is a modification to our August 29, 2008 memorandum).

WELL NAME	LOCATION
(Proposed PZ Cane Creek)	
CRU 14-31D-2118	SW¼NE¼ Sec 14 T21S R18E
BHL	SE¼SE¼ Sec 11 T21S R18E

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:12-5-08



JON M. HUNTSMAN, JR.
Governor

GARY R. HERBERT
Lieutenant Governor

State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA
Division Director

November 18, 2009

North American Exploration, LLC
110 16th St., Ste. 1220
Denver, CO 80202

Re: APD Rescinded – CRU 14-31D-2118, Sec. 14, T. 21S, R. 18E
Grand County, Utah API No. 43-019-31598

Ladies and Gentlemen:

The Application for Permit to Drill (APD) for the subject well was approved by the Division of Oil, Gas and Mining (Division) on September 10, 2008. No drilling activity at this location has been reported to the division. Therefore, approval to drill the well is hereby rescinded, effective November 18, 2009.

A new APD must be filed with this office for approval prior to the commencement of any future work on the subject location.

If any previously unreported operations have been performed on this well location, it is imperative that you notify the Division immediately.

Sincerely,


Diana Mason
Environmental Scientist

cc: Well File
Bureau of Land Management, Moab

