

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

FORM 3

AMENDED REPORT
(highlight changes)

APPLICATION FOR PERMIT TO DRILL

1A. TYPE OF WORK: DRILL <input checked="" type="checkbox"/> REENTER <input type="checkbox"/> DEEPEN <input type="checkbox"/>		5. MINERAL LEASE NO: ML 48143	6. SURFACE: State
B. TYPE OF WELL: OIL <input type="checkbox"/> GAS <input checked="" type="checkbox"/> OTHER _____ SINGLE ZONE <input type="checkbox"/> MULTIPLE ZONE <input checked="" type="checkbox"/>		7. IF INDIAN, ALLOTTEE OR TRIBE NAME: N/A	
2. NAME OF OPERATOR: Liberty Pioneer Energy Source, Inc.		8. UNIT or CA AGREEMENT NAME: N/A	
3. ADDRESS OF OPERATOR: 1411 East 840 North CITY Orem STATE UT ZIP 84097		PHONE NUMBER: 801-224-4771	9. WELL NAME and NUMBER: State 2-23
4. LOCATION OF WELL (FOOTAGES) AT SURFACE: 1794' FSL and 1906 FWL		10. FIELD AND POOL, OR WILDCAT: Wildcat	
AT PROPOSED PRODUCING ZONE:		11. QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NESW 2 22S 17E S	
14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE: 9.4 miles southeast of Green River, Utah		12. COUNTY: Grand	13. STATE: UTAH
15. DISTANCE TO NEAREST PROPERTY OR LEASE LINE (FEET) 1794'	16. NUMBER OF ACRES IN LEASE: 640	17. NUMBER OF ACRES ASSIGNED TO THIS WELL: 40	
18. DISTANCE TO NEAREST WELL (DRILLING, COMPLETED, OR APPLIED FOR) ON THIS LEASE (FEET) None	19. PROPOSED DEPTH: 10900	20. BOND DESCRIPTION: RLB 0012097	
21. ELEVATIONS (SHOW WHETHER DF, RT, GR, ETC.): 4337.9	22. APPROXIMATE DATE WORK WILL START: November 1, 2008	23. ESTIMATED DURATION: 55 days	

PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	CASING SIZE, GRADE, AND WEIGHT PER FOOT	SETTING DEPTH	CEMENT TYPE, QUANTITY, YIELD, AND SLURRY WEIGHT
17-1/4"	13-3/8" J-55 54.5	1200	see Drilling Plan
12-1/4"	9-5/8" P-110 53.5	7025	see Drilling Plan
8-1/2"	5" N-80 23.20	6700	see Drilling Plan
8-1/2"	5" Q-125 23.20	10900	see Drilling Plan
			Confidential Tight Hole

25. ATTACHMENTS

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

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

NAME (PLEASE PRINT) Daniel R. Gunnell TITLE President & CEO

SIGNATURE [Signature] DATE September 25, 2008

(This space for State use only)

API NUMBER ASSIGNED: 43019-31404

APPROVAL:

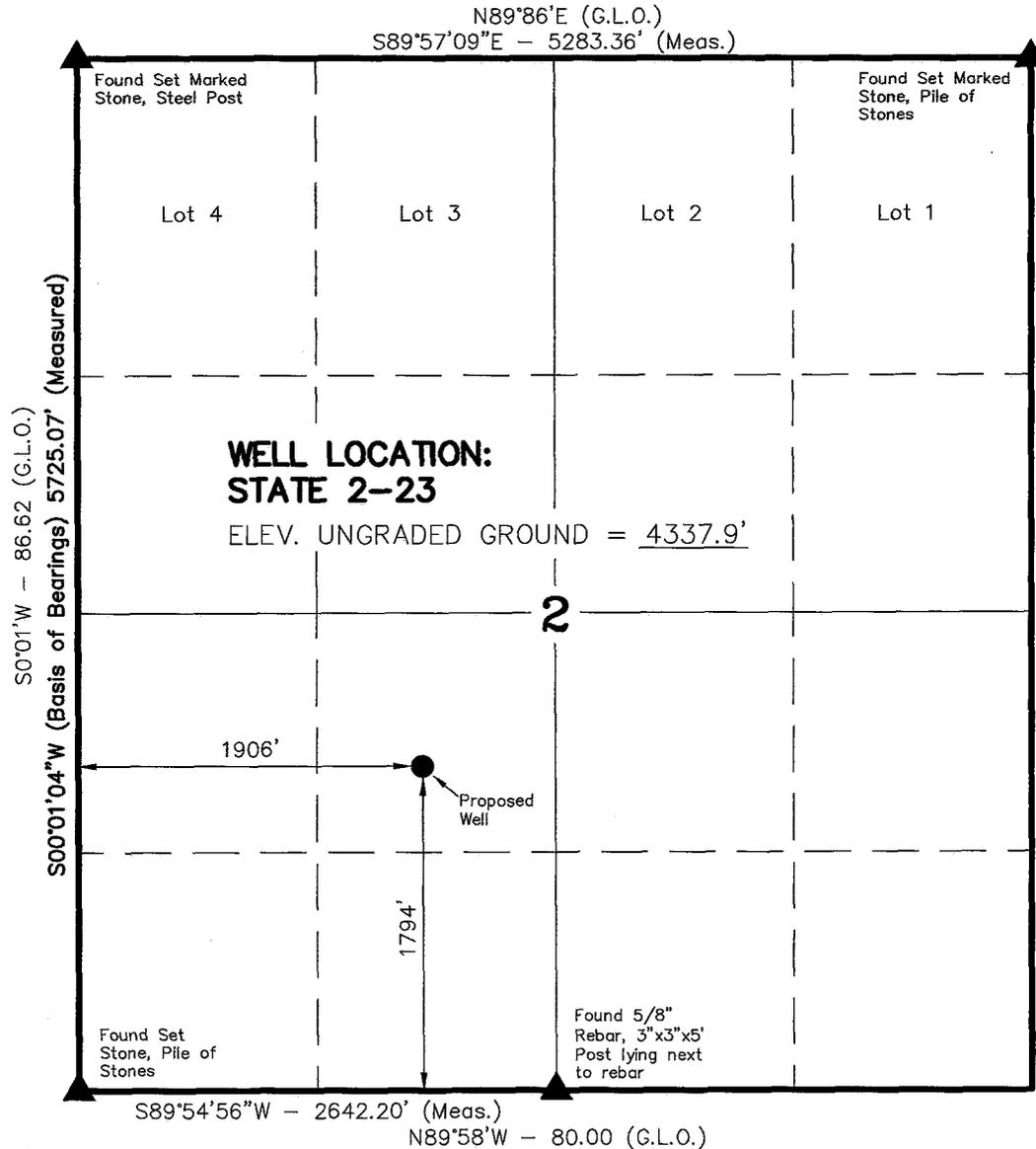
RECEIVED

SEP 25 2008

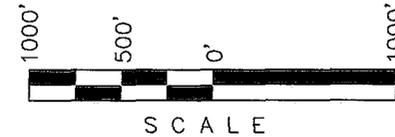
DIV. OF OIL, GAS & MINING

T22S, R17E, S.L.B.&M.

LIBERTY PIONEER ENERGY SOURCE



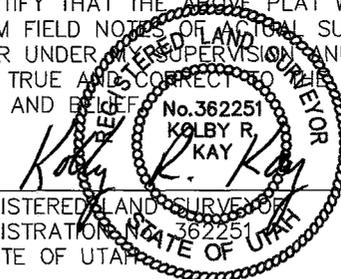
WELL LOCATION, STATE 2-23, LOCATED AS SHOWN IN THE NE 1/4 SW 1/4 OF SECTION 2, T22S, R17E, S.L.B.&M. GRAND COUNTY, UTAH.



NOTES:

1. Well footages are measured at right angles to the Section Lines.
2. G.L.O. distances are shown in feet or chains. 1 chain = 66 feet.
3. Bearings are based on Global Positioning Satellite observations.

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



REGISTERED LAND SURVEYOR
REGISTRATION No. 362251
STATE OF UTAH

▲ = SECTION CORNERS LOCATED

STATE 2-23
(Proposed Well Head)
NAD 83 Autonomous
LATITUDE = 38° 55' 28.62"
LONGITUDE = 110° 00' 57.32"

BASIS OF ELEVATION:
BASIS OF ELEVATION IS A SPOT ELEVATION AT THE NORTHEAST CORNER OF SECTION 2, T22S, R17E, S.L.B.&M. WHICH IS TAKEN FROM THE GREEN RIVER NE 7.5 MIN. QUADRANGLE TO BE 4401'.

TIMBERLINE (435) 789-1111	
ENGINEERING & LAND SURVEYING, INC.	
38 WEST 100 NORTH - VERNAL, UTAH 84078	
DATE SURVEYED: 8-4-08	SURVEYED BY: B.J.S.
DATE DRAWN: 8-19-08	DRAWN BY: J.R.S.
SCALE: 1" = 1000'	Date Last Revised:

CONFIDENTIAL
2
OF 8

STATE ACTIONS
Resource Development Coordinating Committee
Public Lands Policy Coordination Office
5110 State Office Building
SLC, UT 84114
Phone No. 537-9230

1. State Agency Oil, Gas and Mining 1594 West North Temple, Suite 1210 Salt Lake City, UT 84114-5801	2. Approximate date project will start: Upon Approval or November 1, 2008
3. Title of proposed action: Application for Permit to Drill	
4. Description of Project: Liberty Pioneer Energy Source, Inc. proposes to drill the State 2-23 well (wildcat) on State lease ML48143, Grand County, Utah. This action is being presented to the RDCC for consideration of resource issues affecting state interests. The Division of Oil, Gas and Mining is the primary administrative agency in this action and must issue approval before operations commence.	
5. Location and detailed map of land affected (site location map required, electronic GIS map preferred) (include UTM coordinates where possible) (indicate county) 1794' FSL 1906' FWL, NE/4 SW/4, Section 2, Township 22 South, Range 17 East, Grand County, Utah	
6. Possible significant impacts likely to occur: Surface impacts include up to five acres of surface disturbance during the drilling and completion phase (estimated for five weeks duration). If oil and gas in commercial quantities is discovered, the location will be reclaimed back to a net disturbance of between one and two acres – not including road, pipeline, or utility infrastructure. If no oil or gas is discovered, the location will be completely reclaimed.	
7. Identify local government affected a. Has the government been contacted? No. b. When? c. What was the response? d. If no response, how is the local government(s) likely to be impacted?	
8. For acquisitions of land or interests in land by DWR or State Parks please identify state representative and state senator for the project area. Name and phone number of state representative, state senator near project site, if applicable: a. Has the representative and senator been contacted? N/A	
9. Areawide clearinghouse(s) receiving state action: (to be sent out by agency in block 1) Southeastern Utah Association of Government	
10. For further information, contact: Diana Mason Phone: (801) 538-5312	11. Signature and title of authorized officer  Gil Hunt, Associate Director Date: September 30, 2008

CONFIDENTIAL

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

FORM 3

AMENDED REPORT
(highlight changes)

APPLICATION FOR PERMIT TO DRILL

1A. TYPE OF WORK: DRILL <input checked="" type="checkbox"/> REENTER <input type="checkbox"/> DEEPEN <input type="checkbox"/>		5. MINERAL LEASE NO: ML 48143	6. SURFACE: State <input checked="" type="checkbox"/>
B. TYPE OF WELL: OIL <input type="checkbox"/> GAS <input checked="" type="checkbox"/> OTHER _____ SINGLE ZONE <input type="checkbox"/> MULTIPLE ZONE <input checked="" type="checkbox"/>		7. IF INDIAN, ALLOTTEE OR TRIBE NAME: N/A	
2. NAME OF OPERATOR: Liberty Pioneer Energy Source, Inc.		8. UNIT or CA AGREEMENT NAME: N/A	
3. ADDRESS OF OPERATOR: 1411 East 840 North CITY Orem STATE UT ZIP 84097		9. WELL NAME and NUMBER: State 2-23	
4. LOCATION OF WELL (FOOTAGES) AT SURFACE: 1794' FSL and 1906 FWL AT PROPOSED PRODUCING ZONE:		10. FIELD AND POOL, OR WILDCAT: Wildcat	
14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE: 9.4 miles southeast of Green River, Utah		11. QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NESW 2 22S 17E S	
15. DISTANCE TO NEAREST PROPERTY OR LEASE LINE (FEET) 1794'	16. NUMBER OF ACRES IN LEASE: 640	17. NUMBER OF ACRES ASSIGNED TO THIS WELL: 40	
18. DISTANCE TO NEAREST WELL (DRILLING, COMPLETED, OR APPLIED FOR) ON THIS LEASE (FEET) None	19. PROPOSED DEPTH: 10900	20. BOND DESCRIPTION: RLB 0012097	
21. ELEVATIONS (SHOW WHETHER DF, RT, GR, ETC.): 4337.9	22. APPROXIMATE DATE WORK WILL START: November 1, 2008	23. ESTIMATED DURATION: 55 days	

PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	CASING SIZE, GRADE, AND WEIGHT PER FOOT	SETTING DEPTH	CEMENT TYPE, QUANTITY, YIELD, AND SLURRY WEIGHT
17-1/4"	13-3/8" J-55 54.5	1200	see Drilling Plan
12-1/4"	9-5/8" P-110 53.5	7025	see Drilling Plan
8-1/2"	5" N-80 23.20	6700	see Drilling Plan
8-1/2"	5" Q-125 23.20	10900	see Drilling Plan
			Confidential Tight Hole

ATTACHMENTS

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

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

NAME (PLEASE PRINT) Daniel R. Gunnell TITLE President & CEO
SIGNATURE *D. R. Gunnell* DATE September 25, 2008

(This space for State use only)

API NUMBER ASSIGNED: 43019-31404

APPROVAL:

RECEIVED

SEP 25 2008

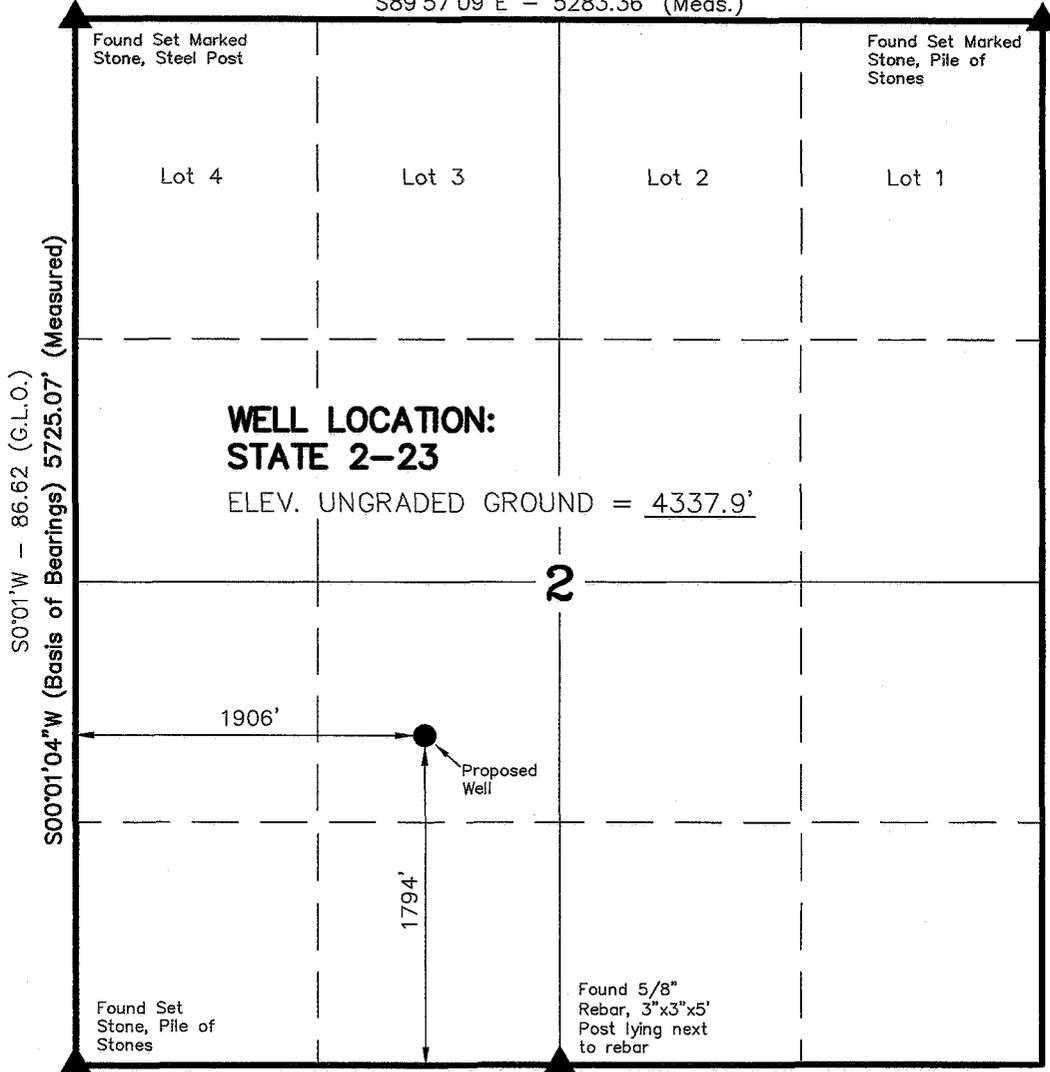
DIV. OF OIL, GAS & MINING

T22S, R17E, S.L.B.&M.

LIBERTY PIONEER ENERGY SOURCE

N89°86'E (G.L.O.)
S89°57'09"E - 5283.36' (Meas.)

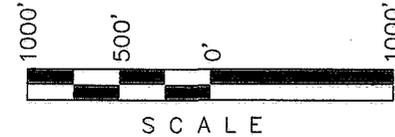
WELL LOCATION, STATE 2-23, LOCATED AS SHOWN IN THE NE 1/4 SW 1/4 OF SECTION 2, T22S, R17E, S.L.B.&M. GRAND COUNTY, UTAH.



**WELL LOCATION:
STATE 2-23**

ELEV. UNGRADED GROUND = 4337.9'

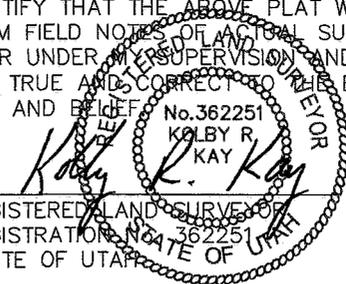
2



NOTES:

1. Well footages are measured at right angles to the Section Lines.
2. G.L.O. distances are shown in feet or chains. 1 chain = 66 feet.
3. Bearings are based on Global Positioning Satellite observations.

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



REGISTERED LAND SURVEYOR
REGISTRATION NO. 362251
STATE OF UTAH

S0°01'W - 86.62 (G.L.O.)
S00°01'04"W (Basis of Bearings) 5725.07' (Measured)

S0°02'E - 86.66 (G.L.O.)

S89°54'56"W - 2642.20' (Meas.)
N89°58'W - 80.00 (G.L.O.)

▲ = SECTION CORNERS LOCATED

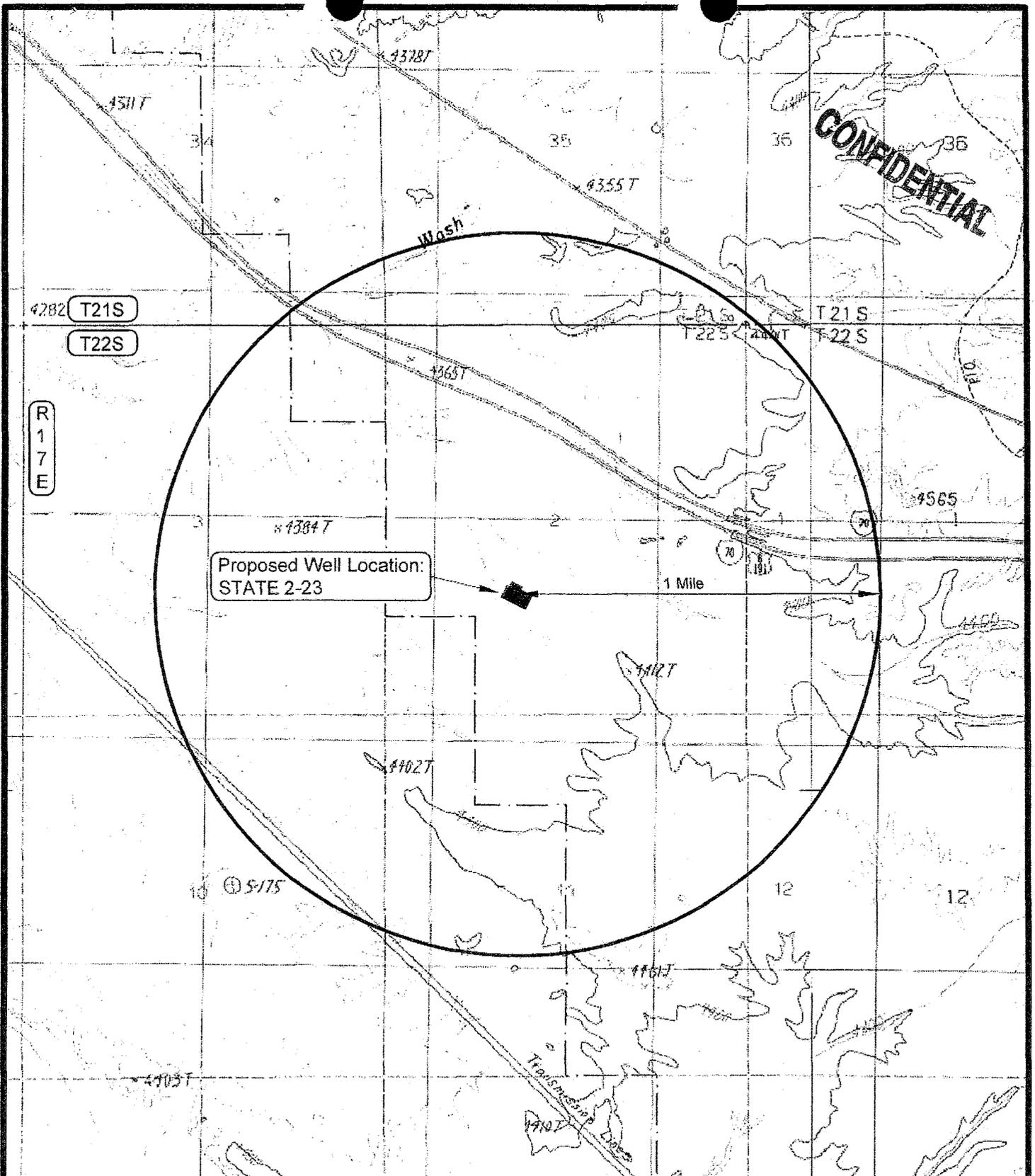
BASIS OF ELEVATION:
BASIS OF ELEVATION IS A SPOT ELEVATION AT THE NORTHEAST CORNER OF SECTION 2, T22S, R17E, S.L.B.&M. WHICH IS TAKEN FROM THE GREEN RIVER NE 7.5 MIN. QUADRANGLE TO BE 4401'.

**STATE 2-23
(Proposed Well Head)
NAD 83 Autonomous
LATITUDE = 38° 55' 28.62"
LONGITUDE = 110° 00' 57.32"**

TIMBERLINE (435) 789-1111
ENGINEERING & LAND SURVEYING, INC.
38 WEST 100 NORTH - VERNAL, UTAH 84078

DATE SURVEYED: 8-4-08	SURVEYED BY: B.J.S.
DATE DRAWN: 8-19-08	DRAWN BY: J.R.S.
SCALE: 1" = 1000'	Date Last Revised:

CONFIDENTIAL
2 OF 8



LEGEND

- ⊗ = DISPOSAL WELL
- = PRODUCING WELL
- = SHUT IN WELL
- = PROPOSED WELL
- ⊗ = WATER WELL
- = ABANDONED WELL
- = TEMPORARILY ABANDONED WELL
- ⊕ = ABANDONED LOCATION

LIBERTY PIONEER ENERGY SOURCE

**STATE 2-23
SECTION 2, T22S, R17E, S.L.B.&M.
1794' FSL & 1906' FWL**

TOPOGRAPHIC MAP "C"

DATE SURVEYED: 08-04-08
DATE DRAWN: 08-18-08

SCALE: 1" = 2000'

DRAWN BY: E.M.S.

REVISED:

Timberline

(435) 789-1365
Engineering & Land Surveying, Inc.
38 WEST 100 NORTH VERNAL, UTAH 84078

SHEET
8
OF 8

From: Robert Clark
To: Mason, Diana
Date: 10/6/2008 9:14 AM
Subject: RDCC short turn-around comments

CC: Anderson, Tad; Mcneill, Dave; Wright, Carolyn
The following comments are submitted in response to RDCC short turn-around items **RDCC #9838-3840**.

RDCC #9838, Comments begin: The Samson Resources Company proposal to drill the State 42-23-2219 wildcat well, in Grand County, may require a permit, known as an Approval Order, from the Executive Secretary of the Air Quality Board. If any compressor or pump stations are constructed at the site, a permit application, known as a Notice of Intent (NOI), should be submitted to the Executive Secretary at the Utah Division of Air Quality at 150 N. 1950 West, Salt Lake City, Utah, 84116 for review according to R307-401: Permit: Notice of Intent and Approval Order, of the Utah Air Quality Rules. A copy of the rules is found at www.rules.utah.gov/publicat/code/r307/r307.htm.

The proposed project, in Grand County, is subject to R307-205-5: Fugitive Dust, of the Utah Air Quality Rules, due to the fugitive dust that is generated during the excavating phases of the project. These rules apply to construction activities that disturb an area greater than 1/4 acre in size. A permit, known as an Approval Order, is not required from the Executive Secretary of the Air Quality Board, but steps need to be taken to minimize fugitive dust, such as watering and/or chemical stabilization, providing vegetative or synthetic cover or windbreaks. A copy of the rules may be found at www.rules.utah.gov/publicat/code/r307/r307.htm.

Comments end.

RDCC #9839, Comments begin: The Liberty Pioneer Energy Source, Inc proposal to drill the State 16-23 wildcat well, in Grand County, may require a permit, known as an Approval Order, from the Executive Secretary of the Air Quality Board. If any compressor or pump stations are constructed at the site, a permit application, known as a Notice of Intent (NOI), should be submitted to the Executive Secretary at the Utah Division of Air Quality at 150 N. 1950 West, Salt Lake City, Utah, 84116 for review according to R307-401: Permit: Notice of Intent and Approval Order, of the Utah Air Quality Rules. A copy of the rules is found at www.rules.utah.gov/publicat/code/r307/r307.htm.

The proposed project, in Grand County, is subject to R307-205-5: Fugitive Dust, of the Utah Air Quality Rules, due to the fugitive dust that is generated during the excavating phases of the project. These rules apply to construction activities that disturb an area greater than 1/4 acre in size. A permit, known as an Approval Order, is not required from the Executive Secretary of the Air Quality Board, but steps need to be taken to minimize fugitive dust, such as watering and/or chemical stabilization, providing vegetative or synthetic cover or windbreaks. A copy of the rules may be found at www.rules.utah.gov/publicat/code/r307/r307.htm.

Comments end.

* **RDCC #9838, Comments begin:** The Liberty Pioneer Energy Source, Inc proposal to drill the State 2-23 wildcat well, in Grand County, may require a permit, known as an Approval Order, from the Executive Secretary of the Air Quality Board. If any compressor or pump stations are constructed at the site, a permit application, known as a Notice of Intent (NOI), should be submitted to the Executive Secretary at the Utah Division of Air Quality at 150 N. 1950 West, Salt Lake City, Utah, 84116 for review according to R307-401: Permit: Notice of Intent and Approval Order, of the Utah Air Quality Rules. A copy of the rules is found at www.rules.utah.gov/publicat/code/r307/r307.htm.

The proposed project, in Grand County, is subject to R307-205-5: Fugitive Dust, of the Utah Air Quality Rules, due to the fugitive dust that is generated during the excavating phases of the project. These rules apply to construction activities that disturb an area greater than 1/4 acre in size. A permit, known as an Approval Order, is not required from the Executive Secretary of the Air Quality Board, but steps need to be taken to minimize fugitive dust, such as watering and/or chemical stabilization, providing vegetative or synthetic cover or windbreaks. A copy of the rules may be found at www.rules.utah.gov/publicat/code/r307/r307.htm.

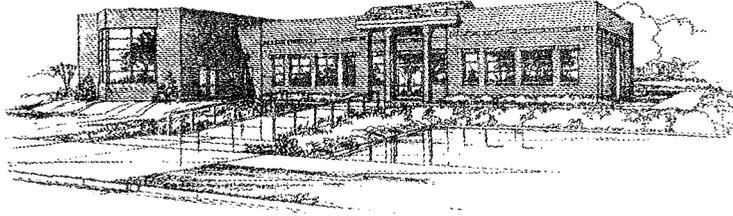
Comments end.

Robert Clark
Division of Air Quality
801/536/4435

SOUTHEASTERN UTAH ASSOCIATION OF LOCAL GOVERNMENTS

DOUG ALLEN
CHAIRMAN

WILLIAM D. HOWELL
EXECUTIVE DIRECTOR



375 SOUTH CARBON AVE.
P.O. DRAWER 1106
PRICE, UTAH 84501
(435) 637-5444
FAX (435) 637-5448

AREA WIDE CLEARINGHOUSE REVIEW

Federal Action _____ State Action _____ Approved (x) Yes () No
Other (indicate) _____

Applicant or State Agency Name/Address:

Oil, Gas & Mining

1594 West North Temple #1210

SLC, UT 84114

Name Diana Mason

Phone 801-538-5312

Title/Project Description: Application for Permit to Drill State Lease ML48143, ML48144

Liberty Pioneer Energy Source, Inc. proposes to drill two wildcat wells on State Lease in Grand Co. at T22S,R17E. One well is in section 2 and the other is section 16. Location is near the Little

RECEIVED

OCT 20 2008

DIV. OF OIL, GAS & MINING

[] No Comment

[] See comment below

Comments: Favorable comment recommended.

Lorraine Bengtson

SEUALG

10/09/08

DATE

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: ML 48143	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: N/A	
B. TYPE OF WELL: OIL <input type="checkbox"/> GAS <input checked="" type="checkbox"/> OTHER _____ SINGLE ZONE <input type="checkbox"/> MULTIPLE ZONE <input checked="" type="checkbox"/>			8. UNIT or CA AGREEMENT NAME: N/A	
2. NAME OF OPERATOR: Liberty Pioneer Energy Source, Inc.			9. WELL NAME and NUMBER: State 2-44	
3. ADDRESS OF OPERATOR: 1411 East 840 North CITY Orem STATE UT ZIP 84097		PHONE NUMBER: (801) 224-4771	10. FIELD AND POOL, OR WILDCAT: Wildcat	
4. LOCATION OF WELL (FOOTAGES) AT SURFACE: 537' FSL & 858' FEL, <i>586138X</i> <i>38.92112p</i> AT PROPOSED PRODUCING ZONE: <i>4308285Y</i> <i>-110.006379</i>			11. QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: SESE 2 22S 17E S	
14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE: 9.8 miles southeast of Green River, Utah			12. COUNTY: Grand	13. STATE: UTAH
15. DISTANCE TO NEAREST PROPERTY OR LEASE LINE (FEET) 537'	16. NUMBER OF ACRES IN LEASE: 640	17. NUMBER OF ACRES ASSIGNED TO THIS WELL: 40		
18. DISTANCE TO NEAREST WELL (DRILLING, COMPLETED, OR APPLIED FOR) ON THIS LEASE (FEET) None	19. PROPOSED DEPTH: 10,900	20. BOND DESCRIPTION: RLB 0012097		
21. ELEVATIONS (SHOW WHETHER DF, RT, GR, ETC.): 4,363.7	22. APPROXIMATE DATE WORK WILL START: 11/17/2008	23. ESTIMATED DURATION: 55 days		

PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	CASING SIZE, GRADE, AND WEIGHT PER FOOT			SETTING DEPTH	CEMENT TYPE, QUANTITY, YIELD, AND SLURRY WEIGHT
17-1/4"	13-3/8"	J-55	54.5	1,200	see Drilling Plan
12-1/4"	9-5/8"	P-110	53.5	7,025	see Drilling Plan
8-1/2"	5"	N-80	23.20	6,700	see Drilling Plan
8-1/2"	5"	Q-125	23.20	10,900	see Drilling Plan
Confidential Tight Hole					

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 type="checkbox"/> FORM 5, IF OPERATOR IS PERSON OR COMPANY OTHER THAN THE LEASE OWNER |

NAME (PLEASE PRINT) Don Hamilton TITLE Agent
SIGNATURE Don Hamilton DATE 11/3/2008

(This space for State use only)

API NUMBER ASSIGNED: 43019-31604

Approved by the
Utah Division of
Oil, Gas and Mining
APPROVAL:

RECEIVED
NOV 04 2008

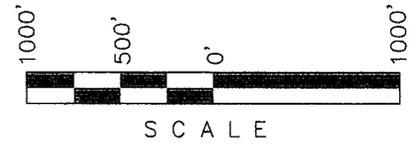
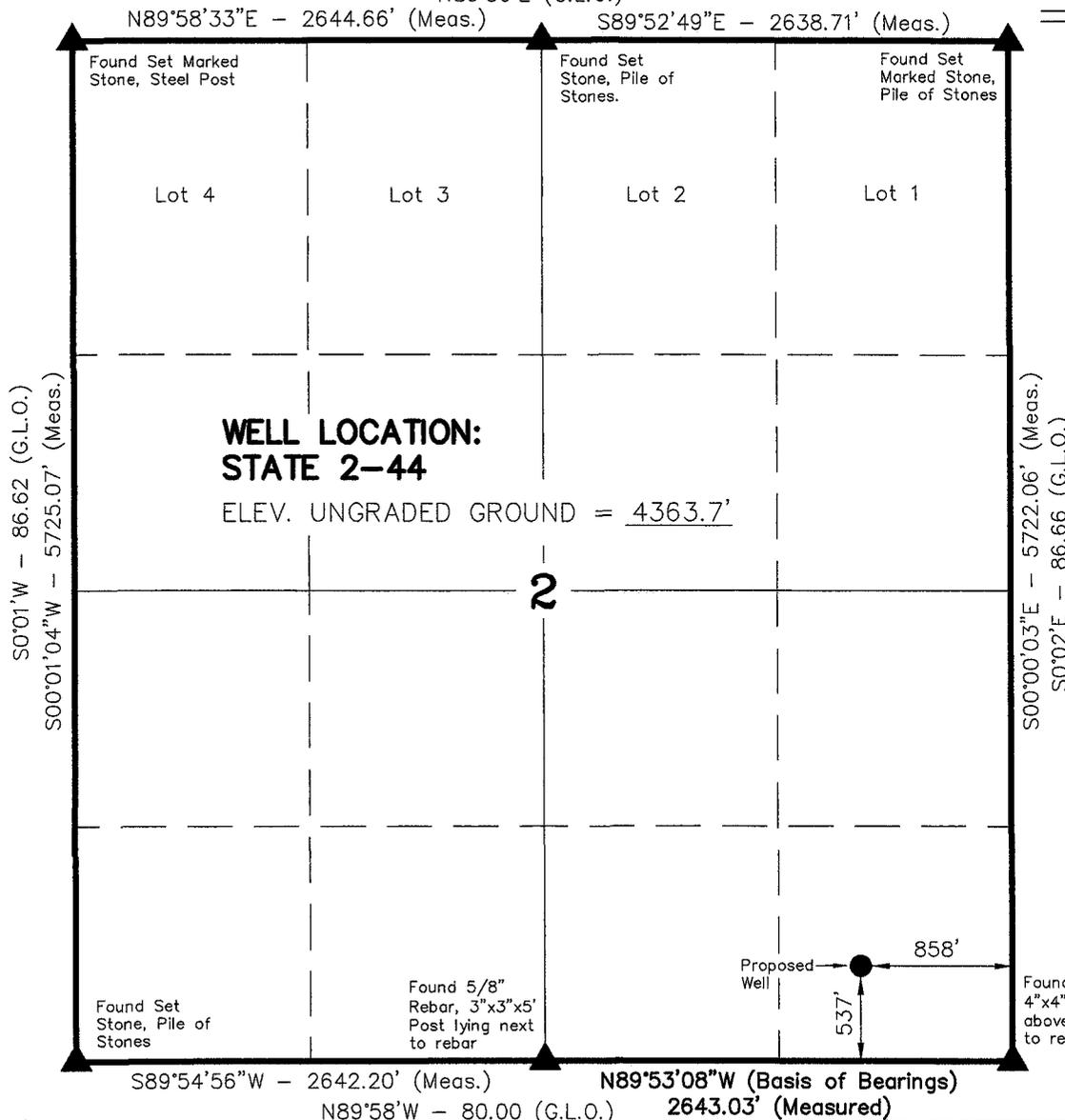
Date: 11-22-08
(See Instructions on Reverse Side)

By: [Signature]

T22S, R17E, S.L.B.&M.

LIBERTY PIONEER ENERGY SOURCE

WELL LOCATION, STATE 2-44, LOCATED AS SHOWN IN THE SE 1/4 SE 1/4 OF SECTION 2, T22S, R17E, S.L.B.&M. GRAND COUNTY, UTAH.



- NOTES:**
1. Well footages are measured at right angles to the Section Lines.
 2. G.L.O. distances are shown in feet or chains. 1 chain = 66 feet.
 3. Bearings are based on Global Positioning Satellite observations.

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

REGISTERED LAND SURVEYOR
 REGISTRATION NO. 362251
 STATE OF UTAH

▲ = SECTION CORNERS LOCATED

BASIS OF ELEVATION:
 BASIS OF ELEVATION IS A SPOT ELEVATION AT THE NORTHEAST CORNER OF SECTION 2, T22S, R17E, S.L.B.&M. WHICH IS TAKEN FROM THE GREEN RIVER NE 7.5 MIN. QUADRANGLE TO BE 4401'.

STATE 2-44
(Proposed Well Head)
NAD 83 Autonomous
 LATITUDE = 38° 55' 16.17"
 LONGITUDE = 110° 00' 25.44"

TIMBERLINE (435) 789-1365
ENGINEERING & LAND SURVEYING, INC.
 38 WEST 100 NORTH - VERNAL, UTAH 84078

DATE SURVEYED: 10-22-08	SURVEYED BY: B.J.S.	SHEET 2 OF 10
DATE DRAWN: 10-24-08	DRAWN BY: M.W.W.	
SCALE: 1" = 1000'	Date Last Revised:	

LIBERTY PIONEER ENERGY SOURCE
STATE 2-44
Section 2, T22S, R17E, S.L.B.&M.

FROM GREEN RIVER, UTAH PROCEED IN A SOUTHEASTERLY THEN SOUTHERLY DIRECTION ALONG MAIN STREET APPROXIMATELY 3.3 MILES TO THE INTERSECTION OF COUNTY ROAD 325. EXIT LEFT AND PROCEED IN AN EASTERLY THEN SOUTHEASTERLY DIRECTION ALONG COUNTY ROAD 325 APPROXIMATELY 2.3 MILES TO THE INTERSECTION OF THE LITTLE VALLEY ROAD (COUNTY ROAD 150). EXIT RIGHT AND PROCEED ALONG THE LITTLE VALLEY ROAD IN A SOUTHWESTERLY DIRECTION APPROXIMATELY 1.9 MILES TO THE PROPOSED ACCESS ROAD FOR STATE 16-23 WELL LOCATION. FOLLOW STATE 16-23 ROAD FLAGS IN A SOUTHERLY THEN SOUTHEASTERLY DIRECTION APPROXIMATELY 4.3 MILES TO THE PROPOSED ACCESS ROAD. FOLLOW ROAD FLAGS IN A NORTHEASTERLY DIRECTION APPROXIMATELY 17,825 FEET TO THE PROPOSED LOCATION.

TOTAL DISTANCE FROM GREEN RIVER, UTAH TO THE PROPOSED WELL LOCATION IS APPROXIMATELY 15.2 MILES IN A SOUTHEASTERLY DIRECTION.

CONFIDENTIAL -TIGHT HOLE

**State 2-44
537' FSL & 858' FEL, SE/4 SE/4,
Section, 2, T22S, R17E, SLB&M
Grand County, Utah**

Copies Sent To:

**2- Utah Division of Oil, Gas & Mining- SLC, UT
1 - Utah Division of Oil, Gas & Mining - Price, UT
1 - Utah State Institutional Trust Lands Administration - SLC, UT**

Application for Permit to Drill
Liberty Pioneer Energy Source, Inc.
State 2-44
537' FSL & 858' FEL, SE/4 SE/4,
Section 2, T22S-R17E
Grand County, Utah

CONFIDENTIAL- TIGHT HOLE

Lease No. ML 48143
DRILLING PROGRAM
Page 2

2. Estimated Depths and Names of Anticipated Water, Oil, Gas or Other Minerals Bearing Formations.

Substance	Formation	Depth
Oil	Shale 1	6985'
Oil	Shale 10	8980'
Oil	Salt 12	9077'
Oil	Shale 18	9809'
Oil	Top Cane Creek Shale	10185'

3. Well Control Equipment & Testing Procedures

Liberty Pioneer Energy Source's minimum specifications for pressure control equipment are as follows:

Ram Type: A 5,000# BOP will be nipped up once the surface casing is set at 1200'. A 10,000 # BOP will be nipped up once intermediate casing is set at +/- 7,025' and used to TD.

Liberty Pioneer Energy Source will comply with all requirements pertaining to well control as listed in the Rule R649-3-7 of the Utah Division of Oil, Gas & Mining.

The size and rating of the BOP stacks are shown on the attached diagram.

4. Casing Program

The proposed casing program will be as follows:

Application for Permit to Drill
 Liberty Pioneer Energy Source, Inc.
State 2-44
 537' FSL & 858' FEL, SE/4 SE/4,
 Section 2, T22S-R17E
 Grand County, Utah

CONFIDENTIAL- TIGHT HOLE

Lease No. ML 48143
DRILLING PROGRAM
 Page 1

1. Estimated Tops/ Geologic Markers

The estimated tops of important geologic markers are as follows:

Formation	T22S R17E, Section 2	
	MD	Subsea
Elevation		4338'
Mancos	Surface	Surface
Chinle	2916'	1422'
Moenkopi	3170'	1168'
Cutler	3666'	672'
Honaker Trail	5600'	-1262'
Paradox	6623'	-2285'
Top Salt #1	6900'	-2562'
Shale 1	6985'	-2647'
Intermediate Casing Point	7025'	-2687'
Shale 3	7386'	-3048'
Salt 4	7450'	-3112'
Shale 4	7736'	-3398'
Shale 10	8980'	-4642'
Salt 12	9077'	-4739'
Shale 12	9136'	-4798'
Salt 13	9152'	-4814'
Shale 14	9259'	-4921'
Salt 15	9295'	-4957'
Shale 18	9809'	-5471'
Salt 20	9841'	-5503'
Shale 20	10030'	-5692'
Salt 21	10040'	-5702'
Top Cane Creek Shale	10185'	-5847'
Cane Creek Shale B	10209'	-5871'
Base Cane Creek Shale	10260'	-5922'
Salt 23	10261'	-5923'
TD	10900'	-6562'

Application for Permit to Drill
 Liberty Pioneer Energy Source, Inc.
 State 2-44
 537' FSL & 858' FEL, SE/4 SE/4,
 Section 2, T22S-R17E
 Grand County, Utah

CONFIDENTIAL- TIGHT HOLE

Lease No. ML 48143
DRILLING PROGRAM
 Page 3

Purpose	Depth	Hole Size	O.D.	Weight	Grade	Type	New/ Used
Surface	0'- 1,200'	17-1/2"	13-3/8"	54.5#	J-55	STC	New
Intermediate	0'- 7,025'	12-1/4"	9-5/8"	53.50#	P-110	LTC	New
Production	0'- 6,700'	8-1/2"	5"	23.20#	N-80	LTC	New
Production	6,700'- 10,900'	8-1/2"	5"	23.20#	Q-125	LTC	New

Casing design subject to revision based on geologic conditions encountered and casing availability.

5. Cement Program

Surface	Type and Amount
TOC @ Surface	Lead: 160 sx 11.0 ppg SJPRBII cement plus additives, 3.48 cu ft/sk. Tail: 177 sx 13.5 ppg SJPRBII cement plus additives, 1.80 cu ft/sk.
Intermediate	Type and Amount
TOC @ 3525'	Lead: 290 sx Halliburton Lite Premium plus additives, 12.5 ppg, 2.157 cu ft/sk. Tail: 410 sx Class G plus additives, 15.8 ppg, 1.234 cu ft/sk.
Production	Type and Amount
TOC @ 6225	838 sx Class G plus additives, 18.1 ppg, 1.45 cu ft/sk. (cement to be at least 0.5 ppg heavier than the mud weight.)

6. Drilling Fluids

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

Interval	Mud Type	Mud Wt.	Visc.	F/L
0'- 1,200'	Air/Mist/Mud	n/a	n/a	n/a
1,200'-7,025'	Air/Mist/Mud	8.7 ppg	n/a	n/a
7,025'- 10,900'	OBM (Invert)	15.0-17.5	90-100	6cc

Application for Permit to Drill
Liberty Pioneer Energy Source, Inc.
State 2-44
537' FSL & 858' FEL, SE/4 SE/4,
Section 2, T22S-R17E
Grand County, Utah

CONFIDENTIAL- TIGHT HOLE

Lease No. ML 48143
DRILLING PROGRAM
Page 4

7. Testing, Logging and Coring

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

- a. No drill stem tests are anticipated.
- b. The Logging program will consist of the following:

Run 1: GR-SP-DIL-SFL-ML, GR-CALI-FDC/CNL, Sonic (BHC), and Mud Log to be run from Surface Casing to +/- 7,025' (Intermediate Casing Depth).

Run 2: GR-SP-DIL-SFL-ML, GR-CALI-FDC/CNL, Sonic (Dipole), Borehole Imager (CBIL), and Mud Log to be run from +/- 7,025' to TD.

- c. No cores are anticipated.

8. Anticipated Pressures and H₂S

- a. Over pressure may occur in the shales within the Paradox Formation Salts but will be controlled with mud weight and BOP systems. Normal temperatures are expected in the objective formation and will be controlled with heavy mud. A maximum bottom hole pressure of 9,500 psi is expected. A maximum bottom hole temperature of 160 degrees Fahrenheit is anticipated. Sour gas (H₂S) is not anticipated.

9. Water Source

- a. The water source has been addressed as number 5 within the following surface use plan.

10. Other Information

- a. Drilling is planned to commence immediately upon approval of this application.

Application for Permit to Drill
Liberty Pioneer Energy Source, Inc.
State 2-44
537' FSL & 858' FEL, SE/4 SE/4,
Section 2, T22S-R17E
Grand County, Utah

CONFIDENTIAL- TIGHT HOLE

Lease No. ML 48143
DRILLING PROGRAM
Page 5

- b. It is anticipated that the drilling of this well will take approximately 55 days.
- c. Lining of the reserve pit will be done if deemed necessary by the Utah Division of Oil, Gas and Minerals.
- d. At the end of drilling operations the location will be reclaimed and re-seeded as requested by the surface owner.

Surface Owner

State of Utah under the management of the SITLA

SURFACE USE PLAN

Attachment for Permit to Drill

Name of Operator: Liberty Pioneer Energy Source, Inc.
Address: 1411 East 840 North
Orem, Utah 84097
Well Location: State 2-44
537' FSL & 858' FEL, SE/4 SE/4,
Section 2, T22S, R17E
Grand County, UT

The dirt contractor will be provided with an approved copy of this document prior to initiating construction. The well site is located on SITLA surface and SITLA mineral. An off-lease SITLA easement and an off-lease federal right-of-way are necessary for the new segment of road. A State permit, a SITLA easement, a federal right-of-way grant and a Grand County Road encroachment must be in place prior to initiating any construction activities.

1. Existing Roads

- a. Proposed access will utilize the existing gravel-surfaced Little Valley Road (CR 150) maintained by Grand County from I-70 (East Green River Exit) (See Exhibit "B").
- b. The existing Little Valley Road (CR 150) road will not be upgraded but will be maintained consistent with Grand County specifications and include improving drainage structures, gravelling and dust suppression, if necessary.
- c. A Grand County road encroachment application has been submitted and is pending approval at this time to upgrade the existing approach from the Little Valley Road.
- d. We do not plan to change, alter or improve upon any other existing state or county roads.
- e. All existing roads will be maintained and kept in good repair during all phases of operation.
- f. Vehicle operators will obey posted speed restrictions and observe safe speeds commensurate with road and weather conditions.
- g. Since no improvements are anticipated to any State, County, or BLM access roads no topsoil striping will occur.

2. Planned Access Roads

- a. From the existing gravel-surfaced Little Valley Road (CR 150) an access is proposed trending southeast approximately 4.3 miles to a proposed intersection within Section 16, T22S, R17E then northeast 17,825' (3.38 miles) to the proposed well site. The access consists of existing two track and new disturbance and crosses no significant drainages.
- b. The road crosses SITLA surface for 7,340' (1.39 miles) and federal surface for 10,485' (1.99 miles).
- c. A road design plan is not anticipated at this time.
- d. The proposed access road will consist of a 24' travel surface within a 30' disturbed area across state and federal surface.
- e. DOGM approval to construct and utilize the proposed access road is requested with this application.
- f. A maximum grade of 10% will be maintained throughout the project with no major cuts and fills anticipated.
- g. No turnouts are proposed since adequate site distance exists in all directions.
- h. Numerous low water crossings and two 18" culverts are anticipated. Adequate drainage structures will be incorporated into the remainder of the road.
- i. No surfacing material will come from federal or state lands.
- j. No gates or cattle guards are anticipated at this time.
- k. Surface disturbance and vehicular travel will be limited to the approved location access road.
- l. The operator will be responsible for all maintenance of the access road including drainage structures.
- h. A SITLA easement and a federal right-of-way are necessary for construction and use of the proposed roads. The applications have been submitted and are pending approval at this time.

3. Location of Existing Wells

- a. See Exhibit "B". There are no proposed and no existing wells within a one mile radius of the proposed location.

4. Location of Existing and/or Proposed Facilities

- a. If the well is deemed productive a sundry notice reflecting the production site layout

will be submitted for approval.

- b. Rehabilitation of all pad areas not used for production facilities will be made in accordance with SITLA stipulations.

5. Location and Type of Water Supply

- a. The water supply for construction, drilling and operations will be provided under water right number 91-5140 which will be diverted from the Green River at the Sillman diversion by water truck through a direct water purchase.
- b. No water pipelines will be laid for this well.
- c. No water well will be drilled for this well.
- d. Drilling water for this will be hauled on the road(s) shown in Exhibit B.
- e. Should additional water sources be pursued they will be properly permitted through the State of Utah – Division of Water Rights.

6. Source of Construction Materials

- a. Any necessary construction materials needed will be obtained locally from a private source and hauled to the location on existing roads.

7. Methods for handling waste disposal

- a. A small reserve pit will be constructed with a minimum of one-half the total depth below the original ground surface on the lowest point within the pit. The pit will be lined with a synthetic liner. Three sides of the reserve pit will be fenced within 24 hours after completion of construction and the fourth side within 24 hours after drilling operations cease with four strands of barbed wire, or woven wire topped with barbed wire to a height of not less than four feet. The fence will be kept in good repair while the pit is drying.
- b. Following drilling, the liquid waste will be evaporated from the pit and the pit backfilled and returned to natural grade. No liquid hydrocarbons will be discharged to the reserve pit or location.
- c. In the event fluids are produced, any oil will be retained in tanks until sold and any water produced will be retained until its quality can be determined. The quality and quantity of the water will determine the method of disposal.
- d. Trash will be contained in a portable metal container and will be hauled from location periodically and disposed of at an approved disposal site. Chemical toilets will be placed on location and sewage will be disposed of at an appropriate disposal site.

8. Ancillary Facilities

- a. We anticipate no need for ancillary facilities with the exception of trailers to be located on the drill site.

9. Well-site Layout

- a. Available topsoil will be removed from the location and stockpiled. The location of the rig, reserve and pits, and drilling support equipment will be located as shown on Exhibit "A", Figure 1 (Location Layout).
- b. A blooie pit will be located 100' from the drill hole. A line will be placed on the surface from the center hole to the blooie pit. The blooie pit will not be lined, but will be fenced on four sides to protect livestock/wildlife.
- c. Access to the well pad will be as shown on the location layout.
- d. Natural runoff will be diverted around the well pad as shown on the location layout.

10. Plans for Restoration of Surface

- a. All surface areas not required for producing operations will be graded to as near original condition as possible and contoured to maintain possible erosion to a minimum.
- b. Available topsoil will be stockpiled and will be evenly distributed over the disturbed areas and the area will be reseeded as prescribed by the landowner.
- c. Pits and any other area that would present a hazard to wildlife or livestock will be fenced off when the rig is released and removed.
- d. Any oil accumulation on the pit will be removed or overhead flagged as dictated by then existing conditions.
- e. Rehabilitation will commence following completion of the well. Holes will be filled immediately upon release of the drilling rig from the location. If the well-site is to be abandoned, all disturbed areas will be recontoured to the natural contour as is possible.

11. Surface Ownership

- a. Surface Ownership – State of Utah – under the management of the SITLA -State Office, 675 East 500 South, Suite 500, Salt Lake, City, Utah 84102-2818; 801-538-5100.
- b. Mineral Ownership – State of Utah – under the management of the SITLA -State Office, 675 East 500 South, Suite 500, Salt Lake, City, Utah 84102-2818; 801-538-5100.

- c. The proposed access road crosses federal lands under the management of the BLM Moab Field Office – 82 East Dogwood, Moab, Utah 84532, 435-259-2128
- d. The operator shall contact the surface representatives and the Division of Oil, Gas and Mining 48 hours prior to beginning construction activities.

12. Other Information:

- a. The primary surface use is wildlife habitat and grazing. The nearest dwelling is located in Green River City over eight miles northwest of the proposed location. The nearest live water is the Green River approximately 6.84 miles west.
- b. If there is snow on the ground when construction begins, it will be removed before the soil is disturbed, and piled downhill from the topsoil stockpile location.
- c. The back-slope and fore-slope will be constructed no steeper than 3:1.
- d. All equipment and vehicles will be confined to the access road and well pad.
- e. A complete copy of the approved Application for Permit to Drill (APD) including conditions and stipulations and the surface use agreement shall be on the well-site during construction and drilling operations.
- f. Buys & Associates, Inc. has conducted a Class III archeological survey but it will be revised for the new location and additional segment of access road. A copy of the report will be submitted under separate cover to the appropriate agencies by Buys & Associates, Inc.
- g. Alden Hamblin has conducted a paleontological survey but it will be revised for the new location and additional segment of access road. A copy of the report will be submitted under separate cover to the appropriate agencies by Alden Hamblin.

There will be no deviation from the proposed drilling and/or workover program without prior approval from the Division of Oil, Gas & Mining.

13. **Company Representative**

Daniel R. Gunnell - President and CEO
Liberty Pioneer Energy Source, Inc.
1411 East 840 North
Orem, Utah 84097
801-224-4771 (office)
DGunnell@LibertyPioneer.com

Company Agent

Don Hamilton
Buys & Associates, Inc
2580 Creekview Road,
Moab, Utah 84532
435-718-2018
starpoint@etv.net

14. **Certification**

I hereby certify that I, or persons under my direct supervision have inspected the proposed drill site and access route; that I am familiar with the conditions which presently exist; that the statements made in this plan are, to the best of my knowledge, true and correct, and that the work associated with the operations proposed herein will be performed by Liberty Pioneer Energy Source, Inc. and its subcontractors in conformity with this plan and the terms and conditions under which it is approved.

11-3-08
Date

Don Hamilton
Don Hamilton
Agent

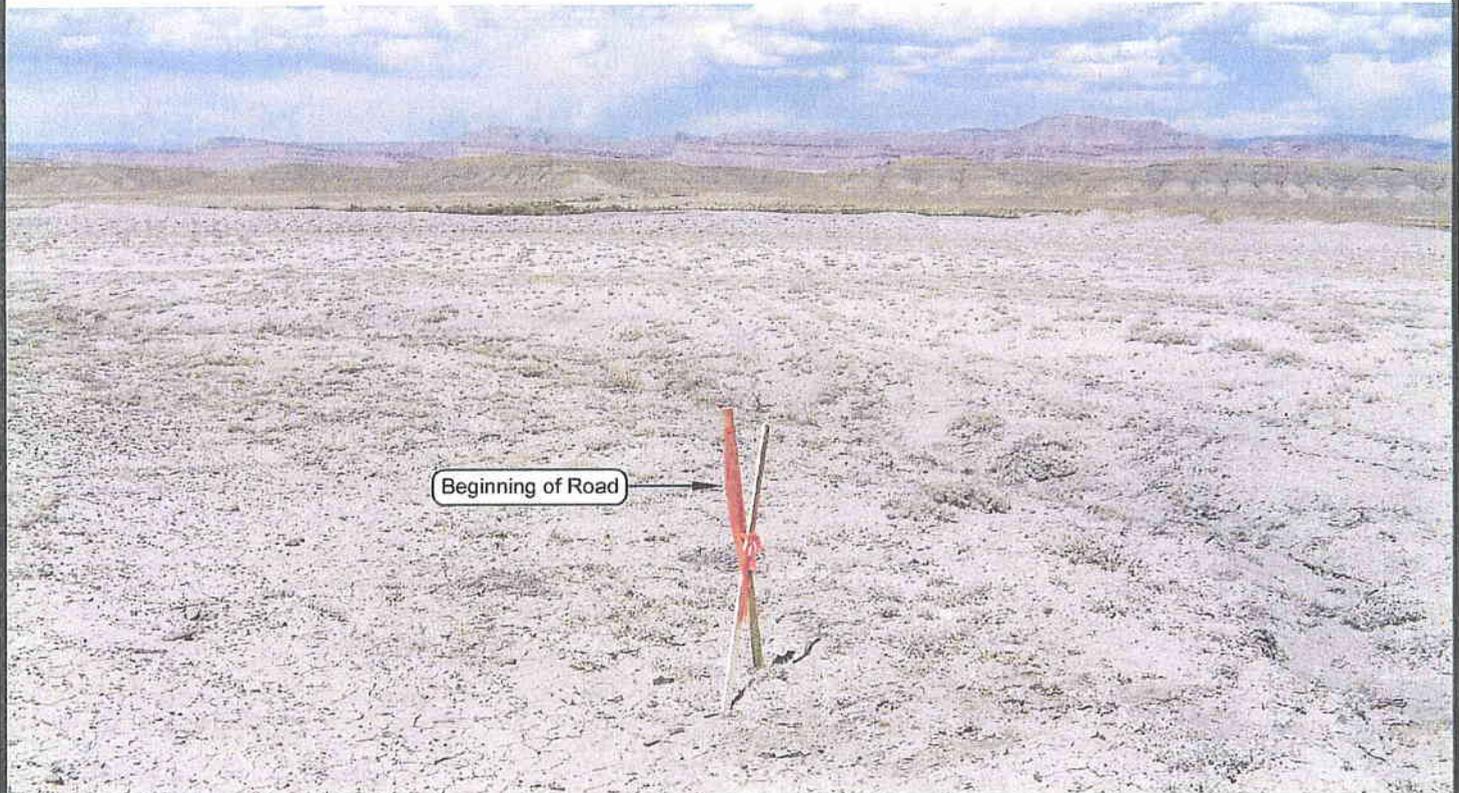


Location Stake

Corner #5

PHOTO VIEW: FROM CORNER #5 TO LOCATION STAKE

CAMERA ANGLE: NORTHEASTERLY



Beginning of Road

PHOTO VIEW: FROM BEGINNING OF PROPOSED ROAD

CAMERA ANGLE: NORTHEASTERLY

LIBERTY PIONEER ENERGY SOURCE

STATE 2-44
SECTION 2, T22S, R17E, S.L.B.&M.
537' FSL & 858' FEL

LOCATION PHOTOS

TAKEN BY: B.J.S.

DRAWN BY: M.W.W.

REVISED:

DATE TAKEN: 10-22-08

DATE DRAWN: 10-24-08

Timberline

(435) 789-1365

Engineering & Land Surveying, Inc.

38 WEST 100 NORTH VERNAL, UTAH 84078

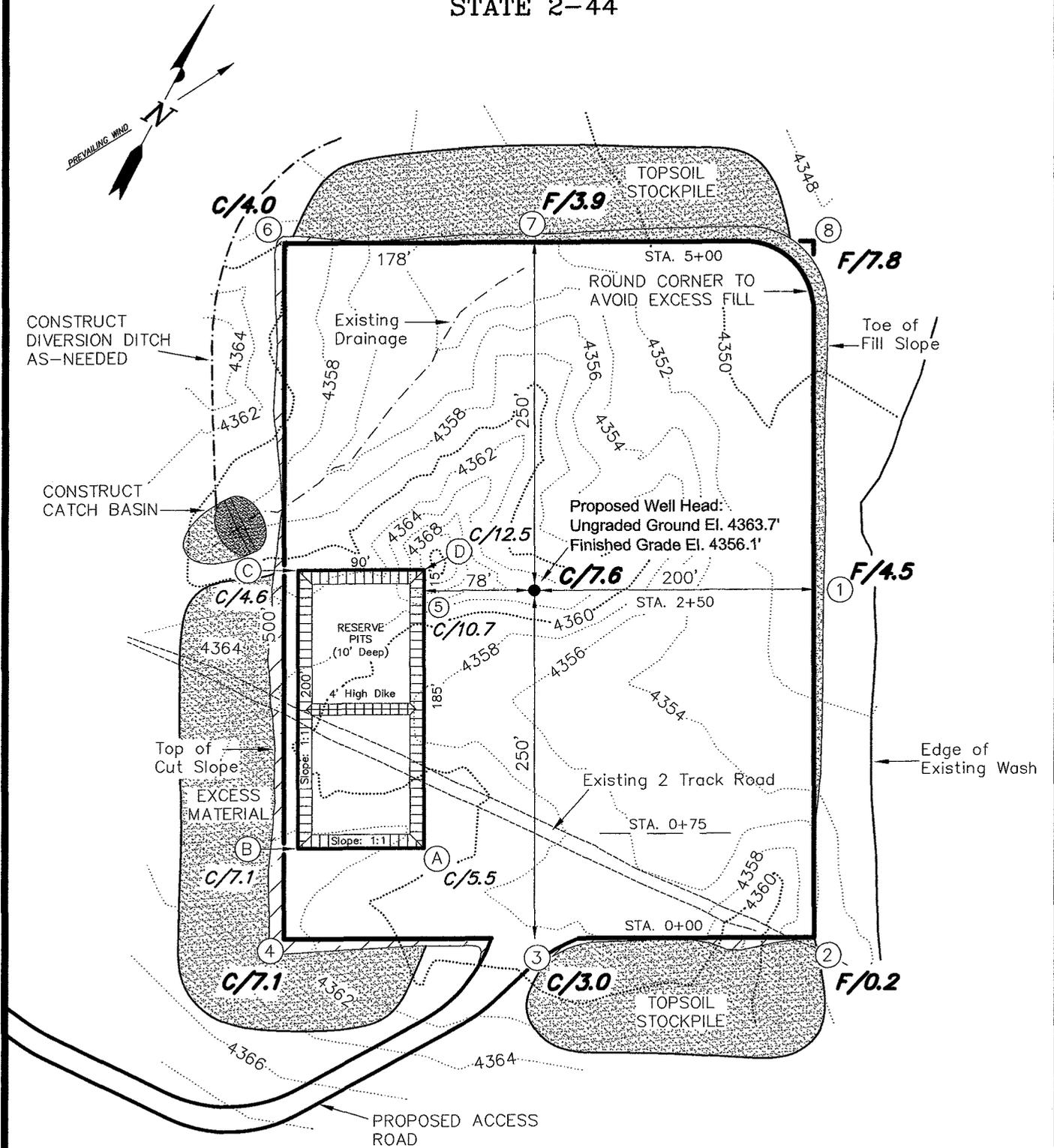
SHEET

1

OF 10

LIBERTY PIONEER ENERGY SOURCE

CUT SHEET STATE 2-44



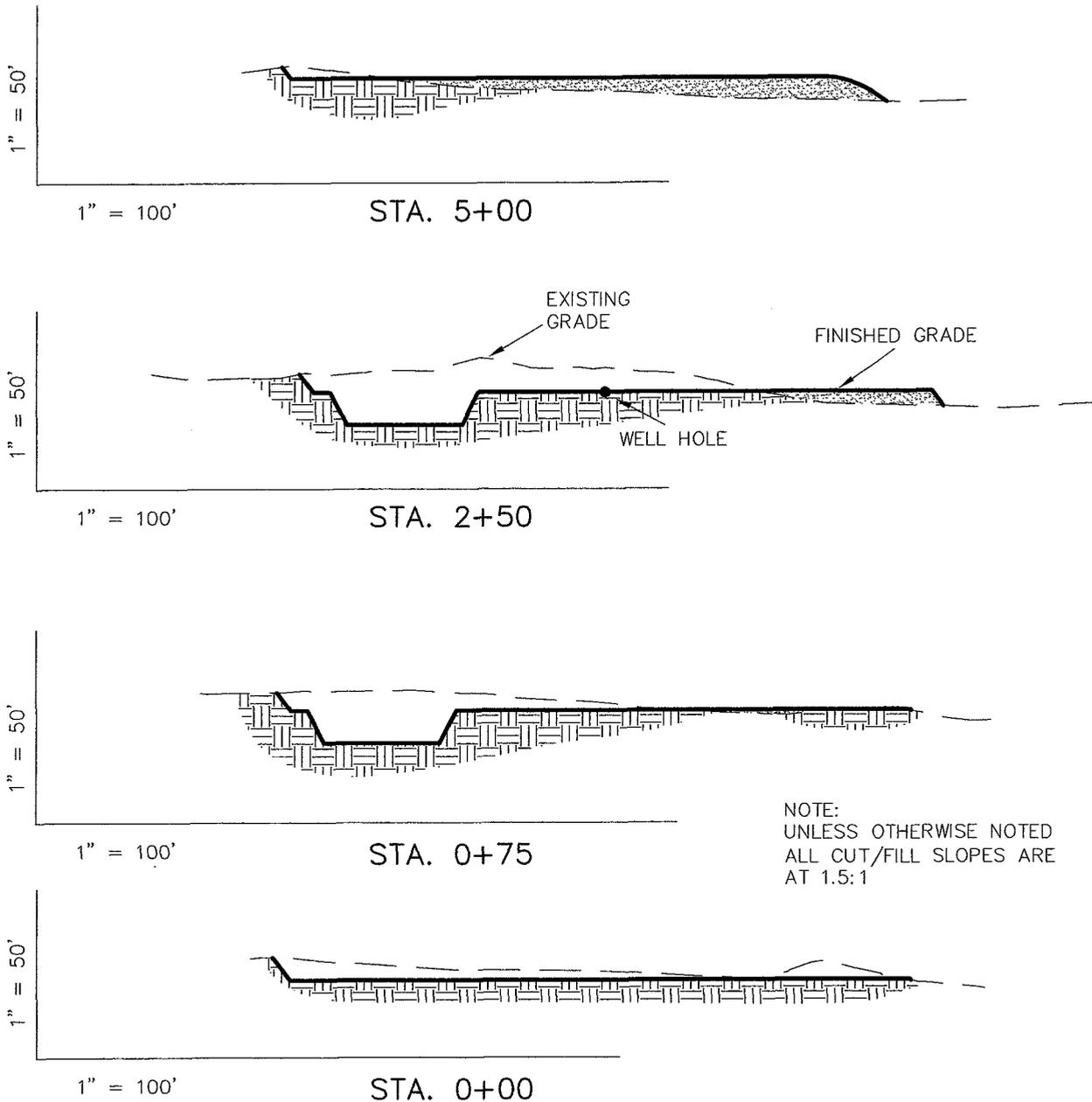
CONTOUR INTERVAL = 2'

Section 2, T22S, R17E, S.L.B.&M.		Qtr/Qtr Location: SE SE	Footage Location: 537' FSL & 858' FEL
Date Surveyed: 10-22-08	Date Drawn: 10-24-08	Date Last Revision:	Timberline (435) 789-1365
Surveyed By: B.J.S.	Drawn By: M.W.W.	Scale: 1" = 100'	Engineering & Land Surveying, Inc. 38 WEST 100 NORTH VERNAL, UTAH 84078
			SHEET 3 OF 10

LIBERTY PIONEER ENERGY SOURCE

CROSS SECTIONS

STATE 2-44



NOTE:
UNLESS OTHERWISE NOTED
ALL CUT/FILL SLOPES ARE
AT 1.5:1

REFERENCE POINTS

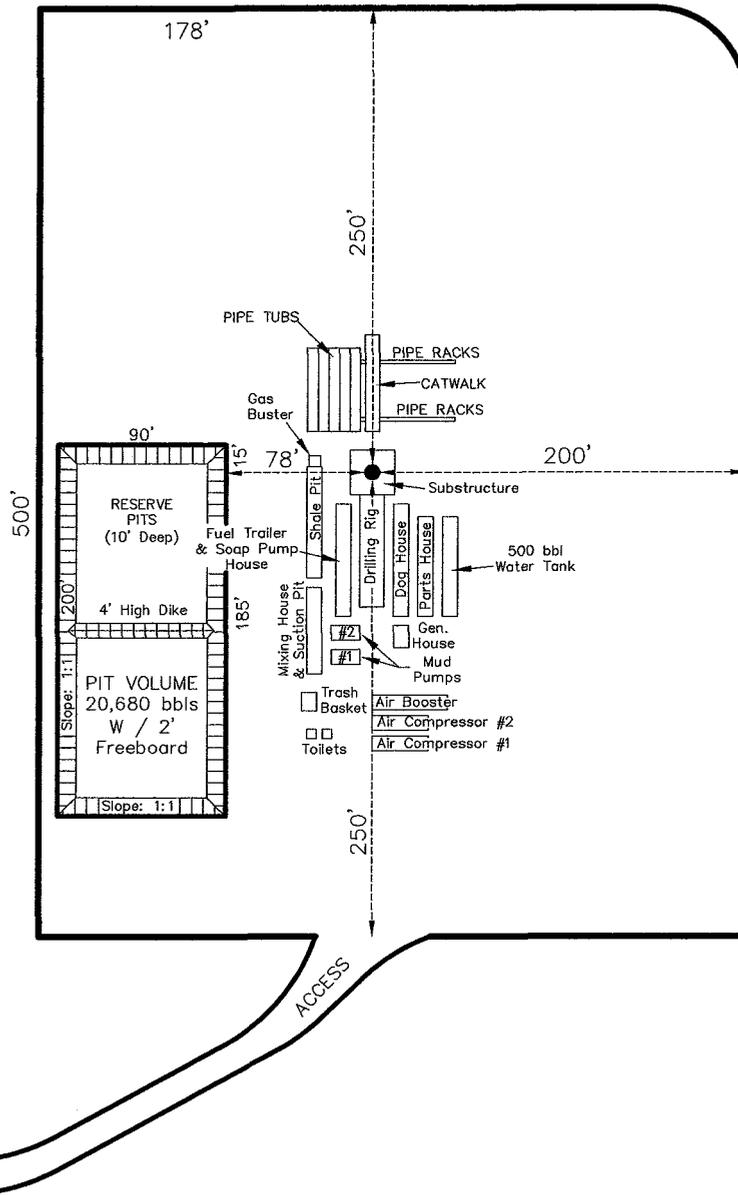
260' NORTHEASTERLY = 4351.3'
 300' NORTHEASTERLY = 4352.3'
 300' NORTHWESTERLY = 4351.6'
 350' NORTHWESTERLY = 4350.5'

ESTIMATED EARTHWORK QUANTITIES (No shrink or swell adjustments have been used) (Expressed in Cubic Yards)	
CUT	Excess Material = 9,090
6" Topsoil Stripping = 3,500	Topsoil & Pit Backfill = 9,090 (Full Pit Volume)
Remaining Location = 17,160	Excess Unbalance = 0 (After Rehabilitation)
TOTAL CUT = 20,660	
FILL = 11,570	

Section 2, T22S, R17E, S.L.B.&M.		Qtr/Qtr Location: SE SE	Footage Location: 537' FSL & 858' FEL
Date Surveyed: 10-22-08	Date Drawn: 10-24-08	Date Last Revision:	Timberline (435) 789-1365
Surveyed By: B.J.S.	Drawn By: M.W.W.	Scale: 1" = 100'	Engineering & Land Surveying, Inc. 38 WEST 100 NORTH VERNAL, UTAH 84078
			SHEET 4 OF 10

LIBERTY PIONEER ENERGY SOURCE

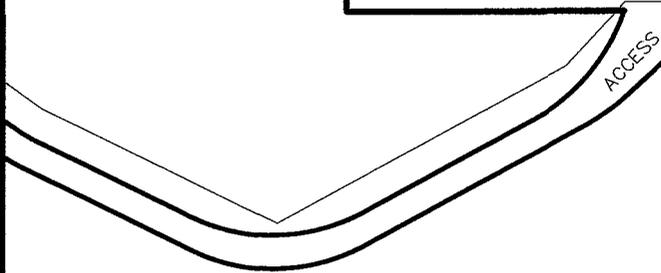
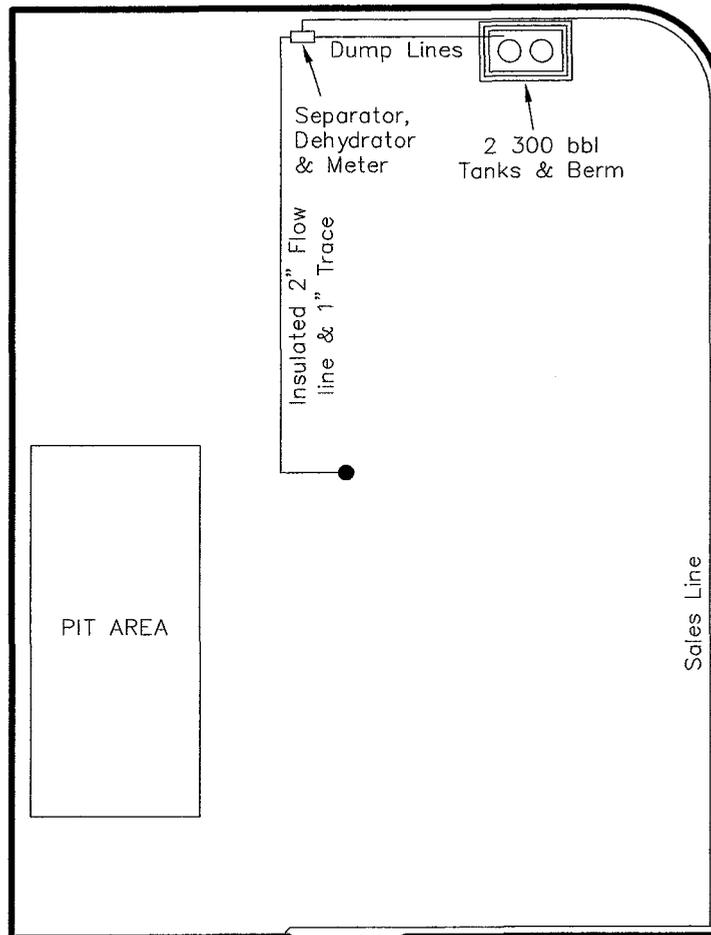
TYPICAL RIG LAYOUT STATE 2-44



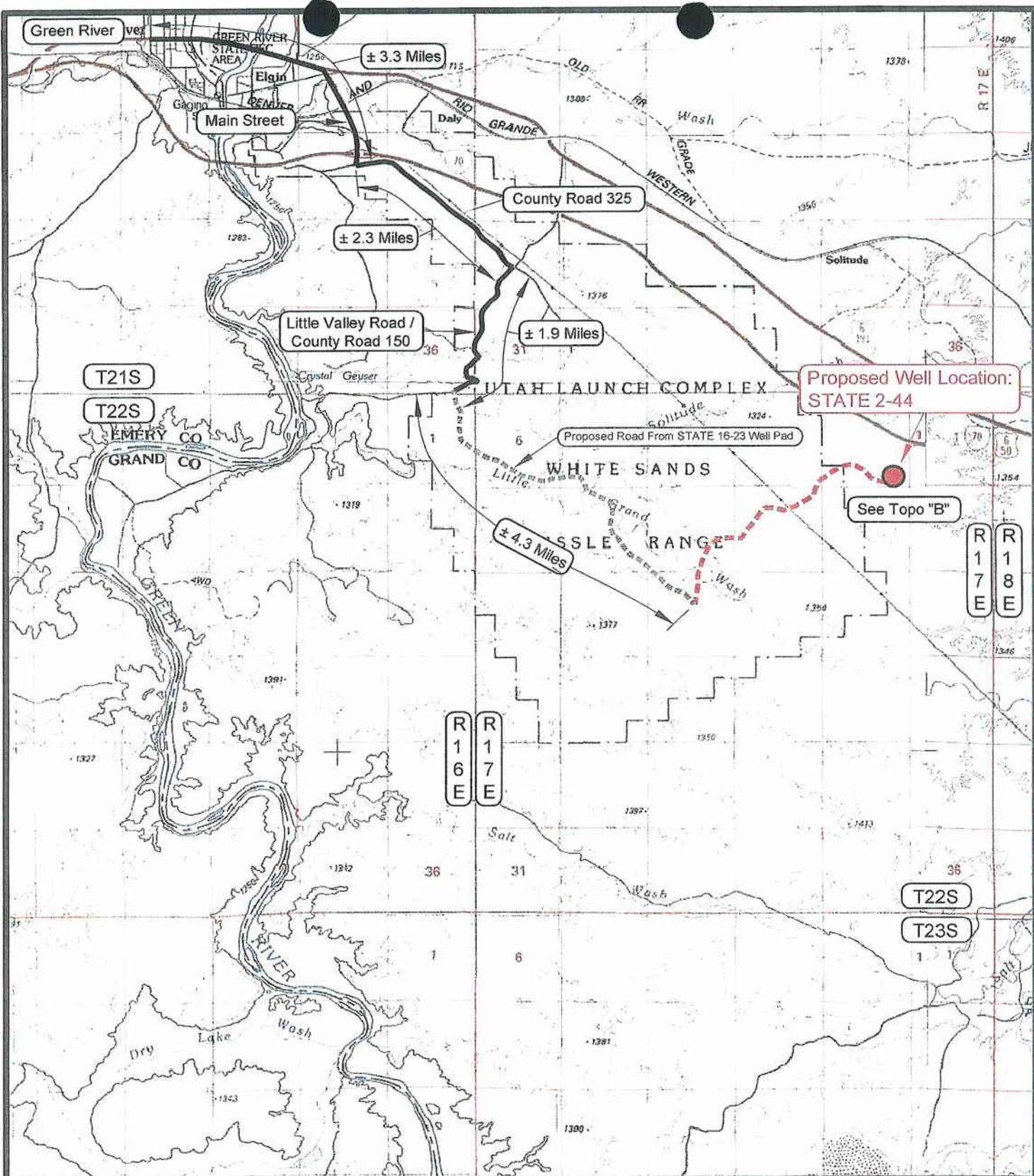
Section 2, T22S, R17E, S.L.B.&M.		Qtr/Qtr Location: SE SE	Footage Location: 537' FSL & 858' FEL
Date Surveyed: 10-22-08	Date Drawn: 10-24-08	Date Last Revision:	Timberline (435) 789-1365 Engineering & Land Surveying, Inc. 38 WEST 100 NORTH VERNAL, UTAH 84078
Surveyed By: B.J.S..	Drawn By: M.W.W.	Scale: 1" = 100'	

LIBERTY PIONEER ENERGY SOURCE

TYPICAL PRODUCTION LAYOUT STATE 2-44



Section 2, T22S, R17E, S.L.B.&M.		Qtr/Qtr Location: SE SE	Footage Location: 537' FSL & 858' FEL
Date Surveyed: 10-22-08	Date Drawn: 10-24-08	Date Last Revision:	Timberline <i>Engineering & Land Surveying, Inc.</i> <small>(435) 789-1365</small> <small>38 WEST 100 NORTH VERNAL, UTAH 84078</small>
Surveyed By: B.J.S.	Drawn By: M.W.W.	Scale: 1" = 100'	
			SHEET 6 OF 10



LEGEND

- PROPOSED ACCESS ROAD
- = SUBJECT WELL
- = OTHER WELLS
- = EXISTING ROAD
- = EXISTING ROAD (TO BE IMPROVED)
- (B-5460) = COUNTY ROAD CLASS & NUMBER

TOPOGRAPHIC MAP "A"

SCALE: 1:100,000

DRAWN BY: M.W.W.

DATE SURVEYED: 10-22-08

DATE DRAWN: 10-24-08

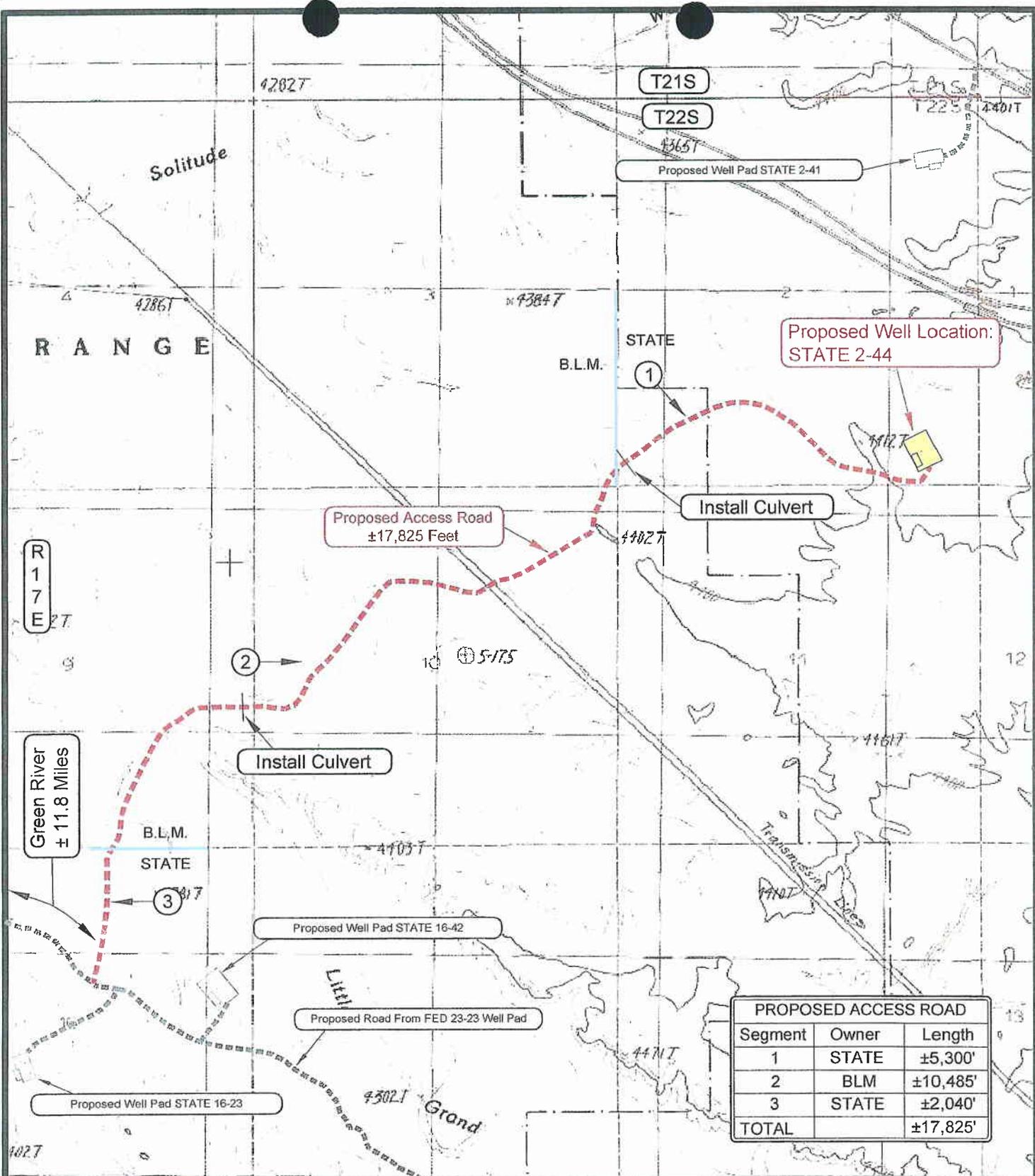
REVISED:

LIBERTY PIONEER ENERGY SOURCE

STATE 2-44
SECTION 2, T22S, R17E, S.L.B.&M.
537' FSL & 858' FEL

Timberline (435) 789-1365
 Engineering & Land Surveying, Inc.
 38 WEST 100 NORTH VERNAL, UTAH 84078

SHEET
7
OF 10



LEGEND

- PROPOSED ACCESS ROAD
- = SUBJECT WELL
- = OTHER WELLS
- = EXISTING ROAD
- = EXISTING ROAD (TO BE IMPROVED)
- B-5460 = COUNTY ROAD CLASS & NUMBER
- = LEASE LINE AND / OR PROPERTY LINE

TOPOGRAPHIC MAP "B"

SCALE: 1" = 2000'

DRAWN BY: M.W.W.

DATE SURVEYED: 10-22-08

DATE DRAWN: 10-24-08

REVISED:

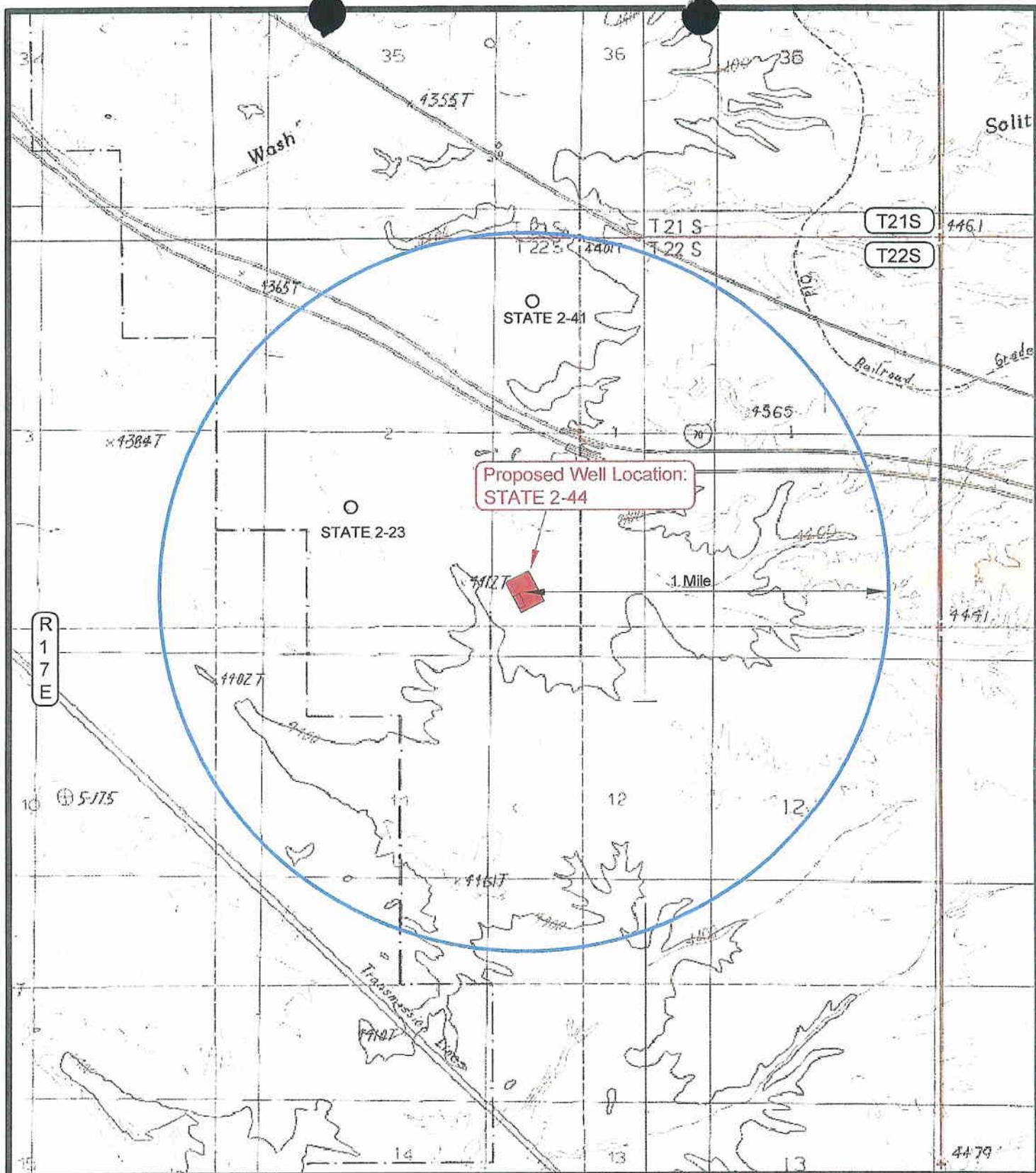
LIBERTY PIONEER ENERGY SOURCE

STATE 2-44
SECTION 2, T22S, R17E, S.L.B.&M.
537' FSL & 858' FEL

Timberline

(435) 789-1365
 Engineering & Land Surveying, Inc.
 38 WEST 100 NORTH VERNAL, UTAH 84078

SHEET
8
 OF 10



LEGEND

- ⊘ = DISPOSAL WELL
- = PRODUCING WELL
- = SHUT IN WELL
- = PROPOSED WELL
- ⊘ = WATER WELL
- = ABANDONED WELL
- = TEMPORARILY ABANDONED WELL
- ⊘ = ABANDONED LOCATION

LIBERTY PIONEER ENERGY SOURCE

STATE 2-44
SECTION 2, T22S, R17E, S.L.B.&M.
537' FSL & 858' FEL

TOPOGRAPHIC MAP "C"

DATE SURVEYED: 10-22-08
 DATE DRAWN: 10-24-08
 REVISED:

SCALE: 1" = 2000'

DRAWN BY: M.W.W.



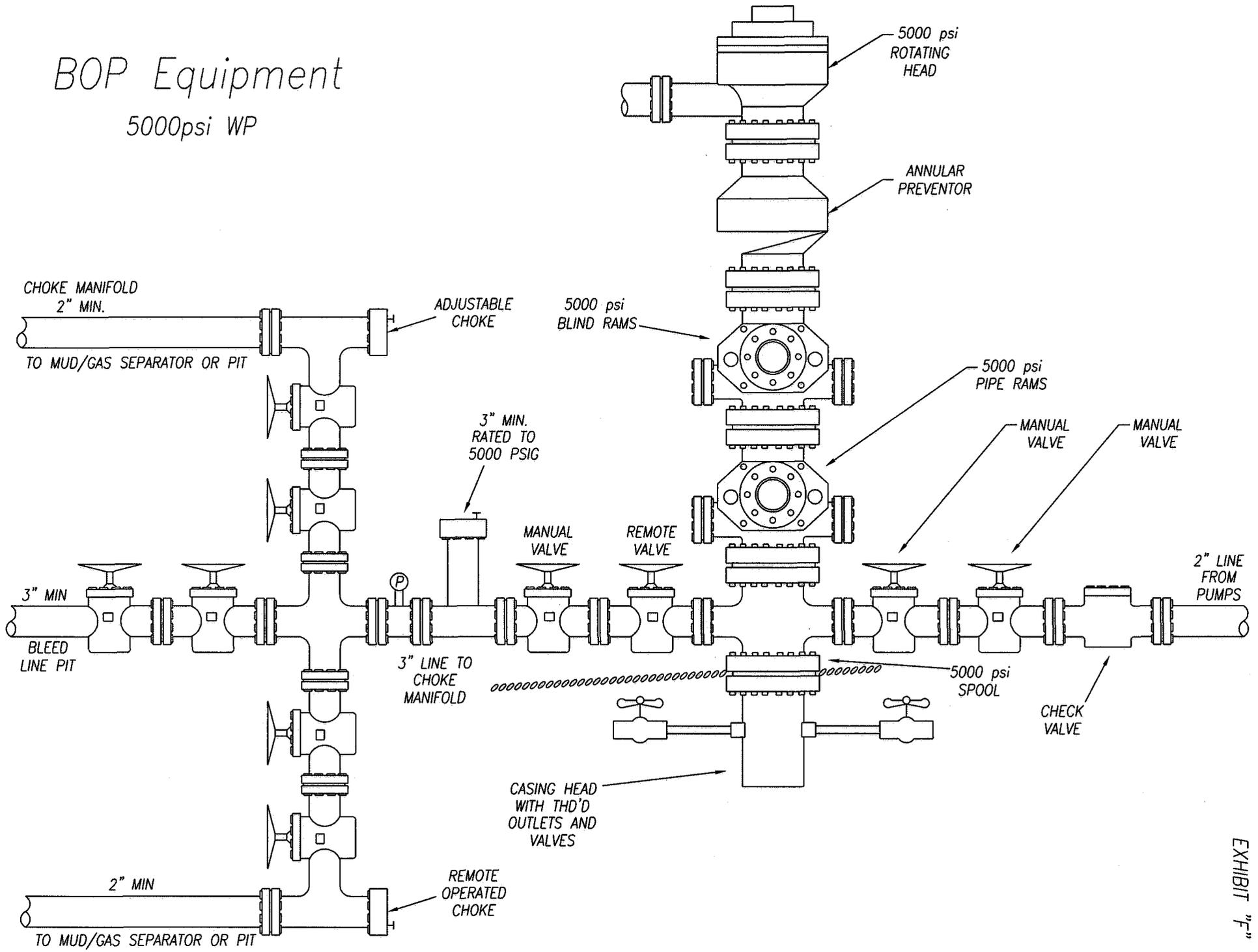
Timberline

(435) 789-1365
 Engineering & Land Surveying, Inc.
 38 WEST 100 NORTH VERNAL, UTAH 84078

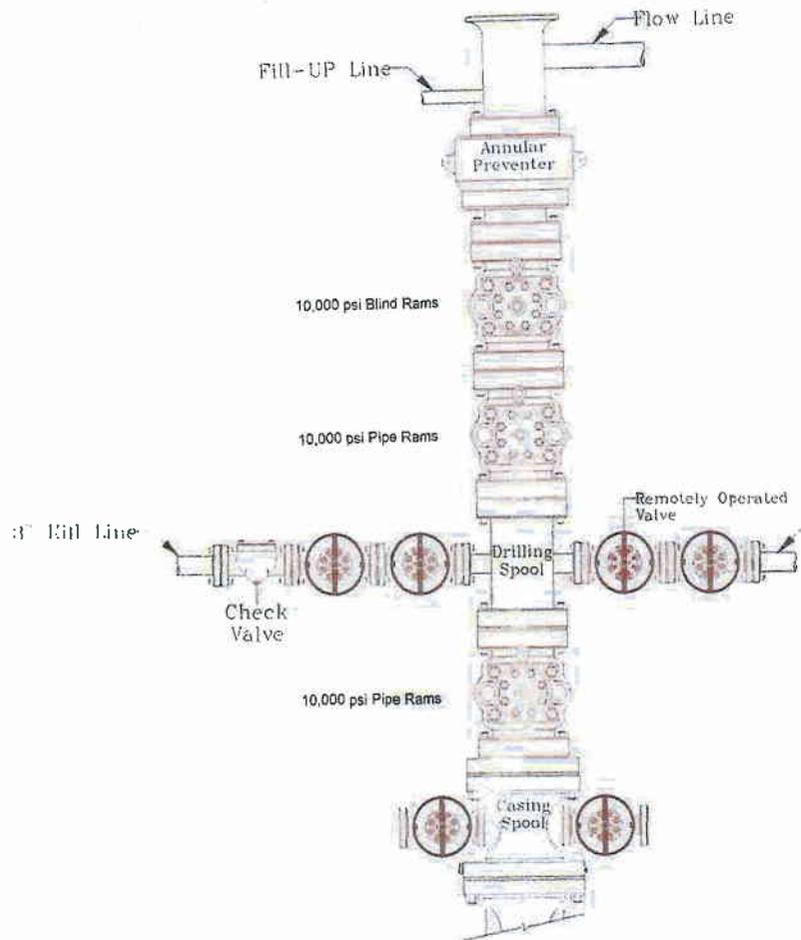
SHEET
9
OF 10

BOP Equipment

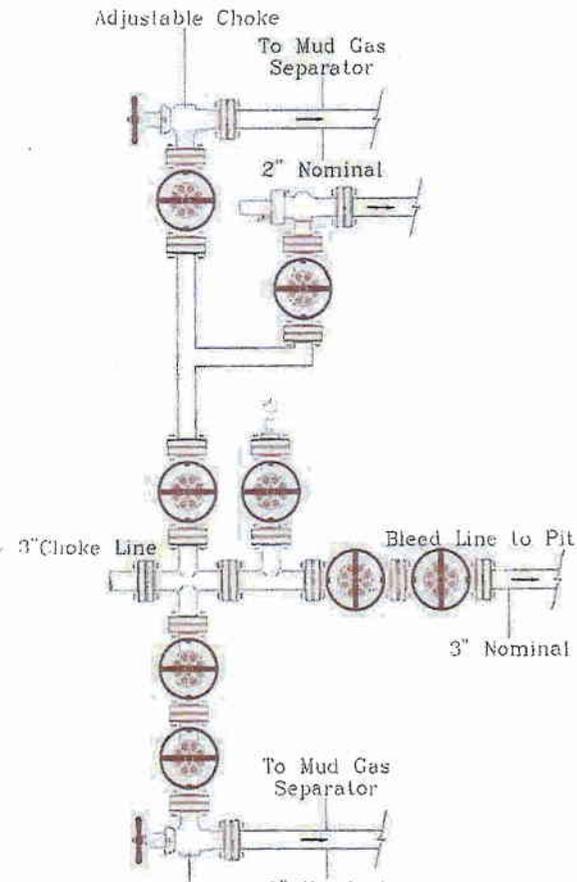
5000psi WP



TYPICAL 10,000# p.s.i.
BLOWOUT PREVENTER
SCHEMATIC



TYPICAL 10,000# p.s.i.
CHOKE MANIFOLD
SCHEMATIC



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

FORM 9

5. LEASE DESIGNATION AND SERIAL NUMBER:

ML 48143

6. IF INDIAN, ALLOTTEE OR TRIBE NAME:

N/A

7. UNIT or CA AGREEMENT NAME:

N/A

SUNDRY NOTICES AND REPORTS ON WELLS

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

1. TYPE OF WELL

OIL WELL

GAS WELL

OTHER _____

8. WELL NAME and NUMBER:

State 2-23

2. NAME OF OPERATOR:

Liberty Pioneer Energy Source, Inc.

9. API NUMBER:

4301931604

3. ADDRESS OF OPERATOR:

1411 East 840 North CITY **Orem**

STATE **UT** ZIP **84097**

PHONE NUMBER:

(801) 224-4771

10. FIELD AND POOL, OR WILDCAT:

undesignated

4. LOCATION OF WELL

FOOTAGES AT SURFACE: **1794' FSL & 1906' FWL,**

COUNTY: **Grand**

QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: **NESW 2 22S 17E S**

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: 11/17/2008	<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 type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> VENT OR FLARE
	<input type="checkbox"/> CHANGE WELL NAME	<input type="checkbox"/> PLUG BACK	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> PRODUCTION (START/RESUME)	<input type="checkbox"/> WATER SHUT-OFF
	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input type="checkbox"/> OTHER: Well site relocation & Name Change
	<input type="checkbox"/> CONVERT WELL TYPE	<input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION	

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

The State 2-23 well site has been relocated approximately 2,810' southeast following analysis of updated geologic information. The well is also being renamed the State 2-44 and remains on state surface and state minerals. The pad, drilling program and surface use plan remain the same with only the location changing. Updated cultural and paleontological resources clearances are pending at this time and will be submitted when complete.

The new location for the well site is:

537' FSL & 858' FEL, SE/4 SE/4, Section, 2, T22S, R17E, SLB&M

Attached please find an updated Form 3, Exhibit 'A' and 'B' and an updated drilling and surface use plan to replace those previously submitted on September 25, 2008.

CONFIDENTIAL TIGHT HOLE

CONFIDENTIAL

FILE COPY

NAME (PLEASE PRINT) Don Hamilton

TITLE Agent

SIGNATURE Don Hamilton

DATE 11/3/2008

(This space for State use only)

RECEIVED

NOV 04 2008

DIV. OF OIL, GAS & MINING

**WORKSHEET
APPLICATION FOR PERMIT TO DRILL**

APD RECEIVED: 11/04/2008

API NO. ASSIGNED: 43-019-31604

WELL NAME: STATE 2-44
 OPERATOR: LIBERTY PIONEER ENERGY (N2855)
 CONTACT: DANIEL GUNNELL

PHONE NUMBER: 801-224-4771

PROPOSED LOCATION:

SESE 02 220S 170E
 SURFACE: 0537 FSL 0858 FEL
 BOTTOM: 0537 FSL 0858 FEL
 COUNTY: GRAND
 LATITUDE: 38.92113 LONGITUDE: -110.0064
 UTM SURF EASTINGS: 586138 NORTHINGS: 4308285
 FIELD NAME: WILDCAT (1)

INSPECT LOCATN BY: / /		
Tech Review	Initials	Date
Engineering	DGD	12/17/08
Geology		
Surface		

LEASE TYPE: 3 - State
 LEASE NUMBER: ML 48143
 SURFACE OWNER: 3 - State

PROPOSED FORMATION: SALT
 COALBED METHANE WELL? NO

RECEIVED AND/OR REVIEWED:

- Plat
- Bond: Fed[] Ind[] Sta[] Fee[]
(No. RLB0012097)
- N Potash (Y/N)
- N Oil Shale 190-5 (B) or 190-3 or 190-13
- Water Permit
(No. 91-5140)
- RDCC Review (Y/N)
(Date: 10/15/2008)
- N/A Fee Surf Agreement (Y/N)
- N/A Intent to Commingle (Y/N)

LOCATION AND SITING:

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

COMMENTS:

Needs Permit (10-22-08)

STIPULATIONS:

*1- Spacing Slip
2- STATEMENT OF BASIS*

3- Surf. Csg Cont Step

4- Cont Step # 39 (9 5/8" intermediate, 2600' MD, Chule Formation)

API Number: 4301931604

Well Name: STATE 2-44

Township 22.0 S Range 17.0 E Section 02

Meridian: SLBM

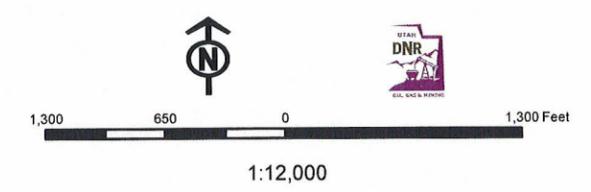
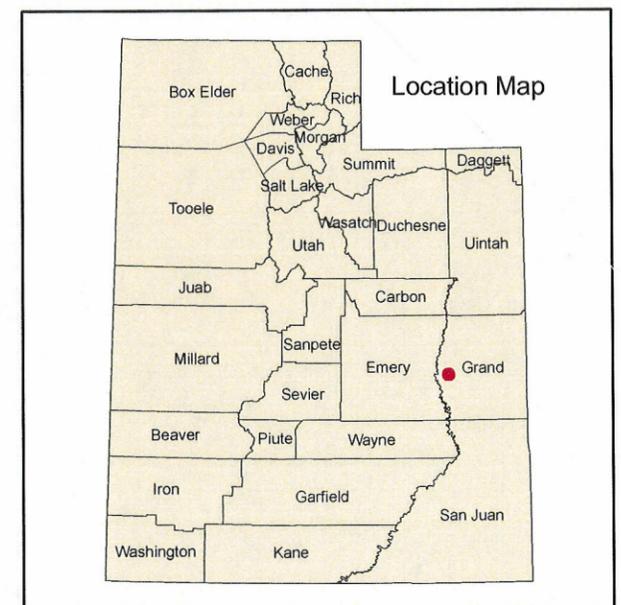
Operator: LIBERTY PIONEER ENERGY SOU

Map Prepared:
Map Produced by Diana Mason

Units	Wells Query Events
STATUS	✕ <all other values>
ACTIVE	GIS_STAT_TYPE
EXPLORATORY	<Null>
GAS STORAGE	◆ APD
NF PP OIL	⊙ DRL
NF SECONDARY	⊙ GI
PI OIL	⊙ GS
PP GAS	⊙ LA
PP GEOTHERML	⊕ NEW
PP OIL	⊕ OPS
SECONDARY	⊙ PA
TERMINATED	⊙ PGW
Fields	⊙ POW
STATUS	⊙ RET
ACTIVE	⊙ SGW
COMBINED	⊙ SOW
Sections	⊙ TA
Township	⊙ TW
	⊙ WD
	⊙ WI
	⊙ WS

T 22 S R 17 E

4301931604
STATE 2-44
+



Application for Permit to Drill

Statement of Basis

1/7/2009

Utah Division of Oil, Gas and Mining

Page 1

APD No	API WellNo	Status	Well Type	Surf Ownr	CBM
1105	43-019-31604-00-00		GW	S	No
Operator	LIBERTY PIONEER ENERGY SOU	Surface Owner-APD			
Well Name	STATE 2-44	Unit			
Field	WILDCAT	Type of Work			
Location	SESE 2 22S 17E S 537 FSL 858 FEL	GPS Coord (UTM) 586138E 4308285N			

Geologic Statement of Basis

Significant volumes of high quality ground water are unlikely to be encountered in the bedrock at this location. A poorly permeable soil is likely to be developed on the Cretaceous-age Blue Gate Member of the Mancos Shale. A small but locally important quality ground water resource may be encountered in several permeable Mesozoic aquifers in this area. 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

11/13/2008
Date / Time

Surface Statement of Basis

On-site evaluation conducted on April 1, 2008. In attendance: Bart Kettle-Division of Oil, Gas and Mining (DOGM), Ed Bonner-Trustlands Administration (SITLA), Charlie Harrison-Fidelity E&P, Daniel Gunnell-Liberty Pioneer Energy, Ben Kniola-Moab BLM, Kyle Beagly-Division of Wildlife Resources (DWR), Shay-Timberline

Site appears adequate for the proposed operations. DOGM recommends Liberty Pioneer Energy take precautions to prevent road from breaking up due to wet and powdery conditions.

In order to accommodate the proposed drilling program a large well pad is being approved for drilling operations. Following the completion of drilling operations well pad shall be reclaimed and re-seeded back to portions required to perform normal production activities.

Fill side of the well pad borders an un-named wash. Toe slope of the fill should not be allowed any closer than 20' of the wash.

Bart Kettle
Onsite Evaluator

10/22/2008
Date / Time

Conditions of Approval / Application for Permit to Drill

Category	Condition
Pits	A synthetic liner with a minimum thickness of 20 mils shall be properly installed and maintained in the reserve pit.
Surface	The reserve pit shall be fenced upon completion of drilling operations.

ON-SITE PREDRILL EVALUATION

Utah Division of Oil, Gas and Mining

Operator LIBERTY PIONEER ENERGY SOU
Well Name STATE 2-44
API Number 43-019-31604-0 **APD No** 1105 **Field/Unit** WILDCAT
Location: 1/4,1/4 SESE **Sec** 2 **Tw** 22S **Rng** 17E 537 FSL 858 FEL
GPS Coord (UTM) **Surface Owner**

Participants

Bart Kettle-Division of Oil, Gas and Mining (DOGGM), Ed Bonner-Trustlands Administration (SITLA), Charlie Harrison-Fidelity E&P, Daniel Gunnell-Liberty Pioneer Energy, Ben Kniola-Moab BLM, Kyle Beagly-Division of Wildlife Resources (DWR), Shay-Timberline

Regional/Local Setting & Topography

Proposed project site is located roughly 5 miles southeast of the town of Green River, in Grand County Utah. Annual precipitation is 6-8", and vegetation would be described as salt scrub black brush mixed rangelands. Topography immediately adjacent to the well is a series of small sandstone capped bluffs, alternating clay valleys and sand dunes cut by numerous small gullies. Drainage is to the west entering the Green River within eight miles. Drainages in the immediate area are ephemeral in nature, being dry throughout a majority of the year. On a regional setting the project site is located on the western edge of the Cisco Desert, an environment known for it's arid climate, harsh growing conditions and barren landscape.

Surface Use Plan

Current Surface Use

Grazing
Wildlfe Habitat

New Road

Miles	Well Pad	Src Const Material	Surface Formation
2.82	Width 400	Length 500	MNCS

Ancillary Facilities

Waste Management Plan Adequate?

Environmental Parameters

Affected Floodplains and/or Wetland N

Flora / Fauna

Flora

Grass: Indian rice grass, cheatgrass

Forbs: Desert parsley, purple mustard, halogeton, Cisco wood aster, Desert trumpet

Shrubs: Mat salt brush, Nuttles salt brush

Trees: None

Fauna: Resident populations of small lizards and rodents. Periodic use by pronghorn antelope and desert bighorn sheep. Kit fox, coyote potential raptor habitat.

Soil Type and Characteristics

Gray clays stypical of recently decomposed mancos shale

Erosion Issues Y

Soils prone to wind erosion when disturbed

Sedimentation Issues N

Site Stability Issues N

Drainage Diversion Required Y

Divert drainages around the reserve pit on the southern portions of the well pad.

Berm Required?

Erosion Sedimentation Control Required? N

No mitigation recommended for erosive soils

Paleo Survey Run? N

Paleo Potential Observed? N

Cultural Survey Run? N

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	Oil Base Mud Fluid	20
Drill Cuttings	Normal Rock	0
Annual Precipitation (inches)	<10	0
Affected Populations	<10	0
Presence Nearby Utility Conduits	Not Present	0

Final Score 20 1 **Sensitivity Level**

Characteristics / Requirements

Closed Loop Mud Required? N

Liner Required? Y

Liner Thickness 20

Pit Underlayment Required? N

Other Observations / Comments

A particularly large pad is being considered for approval. Pad should be reclaimed back to a production size of 200x200

SITLA request notification prior to reclamation efforts.

Access route and well pad sitting have been changes since original APD was filed. Updated cover sheet and plats are to follow.

Bart Kettle
Evaluator

10/22/2008
Date / Time



Online Services

Agency List

Business

Search

Utah Division of Water Rights



There are no features in the query area.

Click on the back button to try again

Please direct questions and comments regarding the map server to: leeschler@utah.gov.

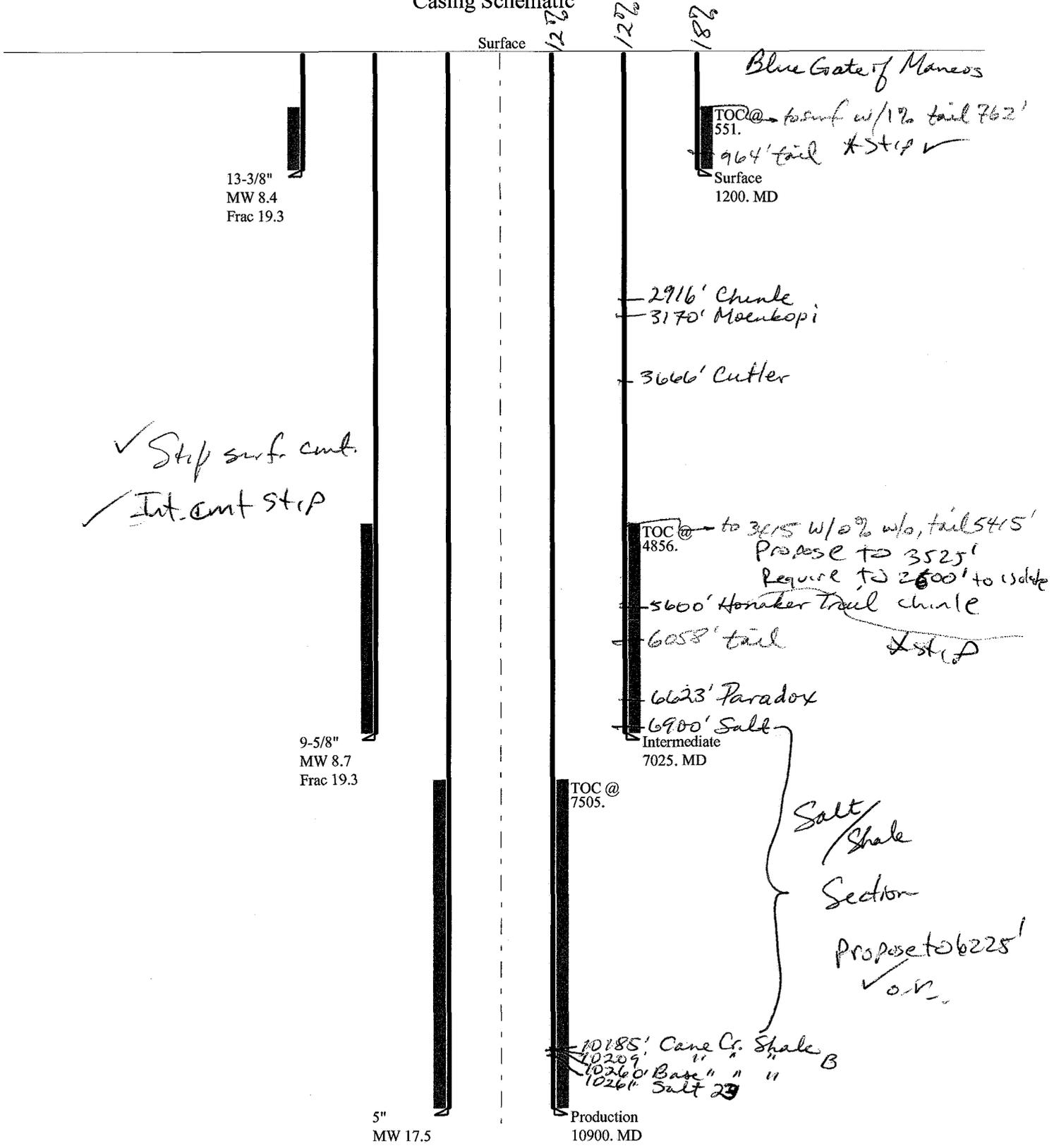
back

close

Utah Division of Water Rights | 1594 West North Temple Suite 220, P.O. Box 146300, Salt Lake City, Utah 84114-6300 | 801-538-7240
[Natural Resources](#) | [Contact](#) | [Disclaimer](#) | [Privacy Policy](#) | [Accessibility Policy](#)

43019316040000 Liberty Pioneer ST 2-44

Casing Schematic



Well name:	4301931604000 Liberty Pioneer ST 2-44	
Operator:	Liberty Pioneer Energy Source, Inc.	Project ID:
String type:	Surface	43-019-31604-0000
Location:	Grand County	

Design parameters:	Minimum design factors:	Environment:
Collapse	Collapse:	H2S considered? No
Mud weight: 8.400 ppg	Design factor 1.125	Surface temperature: 75 °F
Design is based on evacuated pipe.		Bottom hole temperature: 92 °F
		Temperature gradient: 1.40 °F/100ft
		Minimum section length: 250 ft
	Burst:	Cement top: 551 ft
	Design factor 1.00	
Burst		
Max anticipated surface pressure: 1,056 psi		
Internal gradient: 0.120 psi/ft	Tension:	Non-directional string.
Calculated BHP 1,200 psi	8 Round STC: 1.80 (J)	
	8 Round LTC: 1.80 (J)	
No backup mud specified.	Buttress: 1.60 (J)	
	Premium: 1.50 (J)	Re subsequent strings:
	Body yield: 1.50 (B)	Next setting depth: 7,025 ft
		Next mud weight: 8.700 ppg
	Tension is based on buoyed weight.	Next setting BHP: 3,175 psi
	Neutral point: 1,051 ft	Fracture mud wt: 19.250 ppg
		Fracture depth: 1,200 ft
		Injection pressure: 1,200 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	1200	13.375	54.50	J-55	ST&C	1200	1200	12.49	1041.5

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	524	1130	2.158	1200	2730	2.28	57	514	8.97 J

Prepared by: Helen Sadik-Macdonald, Div of Oil, Gas & Minerals
 Phone: 801-538-5357, FAX: 801-359-3940
 Date: December 10, 2008, Salt Lake City, Utah

Remarks:
 Collapse is based on a vertical depth of 1200 ft, a mud weight of 8.4 ppg. The casing is considered to be evacuated for collapse purposes. Collapse strength is based on the Westcott, Dunlop & Kemler method of biaxial correction for tension.
 Burst strength is not adjusted for tension.

Well name:	4301931604000 Liberty Pioneer ST 2-44	
Operator:	Liberty Pioneer Energy Source, Inc.	Project ID:
String type:	Intermediate	43-019-31604-0000
Location:	Grand County	

Design parameters:

Collapse

Mud weight: 8.700 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: 75 °F
 Bottom hole temperature: 173 °F
 Temperature gradient: 1.40 °F/100ft
 Minimum section length: 1,500 ft
 Cement top: 4,856 ft

Burst

Max anticipated surface pressure: 5,480 psi
 Internal gradient: 0.220 psi/ft
 Calculated BHP 7,025 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 buoyed weight.
 Neutral point: 6,102 ft

Non-directional string.

Re subsequent strings:

Next setting depth: 10,900 ft
 Next mud weight: 17.500 ppg
 Next setting BHP: 9,909 psi
 Fracture mud wt: 19.250 ppg
 Fracture depth: 7,025 ft
 Injection pressure: 7,025 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	7025	9.625	53.50	P-110	LT&C	7025	7025	8.5	2791.1

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	3175	7950	2.504	7025	10900	1.55	326	1422	4.36 J

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

Phone: 801-538-5357
 FAX: 801-359-3940

Date: December 10, 2008
 Salt Lake City, Utah

Remarks:
 Collapse is based on a vertical depth of 7025 ft, a mud weight of 8.7 ppg. The casing is considered to be evacuated for collapse purposes. Collapse strength is based on the Westcott, Dunlop & Kemler method of biaxial correction for tension.

Burst strength is not adjusted for tension.

Well name:	43019316040000 Liberty Pioneer ST 2-44	
Operator:	Liberty Pioneer Energy Source, Inc.	
String type:	Production	Project ID: 43-019-31604-0000
Location:	Grand County	

Design parameters:

Collapse

Mud weight: 17.500 ppg
Internal fluid density: 2.330 ppg

Minimum design factors:

Collapse:

Design factor 1.125

Burst:

Design factor 1.00

Environment:

H2S considered? No
Surface temperature: 75 °F
Bottom hole temperature: 228 °F
Temperature gradient: 1.40 °F/100ft
Minimum section length: 1,500 ft

Cement top: 7,505 ft

Burst

Max anticipated surface pressure: 7,511 psi
Internal gradient: 0.220 psi/ft
Calculated BHP 9,909 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 buoyed weight.
Neutral point: 8,000 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 (ft ³)
2	6700	5	23.20	N-80	LT&C	6700	6700	3.919	597.6
1	4200	5	23.20	Q-125	LT&C	10900	10900	3.919	374.6

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
2	5280	13615	2.579	8985	10810	1.20	186	540	2.91 J
1	8590	21620	2.517	9909	16900	1.71	30	729	24.18 J

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

Phone: 801-538-5357
FAX: 801-359-3940

Date: December 10, 2008
Salt Lake City, Utah

Remarks:
Collapse is based on a vertical depth of 10900 ft, a mud weight of 17.5 ppg. An internal gradient of .121 psi/ft was used for collapse from TD. Collapse strength is based on the Westcott, Dunlop & Kemler method of biaxial correction for tension.

Burst strength is not adjusted for tension.

BOPE REVIEW

Liberty Pioneer State 2-44 43-019-31604-0000

Well Name Casing Size (") Setting Depth (TVD) Previous Shoe Setting Depth (TVD) Max Mud Weight (ppg) BOPE Proposed (psi) Casing Internal Yield (psi) Operators Max Anticipated Pressure (psi)	Liberty Pioneer State 2-44 43-019-31604-0000		
	String 1	String 2	String 3
	13 3/8	9 5/8	5
	1200	7025	10900
	0	1200	7025
	8.4	8.7	17.5
	0	5000	10000
	2730	10900	16900
	9500		16.8 ppg

Calculations	String 1	13 3/8 "	
Max BHP [psi]	$.052 \times \text{Setting Depth} \times \text{MW} =$	524	
			BOPE Adequate For Drilling And Setting Casing at Depth?
MASP (Gas) [psi]	$\text{Max BHP} - (0.12 \times \text{Setting Depth}) =$	380	NO Diverter head?
MASP (Gas/Mud) [psi]	$\text{Max BHP} - (0.22 \times \text{Setting Depth}) =$	260	NO
			*Can Full Expected Pressure Be Held At Previous Shoe?
Pressure At Previous Shoe	$\text{Max BHP} - .22 \times (\text{Setting Depth} - \text{Previous Shoe Depth}) =$	260	← NO Reasonable depth - no expected pressures
Required Casing/BOPE Test Pressure		1200 psi	
*Max Pressure Allowed @ Previous Casing Shoe =		0 psi	*Assumes 1psi/ft frac gradient

Calculations	String 2	9 5/8 "	
Max BHP [psi]	$.052 \times \text{Setting Depth} \times \text{MW} =$	3178	
			BOPE Adequate For Drilling And Setting Casing at Depth?
MASP (Gas) [psi]	$\text{Max BHP} - (0.12 \times \text{Setting Depth}) =$	2335	YES
MASP (Gas/Mud) [psi]	$\text{Max BHP} - (0.22 \times \text{Setting Depth}) =$	1633	YES ✓
			*Can Full Expected Pressure Be Held At Previous Shoe?
Pressure At Previous Shoe	$\text{Max BHP} - .22 \times (\text{Setting Depth} - \text{Previous Shoe Depth}) =$	1897	← NO O.K.
Required Casing/BOPE Test Pressure		7025 psi	
*Max Pressure Allowed @ Previous Casing Shoe =		1200 psi	*Assumes 1psi/ft frac gradient

Calculations	String 3	5 "	
Max BHP [psi]	$.052 \times \text{Setting Depth} \times \text{MW} =$	9919	
			BOPE Adequate For Drilling And Setting Casing at Depth?
MASP (Gas) [psi]	$\text{Max BHP} - (0.12 \times \text{Setting Depth}) =$	8611	YES
MASP (Gas/Mud) [psi]	$\text{Max BHP} - (0.22 \times \text{Setting Depth}) =$	7521	YES ✓
			*Can Full Expected Pressure Be Held At Previous Shoe?
Pressure At Previous Shoe	$\text{Max BHP} - .22 \times (\text{Setting Depth} - \text{Previous Shoe Depth}) =$	9067	← NO O.K.
Required Casing/BOPE Test Pressure		10000 psi	
*Max Pressure Allowed @ Previous Casing Shoe =		7025 psi	*Assumes 1psi/ft frac gradient

From: Jim Davis
To: Bonner, Ed; Mason, Diana
Date: 11/19/2008 8:40 AM
Subject: Liberty Pioneer approvals

CC: Garrison, LaVonne

The following wells have been approved by SITLA, including arch and paleo clearance.

Liberty Pioneer's State 2-44 [API #4301931604]
Liberty Pioneer's State 16-42 [API #4301931605]

-Jim

Jim Davis
Utah Trust Lands Administration
jimdavis1@utah.gov
Phone: (801) 538-5156



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

December 22, 2008

Liberty Pioneer Energy Source, Inc.
1411 East 840 North
Orem, UT 84097

Re: State 2-44 Well, 537' FSL, 858' FEL, SE SE, Sec. 2, 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.

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 43-019-31604.

Sincerely,

Gil Hunt
Associate Director

pab
Enclosures

cc: Grand County Assessor
SITLA



Operator: Liberty Pioneer Energy Source, Inc.

Well Name & Number State 2-44

API Number: 43-019-31604

Lease: ML 48143

Location: SE SE Sec. 2 T. 22 South R. 17 East

Conditions of Approval

1. General

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

2. Notification Requirements

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

- 24 hours prior to cementing or testing casing – contact Dan Jarvis
- 24 hours prior to testing blowout prevention equipment – contact Dan Jarvis
- 24 hours prior to spudding the well – contact Carol Daniels
- Within 24 hours of any emergency changes made to the approved drilling program – contact Dustin Doucet
- Prior to commencing operations to plug and abandon the well – contact Dan Jarvis

The operator is required to get approval from the Division of Oil, Gas and Mining before performing any of the following actions during the drilling of this well:

- Plugging and abandonment or significant plug back of this well – contact Dustin Doucet
- Any changes to the approved drilling plan – contact Dustin Doucet

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

- Dan Jarvis at: (801) 538-5338 office (801) 942-0871 home
- Carol Daniels at: (801) 538-5284 office
- Dustin Doucet at: (801) 538-5281 office (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. Compliance with the State of Utah Antiquities Act forbids disturbance of archeological, historical, or paleontological remains. Should archeological, historical or paleontological remains be encountered during your operations, you are required to immediately suspend all operations and immediately inform the Trust Lands Administration and the Division of State History of the discovery of such remains.
5. Compliance with the Conditions of Approval/Application for Permit to Drill outlined in the Statement of Basis. (Copy Attached)
6. 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.
7. Surface casing shall be cemented to the surface.
8. Cement volume for the 9 5/8" intermediate production string shall be determined from actual hole diameter in order to place cement from the pipe setting depth back to 2600' MD in order to adequately isolate the Chinle formation.
9. The Application for Permit to Drill has been forwarded to the Resource Development Coordinating Committee for review of this action. The operator will be required to comply with any applicable recommendations resulting from this review.

Division of Oil, Gas and Mining
OPERATOR CHANGE WORKSHEET

ROUTING
1. DJJ
2. CDW

X - Change of Operator (Well Sold)

Operator Name Change/Merger

The operator of the well(s) listed below has changed, effective: **1/15/2009**

FROM: (Old Operator): N2855-Liberty Pioneer Energy Source, Inc. 1411 E 840 N Orem, UT 84097 Phone: 1 (801) 224-4771	TO: (New Operator): N3155-Fidelity E&P Company 1700 Lincoln St, Suite 2800 Denver, CO 80203 Phone: 1 (720) 931-9637
--	---

CA No.		Unit:							
WELL NAME	SEC	TWN	RNG	API NO	ENTITY NO	LEASE TYPE	WELL TYPE	WELL STATUS	
STATE 2-44	02	220S	170E	4301931604		State	GW	APD	C
FEDERAL 23-23	23	220S	170E	4301931607		Federal	GW	APD	C

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 2/5/2009
- (R649-8-10) Sundry or legal documentation was received from the **NEW** operator on: 2/5/2009
- The new company was checked on the **Department of Commerce, Division of Corporations Database** on: 1/21/2009
- Is the new operator registered in the State of Utah: _____ Business Number: 4917099-0143
- (R649-9-2)Waste Management Plan has been received on: IN PLACE
- Inspections of LA PA state/fee well sites complete on: n/a
- Reports current for Production/Disposition & Sundries on: _____
- 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 n/a
- Federal and Indian Units:**
The BLM or BIA has approved the successor of unit operator for wells listed on: n/a
- 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: 2/26/2009
- Changes have been entered on the **Monthly Operator Change Spread Sheet** on: 2/26/2009
- Bond information entered in RBDMS on: 2/26/2009
- Fee/State wells attached to bond in RBDMS on: 2/26/2009
- Injection Projects to new operator in RBDMS on: n/a
- Receipt of Acceptance of Drilling Procedures for APD/New on: 2/5/2009

BOND VERIFICATION:

- Federal well(s) covered by Bond Number: CO1345
- Indian well(s) covered by Bond Number: n/a
- (R649-3-1) The **NEW** operator of any state/fee well(s) listed covered by Bond Number 190017646
- The **FORMER** operator has requested a release of liability from their bond 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.

1. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER _____			5. LEASE DESIGNATION AND SERIAL NUMBER: ML 48143
2. NAME OF OPERATOR: Liberty Pioneer Energy Source, Inc. <i>N 2855</i>			6. IF INDIAN, ALLOTTEE OR TRIBE NAME: N/A
3. ADDRESS OF OPERATOR: 1411 East 840 North CITY Orem STATE UT ZIP 84097		PHONE NUMBER: 801-224-4771	7. UNIT or CA AGREEMENT NAME: N/A
4. LOCATION OF WELL FOOTAGES AT SURFACE: 537' FSL & 858' FEL, COUNTY: Grand QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: SESE 2 22S 17E S STATE: UTAH			8. WELL NAME and NUMBER: State 2-44
			9. API NUMBER: 4301931604
			10. FIELD AND POOL, OR WILDCAT: undesignated

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>January 15, 2009</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 (Submit Original Form Only) Date of work completion: _____	<input type="checkbox"/> CASING REPAIR	<input type="checkbox"/> NEW CONSTRUCTION	<input type="checkbox"/> TEMPORARILY ABANDON
	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input checked="" type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> TUBING REPAIR
	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> VENT OR FLARE
	<input type="checkbox"/> CHANGE WELL NAME	<input type="checkbox"/> PLUG BACK	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> PRODUCTION (START/RESUME)	<input type="checkbox"/> WATER SHUT-OFF
	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input type="checkbox"/> OTHER: _____
	<input type="checkbox"/> CONVERT WELL TYPE	<input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION	

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

Effective January 15, 2009 Liberty Pioneer Energy Source, Inc. resigned as Operator of the referenced well and requests that the operator be designated and the referenced APD transferred from Liberty Pioneer Energy Source to successor operator Fidelity Exploration & Production Company.

Fidelity Exploration & Production Company will operate the well under the approved conditions and submitted APD utilizing Utah Blanket Bond Number 190017646.

Liberty Pioneer Energy Source, Inc.

[Signature]
Daniel R. Gunnell - President

*N3155
Fidelity E+P Co
1700 Lincoln St Ste 2800
Denver Co 80203
720 931-9637*

NAME (PLEASE PRINT) Stephanie Masters TITLE Operations-Southern Rockies
SIGNATURE *[Signature]* DATE January 12, 2009

RECEIVED

APPROVED *[Signature]* 2/12/2009

[Signature]
Earlene Russell
Division of Oil, Gas and Mining
Earlene Russell, Engineering Technician

FEB 05 2009
DIV. OF OIL, GAS & MINING

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

Request to Transfer Application or Permit to Drill

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

Well name:	State 2-44
API number:	4301931604
Location:	Qtr-Qtr: SESE Section: 2 Township: 22S Range: 17E
Company that filed original application:	Liberty Pioneer Energy Source, Inc.
Date original permit was issued:	December 22, 2008
Company that permit was issued to:	Liberty Pioneer Energy Source, Inc.

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

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

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

Name (please print) Stephanie Masters Title Operations Tech Southern Rockies
 Signature *Stephanie Masters* Date January 22, 2009
 Representing (company name) Fidelity Exploration & Production Co.

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



GARY R. HERBERT
Governor

GREGORY S. BELL
Lieutenant Governor

State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA
Division Director

January 7, 2010

Stephanie Masters
Fidelity Exploration & Prod. Co.
2585 Heartland Drive
Sheridan, WY 84260

Re: APD Rescinded – State 2-44, Sec. 2, T. 22S, R. 17E
Grand County, Utah API No. 43-019-31604

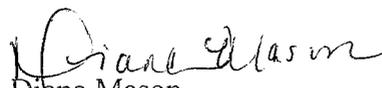
Dear Ms. Masters:

The Application for Permit to Drill (APD) for the subject well was approved by the Division of Oil, Gas and Mining (Division) on December 22, 2008. On January 7, 2010, you requested that the division rescind the state approved APD. No drilling activity at this location has been reported to the division. Therefore, approval to drill the well is hereby rescinded, effective January 7, 2010.

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
SITLA, Ed Bonner