

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-078300	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: N/A	
2. NAME OF OPERATOR: North American Exploration, LLC, Attn: John Moore				9. WELL NAME and NUMBER: Powerline 11-12-2318	
3. ADDRESS OF OPERATOR: 110 16th St. Suite 1220 CITY Denver STATE CO ZIP 80202			PHONE NUMBER: (303) 327-7147	10. FIELD AND POOL, OR WILDCAT: Wildcat	
4. LOCATION OF WELL (FOOTAGES) AT SURFACE: 1,751' FNL & 493' FWL <i>594690x 38.827130</i> AT PROPOSED PRODUCING ZONE: Same as Surface <i>42979514 -109.909174</i>				11. QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: SWNW 11 23S 18E	
14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE: Approximately 25 miles southeast of Green River, Utah				12. COUNTY: Grand	13. STATE: UTAH
15. DISTANCE TO NEAREST PROPERTY OR LEASÉ LINE (FEET) 493' FWL		16. NUMBER OF ACRES IN LEASE: 1,280 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: 9,400		20. BOND DESCRIPTION: UTB000296	
21. ELEVATIONS (SHOW WHETHER DF, RT, GR, ETC.): 4,549' GR		22. APPROXIMATE DATE WORK WILL START: 5/1/2009		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"	20"	J55	.500"	120				
17-1/2"	13-3/8"	N80	68#	2,000	HowcoLT+.25 PolyFlk	1350 SXS	2.08 yld	12.8#
12-1/4"	9-5/8"	HCP110	53.5#	6,150	HowcoLT+.25CeloFlk	1370 SXS	2.08 yld	12.8#
8-1/2"	5-1/2"	HCP110	23#	9,400	HowcoLT+.25CeloFlk	1338 SXS	1.25 yld	16.8#

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

NAME (PLEASE PRINT) Terri L. Hartle TITLE Office Administrator, Authorized Agent
SIGNATURE *Terri L. Hartle* DATE 3-17-09

(This space for State use only)

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

API NUMBER ASSIGNED: 43-019-31420

APPROVAL:

Date: 03-18-09

By: *[Signature]*

RECEIVED
MAR 18 2009

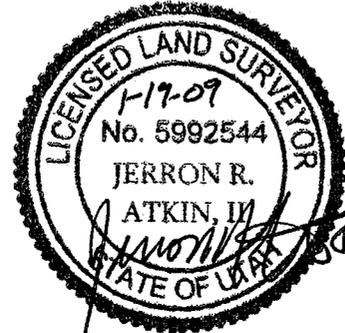
DIV. OF OIL, GAS & MINING

**Federal Approval of this
Action is Necessary**

**WELL PLAT FOR "POWERLINE 11-12-2318"
SECTION 11, T23S-R18E, SLB&M, GRAND COUNTY, UTAH**

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 22 South, Range 18 East, conducted by H.D. Heist and approved on April 30, 1909 as file No. 1239-A. 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°15'01" W between the West and Northwest corners of Section 11, T23S, R18E, S.L.B.&M., U.S. Survey.

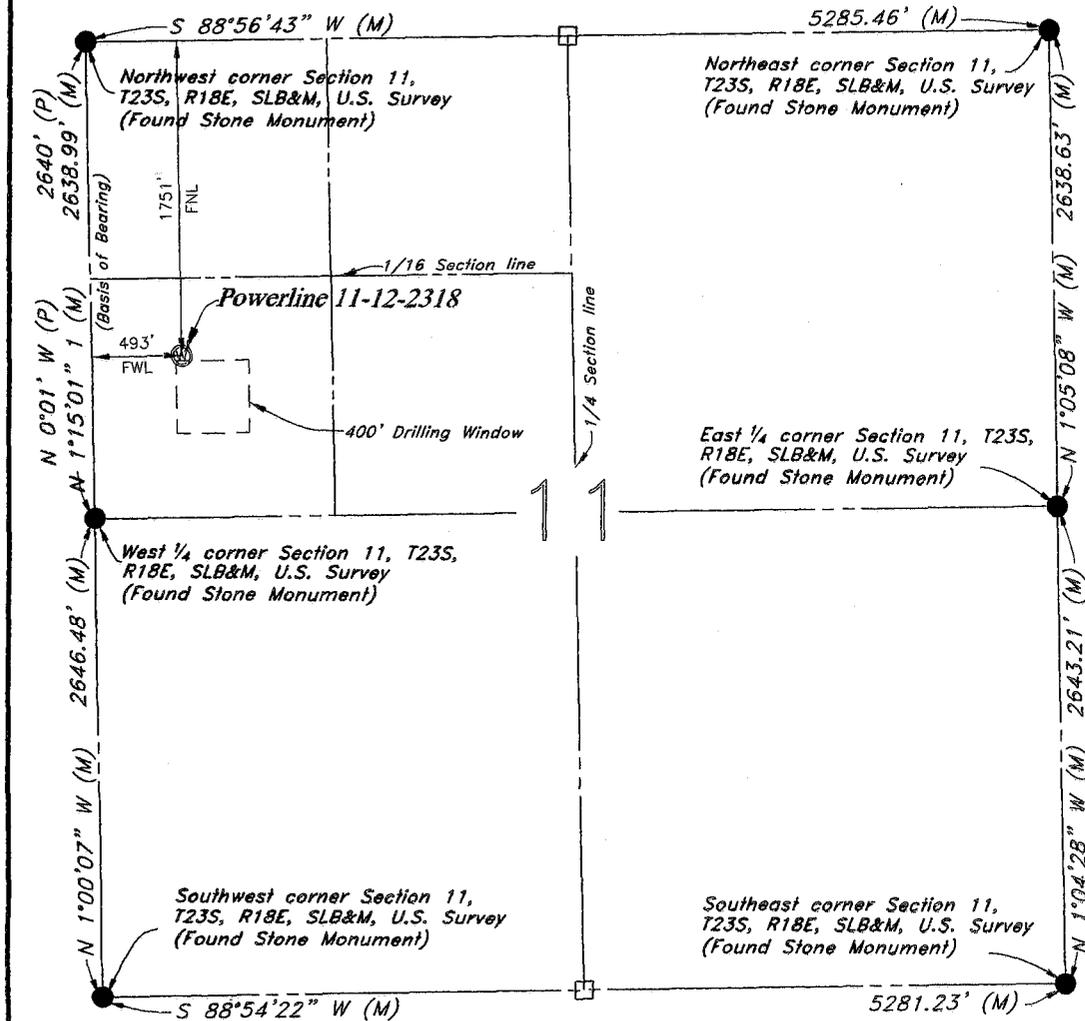
BASIS OF ELEVATION

Elevation based on a GPS observation of a rebar control point set by Western Land Services for this survey which is located in the Northwest Quarter of Section 11, T23S, R18E, S.L.B.&M., U.S. Survey. Elevation=4536 feet.

NARRATIVE

The purpose of this survey is to plat the location of the proposed well "POWERLINE 11-12-2318" which is located in the Southeast 1/4 of the Northwest Quarter of Section 11, T23S, R18E, S.L.B.&M., U.S. Survey.

NORTH AMERICAN EXPLORATION
PROJECT: POWERLINE 11-12-2318



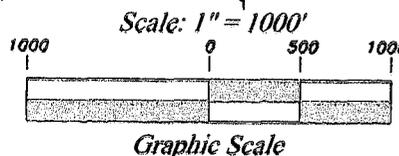
PROPOSED WELL SITE

LATITUDE: 38.82718°N
LONGITUDE: 109.90995°W
ELEVATION: 4549' (Graded)
DISTANCES ARE GROUND
NAD 83, NAVD 88
SF:1.000161
UTAH STATE PLANE
CENTRAL ZONE

For Reference Only
PROPOSED WELL SITE
Latitude: 38.82720°N
Longitude: 109.90927°W
NAD 27

LEGEND:

- ⊙ - PROPOSED WELL LOCATION
- - FOUND STONE MONUMENT
- - CALCULATED CORNER
- M - MEASURED WITH GPS
- P - 1909 GLO PLAT



WESTERN LAND SERVICES
 Richfield, UT 84701 (435) 896-5501
 File: POWERLINE 11-12-2318 PLAT.DWG | Date: 01/19/09



WESTERN LAND SERVICES

March 17, 2009

Utah Division of Oil, Gas & Mining
Diana Mason
1594 West North Temple, Suite 1210
Salt Lake City, Utah 84114-5801

RE: North American Exploration LLC—Powerline 11-12-2318

Dear Diana:

North American Exploration LLC proposes to drill the Powerline 11-12-2318 well situated in T23S – R18E; Section 11: SWNW, where the Department of Interior – Bureau of Land Management is the surface and mineral owner.

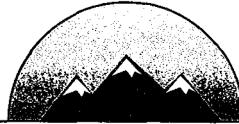
Enclosed you will find the APD, SUP, Drilling Plan, Certification, Construction Drawings, Exception Location Letter, and all other necessary documents for the approval of this well.

If you have any questions regarding the submittal, please contact me at Terri.Hartle@Westernls.com or (435) 896-5501.

Sincerely,

Terri Hartle
Office Administrator – Western Land Services

RECEIVED
MAR 18 2009
DIV. OF OIL, GAS & MINING



WESTERN LAND SERVICES

March 17, 2009

Utah Division of Oil, Gas & Mining
Diana Mason
1594 W. N. Temple Suite 1210
Salt Lake City, Utah 84114-5801

RE: North American Exploration, LLC (NAE) Requests Permission to Drill the Powerline 11-12-2318

Diana:

NAE hereby makes application for approval to drill the Powerline 11-12-2318 well situated in Township 23 South – Range 18 East; Section 11: SW/NW (1,751' FNL – 493' FWL) on lands administered by the Department of Interior – Bureau of Land Management (BLM). Both the surface and minerals are held by the BLM. The BLM has leased the minerals out to MSC Exploration under lease number UTU – 78300 and MSC Exploration has designated North American Exploration (NAE) as their Designated Operator.

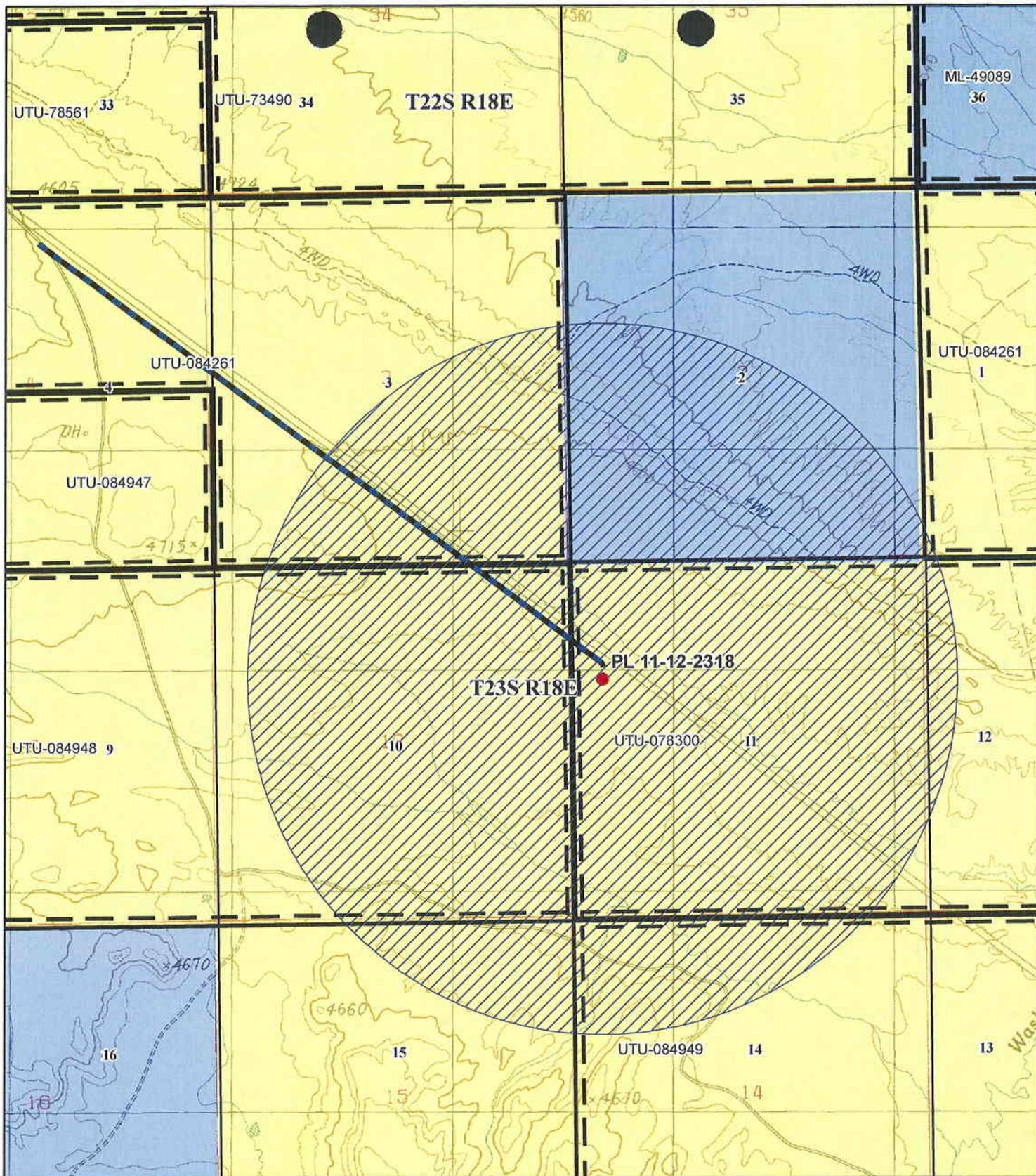
NAE proposes to drill the Powerline 11-12-2318 well to a total depth of 9,400 feet and is an exception to Rule R649-3-3. NAE is the only leasehold owner and operator within a 460 foot radius of the bore hole.

NAE proposes to use a vertical drilling program for the Powerline 11-12-2318 well. This well is situated outside of the legal drilling window due to a request from the Bureau of Land Management to avoid two (2) large ephemeral washes. Other alternatives were identified but the proposed access route and well location provides the most environmentally sensitive options. Attached hereto is a plat as required by the Commissions rules and regulations.

If no objections are filed, the applicant requests that this application be approved. If objections are filed, applicant requests the matter be set for hearing and that it be advised of the hearing date.

Respectfully submitted,

Terri Hartle, Western Land Services
Designated Agent for North American Exploration



0 0.5 1 Miles

Referenced Dee Pass UT, 7.5' USGS Quadrangle.

Legend	
	Well
	Access Road
	Well Buffer
	Leased
	BLM
	SITLA

Exception Map



1:24,000

North American Exploration	
PL 11-12-2318	
WESTERN LAND SERVICES Richfield, UT 84701 (435) 896-5501	
Prepared By	DN
Date	Jan. 23, 2009

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.

Operator Certification

I hereby certify that I, or someone under my direct supervision, have inspected the drill site and access route proposed herein; that I am familiar with the conditions which currently exist; that I, or someone under my direct supervision, have full knowledge of state and Federal laws applicable to this operation; that the statements made in this APD package are, to the best of my knowledge, true and correct; and that the work associated with the operations proposed herein will be performed in conformity with this APD package and the terms and conditions under which it is approved. I also certify that I, or the company I represent, am responsible for the operations conducted under this application. These statements are subject to the provisions of 18 U.S.C. 1001 for the filing of false statements.

Executed this 17 day of March, 2009.

Signature, Glen Nebeker

Name (print or type) Glen Nebeker

Position Title NEPA Specialist/Project Manager

Address Western Land Services

195 N. 100 E., Richfield, UT 84701

Telephone 435-896-5501

Field representative (if not above signatory)

Address (if different from above)

Telephone (if different from above)

E-mail (optional) Glen.Nebeker@westernls.com

Agents not directly employed by the operator must submit a letter from the operator authorizing that agent to act or file this application on their behalf.

BLM- Utah State Office
Attn: Mickey Coulthard
440 West 200 South, Suite 500
Salt Lake City, Utah 84101
PH: (801) 539-4112

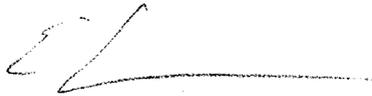
August 25th, 2008

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, LLC Well No. Powerline 11-12-2318

Location: Sec 11 T23S R18E

Lease No. UTU-078300 (Note: the lease expires on 5-31-2009)

On-Site Inspection Date: 3/19/09

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.

Pursuant to Title V of the Federal Land Policy and Management Act (FLPMA) of October 21, 1976 (43 U.S. C. 1761) and Section 28 of the Mineral Leasing Act of 1920 as amended a right-of-way grant is being requested with this Application for Permit to Drill (APD). The right-of-way grant would be issued for the "off-lease" access road described in the Thirteen Point Surface Use Plan.

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 25 miles southeast of Green River, Utah.

2. Planned Access Roads (1:24,000 scale: 12 inch surveyor stakes):
 - a. Location (centerline): Refer to construction diagrams.
 - b. Length of new access to be constructed: 2.0 miles
 - c. Length of existing roads to be upgraded: 0 miles
 - d. Maximum total disturbed width: 34 feet (Sheets 1-12)
 - e. Maximum travel surface width: 14 foot travel lanes, 24 feet at turnouts
 - f. Maximum grades: 1.85%
 - g. Turnouts: 10

- 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: 1.86 miles
- 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. There is no proposed pipeline at this time. If a pipeline is needed, it will be applied for by Sundry Notice and additional NEPA will be completed as needed. 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 liner will overlay a felt liner pad only if sharp rock edges result from excavation.

The reserve pit will be located: See construction diagrams, Sheet 2 of 12. 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 2 of 12.

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, debris, and nonhazardous waste will be kept in containers on the well site. It will be hauled to an approved treatment facility 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 2 of 12.

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 2 of 12.

The blooie line will be located: At least 100 feet from the well head, Sheet 2 of 12.

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.

If culverts were used during road construction, they 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 several times a year 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. There were three (3) isolated finds recorded and one (1) previously recorded site that was revisited and updated. This site is recommended eligible for inclusion on the National Register for Historic Places. This site will be avoided.

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

Powerline 11-12-2318

SWNW Sec. 11-T23S-R18E

1751' FNL & 493' FWL

Latitude: 38.82720° Longitude: -109.909266°

Ground Level Elevation: 4549'

Surface Formation: Quaternary alluvium sitting on Upper Mancos

Grand County, Utah

Lease # UTU 078300

ONSHORE ORDER 1 - DRILLING PLAN

General Project Description

The Powerline 11-12-2318 well is proposed as a Cane Creek test to a depth of 9400' MD/TVD. Attached is a Proposed Wellbore Construction Diagram providing a visual depiction of NAE's plan to construct this wellbore. There is high potential of encountering abnormal formation pressure after the Paradox Salt top is encountered at 5,310', with mud weights in excess of 16.0 ppg required to control the formation pressure. NAE proposes drilling the surface hole with air and air/mist, and setting 13-3/8" surface casing to 2000' RKB in a 17-1/2" hole. The surface casing will effectively case off all formations from the Chinle Formation to the surface. The surface casing will be cemented to surface.

NAE plans to continue drilling the 12-1/4" intermediate section of hole with air and air/mist to a depth of 6150' RKB. The 12-1/4" hole will be drilled, and the intermediate casing will be set, at a depth sufficient to provide a formation integrity test at the shoe of at least 15.5 ppg EMW. After drilling through the top of the Paradox Salt at ~5,310' abnormal formation pressure can be present, with mud weights exceeding 16.0 ppg necessary to control formation pressure. NAE intends on setting the intermediate casing just into the top of pressure to facilitate drilling the production hole to TD without requiring a 7" contingent drilling liner. A triple combo open hole logging suite will be run at 6150'. Then 9-5/8" intermediate casing will be run and cemented in place with a proposed cement top 400' inside the surface casing shoe at 2000'.

The wellbore will then be displaced with an 80/20 invert oil base mud system. Drip pans and all other contingencies and equipment will be in place to handle the oil base mud prior to commencing drilling of the 8-1/2" production hole. An 8-1/2" production hole is being drilled to accommodate the running of a 7" contingent drilling liner if required by higher than expected formation pressures in the Paradox Salt section. NAE's primary target for the well is the Cane Creek zone, a clastic section bounded by salt sections. NAE has conservatively designed its wellbore using higher formation pressures than anticipated. This "over-design" also accounts for the plastic nature of the Paradox Salt sections, and the realization that several Paradox Salt wells have experienced collapsed casing due to under-design or poor cement practices. Once TD of 9400' MD/TVD is reached, a quad-combo logging suite will be run in the open hole. A production string of 5-1/2" casing will then be run from surface to TD and cemented with a cement top projected at 5750' (400' inside the 9-5/8" intermediate casing shoe).

NAE predicts this well will make significant quantities of oil and natural gas out of the Cane Creek clastic member of the Paradox Salt.

1. **Estimated Tops of Geological Markers:**

Formation	Depth (G.L.)
Quaternary alluvium	Surface
Morrison	465
Carmel	965'
Navajo Sandstone	1365'
Chinle	1765'
White Rim	2725'
Organ Rock	2510'
Paradox	5160'
Top Paradox Salt	5310'
"O" Zone	8510'
Cane Creek	8910'
Base of Cane Creek	9210'
Proposed TD	9400'

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

Formation	Depth (G.L.)	Substance
Morrison	465'	Oil/Gas
Navajo	1365'	Oil/Gas
White Rim	2210'	Oil/Gas
"O" Zone	8510'	Oil/Gas
Cane Creek	8910'	Oil/Gas
Estimated TD		9400'
Estimated Bottomhole Temperature		160°F

3. **Pressure Control Equipment: (10000 psi schematic attached)**

- a 13-3/8" SOW X 13-5/8" 10M casing head will be installed and welded on to the 13-3/8" surface casing
- 13-5/8" 5000 psi annular preventer
- 13-5/8" 10000 psi triple ram blowout preventer
- 2 sets pipe rams
- 1 set blind rams
- Drilling spool, or blowout preventer with 2 side outlets (choke side shall be a 3-inch minimum diameter, kill side shall be at least 2-inch diameter)
- 3 inch choke line
- 2 kill line valves (2 inch minimum) and check valve
- Remote kill line (2 inch minimum) shall run to the outer edge of the substructure and be unobstructed
- Manual and hydraulic choke line valve (3 inch minimum)
- 3 chokes, 1 being remotely controlled
- Pressure gauge on choke manifold
- Upper kelly cock valve with handle available

- Safety valves and subs to fit all drill string connections in use
- Inside BOP or float sub available
- Wearing ring in casing head
- All BOPE connections subjected to well pressure shall be flanged, welded, or clamped
- Fill-up line installed above the uppermost preventer.

Testing Procedure:

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.

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 (See Wellbore Construction Diagram):**

A. Casing Program: All New

Hole Size	Casing Size (O.D.)	Wt./Ft.	Grade	Joint	Depth Set (MD)
20"	20"	0.500" w.t.	J55	Welded	120' (BGL)
17-1/2"	13.375"	68.0#	N80	LT&C	0-2000' (GL)
12-1/4"	9.625"	53.5#	HCP110	LT&C	0 – 6150' (GL)
8-1/2"	5.50"	23.0#	HCP110	LT&C	0– 9400' (GL)

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 (~25 centralizers total). Thread lock guide shoe and bottom of float collar.

The intermediate casing string will have a float shoe, 1 joint, float collar, and will be centralized with 1 bow spring centralizer in the middle of the shoe joint, 1 centralizer in the middle of the next joint up, and then 1 centralizer on every other casing collar up to the base of surface casing.

The 5.5" production string will be run from surface to TD. The production string will utilize a float shoe, 2 shoe joints, a float collar, and will be centralized with 2 solid blade stabilizers in the middle of each of the 2 shoe joints and the middle of the joint above the float collar. From there, sold blade centralizers will be run on every other casing collar up through the base of the intermediate casing string at 6500'.

All 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: (see attached casing design)

Depth (MD)	Casing	Collapse (psi)/SF	Burst (psi)/SF	Tension (Mlbs)/SF
120' (GL)	20" OD	NA	NA	NA
2000' (KB)	13-3/8" 68# N80 LTC	2260/2.41 (a)	5020/1.94 (b)	963M/6.88 (c)
6150' (KB)	9-5/8" 53.5# HCP110 LTC	8850/1.25 (d)	10900/1.39 (e)	1422M/4.32 (f)
9400' (KB)	5-1/2" 23.0# HCP110 LTC	14540/1.65 (g)	13580/1.73 (h)	643M/2.97 (i)

- (a.) based on full evacuation of pipe with 9.0 ppg fluid on annulus
 (b.) based on 10.0 ppg BHP with no fluid on annulus minus 0.1 psi/ft gas gradient
 (c.) based on casing string weight in air
 (d.) based on full evacuation of pipe with 22.1 ppg fluid on annulus
 (e.) based on 18.0 ppg BHP, gas to surface, with no fluid on annulus, 0.1 psi/ft gas gradient
 (f.) based on casing string weight in air
 (g.) based on full evacuation of pipe with 18.0 ppg fluid on annulus
 (h.) based on 18.0 ppg BHP with no fluid on annulus minus 0.1 psi/ft gas gradient
 (i.) based on casing string weight in air

C. Proposed Cementing Program**Surface Casing** - Cemented to surface

CASING	SLURRY	FT. of FILL	CEMENT TYPE	SXS	EXCESS (%)	WEIGHT (ppg)	YIELD (ft ³ /sx)
13-3/8"	Lead/Tail	2000	Howco Rockies LT cement + 0.25 pps Poly-E-Flake	1350	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.

Intermediate Casing - Cemented 6150' to 400' inside surface casing shoe at 2000'

CASING	SLURRY	FT. of FILL	CEMENT TYPE	SXS	EXCESS (%)	WEIGHT (ppg)	YIELD (ft ³ /sx)
9-5/8"	Lead/Tail	4550'	Howco Rockies LT + 0.25 pps celloflake	1370	100	12.8	2.08

Cement volumes for the 9-5/8" Intermediate Casing will be calculated to provide a top of cement to 400' inside surface casing shoe at 2000'. Cement volumes are approximate and are calculated under the assumption that 100% excess will be used over gauge hole. 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 50% excess. Actual cement types may vary due to hole conditions and cement contractor used.

Production Casing - Cemented 9400' to 400' inside intermediate casing shoe at 6150'

CASING	SLURRY	FT. of FILL	CEMENT TYPE	SXS	EXCESS (%)	WEIGHT (ppg)	YIELD (ft ³ /sx)
5-1/2"	Lead/Tail	3650'	Howco Rockies LT + 0.25 pps celloflake	1338	100%	16.8	1.25

Cement volumes for the 5-1/2" Production Casing will be calculated to provide a top of cement to 400' inside the intermediate casing shoe at 6150'. Cement volumes are approximate and are calculated under the assumption that 100% excess will be used over gauge hole. 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 50% 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' - 120' (KB)	<8.4	No cntrl	28	Water
120'-2000' (KB)	8.4-8.6	No cntrl	28-36	Air/Air Mist
2000'-6150' (KB)	8.4-9.0	8- 0 ml	32-42	Air/Air Mist
6150'-9400' (KB)	9.0-18.0	5-10 ml	35-45	Oil Base Mud

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. When oil base mud is utilized to drill the production section of hole, adequate spill containment measures and equipment will be in plac45

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 Navajo Sandstone (~1410' TVD RKB) to Total Depth.

Logging

- At the surface casing point of 2000' a triple combo (CNL/FDC/DIL/GR/CAL) will be run to surface.
- At the intermediate casing point of 6150' a Triple Combo (CNL/FDC/DIL/GR/CAL) will be run from 6500' to the surface casing shoe at 2000', with the GR being run all the way to surface.
- At the production casing point of 9400' a Quad Combo (BHC Sonic/CNL/FDC/DIL/GR/CAL) will be run from 9400' to the intermediate casing shoe at 6150', with the GR being run all the way to surface.
- 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:

Abnormally high formation pressure is possible after topping the Paradox Salt section at 5310' MD/TVD. Formation pressure gradients as high as 0.80 psi/ft are possible from 6000' to TD. 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 8798 psi (calculated at 0.94 psi/ft of hole) and maximum anticipated surface pressure equals approximately 7818 psi (anticipated bottom hole pressure minus gas gradient of 0.1 psi/ft to surface).

8. Anticipated Starting Dates:

- Anticipated Commencement Date Must spud prior to May 31, 2009.
- Drilling Days (see attached drilling curve) Approximately 44 days
- Completion Days - Approximately 30 days
- Anticipate location construction within 15 days of permit issue.

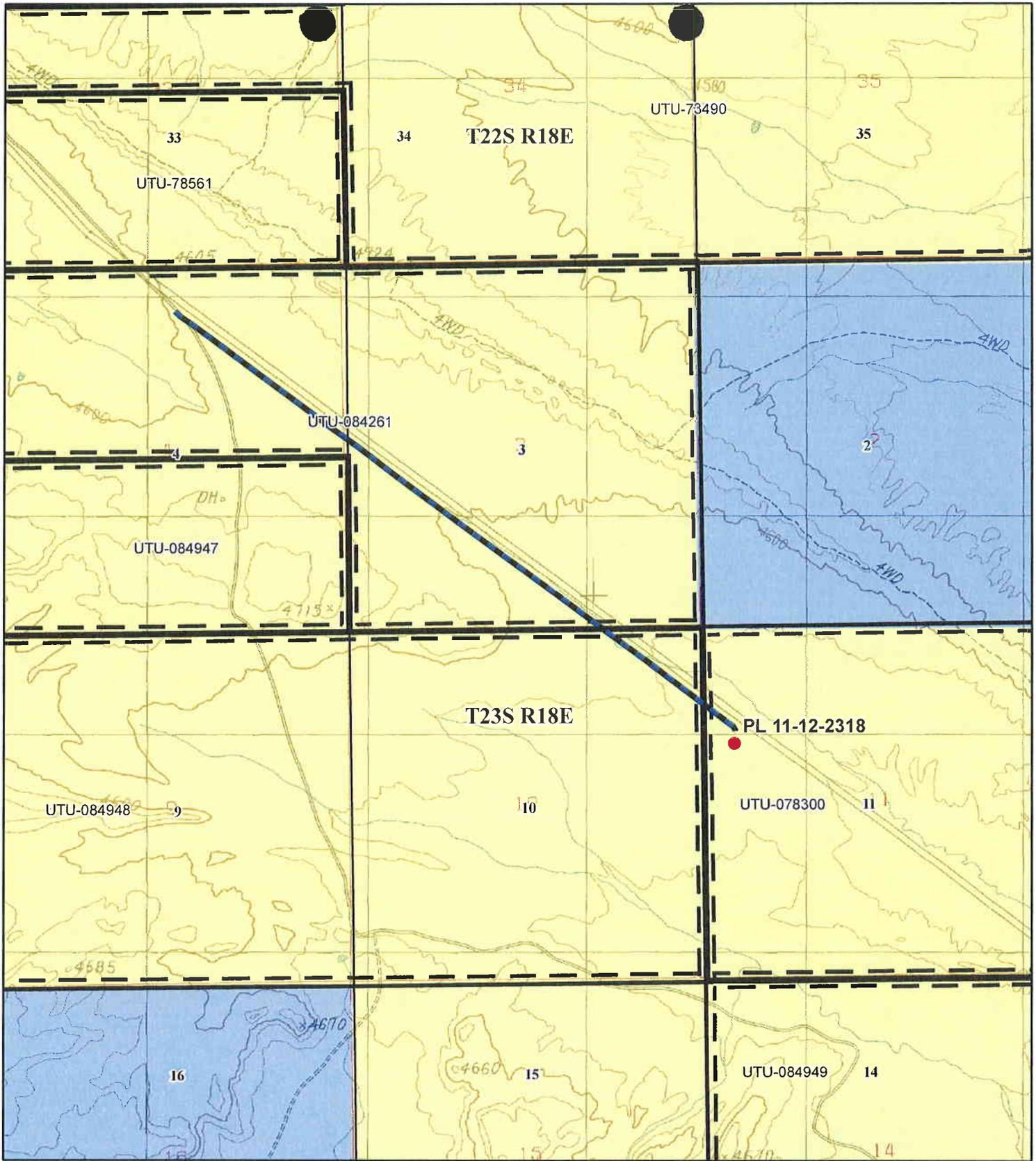
9. Variations:

None anticipated

10. **Other:**

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.



0 0.5 1 Miles

Referenced Dee Pass UT, 7.5' USGS Quadrangle.

Legend

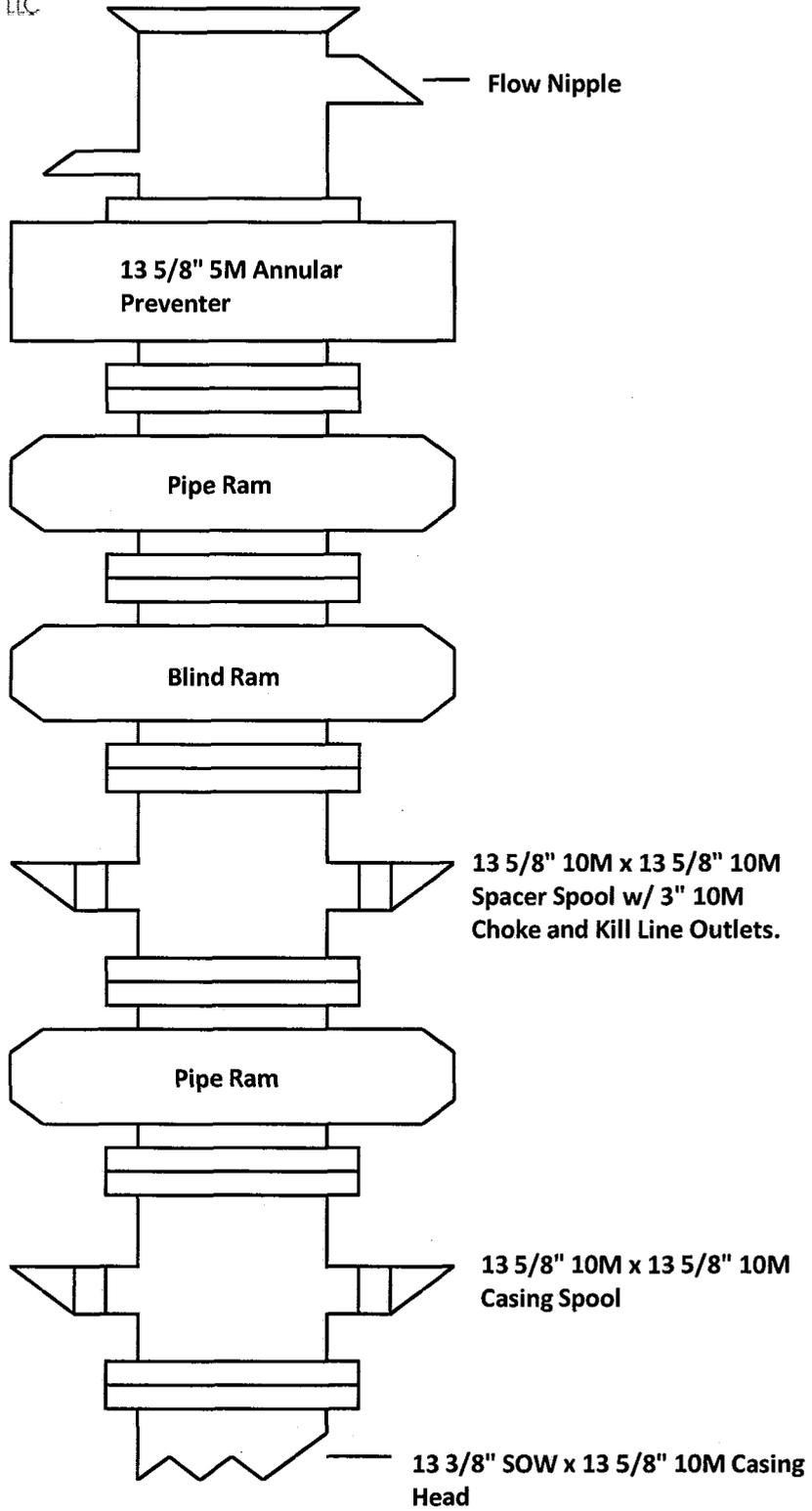
- Well
- Leased
- BLM
- SITLA
- Access Road



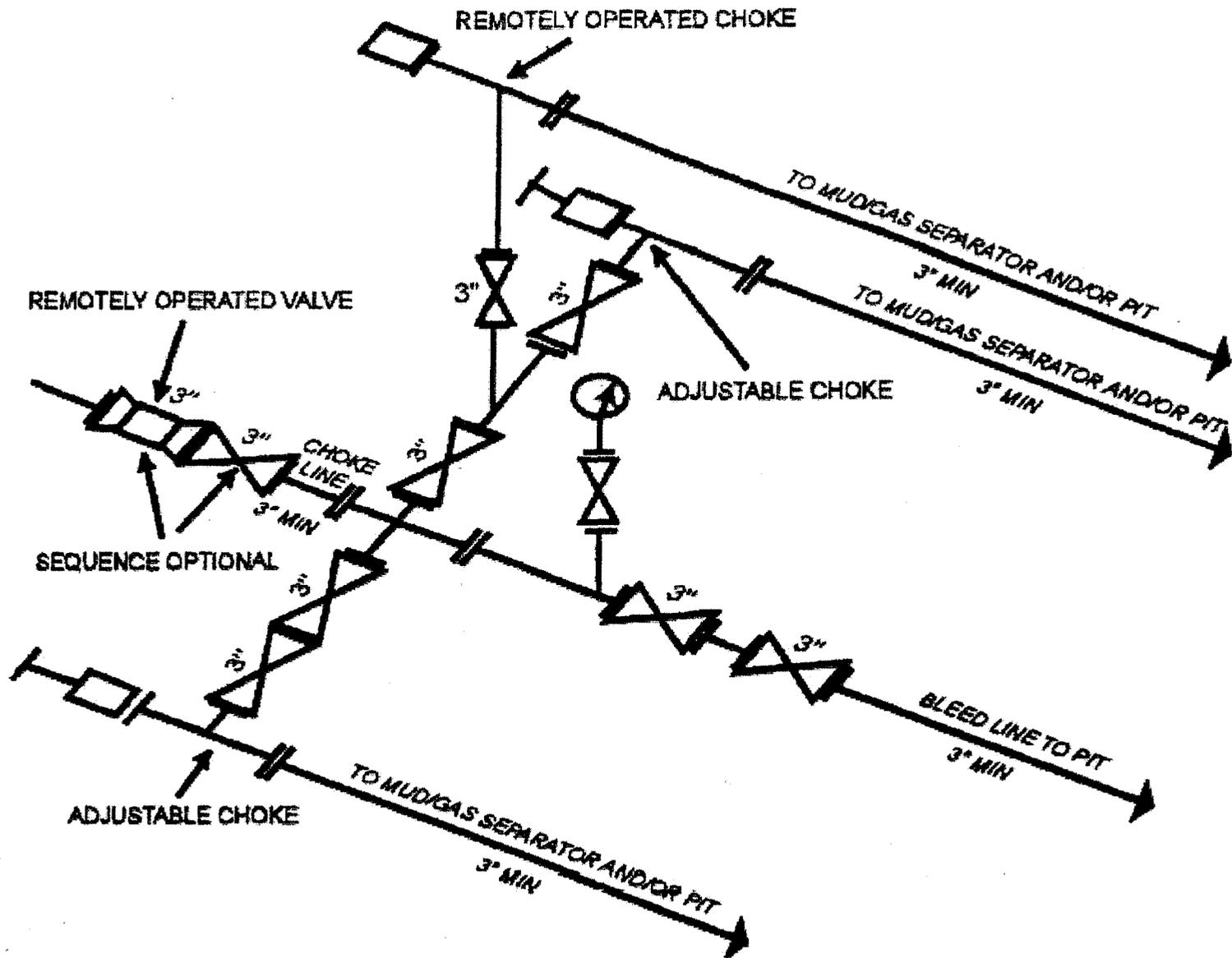
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North American Exploration	
PL 11-12-2318	
 WESTERN LAND SERVICES Richfield, UT 84701 (435) 896-5501	
Prepared By: DN	Date: Jan. 23, 2009

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.



13 5/8" 10M BOP Configuration



10M AND 15M CHOKE MANIFOLD EQUIPMENT - CONFIGURATION OF CHOKES MAY VARY
 [53 FR 49661, Dec. 9, 1988 and 54 FR 39528, Sept. 27, 1989]

**POWERLINE 11-12-2318
Proposed Wellbore Construction Diagram**

Well: Powerline 11-12-2318
Well Type: Vertical Exploratory Intra-Salt Test
Surface Location: 1751' FNL, 493' FWL Sec 11-T23S-R18E
Proposed TD: 9,400' MD/TVD
Lat/Long: 38.82720°N, -109.909266°W
Author-Version-Date: W. Lowry - v1 - 12 January 2009



AFE Number:
Field: Wildcat
API Well Number: 043-019-00000
Objectives: Drill, Evaluate, Run Prod Csg thru Cane Creek Clastic Section

Geology Logs	BOP Testing Requirements	Casing and Cement	Depth (ft)	Hole Size	Bit Run	Mud Weight	Directional and Mud Data
Surface sediments are Cretaceous Mancos			13 5/8" 10M Wellhead				
			120' Cond.	20" Conductor			
Morrison @ 465' Carmel @ 965' Navajo @ 1,365' Chinle @ 1,765'		Cmt to surface is BLM Requirement		17-1/2" Hole		< 8.4 ppg	Hole cleaning, lost circulation , gravel beds, seepage, tight hole, stuck pipe, Water, Gel Polymer, Polyseal for lost returns Drill w/ Air & Air Mist
	13 3/8" 68# N80 LTC (0' - 2,000')		2,000' MD/TVD				
White Rim @ 2,210' Organ Rock @ 2,510'	Test 13 3/8" casing to 1500 psi / 30 min Test Rams/choke to: 250 psi / 10 min 5000 psi / 10 min Test Annular to: 250 psi / 10 min 2500 psi / 10 min			12-1/4" Hole		< 8.0 ppg EMW	(Drill 10" new hole and run FIT to 15.0 ppg EMW) Drill with air/mist/aerated mud Hole cleaning, drilling breaks, loss of returns, tight hole, bridging, possible stuck pipe Use 9.5" air motor throughout the 12.25" hole section.
Top Paradox @ 5,160' Top Paradox Salt @ 5,310'		Log Run 1: Triple-Combo. GR to Surface					Significant increased formation pressure expected after Top of Salt
Top of Pressure @ 6,000'	Intermediate: 9-5/8" 53.5# HCP110 LTC (0- 6,150')		6,150' MD/TVD				Drill thru 1st Salt. Expect 9.5 - 12.0 ppg EMW in 1st Clastic Break.
Paradox Salt w/ Clastic Breaks	Test 9-5/8" casing to 1900 psi / 30 min Test Rams/choke to: 250 psi / 10 min 10000 psi / 10 min Test Annular to: 250 psi / 10 min 2500 psi / 10 min			8-1/2" Hole		12.0- 20.0 ppg	(Drill 10" new hole and run FIT to 18.0 ppg EMW) Drill with 80/20 OI-based mud Hole cleaning, drilling breaks, loss of returns, tight hole, bridging, possible stuck pipe Target Flow Rate is 450 GPM
"O" Zone @ 8,510'							Pressured Clastic Breaks and CaCl2 flows likely f/ Top of Salt to TD. MWs of 16.0 to 18.0 ppg EMW MAY BE REQUIRED
Cane Creek @ 8,910'							18.0 ppg max expected MW
Base Salt @ ?????'							12.0- 20.0 ppg
Pinkerton Trail @ ?????' TD 9,400' MD/TVD	Production Liner: 5-1/2" 15.1# P-110 LTC (0-9,400' MD/TVD)	Log Run 2: Quad-Combo	9,400' MD/TVD				

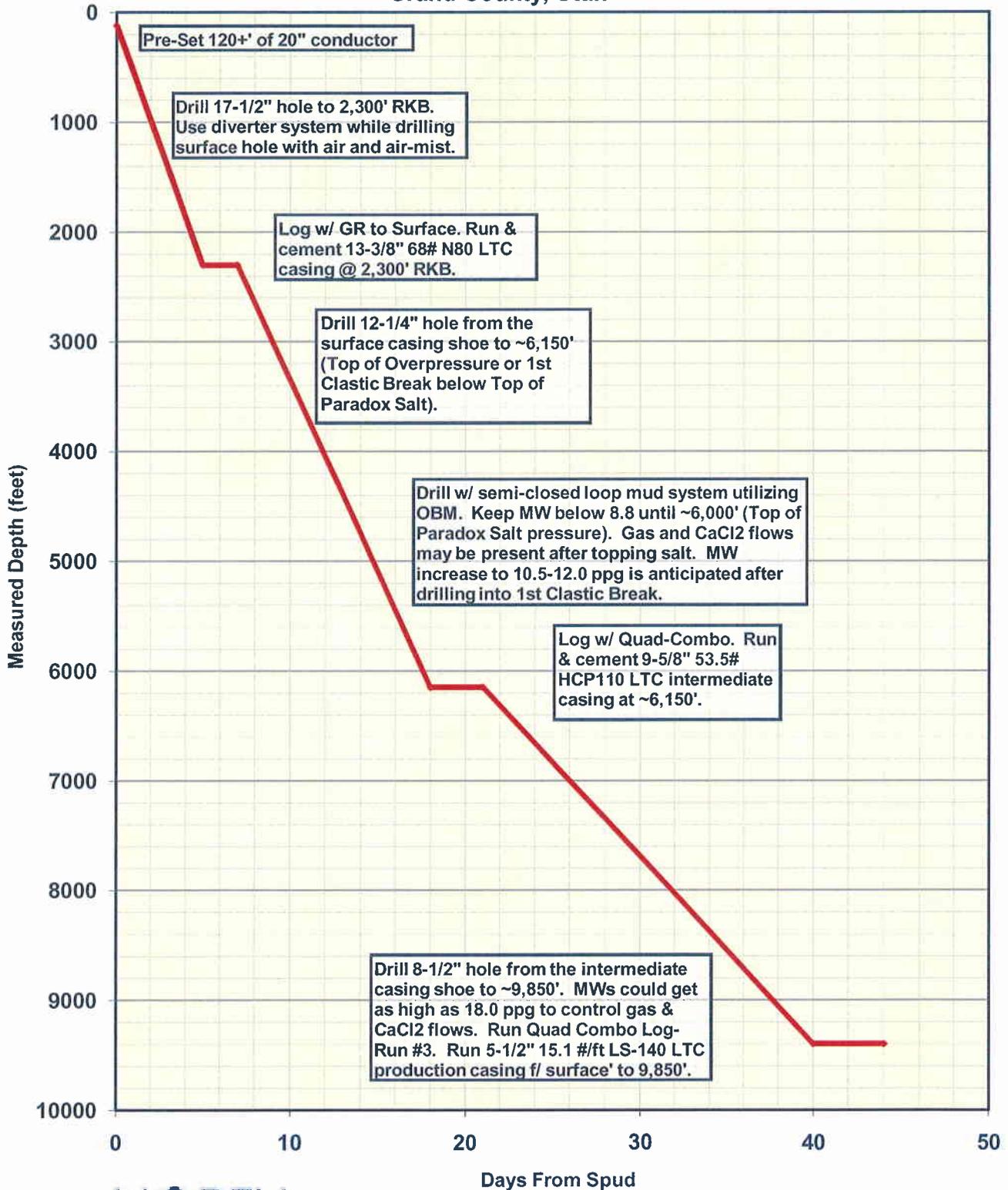
APPROVALS

DRAFT

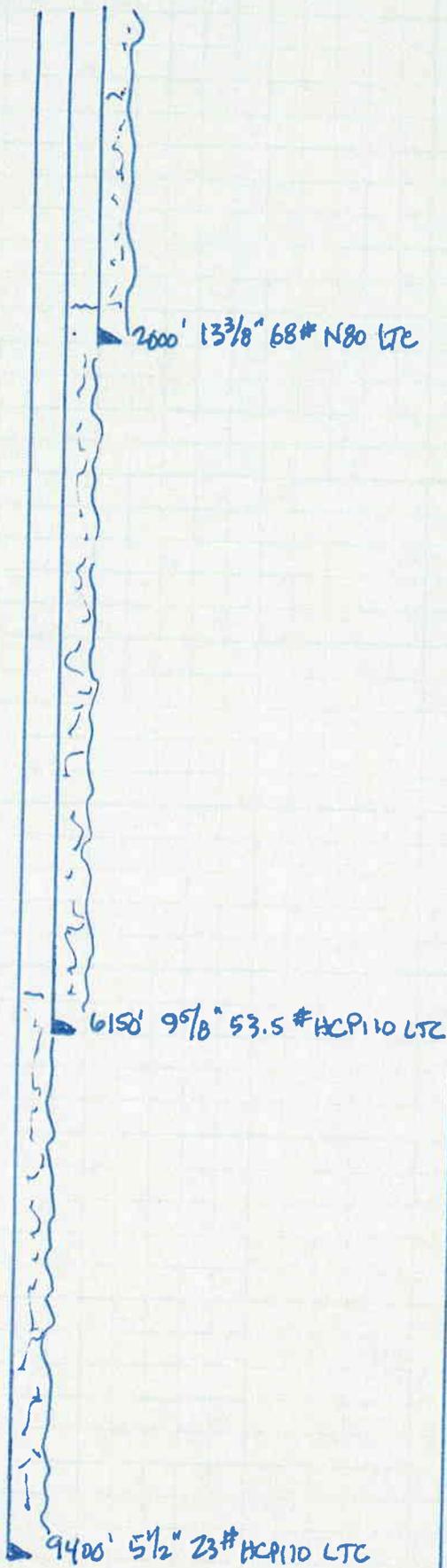
Prepared By:  12 January 2009

Approved By: _____

North American Exploration, LLC
 Powerline 11-12-2318
 Proposed Days vs. Depth
 Grand County, Utah



CAMPAD



Surface Casing - 13 3/8" 68# N80 LTC

Collapse ~ 2260 psi
 Burst ~ 5020 psi
 Tension ~ 963K pounds

Collapse

$$\begin{aligned}
 (.052)(2000')(9.0) &= 936 \text{ psi Load} \\
 2260 / 936 &= \underline{2.41 \text{ SF}}
 \end{aligned}$$

Burst

$$\begin{aligned}
 \text{MASP} &= (.052)(10.0)(6150) = 3198 \text{ psi} \\
 \text{gas gradient} &= (.10)(6150) = \frac{615 \text{ psi}}{2583} \\
 5020 / 2583 &= \underline{1.94 \text{ SF}}
 \end{aligned}$$

Tension

$$\begin{aligned}
 (68) \left(\frac{2000}{6150} \right) &= 136,000 \\
 963,000 / 136,000 &= \underline{6.88 \text{ SF}}
 \end{aligned}$$

Intermediate Casing - 9 5/8" 53.5# HCP110 LTC

Collapse

$$\begin{aligned}
 \text{Collapse} &\sim 8850 \text{ psi} \\
 \text{Burst} &\sim 10900 \text{ psi} \\
 \text{Tension} &\sim 1.422 \text{K} \# \\
 (.052)(6150)(x) &= 7080 \text{ psi} \\
 \text{SF} = 8850 / Y &= \underline{1.25} \quad Y = 7080 \text{ psi} \\
 X &= 22.1 \text{ ppg EMW} \quad \text{SF} = \underline{1.25}
 \end{aligned}$$

Burst

$$\begin{aligned}
 \text{MASP} &= (.052)(9400)(18.0) = 8798 \text{ psi} \\
 \text{gas gradient} &= (.10)(9400) = \frac{940 \text{ psi}}{7858 \text{ psi}} \\
 10900 / 7858 &= \underline{1.39 \text{ SF}}
 \end{aligned}$$

Tension

$$\begin{aligned}
 (53.5)(6150) &= 329,025 \# \\
 1.422,000 / 329,025 &= \underline{4.32 \text{ SF}}
 \end{aligned}$$

(2)

Powerline 11-2318

Casing Design

W. Lowry 01/12/09

Production Casing - 5 1/2" 23# HCP110 LTC

Collapse ~ 14540 psi
Burst ~ 13580 psi
Tension ~ 643,000 #

Collapse

$$(0.052)(9400)(18.0) = 8798 \text{ psi}$$

$$14540 / 8798 = \underline{1.65 \text{ SF}}$$

Burst

$$\text{MASP} = (0.052)(9400)(18.0) = 8798$$

$$\text{gas gradient} = (0.10)(9400) = \frac{940}{78.58 \text{ psi}}$$

$$13580 / 7858 = \underline{1.73 \text{ SF}}$$

Tension

$$(23)(9400) = 216,200 \#$$

$$\text{MTR} = 643,000 / 216,200 = \underline{2.97 \text{ SF}}$$

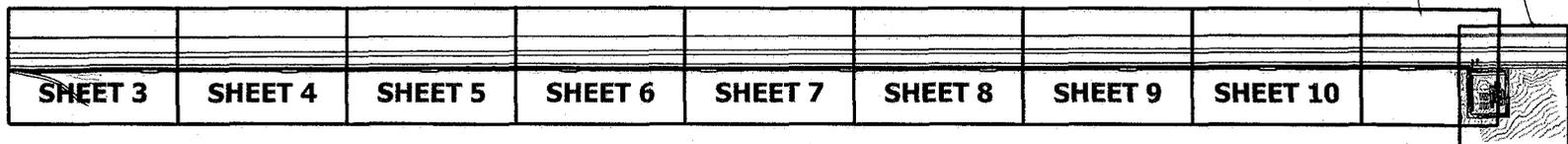
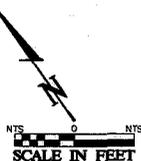
CAMPAD

NORTH AMERICAN EXPLORATION POWERLINE 11-12-2318

Section 11, T23S, R18E, SLB&M, GRAND CO., UTAH

**POWERLINE
11-12-2318**

SHEET 11

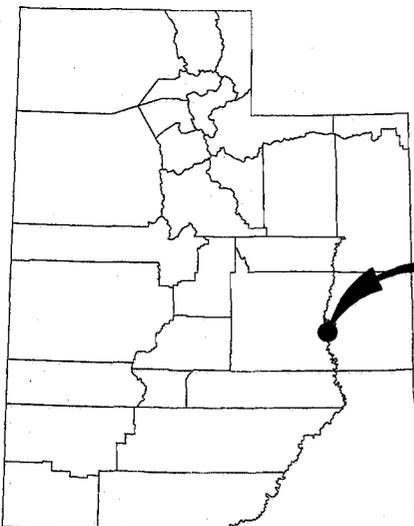


GENERAL NOTES

LENGTH (MILES) OF NEW ACCESS ROAD TO BE CONSTRUCTED: **2.0 MILES**
 LENGTH (MILES) OF EXISTING ROADS TO BE UPGRADED: **0.0 MILES**
 MAXIMUM TOTAL DISTURBED WIDTH: **34 FEET**
 MAXIMUM TRAVEL SURFACE WIDTH: **24 FEET**
 MAXIMUM GRADES: **1.85%**
 NUMBER OF TURNOUTS: **10**
 NUMBER OF CATTLE GUARDS: **0**
 NUMBER OF CULVERTS: **0**
 ACRES DISTURBED FOR NEW ROAD CONSTRUCTION: **5.79 ACRES**
 ACRES DISTURBED FOR EXISTING ROAD CONSTRUCTION: **0 ACRES**
 ACRES DISTURBED FOR PAD CONSTRUCTION: **2.41 ACRES**
 ACRES DISTURBED FOR PAD CONSTRUCTION (INCLUDING STOCKPILES): **3.0 ACRES**

LEGEND

- ROAD CENTERLINE
- CONTOURS PROPOSED MAJOR
- CONTOURS PROPOSED MINOR
- CONTOURS EXISTING MAJOR
- CONTOURS EXISTING MINOR
- SURFACE SLOPE
- SURFACE SLOPE HORIZ: VERT
- SWALE \square AND DIRECTION
- SILT FENCE
- EXISTING FENCE
- 0000.00 TP = TOP OF PAD ELEVATION



**PROJECT
LOCATION**

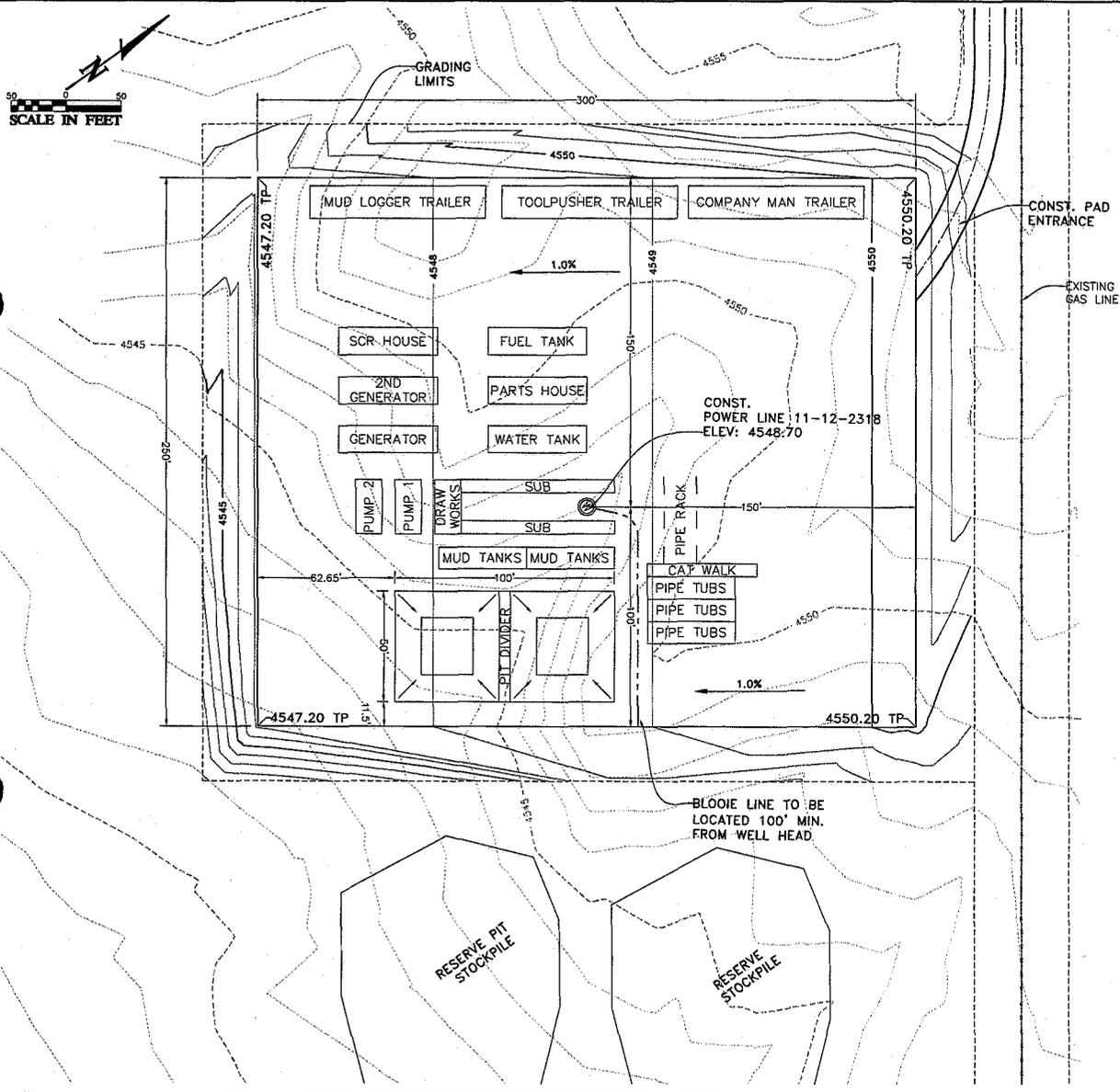
DRAWINGS INDEX

SHEET NO.	DESCRIPTION
1	COVER SHEET
2	PAD SITE AND RIG LAYOUT
3	PLAN AND PROFILE OF MAIN ACCESS ROAD STA: 0+00 - 12+00
4	PLAN AND PROFILE OF MAIN ACCESS ROAD STA: 12+00 - 24+00
5	PLAN AND PROFILE OF MAIN ACCESS ROAD STA: 24+00 - 36+00
6	PLAN AND PROFILE OF MAIN ACCESS ROAD STA: 36+00 - 48+00
7	PLAN AND PROFILE OF MAIN ACCESS ROAD STA: 48+00 - 60+00
8	PLAN AND PROFILE OF MAIN ACCESS ROAD STA: 60+00 - 72+00
9	PLAN AND PROFILE OF MAIN ACCESS ROAD STA: 72+00 - 84+00
10	PLAN AND PROFILE OF MAIN ACCESS ROAD STA: 84+00 - 96+00
11	PLAN AND PROFILE OF MAIN ACCESS ROAD STA: 96+00 - END
12	DETAILS

CLIENT: NORTH AMERICAN EXPLORATION
 PROJECT NO: POWERLINE 11-12-2318

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

DRAWN BY: C. HILL DATE: 3/13/09 SHEET NO:
 CHECKED BY: C. HILL SCALE: NTS 1 OF 12



NORTH AMERICAN EXPLORATION
SECTION 11, T23S, R18E, SLB&M

ESTIMATED EARTHWORK VOLUMES
VOLUMES ARE UNADJUSTED

PAD	
WELL ELEV:	4550.20
TOTAL CUT:	3043 CU.YDS
TOTAL FILL:	2736 CU.YDS
NET VOLUME:	307 CU.YDS (CUT)
PIT	
VOLUME:	1220 CU.YDS

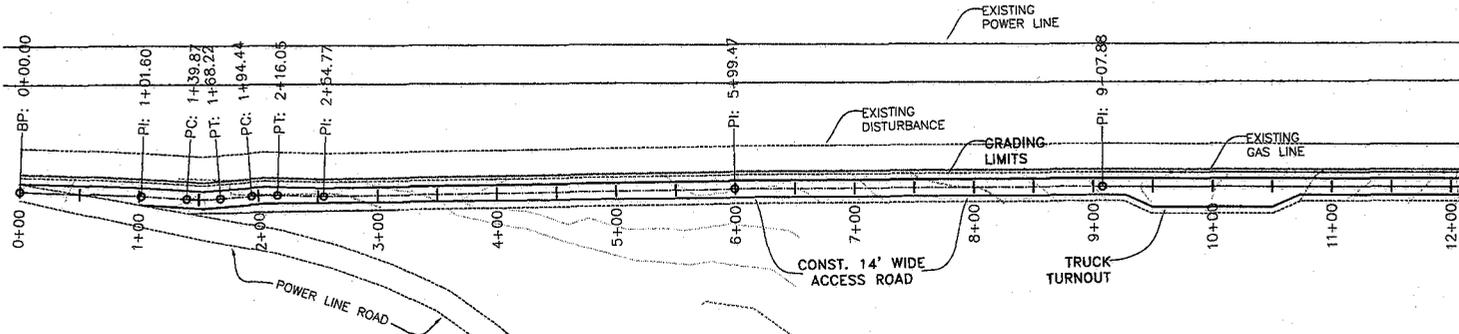
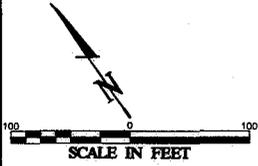
CONTRACTOR NOTES:

1. RECLAIM ALL DRAINAGE'S AFTER PROJECT COMPLETION
2. CONTRACTOR SHALL BE RESPONSIBLE FOR ALL IMPORTING AND EXPORTING OF SOIL MATERIAL NECESSARY TO COMPLETE THE PROJECT AS DESIGNED. EARTHWORK CALCULATIONS SHOWN ON THESE PLANS ARE BASED ON THE INPLACE 95% COMPACTION FILL. CONTRACTOR SHALL BE RESPONSIBLE TO DETERMINE SHRINK/SWELL OF EXISTING AND FILL MATERIAL AND FOR ALL EARTHWORK QUANTITIES.

LEGEND

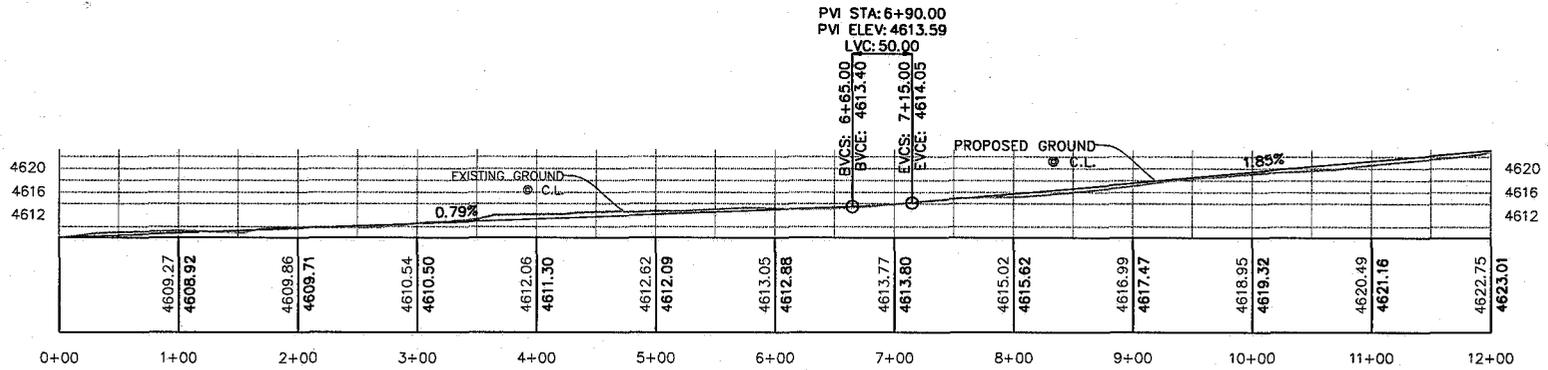
- ROAD CENTERLINE
- CONTOURS PROPOSED MAJOR
- CONTOURS PROPOSED MINOR
- CONTOURS EXISTING MAJOR
- CONTOURS EXISTING MINOR
- 0.0% SURFACE SLOPE
- 0:0 H:V SURFACE SLOPE HORIZ: VERT
- SWALE AND DIRECTION
- SILT FENCE
- EXISTING FENCE
- 0000.00 TP = TOP OF PAD ELEVATION

CLIENT: NORTH AMERICAN EXPLORATION	
PROJECT NO: POWERLINE 11-12-2318	
WESTERN LAND SERVICES	
Richfield, UT 84701 (435)896-5501	
DRAWN BY: C. HILL	DATE: 3/13/09
CHECKED BY: C. HILL	SCALE: 1"=50'
SHEET NO: 2 OF 12	



PLAN OF STA: 0+00-12+00

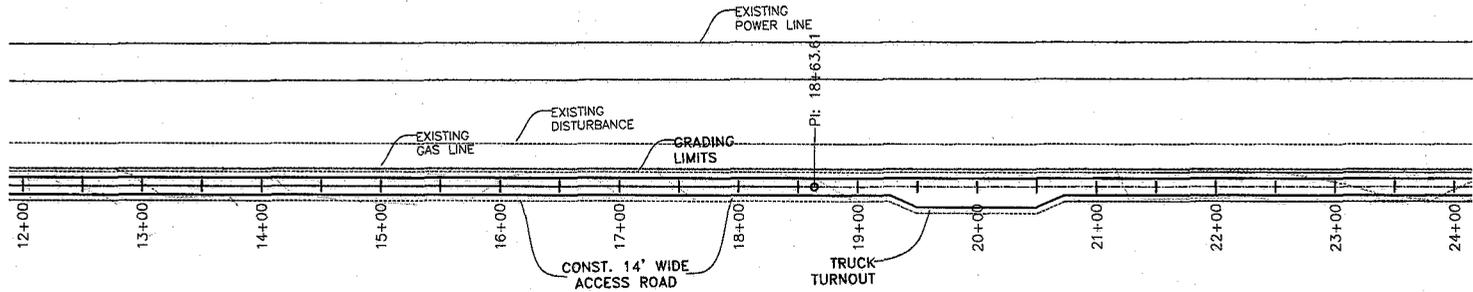
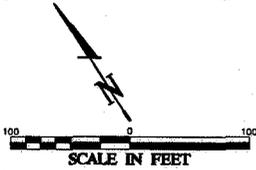
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VERTICAL SCALE: 1"=20'



PROFILE OF STA: 0+00-12+00

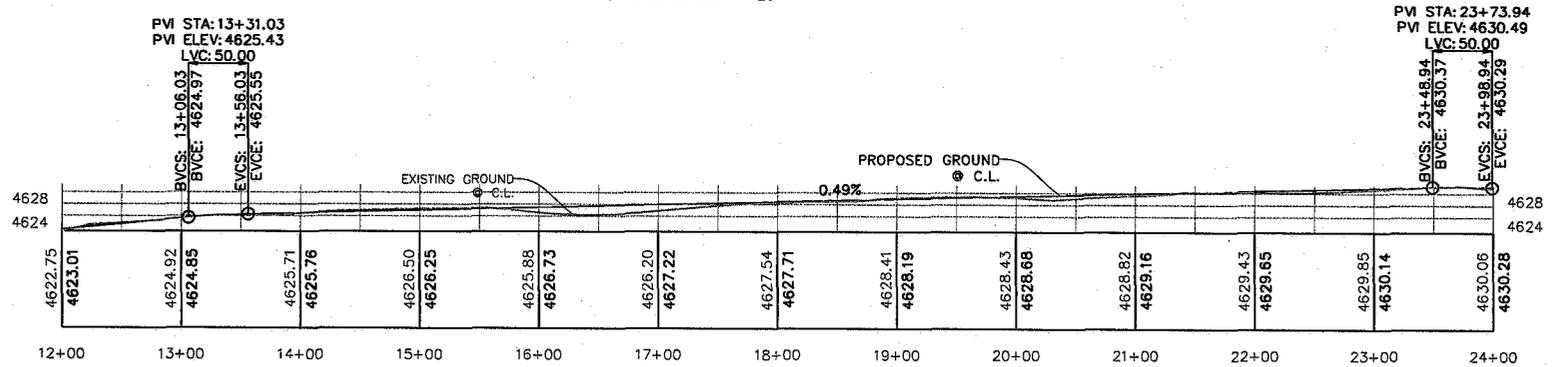
HORIZONTAL SCALE: 1"=100'
VERTICAL SCALE: 1"=20'

CLIENT: NORTH AMERICAN EXPLORATION		
PROJECT NO: POWERLINE 11-12-2318		
WESTERN LAND SERVICES		
Richfield, UT 84701 (435)896-5501		
DRAWN BY: C. HILL	DATE: 3/13/09	SHEET NO:
CHECKED BY: C. HILL	SCALE: 1"=100'	3 OF 12



PLAN OF STA: 12+00-24+00

HORIZONTAL SCALE: 1"=100'
VERTICAL SCALE: 1"=20'



PROFILE OF STA: 12+00-24+00

HORIZONTAL SCALE: 1"=100'
VERTICAL SCALE: 1"=20'

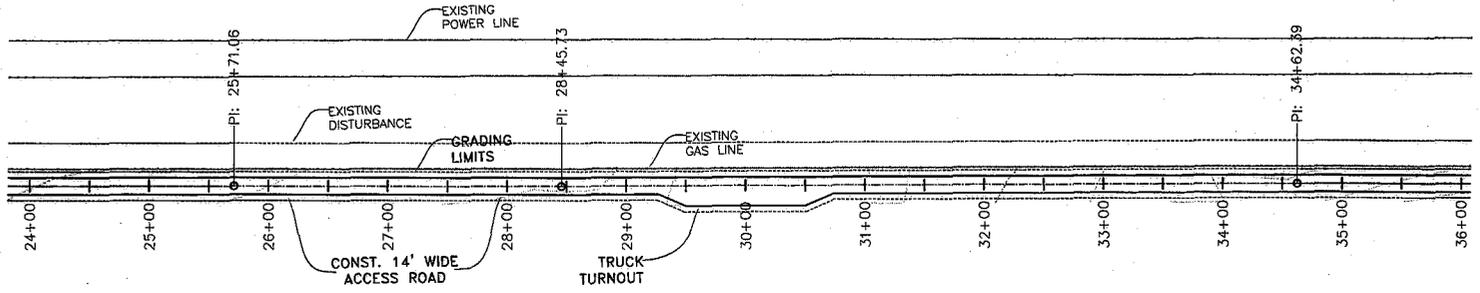
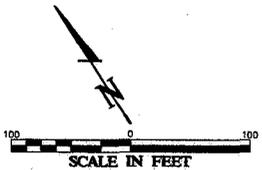
PVI STA: 13+31.03
PVI ELEV: 4625.43
LVC: 50.00

BVCS: 13+06.03
BVCE: 4624.97
EVCS: 13+56.03
EVCE: 4625.55

PVI STA: 23+73.94
PVI ELEV: 4630.49
LVC: 50.00

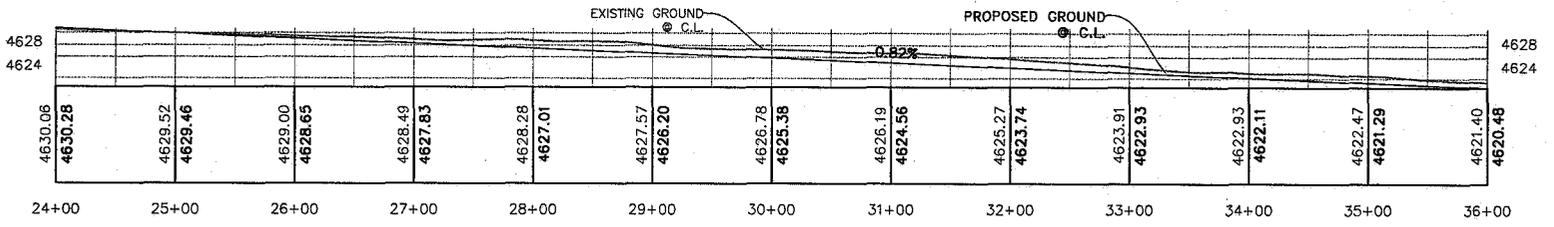
BVCS: 23+48.94
BVCE: 4630.57
EVCS: 23+98.94
EVCE: 4630.29

CLIENT: NORTH AMERICAN EXPLORATION		
PROJECT NO: POWERLINE 11-12-2318		
WESTERN LAND SERVICES Richfield, UT 84701 (435)896-5501		
DRAWN BY: C. HILL	DATE: 3/13/09	SHEET NO:
CHECKED BY: C. HILL	SCALE: 1"=100'	4 OF 12



PLAN OF STA: 24+00-36+00

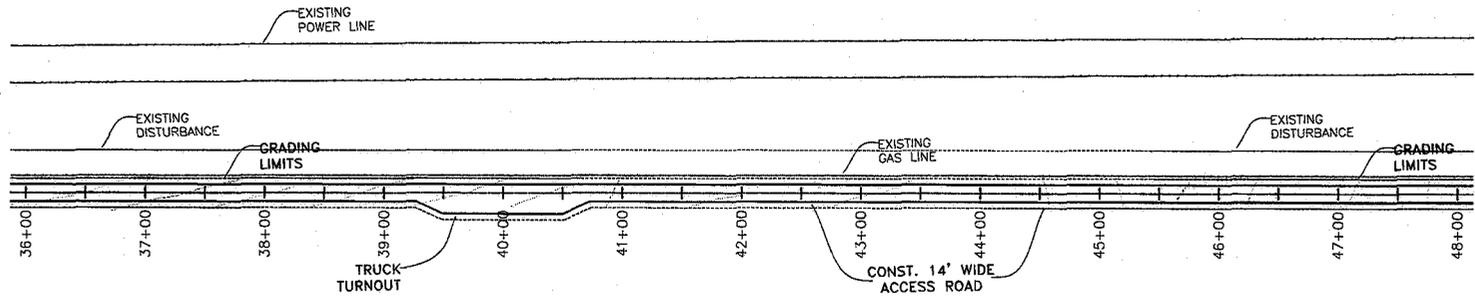
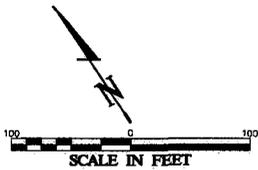
HORIZONTAL SCALE: 1"=100'
 VERTICAL SCALE: 1"=20'



PROFILE OF STA: 24+00-36+00

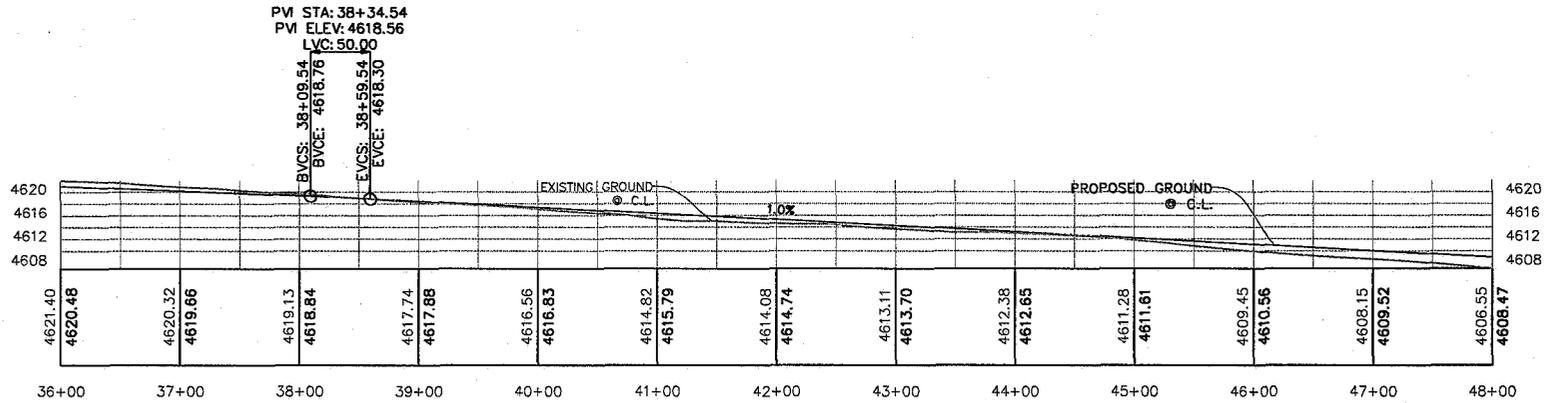
HORIZONTAL SCALE: 1"=100'
 VERTICAL SCALE: 1"=20'

CLIENT: NORTH AMERICAN EXPLORATION		
PROJECT NO: POWERLINE 11-12-2318		
WESTERN LAND SERVICES Richfield, UT 84701 (435)896-5501		
DRAWN BY: C. HILL	DATE: 3/13/09	SHEET NO:
CHECKED BY: C. HILL	SCALE: 1"=100'	5 OF 12



PLAN OF STA: 36+00-48+00

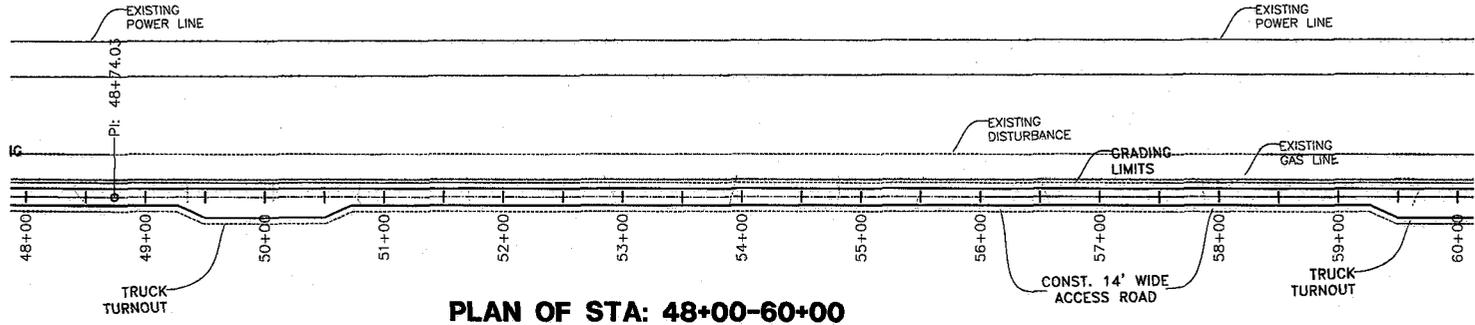
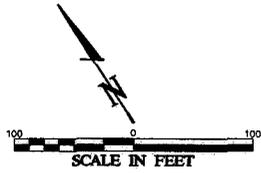
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VERTICAL SCALE: 1"=20'



PROFILE OF STA: 36+00-48+00

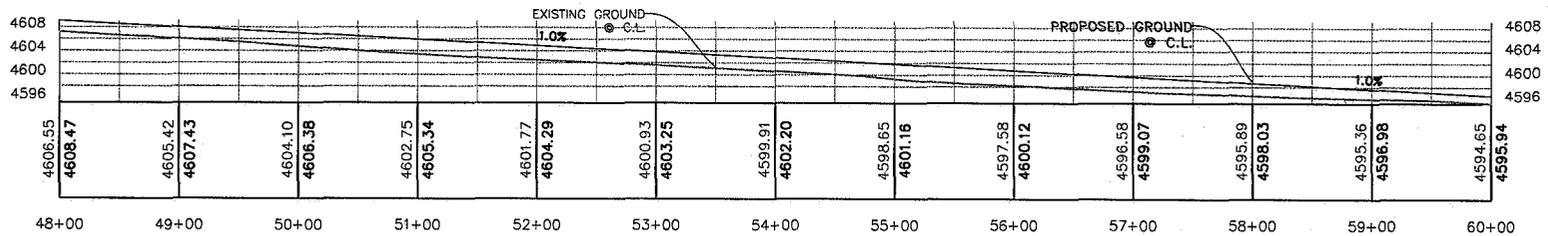
HORIZONTAL SCALE: 1"=100'
VERTICAL SCALE: 1"=20'

CLIENT: NORTH AMERICAN EXPLORATION		
PROJECT NO: POWERLINE 11-12-2318		
WESTERN LAND SERVICES		
Richfield, UT 84701 (435)896-5501		
DRAWN BY: C. HILL	DATE: 3/13/09	SHEET NO:
CHECKED BY: C. HILL	SCALE: 1"=100'	6 OF 12



PLAN OF STA: 48+00-60+00

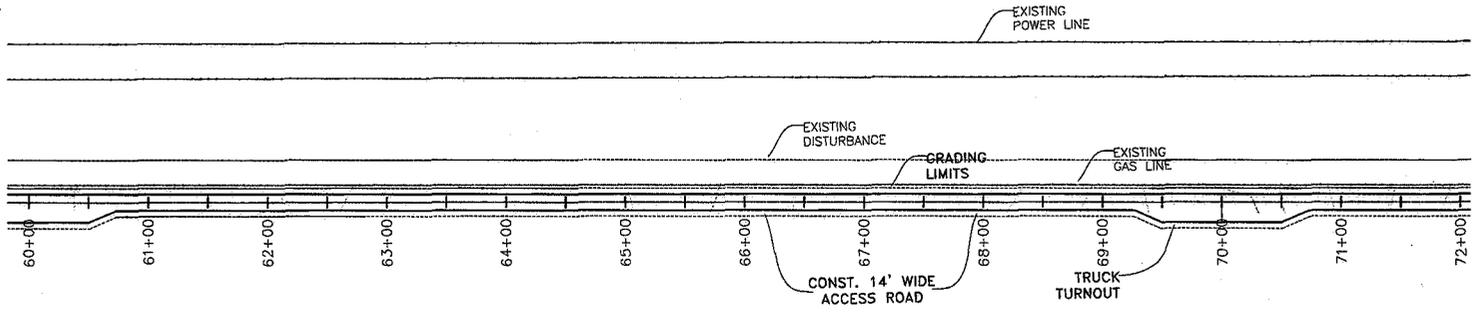
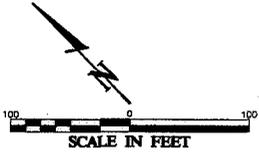
HORIZONTAL SCALE: 1"=100'
 VERTICAL SCALE: 1"=20'



PROFILE OF STA: 48+00-60+00

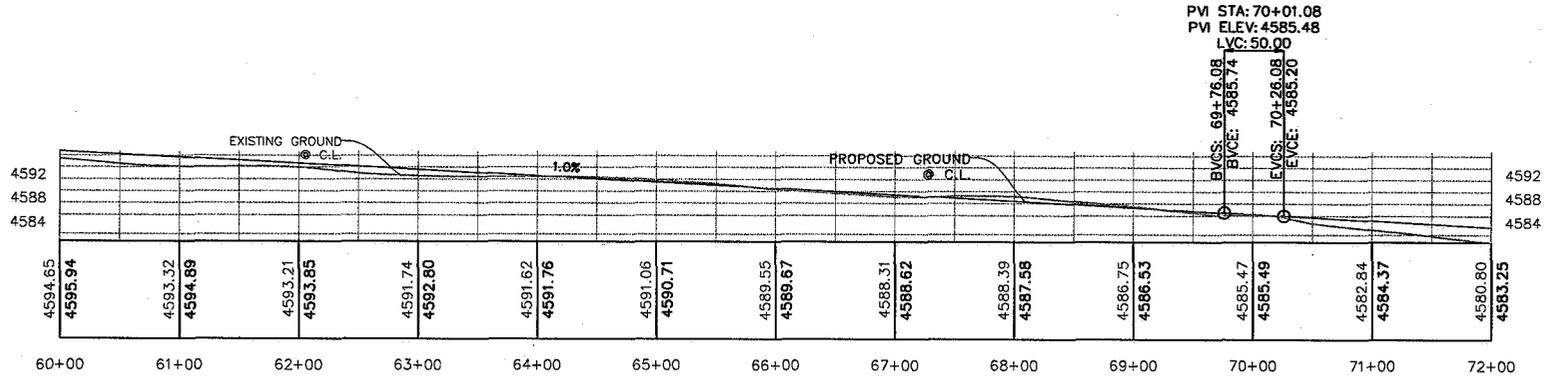
HORIZONTAL SCALE: 1"=100'
 VERTICAL SCALE: 1"=20'

CLIENT: NORTH AMERICAN EXPLORATION		
PROJECT NO: POWERLINE 11-12-2318		
WESTERN LAND SERVICES Richfield, UT 84701 (435)896-5501		
DRAWN BY: C. HILL	DATE: 3/13/09	SHEET NO:
CHECKED BY: C. HILL	SCALE: 1"=100'	7 OF 12



PLAN OF STA: 60+00-72+00

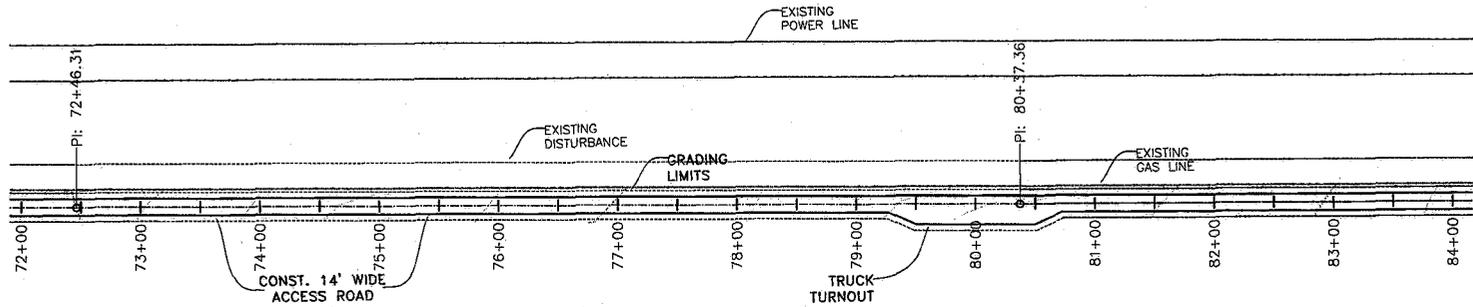
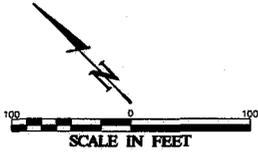
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VERTICAL SCALE: 1"=20'



PROFILE OF STA: 60+00-72+00

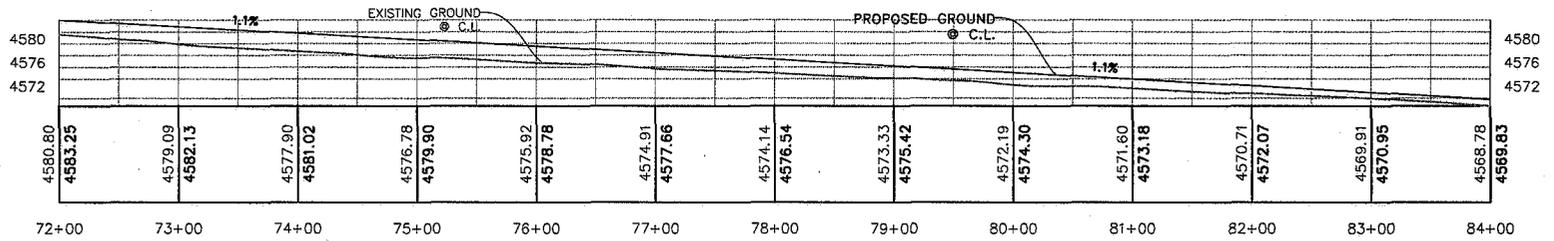
HORIZONTAL SCALE: 1"=100'
VERTICAL SCALE: 1"=20'

CLIENT: NORTH AMERICAN EXPLORATION		
PROJECT NO: POWERLINE 11-12-2318		
WESTERN LAND SERVICES Richfield, UT 84701 (435)896-5501		
DRAWN BY: C. HILL	DATE: 3/13/09	SHEET NO:
CHECKED BY: C. HILL	SCALE: 1"=100'	8 OF 12



PLAN OF STA: 72+00-84+00

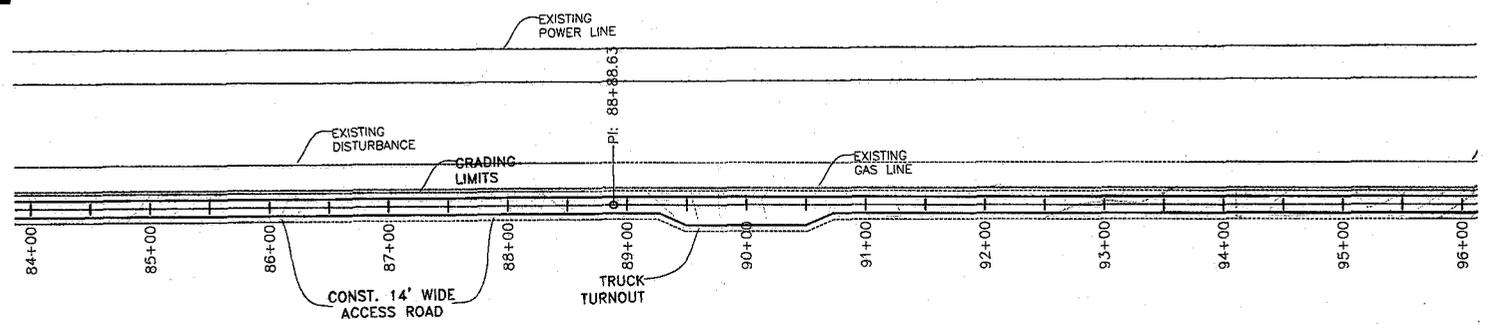
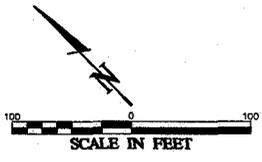
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VERTICAL SCALE: 1"=20'



PROFILE OF STA: 72+00-84+00

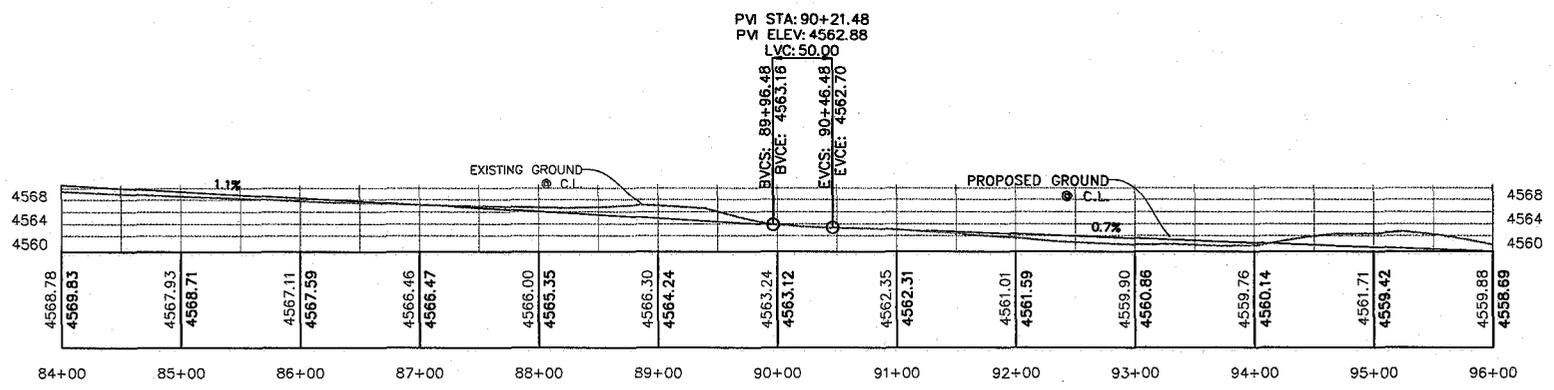
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VERTICAL SCALE: 1"=20'

CLIENT: NORTH AMERICAN EXPLORATION		
PROJECT NO: POWERLINE 11-12-231B		
WESTERN LAND SERVICES		
Richfield, UT 84701 (435)896-5501		
DRAWN BY: C. HILL	DATE: 3/13/09	SHEET NO:
CHECKED BY: C. HILL	SCALE: 1"=100'	9 OF 12



PLAN OF STA: 84+00-96+00

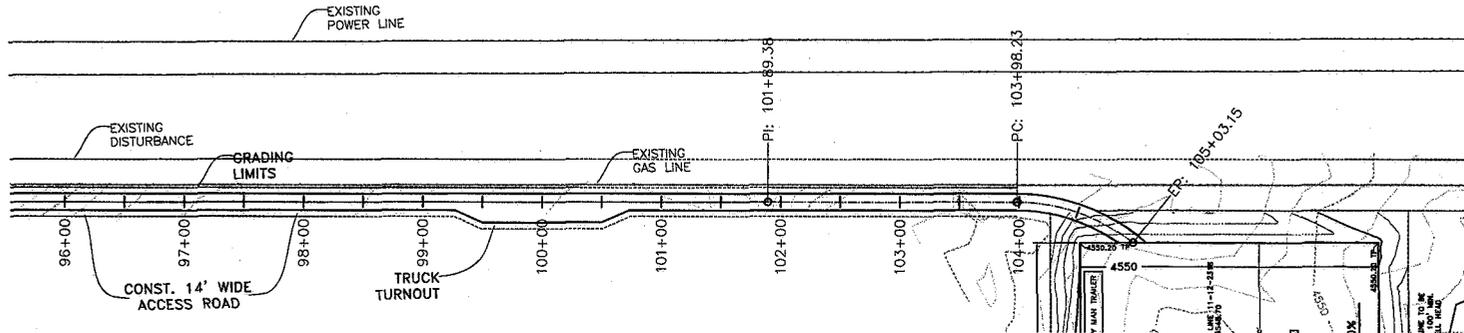
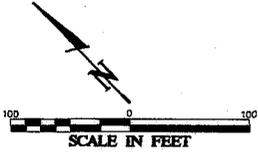
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 VERTICAL SCALE: 1"=20'



PROFILE OF STA: 84+00-96+00

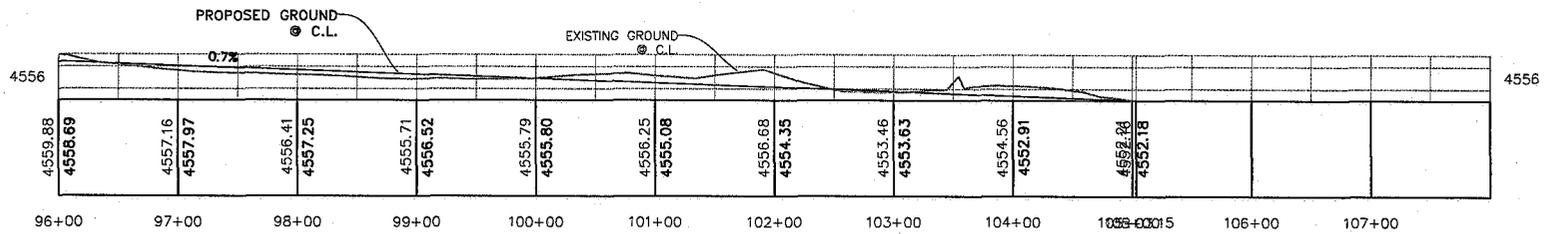
HORIZONTAL SCALE: 1"=100'
 VERTICAL SCALE: 1"=20'

CLIENT: NORTH AMERICAN EXPLORATION	
PROJECT NO: POWERLINE 11-12-2318	
WESTERN LAND SERVICES Richfield, UT 84701 (435)896-5501	
DRAWN BY: C. HILL	DATE: 3/13/09
CHECKED BY: C. HILL	SCALE: 1"=100'
SHEET NO: 10 OF 12	



PLAN OF STA: 96+00-105+03.15

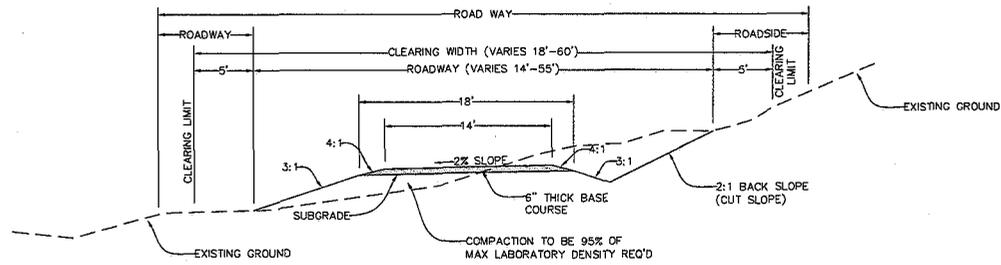
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 VERTICAL SCALE: 1"=20'



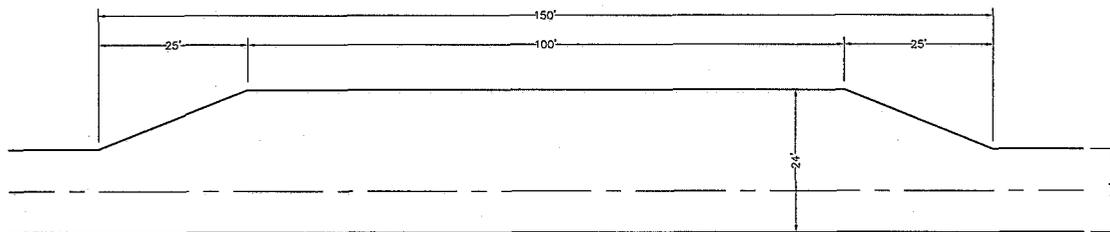
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 VERTICAL SCALE: 1"=20'

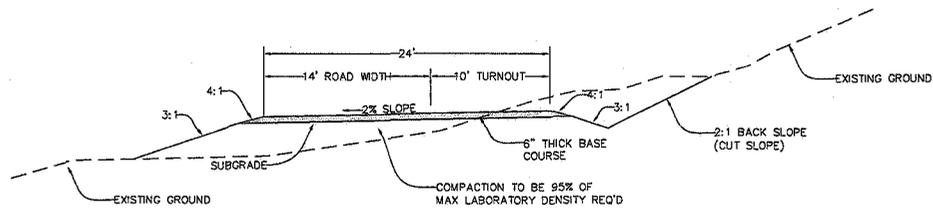
CLIENT: NORTH AMERICAN EXPLORATION		
PROJECT NO: POWERLINE 11-12-2318		
WESTERN LAND SERVICES Richfield, UT 84701 (435)896-5501		
DRAWN BY: C. HILL	DATE: 3/13/09	SHEET NO:
CHECKED BY: C. HILL	SCALE: 1"=100'	11 OF 12



TYPICAL CROSS SECTION
SCALE: 1"=10'



TRUCK TURNOUT
PLAN VIEW
SCALE: 1"=5'



TRUCK TURNOUT
SECTION VIEW
SCALE: 1"=10'

CLIENT: NORTH AMERICAN EXPLORATION		
PROJECT NO: POWERLINE 11-12-2318		
 WESTERN LAND SERVICES Richfield, UT 84701 (435)896-5501		
DRAWN BY: C. HILL	DATE: 3/13/09	SHEET NO:
CHECKED BY: C. HILL	SCALE: 1"=100'	12 OF 12

**WORKSHEET
APPLICATION FOR PERMIT TO DRILL**

APD RECEIVED: 03/18/2009

API NO. ASSIGNED: 43-019-31620

WELL NAME: POWERLINE 11-12-2318
 OPERATOR: NAE, LLC (N3440)
 CONTACT: TERRI HARTLE

PHONE NUMBER: 303-327-7147

PROPOSED LOCATION:

SWNW 11 230S 180E
 SURFACE: 1751 FNL 0493 FWL
 BOTTOM: 1751 FNL 0493 FWL
 COUNTY: GRAND
 LATITUDE: 38.82713 LONGITUDE: -109.90917
 UTM SURF EASTINGS: 594690 NORTHINGS: 4297951
 FIELD NAME: WILDCAT (1)

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

LEASE TYPE: 1 - Federal
 LEASE NUMBER: UTU-078300
 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: _____
- ___ R649-3-2. General
- Siting: 460 From Qtr/Qtr & 920' Between Wells
- R649-3-3. Exception
- ___ Drilling Unit
- Board Cause No: _____
- Eff Date: _____
- Siting: _____
- ___ R649-3-11. Directional Drill

COMMENTS: _____

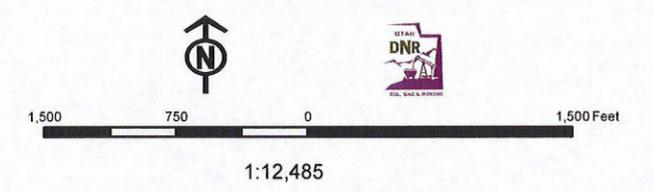
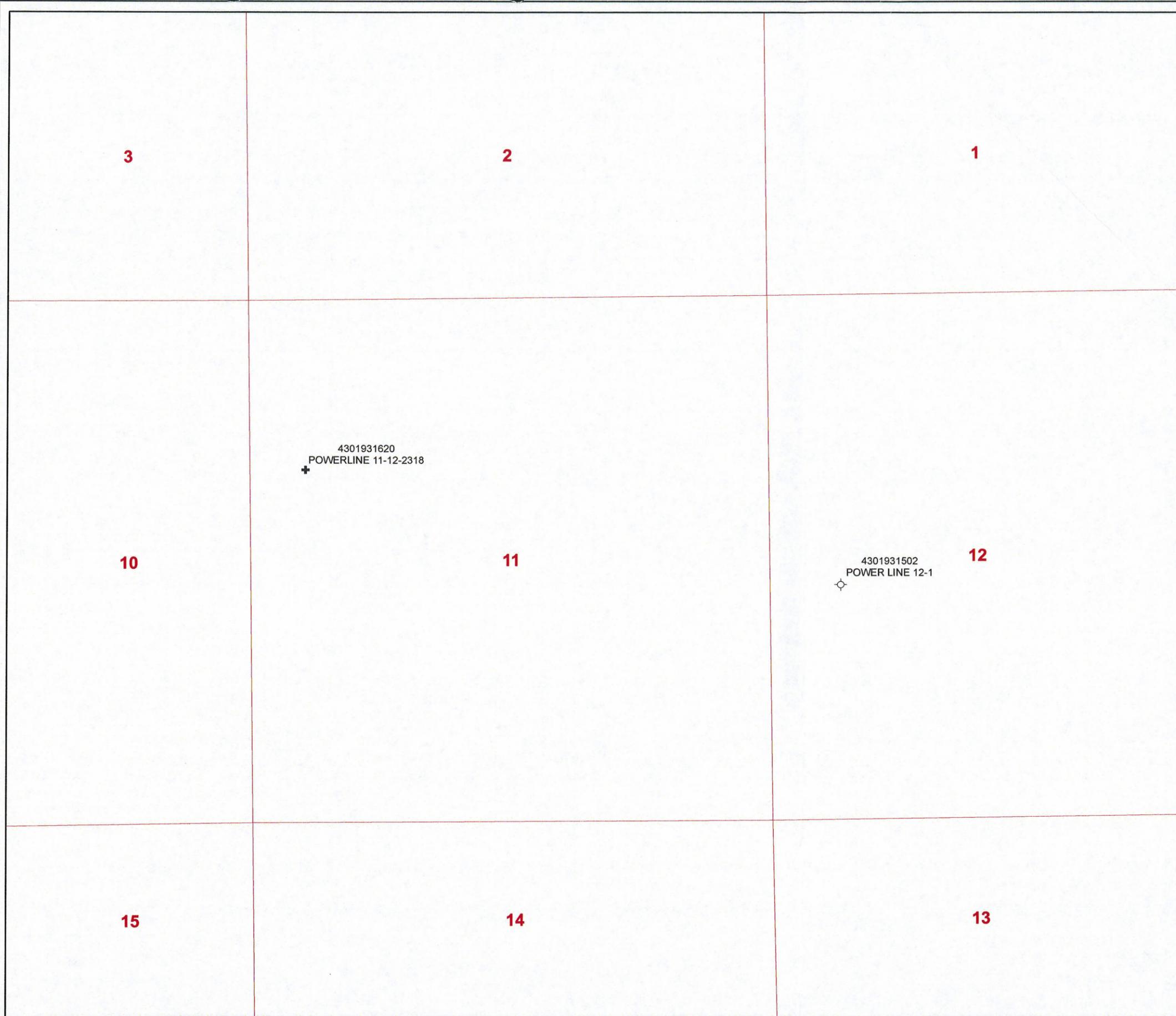
STIPULATIONS: _____

1- Federal Approval
2- Spacing Strip

API Number: 4301931620
Well Name: POWERLINE 11-12-2318
Township 23.0 S Range 18.0 E Section 11
Meridian: SLBM
 Operator: NAE, LLC

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 |
| | ⦿ TW |
| | ⦿ WD |
| | ⦿ WI |
| | ⦿ WS |





JON M. HUNTSMAN, JR.
Governor

GARY R. HERBERT
Lieutenant Governor

State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA
Division Director

March 18, 2009

North American Exploration, LLC
Attn: John Moore
110 16th St., Ste. 1220
Denver, CO 80202

Re: Powerline 11-12-2318 Well, 1751' FNL, 493' FWL, SW NW, Sec. 11, T. 23 South,
R. 18 East, Grand County, Utah

Gentlemen:

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

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

This approval shall expire one year from the above date unless substantial and continuous operation is underway, or a request for extension is made prior to the expiration date. The API identification number assigned to this well is 43-019-31620.

Sincerely,

Gil Hunt
Associate Director

pab
Enclosures

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



Operator: North American Exploration, LLC Attn: John Moore
Well Name & Number Powerline 11-12-2318
API Number: 43-019-31620
Lease: UTU-078300

Location: SW NW **Sec.** 11 **T.** 23 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.

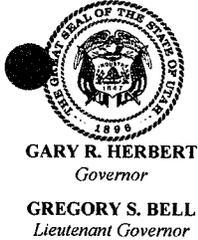
- Contact Dustin Doucet at (801) 538-5281 (801) 733-0983 home

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. 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.



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

March 8, 2010

John L. Moore
North American Exploration, LLC
110 16th Street, Suite 1220
Denver, CO 80202

Re: APD Rescinded – Powerline 11-12-2318, Sec. 11, T. 23S, R. 18E
Grand County, Utah API No. 43-019-301620

Mr. Moore:

The Application for Permit to Drill (APD) for the subject well was approved by the Division of Oil, Gas and Mining (Division) on March 18, 2009. On March 5, 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 March 5, 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
Bureau of Land Management, Moab