

Five County Association of Governments

906 North 1400 West
St. George, Utah 84770

Fax (435) 673-3540

RECEIVED

SEP 16 2002



Post Office Box 1550
St. George, Utah 84771

Office (435) 673-3548

DIVISION OF OIL, GAS AND MINING
SOUTHWEST UTAH
AREAWIDE CLEARINGHOUSE A-95 REVIEW

Type of Action: Pre-Application _____ Notification of Intent X Application _____
Notice of Federal Action _____

Receipt Date 08/30/02 SAI Number _____ ACH Number _____

Applicant Identification, Address
Utah Division Oil, Gas and Mining
1594 West North Temple, Suite 1210
Salt Lake City, Utah 84114-5801

Funding:
Federal N/A
Supplemental N/A
State N/A
Local N/A
Other N/A

Applicant's Project Title:
APPLICATION FOR PERMIT TO DRILL TOTAL N/A

Description: Legend Energy of Utah proposes to drill the Carroll #1 and Debrach LLC #1 well (wildcat) on Fee leases, Kane 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.

AREAWIDE CLEARINGHOUSE COMMENTS ON PROPOSAL FOR FEDERAL AID

Staff review completed (date): 09/04/02
Screening Committee review completed (date) 09/11/02
Executive Board Review Completed (date)
Referred to original for additional information (date)

- Recommend Approval X Comments (see reverse side of page) X
- Conditionally approved as follows (see reverse side of page) _____
- Recommend Disapproval _____ Comments (see reverse side of page) _____
- The project described above (X) does () does not conform with the policy or planning of the multijurisdictional area it directly impacts. Additional information () Is (X) Is not needed.
- We also serve notice that all requirements of the Project Notification and Review System for this multijurisdictional area have been met. Therefore, attach this letter to your application and forward to the federal funding agency.
- If this project will be a renewal or continuation grant, please submit your application next year to this areawide clearinghouse for re-review 30 days prior to submission to federal funding agency.
- We would anticipate reviewing final project application 30 days prior to submission for funding.

If any Clearinghouse Comments go unresolved, Federal law requires the Applicant to attach a copy of all negative comments to the project application and forward them both to the Federal Funding Agency(ies).



Authorizing Official

September 11, 2002

Date

Copy of review sent to applicant

MEMORANDUM

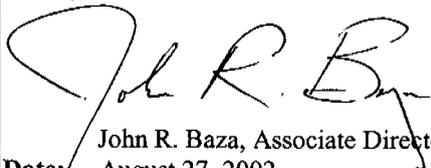
DATE: September 4, 2002
TO: Utah Division of Oil, Gas and Mining
CC: Resource Development Coordinating Committee
FROM: Utah Geological Survey, Environmental Sciences Program
SUBJECT: UGS comments on RDCC short turn around item 2133

2133. Short Turn Around Drilling Permits

SLB&M Location: Sec. 2, T40S, R7W; Sec 22, T38S, R6W, Kane County
Application for Permit to Drill - proposal to drill a wildcat well, the Carroll #1 and Debrach LLC #1 well, on Fee leases.

Although there are no paleontological localities recorded in this project area, surficial deposits on the Carroll #1 well site (Sec. 2, 40S, 7W) are comprised of the Late Cretaceous Wahweap Formation, which has the potential for yielding significant vertebrate fossil localities. A paleontological survey of this project is therefore recommended.

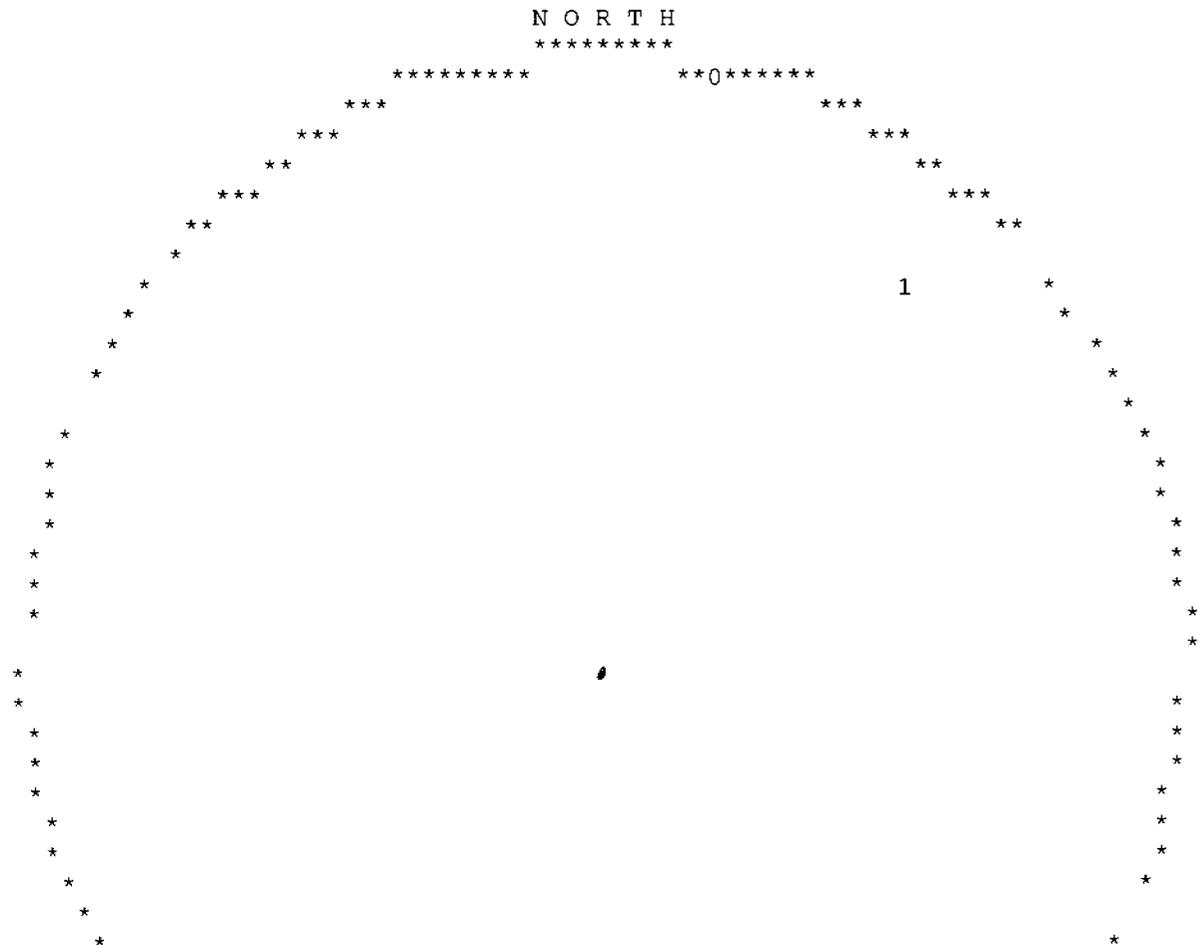
STATE ACTIONS
State Clearinghouse Coordinator
116 State Capitol, SLC, UT 84114
538-1535

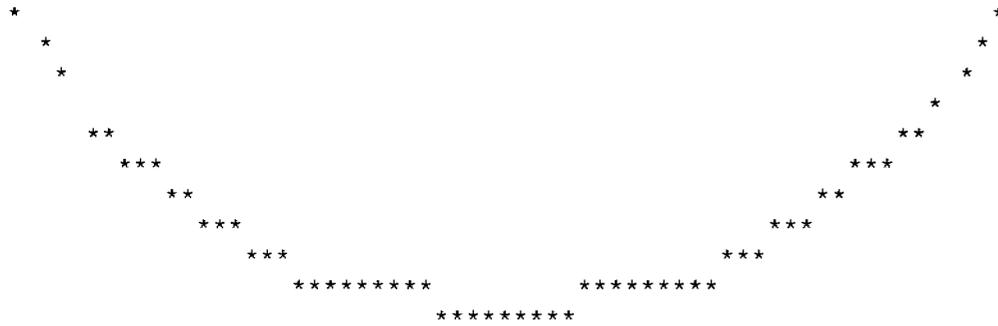
1. Administering State Agency Oil, Gas and Mining 1594 West North Temple, Suite 1210 Salt Lake City, UT 84114-5801	2. State Application Identifier Number: (assigned by State Clearinghouse) 3. Approximate date project will start: Upon Approval or September 1, 2002
4. Areawide clearinghouse(s) receiving state action: (to be sent out by agency in block 1) Five County Association of Governments	
5. Type of action: // Lease <input checked="" type="checkbox"/> / Permit // License // Land Acquisition // Land Sale // Land Exchange // Other _____	
6. Title of proposed action: Application for Permit to Drill	
7. Description: Legend Energy of Utah proposes to drill the Carroll #1 and Debrach LLC #1 well (wildcat) on Fee leases, Kane 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.	
8. Land affected (site location map required) (indicate county) NW/4, SE/4; Section 2, Township 40 South, Range 7 West and SW/4, SE/4, Section 22, Township 38 South, Range 6 West, Kane County, Utah	
9. Has the local government(s) been contacted? No	
10. Possible significant impacts likely to occur: Degree of impact is based on the discovery of oil or gas in commercial quantities.	
11. Name and phone of district representative from your agency near project site, if applicable: 	
12. For further information, contact: Diana Mason Phone: (801) 538-5312	13. Signature and title of authorized officer  John R. Baza, Associate Director Date: August 27, 2002

UTAH DIVISION OF WATER RIGHTS
WATER RIGHT POINT OF DIVERSION PLOT CREATED MON, OCT 28, 2002, 10:48 AM
PLOT SHOWS LOCATION OF 2 POINTS OF DIVERSION

PLOT OF AN AREA WITH A RADIUS OF 1000 FEET FROM A POINT
N 607 FEET, W 2081 FEET OF THE SE CORNER,
SECTION 22 TOWNSHIP 38S RANGE 6W SL BASE AND MERIDIAN

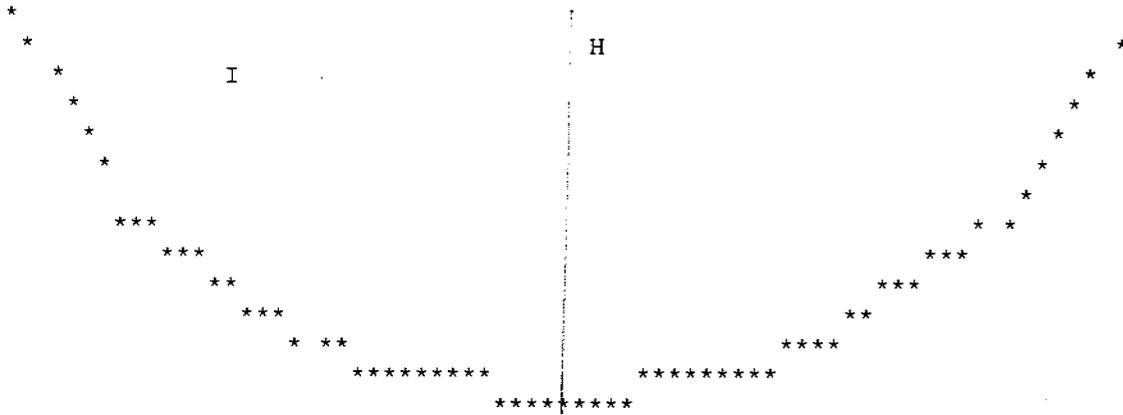
PLOT SCALE IS APPROXIMATELY 1 INCH = 400 FEET





UTAH DIVISION OF WATER RIGHTS
 NWPLAT POINT OF DIVERSION LOCATION PROGRAM

MAP CHAR	WATER RIGHT	QUANTITY			SOURCE DESCRIPTION or WELL INFO				POINT OF DIVERSION DESCRIPTION					U A P T S					
		CFS	AND/OR	AC-FT	DIAMETER	DEPTH	YEAR LOG	NORTH	EAST	CNR SEC	TWN	RNG B&M	N	P	R	R			
0	61 756	.0150	OR	3.00	6	555	1983	<u>Y</u>	S	1103	W	1898	E4 22	38S	6W SL	X			
WATER USE(S): DOMESTIC OTHER												PRIORITY DATE: 12/05/1979							
State of Utah Department of Transportati												4501 South 2700 West			Salt Lake City			UT 84119	
1	a23986	.0000		.25	6	100 - 600		<u>N</u>	N	1220	E	1080	S4 22	38S	6W SL	X			
WATER USE(S): DOMESTIC												PRIORITY DATE: 12/06/1999							
Chamberlain, Cloyd												256 South 400 East			Kanab			UT 84741	

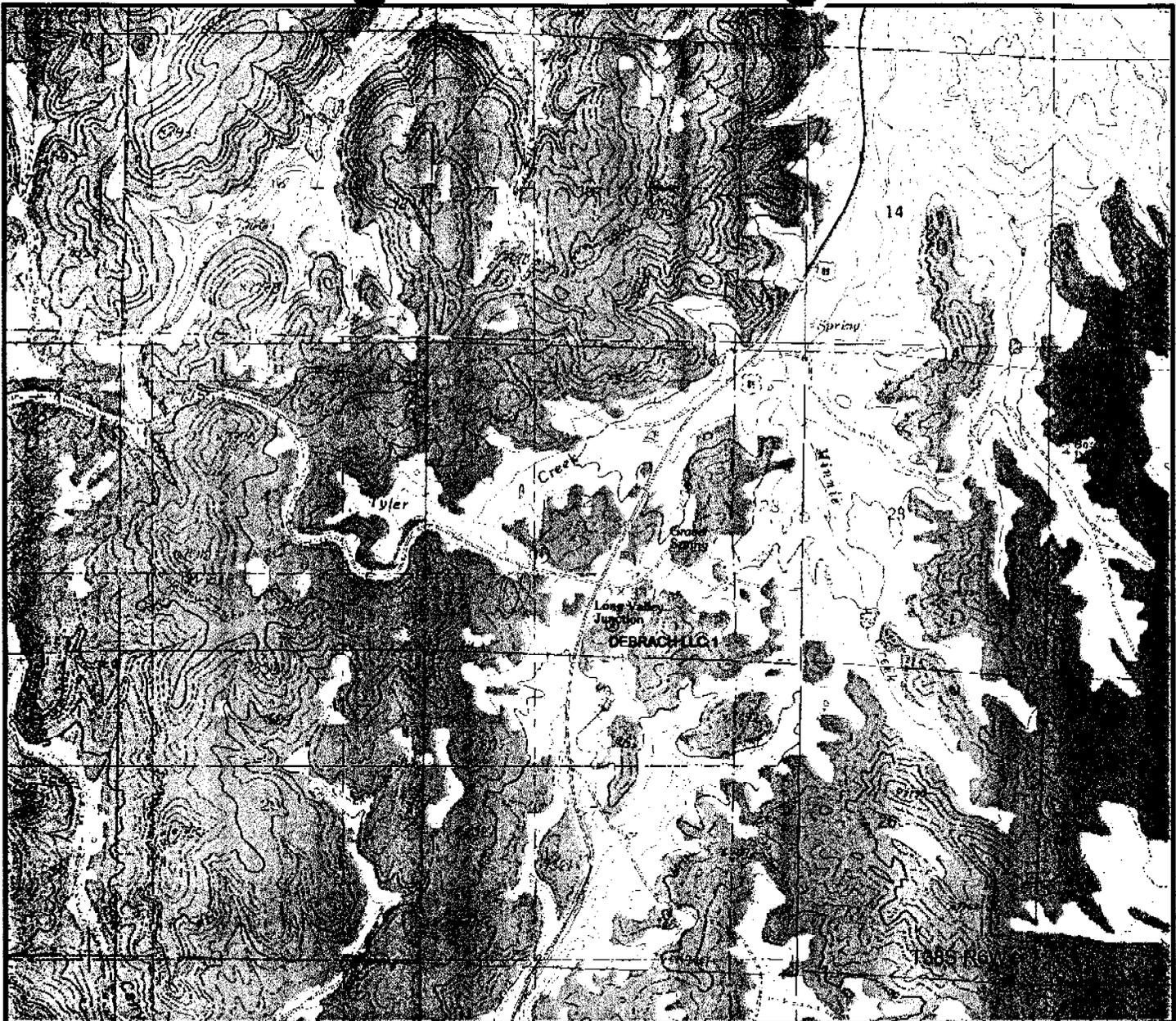


UTAH DIVISION OF WATER RIGHTS
 NWPLAT POINT OF DIVERSION LOCATION PROGRAM

MAP CHAR	WATER RIGHT	QUANTITY CFS	AND/OR AC-FT	SOURCE DESCRIPTION or WELL INFO	POINT OF DIVERSION DESCRIPTION	U A P T S									
						DIAMETER	DEPTH	YEAR LOG	NORTH	EAST	CNR	SEC	TWN	RNG	B&M
0	<u>61 1037</u>	7.6330	AND 634.48	Reservoirs and Springs	S 1541 E 3885	NW 22	38S	6W	SL					X	X
				WATER USE(S): IRRIGATION DOMESTIC STOCKWATERING											
				C+ Land and Cattle Company	P. O. Box 477										
1	<u>61 1037</u>	7.6330	AND 634.48	Reservoirs and Springs	S 2130 E 2496	NW 22	38S	6W	SL					X	X
				WATER USE(S): IRRIGATION DOMESTIC STOCKWATERING											
				C+ Land and Cattle Company	P. O. Box 477										
2	<u>61 1037</u>	7.6330	AND 634.48	Reservoirs and Springs	S 2508 E 1709	NW 22	38S	6W	SL					X	X
				WATER USE(S): IRRIGATION DOMESTIC STOCKWATERING											
				C+ Land and Cattle Company	P. O. Box 477										
3	<u>61 1743</u>	.0000	1.00	Unnamed Spring	N 2205 E 908	SW 23	38S	6W	SL					X	X
				WATER USE(S): STOCKWATERING											
				Reed, Ronald G. and Angela M.	4674 Linda Ave										
4	<u>a22758</u>	.0014	OR .25	8 100 - 300	N 2100 E 575	SW 23	38S	6W	SL					X	

Points of Diversion

Priority	Account	Water Use (S)	Domestic	Stockwatering	Acres	Flow	Direction	Distance	Direction	Distance	Priority	Date	Location	State
		WATER USE(S): DOMESTIC STOCKWATERING										09/17/1984	Layton	UT 84041
		Ostler, David L.						922 Church Street						
A	a23986	.0000	.25	6	100 - 600	N	N	1220	E	1080	S4 22 38S 6W SL	X		
		WATER USE(S): DOMESTIC										12/06/1999	Kanab	UT 84741
		Chamberlain, Cloyd						256 South 400 East						
B	a23700	.0014 OR	.25	6	100 - 500		N	1100	W	790	SE 21 38S 6W SL	X		
		WATER USE(S): DOMESTIC										09/13/1999	Cedar City	UT 84721
		Wilbur, Janice S.						P.O. Box 3244						
C	a24077	.0000	.25	8	150 - 500	N	N	750	W	1650	SE 21 38S 6W SL	X		
		WATER USE(S): DOMESTIC										01/18/2000	Las Vegas	NV 89117
		Fendt, Karl Heinz and Ilse						9505 Queens Walk Cr.						
D	a19653	.0000	.25	6	100 - 500		N	330	W	330	SE 21 38S 6W SL	X		
		WATER USE(S): DOMESTIC										01/23/1996	Reno	NV 89502
		Jennings, Michael E. and Stephanie E.						4319 Loreto Lane						
E	a19280	.0014 OR	.25	6	100 - 300	N	S	660	W	660	N4 26 38S 6W SL	X		
		WATER USE(S): DOMESTIC										09/11/1995	Glendale	UT 84729
		Blanton, Terrell Edwin						P.O. Box 26						
F	61 1377	.0150	.00	6	100 - 200		S	720			N4 26 38S 6W SL	X		
		WATER USE(S): DOMESTIC STOCKWATERING										09/14/1988	Thousand Oaks	CA 91360
		Evensen, James M.						79 Verde Vista Drive						
G	61 1762	.0014 OR	.25	6	155 1997	Y	S	846	W	261	N4 26 38S 6W SL	X		
		WATER USE(S): DOMESTIC										00/00/1875	Glendale	UT 84729
		Blanton, Terrell Edwin						P.O. Box 26						
H	a25787	.0000	.50	6	100 - 500	N	S	1796	E	832	N4 27 38S 6W SL	X		
		WATER USE(S): IRRIGATION DOMESTIC										07/10/2001	Cedar City	UT 8472
		Cropper, Rick S. and Doraine						270 South 300 East						
I	a25895	.0000	.25	6	100 - 500		N	635	E	350	W4 27 38S 6W SL	X		
		WATER USE(S): DOMESTIC										08/20/2001	North Las Vegas	NV 89032
		Green, Mark						3503 Greenwich Drive						



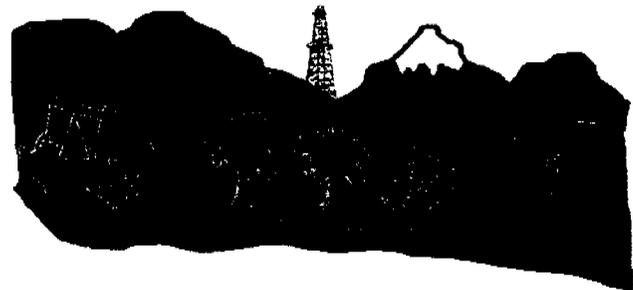
LEGEND

Well Status

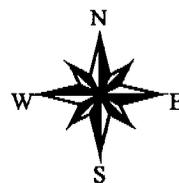
- GAS INJECTION
- GAS STORAGE WELL
- LOCATION ABANDONED
- ⊙ NEW LOCATION
- PLUGGED & ABANDONED
- PRODUCING GAS
- PRODUCING OIL
- SHUT-IN GAS
- SHUT-IN OIL
- × TEMP. ABANDONED
- TEST WELL
- ▲ WATER INJECTION
- WATER SUPPLY
- WATER DISPOSAL

Land Ownership

- Private Not Classed
- Forest Service
- BLM
- State Lands
- Native American
- Private
- Military
- National Parks
- State Parks
- State Wilderness
- National Recreation
- US Wildlife
- Wilderness
- Bankhead Jones
- Sovereign Lands
- Water
- Intermittent Water

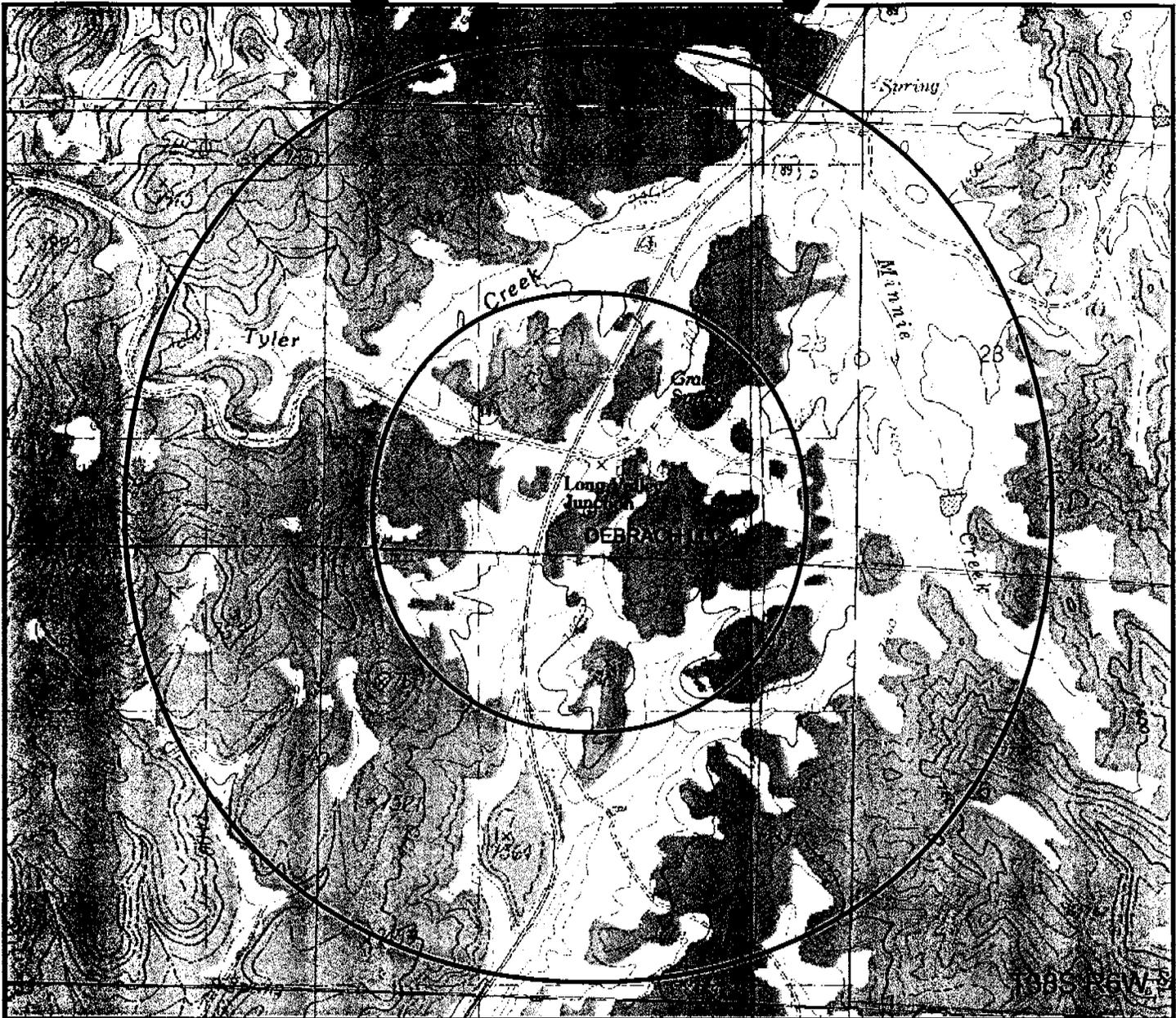


Utah Oil Gas and Mining



LEGEND ENERGY
 DEBRACH LLC #1
 SEC. 22, T38S, R6W
 KANE, COUNTY

Prepared By: K. Michael Hebertson



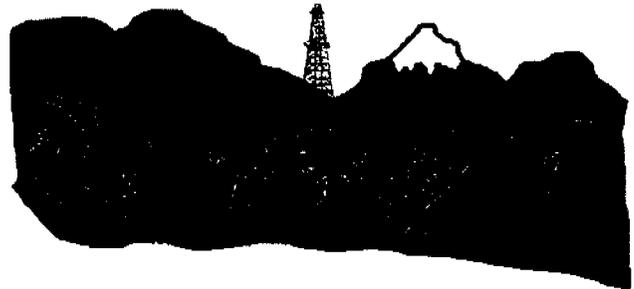
LEGEND

Well Status

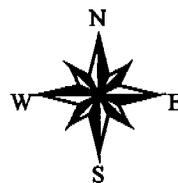
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Utah Oil Gas and Mining

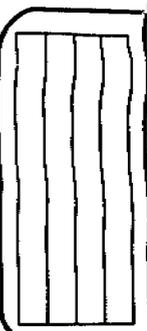
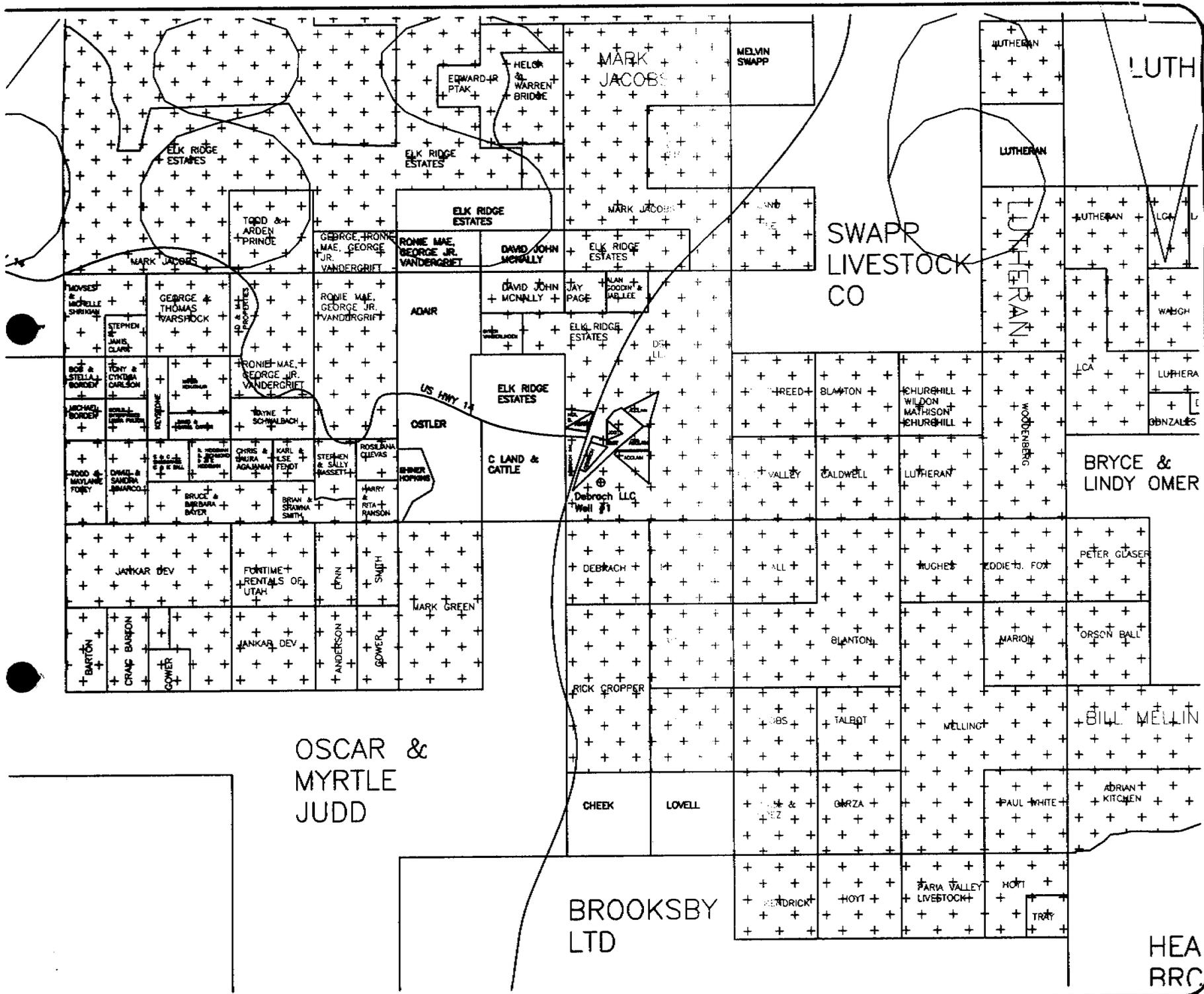


LEGEND ENERGY
DEBRACH LLC #1
SEC. 22, T38S, R6W
KANE, COUNTY

Prepared By: K. Michael Hebertson







LEGEND ENERGY OF UTAH, L.L.C.
Christensen LEASE
ALTON, UT
SCALE: 1" = 2000'

EARTH & STRUCTURE, INC
DONN M. FILLMORE, P.G.
800 S. VERMILION DR. KANAB, UTAH 84741
(435)644-3125 (435)649-0589

DATE:	FILE:
8/6 2002	PUGH
SHEET:	DRAWN BY:
1 OF 1	D. FILLMORE

001

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: Fee	6. SURFACE: Fee
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 type="checkbox"/>		8. UNIT or CO-AGREEMENT NAME: N/A	
2. NAME OF OPERATOR: Legend Energy of Utah, LLC		9. WELL NAME and NUMBER: Christensen #1X	
3. ADDRESS OF OPERATOR: PO Box 231 CITY Glendale STATE UT ZIP 84729		10. FIELD AND POOL, OR WILDCAT: Wildcat	
4. LOCATION OF WELL (FOOTAGES) AT SURFACE: 622' FSL 2,081' FEL AT PROPOSED PRODUCING ZONE: Same		11. QTR/CTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: SWSE 22 38S 6W	
14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE: 3.0 miles north, northeast from Alton		12. COUNTY: Kane	13. STATE: UTAH
15. DISTANCE TO NEAREST PROPERTY OR LEASE LINE (FEET) 559'	16. NUMBER OF ACRES IN LEASE: 7,841	17. NUMBER OF ACRES ASSIGNED TO THIS WELL: 40	
18. DISTANCE TO NEAREST WELL (DRILLING, COMPLETED, OR APPLIED FOR) ON THIS LEASE (FEET) 15'	19. PROPOSED DEPTH: 3,500	20. BOND DESCRIPTION: Blanket State Wide Bond \$80,000	
21. ELEVATIONS (SHOW WHETHER OF, RT, GR, ETC.): 7,480 GR	22. APPROXIMATE DATE WORK WILL START: 1/17/2003	23. ESTIMATED DURATION: 14 days	

24. PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	CASING SIZE, GRADE, AND WEIGHT PER FOOT	SETTING DEPTH	CEMENT TYPE, QUANTITY, YIELD, AND SLURRY WEIGHT
12 1/4"	8 5/8" K-55 23	700	Class G* 465 sx 1.18 cf/sx 15.6
7 7/8"	5 1/2" K-55 15.5	3,500	50/50 POZ 525sx 1.48 cf/sx 13.0
7 7/8"	5 1/2" K-55 15.5	3,500	Class G* 175sx 1.20 cf/sx 15.0

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25. ATTACHMENTS

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

WELL PLAN OR MAP PREPARED BY LICENSED SURVEYOR OR ENGINEER

EVIDENCE OF DIVISION OF WATER RIGHTS APPROVAL FOR USE OF WATER

COMPLETE DRILLING PLAN

FORM 5, IF OPERATOR IS PERSON OR COMPANY OTHER THAN THE LEASE OWNER

DIV. OF OIL, GAS & MINING

NAME (PLEASE PRINT) A.H. Morgan TITLE Manager

SIGNATURE *A.H. Morgan* DATE 12/16/2002

(This space for State use only)

API NUMBER ASSIGNED: 43-025-30035

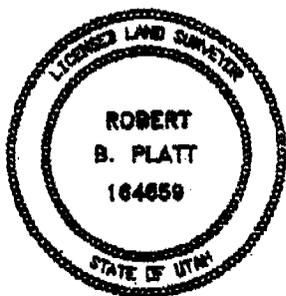
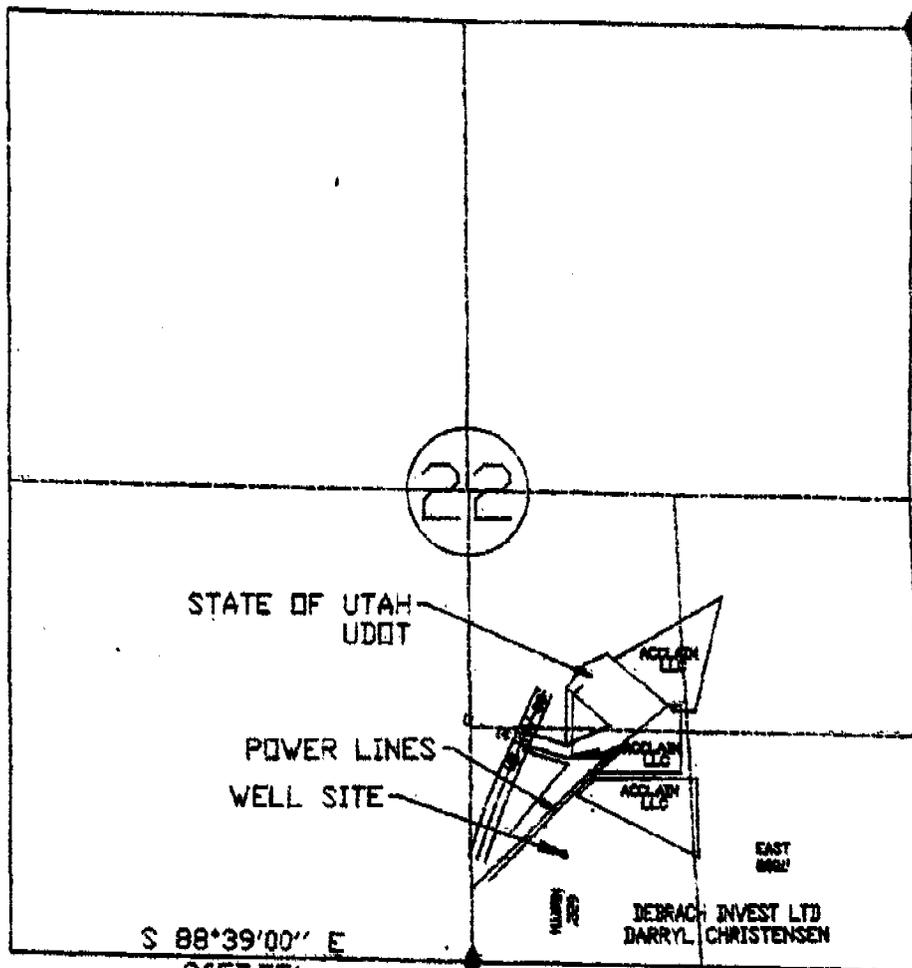
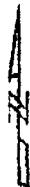
APPROVAL:

Approved by the
Utah Division of
Oil, Gas and Mining

Date: 01-15-03

By: *[Signature]*

SECTION 22, T. 38 S., R. 6 W.,
S.L.B. & M.



◆ DENOTES LOCATED GLO CORNER
 T OTHER EXTERIOR CORNER
 LOCATIONS FIXED BY GLO
 INFORMATION

DEBRACH INVEST LTD
DARRYL CHRISTENSEN

REVISED: DEC. 27, 2002
REVISED: JULY 17, 2002

DRAWN BY: K.L. NELSON	PROJECT	SHT. NAME	SHT. NO.
DATE: JULY, 2002	EARTH ENERGY OF UTAH, LLC (LEGEND ENERGY CORP.) CHRISTENSEN WELL SITE	CHRISTENSEN WELL # 1X	1
SCALE: 1 INCH = 1000 FEET	WITHIN SECTION 22, T. 38 S., R. 6 W., S.L.B. & M.		
APPROVED BY: R.B. PLATT			

Drilling Program

Well planned for the Christensen Lease

Kane County, Utah

<i>Depths</i>			
Important Geological Markers	Estimated Depth in Feet	Estimated Top & Bottom Depths of Mineral-Bearing Formations	
Wasatch	0	Water	surface - 200 ft.
Kaiparowits	600	Oil	None
Straight Cliffs	1,450	Gas	Dakota Formation:
John Henry	1,655		Smirl: 3,100'-3,120'
Tropic Shale	2,600		Bald Knoll: 3,485'-3,500'
Top Dakota	3,000	Other	None
Smirl	3,100		
Bottom Bald Knoll	3,500		

Notable Zones

Gas is expected in the Smirl coal seam (3,100' – 3,120') and the Bald Knoll coal seam (3,485' – 3,500'). No other oil or gas zones are expected. The Smirl and Bald Knoll coal seams are anticipated water zones.

Pressure Control

An approximate 10" x 2,000 psi double ram BOP with 2,000 psi choke manifold will be used from bottom of surface casing to TD. (A typical 2,000 psi BOP is shown on page 3. Actual model will not be known until the drilling bid has been let). The BOP system will be tested to 70% of the minimum internal yield before drilling the surface casing shoe.

System will be tested at least once every 30 days. Tests will be recorded in the driller's log. BOPs will be inspected and operated daily to assure good mechanical working order.

Casing and Cementing						
Hole Size	O.D.	Weight	Grade	Type	Age	~Setting depth
12 1/4"	8 5/8"	23	K-55	ST&C	Tested to New Specs	700'
7 7/8"	5 1/2"	15.5	K-55	ST&C	Tested to New Specs	3,500'

Surface casing will be circulated to surface with 465 sacks Class G cement or comparable cement such as Premium Type V cement + 2% CaCl₂ + 1/4#/sx Flow Seal. Weight = 15.6 ppg. Yield = 1.18 cubic feet per sack. Excess = 100%. If lost circulation is encountered, then the cement may be changed to a 50 – 50 poz mix to lighten the slurry to 13.3 ppg to allow the cement to be circulated to the surface.

Long string will be cemented to surface with 525 sacks Class G cement or comparable cement such as Premium Type V cement + 3% sm + 1/4#/sx Flow Seal. Weight = 13.0 ppg. Yield = 1.48 cubic feet per sack. This cement will be tailed in with Class G cement or comparable cement such as Premium Type V cement + 4% bentonite + 1/4#/sx Flow Seal. Excess = 50% in open hole, 0% in cased hole.

Mud Program

Surface hole will be drilled with mud. Water used in the mix will be produced from this well and augmented as needed from water purchased from the town of Alton. Expected mud weight will be 8.6 – 9.2 pounds per gallon. Expected viscosity = 35 to 45. No fluid loss control will be used.

The remainder of the hole will be drilled to TD with mud as described above.

Data Gathering

The first deviation survey will be run ~ 700' below the BSC. Additional surveys will be run every 300' to TD. The hole deviation limit will be 1° per 100' of hole and a maximum of 6° at TD. If the deviation of the hole exceeds 4°, the driller will decrease the WOB, and increase RPM, and survey at 200' intervals until corrected. If the deviation of the hole becomes severe (>5%), the driller may use a fourth stabilizer and convert to a full packed BHA.

Mud loggers will be onsite from ~ 1,000' to TD. They will have full chromatograph capabilities. They will collect samples every 30' from 1,000' to 1,400' and every 10' from 1,400' to TD.

The logging company will run the following log suite:

HRI/DSN/SDL/GR (EVR Mode): 200' to TD

HRI/DSN/SLD/GR: BSC to TD

Down Hole Conditions

Maximum anticipated bottom hole pressure is 1,000 psi. No abnormal pressures, temperatures, or hydrogen sulfide are expected.

Miscellaneous

The drill hole will be spudded upon approval and the availability of a drill rig. Under normal operating conditions, it will take approximately 1 week to drill the well and approximately 1 week to complete the well.

Kane County Hospital is located at 220 West 300 North in Kanab, Utah. The phone number is 435-644-5811.

Surface Use Plan

Existing Roads & Directions

Take Highway 89 from Glendale, Utah north approximately 10.0 miles to the junction of Highway 89 and Highway 14. Turn east and follow the road into the drill pad, which is southeast of the turnoff. The pad is located on the east side of Highway 89. See map on Exhibit A.

Existing Wells

There are existing water wells within a mile of the proposed well, therefore, the surface casing is being set to a depth of 700'. There are no gas, oil, injection, or disposal wells within a mile of the proposed well.

Proposed Facilities

Facilities may include tanks, filters, pumps, equipment shelters, fence, and generators. Future, permanent well facilities will be painted a dark olive green color.

Water Supply

Water for drilling operations will be purchased from the town of Alton.

Waste Disposal

All trash will be placed in a trash cage or bin. When full, it will be hauled to a state approved landfill. There will be no trash burning or disposal of trash in the reserve pit. Chemical toilets will be used for human waste. The contents will be pumped and disposed of in accordance with Utah State requirements.

Ancillary Facilities

No airstrip or formal camp is planned for this project. Camp trailers may be used on site for the drilling contractor and his crew, the geophysical logging contractor, tool pusher and possibly other contractors.

Well Site Layout

See attached site layout diagram for depictions of well pad, reserve pit, access road onto the pad, parking, living facilities, and rig orientation. The reserve pit will be lined with a minimum 12-mil liner. During use of the reserve pit, a minimum 2-foot freeboard will be maintained at all times.

Reclamation

When drilling, testing, and well completion have been completed, the well site and immediate area will be cleared of all debris and material not required for production of the well.

Reclamation will start and the reserve pit will be closed within one (1) year of well completion. The pit contents shall meet the Utah Division of Oil and Gas cleanup levels or background levels prior to burial. If necessary, appropriate treatment to reduce mobility and/or toxicity in order to meet cleanup levels will be undertaken. The liner will be slashed or punctured, folded into the bottom of the reserve pit and buried in place. A minimum of four (4) feet of cover will be placed on top of the reserve pit. All areas not needed for production equipment or water disposal equipment will be backfilled, re-contoured to approximate the natural contours. The reserved topsoil and brush will be spread over the reclaimed site. If the well is production well, the area required for the production equipment and water disposal equipment will not be reclaimed. A sufficient quantity of topsoil will be set aside for reclamation of the remainder of the pad at the end of the producing life of the well. Disturbed areas will be scarified along contour prior to seeding. All reclaimed areas will be broadcast weeded in late fall or winter with seed mixes specified by the surface owner. Seeded areas will be left rough and lightly harrowed or dragged with a chain after seeding. Silt fence will be maintained until the re-vegetation is successful.

Legend Energy of Utah, L.L.C.
Christensen # 1X
622 FSL & 2,081 FEL
SWSE Sec. 22, T. 38 S., R. 6 W.
Kane County, Utah

Surface Owner

The surface owner is:

L. Derral Christensen and Barbara Christensen
C+Land & Cattle Co.
P.O. Box 477
Delta, UT 84629

Representation

Anyone having questions concerning the APD should contact:

Donn M. Pillmore, President
Earth & Structure, Inc
800 S. Vermillion Dr.
Kanab, Utah 84741
435-644-3125 Phone & Fax
435-689-0559 Cell

The field representative will be:

A. H. Morgan
15 North 200 East
P.O. Box 231
Alton, Utah 84710
435-648-2647

SURFACE DAMAGE AND WATER AGREEMENT

Let it be known that on November 6, 2002, L. Derrall and/or Barbara Christensen, husband and wife, of Millard County, State of Utah, agrees to accept as surface damages \$1500.00 (Fifteen Hundred Dollars) per well drilled on said land owned by the above L. Derrall and/or Barbara Christensen, as described in Schedule "A".

SEE SCHEDULE "A" ATTACHED

~~Also above, L. Derrall and/or Barbara Christensen, agrees to furnish water for the drilling and completion of each well described in Schedule "A" for \$500.00 (Five Hundred Dollars) per well, if available.~~

BC

Legend Energy of Utah, LLC, agrees to pay the above amounts to said owners on a well-by-well basis.

\$3,000. - BC

Legend Energy of Utah, LLC and/or its assigns will not enter said premises until Legend Energy of Utah, LLC has paid the owners ~~\$1500.00~~ (Fifteen Hundred Dollars) for surface damages and \$500.00 (Five Hundred Dollars) for water, if available, for drilling of the first well.

All payments will be made on a well-by-well basis

This Surface Damage and Water Agreement was signed and approved November 6, 2002.

LEGEND ENERGY OF UTAH, LLC

A. H. Morgan
A. H. Morgan, Manager

Barbara Christensen
Barbara Christensen

EXHIBIT "A"

EXHIBIT "A" TO THAT CERTAIN OIL AND GAS LEASE ENTERED INTO UPON THIS DAY OF APRIL, 2001 BY AND BETWEEN L. DERRAL CHRISTENSEN & BARBARA CHRISTENSEN, HUSBAND AND WIFE, DOING BUSINESS AS C + LAND AND CATTLE COMPANY AS LESSORS, AND EARTH ENERGY LLC OF UTAH AS LESSEE.

Township 38 South, Range 5 West, Salt Lake Base and Meridian, Kane County, Utah

Section 18

Lots 1-4, East Half of the West Half, West Half of the East Half of Section 18, Township 38 South Range 5 West Salt Lake Base and Meridian. Containing 480 acres, more or less. All interest owned in unto the above described 480 acre tract.

Section 19

Lots 1-4, East Half of the West Half of Section 19, Township 38 South Range 5 West Salt Lake Base and Meridian. Containing 320 acres, more or less. All interest owned in unto the above described 320 acre tract.

Township 38 South, Range 6 West, Salt Lake Base and Meridian, Kane County, Utah

Section 3: The South Half of the Northeast Quarter, Southeast Quarter of the Northwest Quarter, Northeast Quarter of the Southwest Quarter, Southwest Quarter of the Southwest Quarter of Section 3, Township 38 South, Range 6 West, SLB&M. Containing 200 acres, more or less. All interest owned in unto the above described 200 acre tract.

Section 4: The Southeast Quarter of the Southeast Quarter of Section 4, Township 38 South Range 6 West SLB&M. Containing 40 acres, more or less. All interest owned in unto the above described 40 acre tract.

Section 9: All of Section 9, Township 38 South, Range 6 West, SLB&M. Containing 640 acres, more or less. All interest owned in unto the above described 640 acre tract.

Section 10: The South Half of Section 10, Township 38 South, Range 6 West, SLB&M. Containing 320 acres, more or less. All interest owned in unto the above described 320 acre tract.

Section 12: The East Half, East Half of the West Half, Northwest Quarter of the Northwest Quarter of Section 13, Township 38 South, Range 6 West, SLB&M. Containing 520 acres, more or less. All interest owned in unto the above described 520 acre tract.

Section 14: The Northeast Quarter of the Southeast Quarter of Section 14, Township 38 South, Range 6 West, SLB&M. Containing 240 acres, more or less. All interest owned in unto the above described 240 acres, more or less.

Section 15: The East Half, North Half of the Northwest Quarter, Southwest Quarter of Section 15 Township 38 South, Range 6 West, SLB&M. Containing 560 acres, more or less. All interest owned in unto the above described 560 acre tract.

Section 16: All of Section 16 Township 38 South, Range 6 West SLB&M. Containing 640 acres, more or less. All interest owned in unto the above described 640 acre tract.

Section 21: All of Section 16 Township 38 South, Range 6 West SLB&M. Containing 640 acres, more or less. All interest owned in unto the above described 640 acre tract.

Section 22: The North Half of the Northeast Quarter, Southwest Quarter of the Northeast Quarter, Southeast Quarter of the Northwest Quarter, Southeast Quarter of the Northeast Quarter, Southeast Quarter of Section 22 Township 38 South, Range 6 West, SLB&M.

LESS: Any portion lying within the following described parcels:

Parcel 1: That portion of Section 22, Township 38 South, Range 6 West of the SLB&M described as follows: Beginning at a point 1143.7 feet South and 1399.8 feet West from the East quarter corner of said Section 22; this being the Northeast corner of the State of Utah and also property; thence South 50 degrees 2 minutes West 498.5 feet; thence South 47 degrees 00 minutes West 100 feet to a point on the

Eastern line of the State property, thence East Approximately 528.20 feet to the point of intersection with the North-South quarter-quarter line; thence North along the quarter-quarter line 380.90 feet, thence west 79.80 feet to the point of beginning.

Parcel II: That portion of Section 22, Township 38 South, Range 6 West of the Salt Lake Base and Meridian described as follows: Commencing at the center of said Section 22 thence South along an existing fence line to a point of beginning; thence Southeasterly along said Northerly right of way line a distance of 340 feet to a point where it intersects the Westerly right of way line of U.S. Highway 89; thence Northeasterly along said right of way line a distance of 340 feet; thence Southwesterly 520 feet more or less to the true point of beginning. AND EXCEPT any portion lying within the following described parcel; That portion of the West half of the Southeast Quarter of Section 22, Township 38 South, Range 6 West of the Salt Lake Base and Meridian described as follows: Beginning at a point 1143.7 feet South and 1399.8 feet West from the East quarter corner of said Section 22; thence South 50 degrees 12 minutes West 488.5 feet; thence South 47 degrees 00 minutes West 1027.4 feet to a point on the Easterly right of way line of existing U.S. Highway No. 89, which point is 66.0 feet radially distant Easterly from the center line of said highway at Engineer Station 153+75; thence Northerly 350.71 feet along the arc of a 5663.58 foot radius curve to the right to a point 66.0 feet radially distant Southeasterly from said center line at Engineer Station 152+25; (Note: Tangent to said curve at its point of beginning bears South 15 degrees 59 minutes 20 seconds West); thence South 70 degrees 31 minutes 45 seconds East 100.0 feet; thence North 41 degrees 42 minutes West 515.46 feet; thence North 73 degrees 01 minutes West 276.15 feet to a point on said Easterly right of way line; thence Northeasterly 100.91 feet along the arc of said 5663.58 foot radius curve to the right; thence South 73 degrees 01 minutes East 234.61 feet; thence North 66 degrees 40 minutes 30 seconds East 274.67 feet; thence North 49 degrees 45 minutes 45 seconds West 330.0 feet; thence North 40 degrees 14 minutes 15 seconds East 180.91 feet; thence North 66 degrees 53 minutes 45 seconds East 133.25 feet; thence South 49 degrees 45 minutes 45 seconds East 446.38 feet to the point of beginning.

Containing 340 acres, more or less. All interest owned in unto the above described 340 acre tract.

Section 23: The Northwest Quarter of the Northwest Quarter, Southeast Quarter of the Northeast Quarter, South Half, Northeast Quarter of the Northeast Quarter of Section 33 Township 38 South Range 6 West SLB&M. Containing 440 acres, more or less. All interest owned in unto the above described 440 acre tract.

Section 24: The North Half, North Half of the South Half, South Half of the Southeast Quarter of Section 24 Township 38, South Range 6 West, SLB&M. Containing 560 acres, more or less. All interest owned in unto the above described 560 acre tract.

Section 25: The Northeast Quarter, West Half of the Northwest Quarter, Northwest Quarter of the Southeast Quarter, Southwest Quarter of Section 25 Township 38 South, Range 6 West, SLB&M. LESS: Beginning 145 feet East of the Southwest corner of Section 25, and running thence East 2495.0 feet to the Southeast corner of the Southwest Quarter of said Section 25, thence North 600 feet; thence South 7759' West 200 feet; thence South 7121' West 690 feet; thence South 8756' West 200 feet; thence North 8938' West 594 feet; thence South 7725' West 149 feet; thence South 86 25' West 149 feet; thence South 8627' West 169 feet; thence South 4427' West 153 feet; thence South 5753' West 272 feet; thence South 8738' West 219 feet; thence South 17 feet to beginning. Containing 18.22 acres, more or less. All interest owned in unto the above described 421 acre tract.

Section 26: The North Half of Section 26, East Half of the Southeast Quarter, Southwest Quarter, West Half of the Southeast Quarter of Township 38, South Range 6 West, SLB&M. Containing 640 acre tract, more or less. All interest owned in unto the above described 640 acre tract.

Section 27: North Half of the Northeast Quarter; West Half of the Northwest Quarter, South Half of the Northeast Quarter, North Half of the Southeast Quarter, Southwest Quarter of Section 27 the Southeast Quarter of Township 38 South Range 6 West, SLB&M. Containing 360 acres tract, more or less. All interest owned in unto the above described 360 acre tract.

Section 28: The North Half of Section 28 Township 38 South, Range 6 West, SLB&M. Containing 320 acres, more or less. All interest owned in unto the above described 320 acre tract.

Section 35: The North Half of the North Half of Section 35 Township 38 South, Range 6 West, SLB&M. Containing 160 acres, more or less. All interest owned in unto the above described 160 acre tract.

TOTAL MINERAL ACREAGE LEASED FROM LESSORS 7841.

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

Date: _____

COLLATERAL BOND

KNOW ALL MEN BY THESE PRESENTS:

That we (signature name) Legend Energy of Utah LLC as Principal,
which is duly incorporated and qualified to do business in the State of Utah, are held and firmly bound unto the State of Utah in the sum of:
Eighty Thousand Dollars \$ 80,000.00
which money of the United States is to be paid by virtue of the following financial instruments (cash account, negotiable bonds of the United States, a state or municipal, or any other certificate of deposit - see Rule 1099-3-1):

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

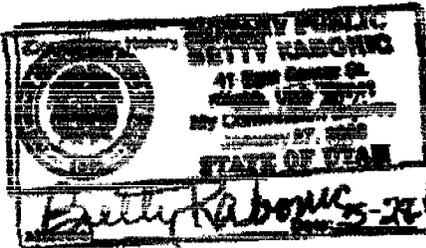
THE OBLIGATION OF THIS COLLATERAL BOND IS GUARANTEED THAT, regardless the Federal law or will be accepted in the drilling, casing, deepening, reworking, repairing, and abandonment and abandonment of a well or wells and restoring the surface or sites in the State of Utah for the purposes of oil or gas production, and/or the location and improved of water connections thereon for the following described land or well:

- Shallow Bond:** To cover all wells drilled in the State of Utah
- Individual Bond:** Well No: _____
Section: _____ Township: _____ Range: _____
County: _____ Utah

NOTE: THEREFORE, if the above bonded Principal shall comply with all the provisions of the laws of the State of Utah and the rules, orders and regulations of the Division of Oil, Gas and Mining of the State of Utah, including but not limited to the proper phasing and abandonment of wells and well site restoration, then this obligation is void otherwise, the same shall be void remain in full force and effect.

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

29 day of May 2002



Legend Energy of Utah LLC
Principal (company name)
A. Harman Morgan - Manager
Agent
A. H. Morgan
Signature

Addendum to Christensen #1X APD
Legend Energy of Utah, LLC
PO Box 231
Glendale, UT 84729
435-648-2647

12/16/2002

Well Location: SWSE Sec: 22 T38S R6W
622' FSL 2,081' FEL

*Cement will be Class G or comparable cement such as Premium Type V

Surface casing cement will be brought back to the surface until it stays in place.

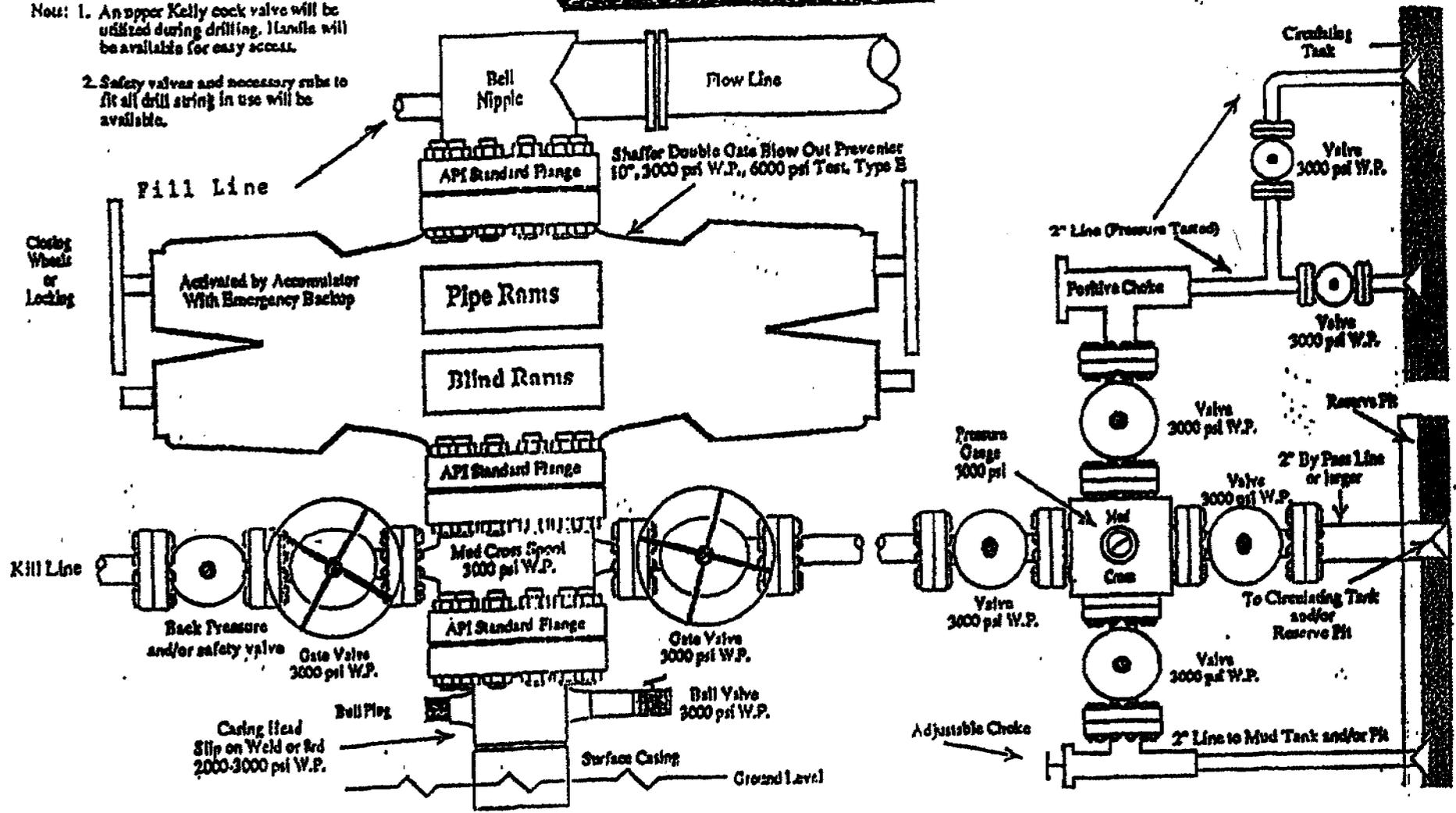
A sufficient quantity of cement (15#/gal.) will be pumped to cover all producing zones plus 100' above the top of the 1st producing unit .

Actual cement volumes will be based on caliper logs plus 25% will be added.

Pressure Control Equipment

- Note: 1. An upper Kelly cock valve will be utilized during drilling. Manife will be available for easy access.
2. Safety valves and necessary subs to fit all drill string in use will be available.

Minimum 2" Choke Line.
Minimum 2" Kill Line.
At Least One 2" Minimum Kill Line Valve.



Note: This equipment is designed to meet requirements for a 2-M rating standard per 43 CFR part 3160 (amended). Proper operation and testing of equipment will be carried out per standard. 2,000 psi equipment can be substituted in the drawing to meet minimum requirements per standard.

WORKSHEET
APPLICATION FOR PERMIT TO DRILL

APD RECEIVED: 12/30/2002

API NO. ASSIGNED: 43-025-30035

WELL NAME: CHRISTENSEN # 1X
OPERATOR: LEGEND ENERGY OF UTAH (N1890)
CONTACT: A H MORGAN

PHONE NUMBER: 435-648-2647

PROPOSED LOCATION:

SWSE 22 380S 060W
SURFACE: 0622 FSL 2081 FEL
BOTTOM: 0622 FSL 2081 FEL
KANE
WILDCAT (1)

INSPECT LOCATN BY: / /		
Tech Review	Initials	Date
Engineering	Dkd	1/15/03
Geology		
Surface		

LEASE TYPE: 4 - Fee
LEASE NUMBER: FEE
SURFACE OWNER: 4 - Fee

LATITUDE: 37.48669
LONGITUDE: 112.51105

PROPOSED FORMATION: DKTA

RECEIVED AND/OR REVIEWED:

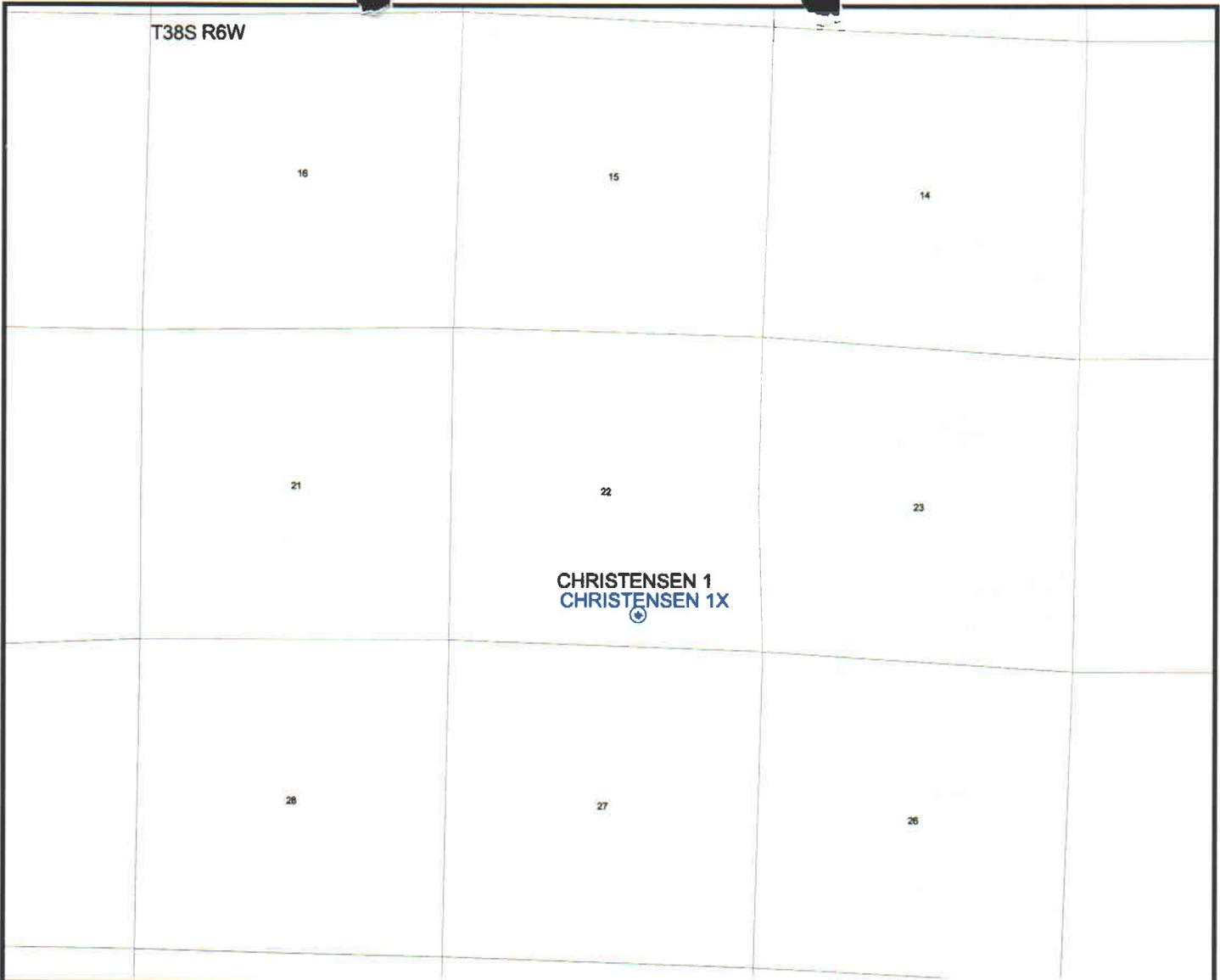
- Plat
- Bond: Fed[] Ind[] Sta[] Fee[4]
(No. 0529352940)
- Potash (Y/N)
- Oil Shale 190-5 (B) or 190-3 or 190-13
- Water Permit
(No. 117457)
- RDCC Review (Y/N)
(Date: 01/14/2003)
- Fee Surf Agreement (Y/N)

LOCATION AND SITING:

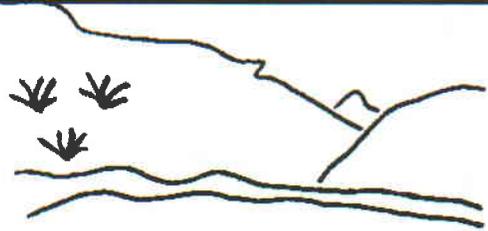
- R649-2-3.
Unit _____
- R649-3-2. General
Siting: 460 From Qtr/Qtr & 920' Between Wells
- R649-3-3. Exception
Drilling Unit
Board Cause No: _____
Eff Date: _____
Siting: _____
- R649-3-11. Directional Drill

COMMENTS: Needs Presite (Recd 12/30/02)

STIPULATIONS: 1- Spacing Slip
2- STATEMENT OF BASIS



OPERATOR: LEGEND ENERGY OF UT (N1890)
 SEC. 22 T38S, R6W
 FIELD: WILDCAT (001)
 COUNTY: KANE
 SPACING: R649-3-2 / GENERAL SITING



Utah Oil Gas and Mining

WELLS

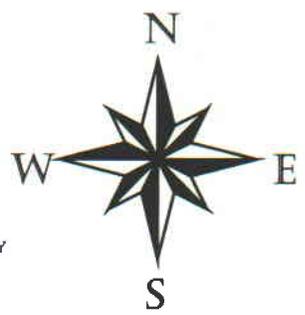
- GAS INJECTION
- GAS STORAGE
- ✕ LOCATION ABANDONED
- ⊙ NEW LOCATION
- ◊ PLUGGED & ABANDONED
- PRODUCING GAS
- PRODUCING OIL
- ◊ SHUT-IN GAS
- SHUT-IN OIL
- ✕ TEMP. ABANDONED
- TEST WELL
- ▲ WATER INJECTION
- ◆ WATER SUPPLY
- ♣ WATER DISPOSAL

UNIT STATUS

- EXPLORATORY
- GAS STORAGE
- NF PP OIL
- NF SECONDARY
- PENDING
- PI OIL
- PP GAS
- PP GEOTHERML
- PP OIL
- SECONDARY
- TERMINATED

FIELD STATUS

- ABANDONED
- ACTIVE
- COMBINED
- INACTIVE
- PROPOSED
- STORAGE
- TERMINATED
- COUNTY BOUNDARY
- SECTION LINES
- TOWNSHIP LINES



PREPARED BY: DIANA MASON
 DATE: 30-DECEMBER-2002

1-03 Legend Energy Christensen # 1X

Casing Schematic

Surface

Washout

600'
Kapsowits
8-5/8"
MW 8.6
Frac 13.

TOC @ 0.

TOC @ 435.

Surface
700. MD

w/20% washout

BOP

BHP
 $(0.052)(9.2)(3500) = 1674 \text{ psi}$

GCS
 $(0.12)(3500) = 420 \text{ psi}$

MASP = 1254 psi

2M BOPE proposed

Adequate
Dud
1/14/03

1450' -
Straight Cliffs

1655' -
John Henry

2600' -
Tropic Shale

3000' -
Dakota
3100' -
Smirl

5-1/2"
MW 9.2

w/20% washout

2848' TOC trail

3100' Smirl Gas

3285' Bildknoll Gas

3500' Production
3500. MD

Christensen | PA 12/14/2002
w/ 272 SX Prem. Typ II Cont.
(TD 820' MD)

Well name:	01-03 Legend Energy Christensen # 1X	
Operator:	Legend Energy of Utah, LLC	
String type:	Surface	Project ID: 43-025-30035
Location:	Kane County	

Design parameters:

Collapse

Mud weight: 8.600 ppg
Design is based on evacuated pipe.

Minimum design factors:

Collapse:

Design factor 1.125

Burst:

Design factor 1.00

Environment:

H2S considered? No
Surface temperature: 65 °F
Bottom hole temperature: 75 °F
Temperature gradient: 1.40 °F/100ft
Minimum section length: 130 ft

Cement top:

Surface

Burst

Max anticipated surface pressure: 0 psi
Internal gradient: 0.478 psi/ft
Calculated BHP 335 psi

No backup mud specified.

Tension:

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

Tension is based on air weight.

Neutral point: 610 ft

Non-directional string.

Re subsequent strings:

Next setting depth: 3,500 ft
Next mud weight: 9.200 ppg
Next setting BHP: 1,673 psi
Fracture mud wt: 13.000 ppg
Fracture depth: 700 ft
Injection pressure 473 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)	Est. Cost ()
1	700	8.625	24.00	K-55	ST&C	700	700	7.972	5868

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	313	1370	4.38	335	2950	8.82	17	263	15.65 J

Prepared by: Dustin Doucet
Utah Dept. of Natural Resources

Phone: 801-538-5281
FAX: 801-359-3940

Date: January 14, 2003
Salt Lake City, Utah

ENGINEERING STIPULATIONS: NONE

Collapse strength is based on the Westcott, Dunlop & Kemler method of biaxial correction for tension.

Collapse is based on a vertical depth of 700 ft, a mud weight of 8.6 ppg The casing is considered to be evacuated for collapse purposes.

Burst strength is not adjusted for tension.

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

Well name:	01-03 Legend Energy Christensen # 1X	
Operator:	Legend Energy of Utah, LLC	Project ID:
String type:	Production	43-025-30035
Location:	Kane County	

Design parameters:

Collapse
 Mud weight: 9.200 ppg
 Design is based on evacuated pipe.

Burst
 Max anticipated surface pressure: 0 psi
 Internal gradient: 0.478 psi/ft
 Calculated BHP: 1,673 psi
 No backup mud specified.

Minimum design factors:

Collapse:
 Design factor 1.125

Burst:
 Design factor 1.00

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

Tension is based on air weight.
 Neutral point: 3,013 ft

Environment:

H2S considered? No
 Surface temperature: 65 °F
 Bottom hole temperature: 114 °F
 Temperature gradient: 1.40 °F/100ft
 Minimum section length: 250 ft

Cement top: 435 ft

Non-directional string.

Run Seq	Segment Length (ft)	Size (in)	Nominal Weight (lbs/ft)	Grade	End Finish	True Vert Depth (ft)	Measured Depth (ft)	Drift Diameter (in)	Est. Cost ()
1	3500	5.5	15.50	K-55	ST&C	3500	3500	4.825	18609

Run Seq	Collapse Load (psi)	Collapse Strength (psi)	Collapse Design Factor	Burst Load (psi)	Burst Strength (psi)	Burst Design Factor	Tension Load (Klps)	Tension Strength (Klps)	Tension Design Factor
1	1673	4040	2.42	1673	4810	2.88	54	222	4.09 J

Prepared by: Dustin Doucet
 Utah Dept. of Natural Resources

Phone: 801-538-5281
 FAX: 801-359-3940

Date: January 14, 2003
 Salt Lake City, Utah

ENGINEERING STIPULATIONS: NONE

Collapse strength is based on the Westcott, Dunlop & Kemler method of biaxial correction for tension.
 Collapse is based on a vertical depth of 3500 ft, a mud weight of 9.2 ppg. The casing is considered to be evacuated for collapse purposes.
 Burst strength is not adjusted for tension.

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

DIVISION OF OIL, GAS AND MINING

APPLICATION FOR PERMIT TO DRILL STATEMENT OF BASIS

OPERATOR: Legend Energy of Utah
WELL NAME & NUMBER: Christensen #1X
API NUMBER: 43-025-30035
LEASE: Fee (Christensen) **FIELD/UNIT:** Wildcat
LOCATION: 1/4, 1/4 SW SE **Sec:** 22 **TWP:** 38S **RNG:** 6 W 622 **FSL** 2081 **FEL**

Geology/Ground Water:

There are 2 known points of diversion within 1000 feet of this proposed well sight. Both of these are permitted for domestic use and are between 100 and 600 feet deep. The depth of the 8 5/8 inch surface casing is not specified, therefore the surface casing will be set below 650'. The type and quantity of cement is not specified, therefore the amount pumped will be adequate to protect the potential sources and be circulated back to surface. Active water in the streams is used for agricultural purposes. The Virgin and Sevier Rivers, headwaters are within 1/2 mile of this location. It is the major drainage for this entire area since this location lies near the headwaters of this active watercourse, every precaution will be taken to prevent any waste from this operation entering the streams.

Reviewer: K. Michael Hebertson **Date:** 6-January-2003

Surface:

At the time that the original location was built the access road was placed on the wrong side of the location and has a very steep grade. However the total length of the road is less than 100 feet and no changes are recommended. There are no known restrictions for this project, and the RDCC comment period has not yielded any notable objections. It was recommended that the operator contact the State Water Engineer in Cedar City District to obtain needed input on the impact of this operation on the Virgin River Drainage. It was also suggested that the operator contact the several residents around Long Valley Junction that will be within visual range of the drilling operations, and let them know what will be happening at this site.

Reviewer: K. Michael Hebertson **Date:** 6-January-2003

Conditions of Approval/Application for Permit to Drill:

1. Location edge will be bermed so as to catch and retain runoff from the well pad.
2. A berm will be placed around the top outside edge of the pad.
3. A brush barrier will be left between the location and any drainage.
4. A Synthetic pit liner of a minimum 14 Mil thickness is required
5. Top soil will be stored in a low windrow, and will be re-vegetated to control erosion.
6. Spoil piles will be placed in low windrows rather than tall piles or mounds.
7. Road shoulders, pipeline access, unused portions of the location, and other disturbed areas will be reseeded with the surface owners recommended seed mixture immediately after being disturbed.
8. All previous conditions still apply.

ON-SITE PREDRILL EVALUATION
Division of Oil, Gas and Mining

OPERATOR: Legend Energy of Utah
WELL NAME & NUMBER: Christensen #1X
API NUMBER: 43-025-30035
LEASE: Fee (Christensen) **FIELD/UNIT:** Wildcat
LOCATION: 1/4,1/4 SW SE Sec: 22 TWP: 38S RNG: 6 W 622 FSL 2081 FEL
LEGAL WELL SITING: 660 F SEC. LINE; 660 F 1/4,1/4 LINE; 1320 F ANOTHER WELL.
GPS COORD (UTM): X =366,407 E;Y =4,149,732 N SURFACE OWNER: Christensen

PARTICIPANTS

Same as the previous presite. This well is a rig skid and does not require a new site investigation be performed.

REGIONAL/LOCAL SETTING & TOPOGRAPHY

Regionally these wells are located on the Southwestern flank of the Paunsaugunt Plateau. To the west is Long Valley Junction, to the east 1 ½ miles is the upthrown side of the Sevier fault. This fault runs northeast southwest as does Long Valley and the Virgin River, which forms the actual Long Valley Drainage. This location is within ½ mile of the drainages that form the headwaters of the Virgin River. Major water sources such as Kanab Creek, Birch Canyon, and others are also source waters for the Virgin River Basin. The area is covered with deposits, consisting of alluvium, colluvium, pediment alluvium, and landslides. The Tropic Shale, is a nonresistant fissile shale that forms the Virgin River Valley at this location, however the location itself is on Quaternary Allivium.

SURFACE USE PLAN

CURRENT SURFACE USE: Wildlife. The wildlife use of this area is very seasonal, and appears to be mostly used for migration.

PROPOSED SURFACE DISTURBANCE: A pad, pit, and access road. The pad will be 200'X 250', the pit will be 30X50x8.

LOCATION OF EXISTING WELLS WITHIN A 1 MILE RADIUS: There are no locations within a mile of this well

LOCATION OF PRODUCTION FACILITIES AND PIPELINES: All production facilities will be kept on location. All pipelines and utilities will follow the access road.

SOURCE OF CONSTRUCTION MATERIAL: Borrowed from the well pad.

ANCILLARY FACILITIES: None were requested.

WASTE MANAGEMENT PLAN:

Portable chemical toilets which will be emptied into the municipal waste treatment system; garbage cans on location will be emptied into centralized dumpsters which will be emptied into an approved landfill. No crude oil is expected. Drilling fluid, completion/frac fluid and cuttings will be buried in the pit after evaporation and slashing the pit liner. Used oil from drilling operations and support will be hauled to a used oil recycling facility and disposed of. Produced water will be disposed of at an approved facility.

ENVIRONMENTAL PARAMETERS

AFFECTED FLOODPLAINS AND/OR WETLANDS: the pad is located at the head waters resource area of the Virgin River. This river is the major source of agricultural and domestic water in this area and could easily be negatively impacted by this development. All precautions will be taken to protect this river from siltation and added sediment load.

FLORA/FAUNA: Deer, Coyotes, turkey, Birds, seasonal and resident, Sage Brush, pinion, Juniper, Spruce and other upper Sonoran Desert type vegetation.

SOIL TYPE AND CHARACTERISTICS: the soil is a orange to red silt and clay derived from the Tropic Shale, Straight Cliffs, and Wahweap Formations.

SURFACE FORMATION & CHARACTERISTICS: Quaternary Alluvium composed of silt and clay.

EROSION/SEDIMENTATION/STABILITY: Erosion is more under control since, the land is not overgrazed, by livestock. During periods of high runoff erosion could be a problem. The sedimentation problems could exist down stream of this location, and runoff from storms and spring thaw could enter the Virgin River. The pad is stable.

PALEONTOLOGICAL POTENTIAL: None observed.

RESERVE PIT

CHARACTERISTICS: As above, and probably inadequate.

LINER REQUIREMENTS (Site Ranking Form attached): A liner is required

SURFACE RESTORATION/RECLAMATION PLAN

As per the surface use agreement.

SURFACE AGREEMENT: Surface Use Agreement has been executed.

CULTURAL RESOURCES/ARCHAEOLOGY: None is required

OTHER OBSERVATIONS/COMMENTS

All the invited parties were in attendance. The location access is on an area that is being used as storage for UDOT for road base. It was recommended that the operator contact the State Water Engineer in Cedar City District to obtain needed input on the impact of this operation on the Virgin River Drainage. It was also suggested that the operator contact the several residents around Long Valley Junction that will be within visual range of the drilling operations, and let them know what will be happening at this site.

ATTACHMENTS

Photos of this location were taken and placed on file.

K. Michael Hebertson
DOGM REPRESENTATIVE

30-October-2002 1:00 PM
DATE/TIME

**Evaluation Ranking Criteria and Ranking Score
For Reserve and Onsite Pit Liner Requirements**

<u>Site-Specific Factors</u>	<u>Ranking</u>	<u>Site Ranking</u>
Distance to Groundwater (feet)		
>200	0	
100 to 200	5	
75 to 100	10	
25 to 75	15	
<25 or recharge area	20	<u>15</u>
Distance to Surf. Water (feet)		
>1000	0	
300 to 1000	2	
200 to 300	10	
100 to 200	15	
< 100	20	<u>10</u>
Distance to Nearest Municipal Well (feet)		
>5280	0	
1320 to 5280	5	
500 to 1320	10	
<500	20	<u>5</u>
Distance to Other Wells (feet)		
>1320	0	
300 to 1320	10	
<300	20	<u>10</u>
Native Soil Type		
Low permeability	0	
Mod. permeability	10	
High permeability	20	<u>10</u>
Fluid Type		
Air/mist	0	
Fresh Water	5	
TDS >5000 and <10000	10	
TDS >10000 or Oil Base Mud Fluid	15	
containing significant levels of hazardous constituents	20	<u>10</u>
Drill Cuttings		
Normal Rock	0	
Salt or detrimental	10	<u>0</u>
Annual Precipitation (inches)		
<10	0	
10 to 20	5	
>20	10	<u>7</u>
Affected Populations		
<10	0	
10 to 30	6	
30 to 50	8	
>50	10	<u>10</u>
Presence of Nearby Utility Conduits		
Not Present	0	
Unknown	10	
Present	15	<u>0</u>

Final Score 77 (Level I Sensitivity)

Sensitivity Level I = 20 or more; total containment is required.

Sensitivity Level II = 15-19; lining is discretionary.

Sensitivity Level III = below 15; no specific lining is required.



State of Utah
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

1594 West North Temple, Suite 1210

PO Box 145801

Salt Lake City, Utah 84114-5801

(801) 538-5340 telephone

(801) 359-3940 fax

(801) 538-7223 TTY

www.nr.utah.gov

Michael O. Leavitt
Governor

Robert L. Morgan
Executive Director

Lowell P. Braxton
Division Director

January 15, 2003

Legend Energy of Utah, LLC
P O Box 231
Glendale, UT 84729

Re: Christensen #1X Well, 622' FSL, 2081' FEL, SW SE, Sec. 22, T. 38 South, R. 6 West,
Kane 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 43-025-30035.

Sincerely,

A handwritten signature in black ink, appearing to read "John R. Baza".

John R. Baza
Associate Director

pb

Enclosures

cc: Kane County Assessor

Operator: Legend Energy of Utah, LLC
Well Name & Number Christensen #1X
API Number: 43-025-30035
Lease: Fee

Location: SW SE Sec. 22 T. 38 South R. 6 West

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 actions during drilling of this well:

- 24 hours prior to cementing or testing casing
- 24 hours prior to testing blowout prevention equipment
- 24 hours prior to spudding the well
- within 24 hours of any emergency changes made to the approved drilling program
- prior to commencing operations to plug and abandon the well

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

- Dan Jarvis at (801) 538-5338
- Carol Daniels at (801) 538-5284 (spud)

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 Conditions of Approval/Application for Permit to Drill outlined in the Statement of Basis. (Copy Attached)

5. Operator shall comply with applicable recommendations resulting from Resource Development Coordinating Committee review. Statements 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.

DIVISION OF OIL, GAS AND MINING**SPUDDING INFORMATION**Name of Company: LEGEND ENERGY OF UTAHWell Name: CHRISTENSEN # 1XApi No: 43-025-30035 Lease Type: FEESection 22 Township 38S Range 06W County KANEDrilling Contractor JESSOP DRILLING RIG# 1**SPUDDED:**Date 02/19/03Time 6:00 PMHow ROTARY**Drilling will commence:** _____Reported by H MORGANTelephone # 1-435-648-2647Date 02/20/2003 Signed: CHD

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

006

ENTITY ACTION FORM

Operator: LEGEND ENERGY OF UTAH LLC
 Address: P.O. BOX 231
GLENDALE, UT 84729

Operator Account Number: N 1890

Phone Number: (435) 648-2647

Well 1

API Number	Well Name		QQ	Sec	Twp	Rng	County
4302530035	CHRISTENSEN # 1X		SWSE	22	38 S	6W	KANE
Action Code	Current Entity Number	New Entity Number	Spud Date		Entity Assignment Effective Date		
A	99999	13739	2-19-03		3-7-03		
Comments:							

Well 2

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

Well 3

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

ACTION CODES:

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

A. H. Morgan
 Name (Please Print)
A. H. Morgan (MA)
 Signature
manager
 Title
3/5/03
 Date

(5/2000)

RECEIVED

MAR 07 2003

MAR-19-2003 WED 03:45 PM OIL, GAS & MINING

FAX NO. 801 359 3940

P. 01/02

008

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

FORM 8

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill new wells. It is for reporting on existing wells before, during, or after completion. 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 _____	2. WELL NAME AND NUMBER	CHRISTENSEN #1X
7. NAME OF OPERATOR	LEGEND ENERGY OF UTAH LLC	3. API NUMBER	4302530035
5. ADDRESS OF OPERATOR	P.O. Box 231 GLENDALE, UT 84031	4. PHONE NUMBER	435-648-2647
6. LOCATION OF WELL	FOOTAGES AT SURFACE: 622' FSL 2081' FEL STRENGTH, SECTION, TOWNSHIP, RANGE, MERIDIAN SWSE 22 389 6W	19. FIELD AND WPCCL OR WILDCAT	WILDCAT
		COUNTY:	KANE
		STATE:	UTAH

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

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

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including date, depth, volume, etc.

THIS WELL WAS APPROVED TO 3500' TD ORIGINALLY - WE HAD NOT REACHED OUR OBJECTIVE AT THIS DEPTH AND CONTINUED DRILLING - WE HAVE ENCOUNTERED A FEW DIFFICULTIES ALONG THE WAY - STUCK PIPE, RIG REPAIRS + LOSS CIRCULATION - WE ARE CURRENTLY DRILLING AT 4400' AND ARE ANTICIPATING REACHING OUR OBJECTIVE IN THE NEXT 500' - OUR OBJECTIVES ARE THE SMIRL + BALDKNOLL COAL SEAMS IN THE DAKOTA FORMATION

NAME (PLEASE PRINT) A. H. MORGAN TITLE MANAGER
 SIGNATURE A. H. Morgan DATE 3-19-03

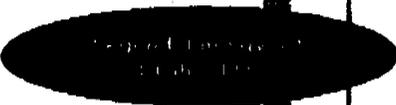
APPROVED BY THE STATE OF UTAH DIVISION OF OIL, GAS, AND MINING

DATE: 3/20/2003
BY: [Signature]

RECEIVED
19
MAR 26 2003

DIV. OF OIL, GAS & MINING

* New casing & cementing program shall be submitted (TD of steel) Drilling below approved TD must be approved beforehand



Fax Transmittal Form

To

From

Name:
Organization Name/Dept:
CC:
Phone number:
Fax number :

Phone: 435-648-2647
Fax: 435-648-2709
Email: Harry@LegendEnergy.net

621-0078 Cell

- Urgent
 - For Review
 - Please Comment
- Please Reply

Date sent: 3-19-03
Time sent: 4:18 PM
Number of pages including cover
page: 2

Message:

ATTENTION:

MIKE HEBERTSON



PO Box 231
Glendale, UT 84729
Phone: 435-648-2647
Fax: 435-648-2709
Email: Harry@LegendEnergy.net

RECEIVED
MAR 06 2003
DIV. OF OIL, GAS & MINING

007

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

FORM 0

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to the state. It is for reporting on wells. Use this form for reporting on wells, or to apply for a permit to drill, or for other purposes.

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

2. NAME OF OPERATOR: LEGEND ENERGY OF UTAH LLC

3. ADDRESS OF OPERATOR: P.O. Box 831 GLENDALE

4. LOCATION OF WELL: 622' FSU 2081' FEL

5. COUNTY: KANE STATE: UTAH

6. PHONE NUMBER: 435-648-2647

7. OFFICIAL SECTION, TOWNSHIP, RANGE, MERIDIAN: S45E 22 38S 6W

8. WELL IDENTIFICATION AND SURFACE NUMBER: N/A

9. WELL IDENTIFICATION OR TRAIL NUMBER: N/A

10. NAME OF WELL: CHRISTENSEN #1X

11. WELL NUMBER: 43-025-30035

12. FIELD AND LOCAL OR WILDCAT: WILDCAT

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

TYPE OF SUBMISSION	TYPE OF ACTION
<input checked="" type="checkbox"/> NOTICE OF INTENT (Submit to Division)	<input type="checkbox"/> STOP
Approach and well ID no.: 3-24-03	<input type="checkbox"/> CASE CASING
<input type="checkbox"/> ABANDONMENT REPORT (Submit Original Form Only)	<input type="checkbox"/> CEMENT REPAIR
Date of work completion:	<input checked="" type="checkbox"/> CHANGE TO PREVIOUS PLAN
	<input type="checkbox"/> CHANGE TUBING
	<input type="checkbox"/> CHANGE WELL NAME
	<input type="checkbox"/> CHANGE WELL STATUS
	<input type="checkbox"/> CHANGEABLE PRODUCING FORMATION
	<input type="checkbox"/> REPORT WELL TYPE
	<input type="checkbox"/> DESIGN
	<input type="checkbox"/> FRACTURE TREAT
	<input type="checkbox"/> NEW CONSTRUCTION
	<input type="checkbox"/> OPERATOR CHANGE
	<input type="checkbox"/> PLUG AND ABANDON
	<input type="checkbox"/> PLUG BACK
	<input type="checkbox"/> PRODUCTION (START/RESUME)
	<input type="checkbox"/> RECLAMATION OF WELL SITE
	<input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION
	<input type="checkbox"/> REPERFORATE DIFFERENT FORMATION
	<input type="checkbox"/> STRIKE TO REPAIR WELL
	<input type="checkbox"/> TEMPORARILY ABANDON
	<input type="checkbox"/> TUBING REPAIR
	<input type="checkbox"/> VENT OFFLAME
	<input type="checkbox"/> WATER REPAIR
	<input type="checkbox"/> WATER SHUT-OFF
	<input type="checkbox"/> OTHER: _____

12. DESCRIBE PROPOSED OR COMPLETE OPERATIONS. Clearly show all pertinent details including dates, casing, valves, etc.

① HAVE APPROVED TO DRILL 3500' WELL - DID NOT REACH OBJECTIVE - CONTINUED TO 4917'

② WILL HAVE TO RUN 4917' OF 5 1/2" 15.5# K-55 LTC CASING IN 7 7/8" HOLE

③ WILL HAVE TO CHANGE CEMENTING PROGRAM TO BE AS FOLLOWS:

LEAD CEMENT - 400SK "G" 65-35 12.7% GAL, 1.75 YIELD 9.3 GAL/SK ^{H2O}

FROM 3917' TO 730' (25% EXCESS)

TAIL CEMENT - 180SK "G" 50-50 14.4% GAL, 1.21 YIELD 5.18 GAL/SK ^{H2O}

FROM 4917' TO 3917' (25% EXCESS)

NOTE: WELL HAS 730' 8 5/8" SURFACE PIPE IN IT CEMENTED TO SURFACE

NAME (PLEASE PRINT): A. H. MORGAN TITLE: MANAGER

NAME: A. H. Morgan DATE: 3-26-03

COPY SENT TO OPERATOR
 Date: 3-31-03
 Initials: CHD

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

DATE: 3/27/03
 BY: D. R. Dunt

* Cement on the production string shall be brought up inside surface casing

Casing Schematic

Surface

8-5/8"
MW 8.6
Frac 13.

TOC @
649.
Surface
730. MD

TOC @
0.

w/18% washout

BOP

BHP

$(0.052)(9.2)(4917) = 2352 \text{ psi}$

Gas

$(0.12)(4917) = 590 \text{ psi}$

MASP = 1762 psi

2m BOPF Adequate

DKD 3/26/03



5-1/2"
MW 9.2

Production
4917. MD

w/5% washout
* Bring cement inside surface casing shoe

Well name:	03-03 Legend Energy Christensen # 1Xrev.		
Operator:	Legend Energy of Utah, LLC		
String type:	Production	Project ID:	43-025-30035
Location:	Kane County		

Design parameters:

Collapse

Mud weight: 9.200 ppg
 Design is based on evacuated pipe.

Minimum design factors:

Collapse:

Design factor 1.125

Burst:

Design factor 1.00

Environment:

H2S considered? No
 Surface temperature: 65 °F
 Bottom hole temperature: 134 °F
 Temperature gradient: 1.40 °F/100ft
 Minimum section length: 250 ft
 Cement top: 649 ft

Burst

Max anticipated surface pressure: 0 psi
 Internal gradient: 0.478 psi/ft
 Calculated BHP 2,350 psi

No backup mud specified.

Tension:

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

Non-directional string.

Tension is based on air weight.
 Neutral point: 4,233 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)	Est. Cost ()
1	4917	5.5	15.50	K-55	LT&C	4917	4917	4.825	27425

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	2350	4040	1.72	2350	4810	2.05	76	239	3.14 J

Prepared by: Dustin Doucet
 Utah Dept. of Natural Resources

Phone: 801-538-5281
 FAX: 801-359-3940

Date: March 27, 2003
 Salt Lake City, Utah

ENGINEERING STIPULATIONS: NONE

Collapse strength is based on the Westcott, Dunlop & Kemler method of biaxial correction for tension.
 Collapse is based on a vertical depth of 4917 ft, a mud weight of 9.2 ppg. The casing is considered to be evacuated for collapse purposes.
 Burst strength is not adjusted for tension.

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



Fax Transmittal Form

To: DUSTIN

From: A. H. MORGAN

Name:
Organization Name/Dept:
CC:
Phone number:
Fax number:

Phone: 435-648-2647
Fax: 435-648-2709
Email: Harry@LegendEnergy.net

- Urgent
- For Review
- Please Comment
- Please Reply

Date sent: 3-26-03
Time sent: 2:50 PM
Number of pages including cover
page: 2

Message:

ATTN:
DUSTIN



PO Box 231
Glandale, UT 84729
Phone: 435-648-2647
Fax: 435-648-2709
Email: Harry@LegendEnergy.net

RECEIVED

MAR 26 2003

DIV. OF OIL, GAS & MINING

009

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

FORM 0

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, reamout plugged wells, or to drill horizontal sections. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.

1. TYPE OF WELL OIL WELL GAS WELL OTHER _____

2. NAME OF OPERATOR LEGEND ENERGY OF UTAH LLC

3. ADDRESS OF OPERATOR P.O. BOX 231 CITY GLENDALE STATE UT ZIP 84729 PHONE NUMBER 435-648-2647

4. LOCATION OF WELL FOOTAGE AT SURFACE 622' FS 2081' FEL COUNTY KANE

5. QUARTER, SECTION, TOWNSHIP, RANGE, RANGE NUMBER SUSE 22 38s 6W 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) Approaching this work will start	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> DESPUN	<input type="checkbox"/> REPERFORATE CURRENT FORMATION
<input type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Done at well completion	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> SIDETRACK TO REPAIR WELL
	<input type="checkbox"/> CASING REPAIR	<input type="checkbox"/> NEW CONSTRUCTION	<input type="checkbox"/> TEMPORARILY ABANDON
	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> TUBING REPAIR
	<input type="checkbox"/> CHANGE TUBING	<input checked="" type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> VENT OR FLARE
	<input type="checkbox"/> CHANGE WELL NAME	<input type="checkbox"/> PLUG BACK	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> PRODUCTION (START/RESUME)	<input type="checkbox"/> WATER SHUT-OFF
	<input type="checkbox"/> DISCOVERABLE PRODUCING FORMATIONS	<input type="checkbox"/> REGRABATION 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 series, depths, volumes, etc.

WE PROPOSE TO P.A.R ABOVE WELL WITH PLUGS SET AT FOLLOWING DEPTHS:
① 4917' BOTTOM OF HOLE TO 4825' TOP OF BALD KNOLL COAL (± 42 5x Class G)
② 4660' TO 4560' TOP OF DAKOTA (± 42 5x Class G)
③ 3690'- TO 3590' TOP OF TROPIC SHALE (± 42 5x Class G)
④ 2515'- 2415' TOP OF STRAIGHT CLIFFS (± 42 5x Class G)
⑤ 750'- 700' BOTTOM OF SURFACE CASING @ 730' (± 20 5x Class G)
⑥ 50'- SURFACE GROUND LEVEL @ 7480' (± 16 5x Class G)

NAME (PLEASE PRINT) A. H. MORGAN TITLE MANAGER
SIGNATURE A. H. Morgan DATE 4-14-03

(This space for State use only)

(00000)

(See Instructions on Reverse Side)

COPY SENT TO OPERATOR
Date: 4-16-03
Initials: CHD

APPROVED BY THE STATE OF UTAH DIVISION OF OIL, GAS, AND MINING
DATE 4/15/2003
BY: [Signature]
* See Conditions of Approval



State of Utah

DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

1594 West North Temple, Suite 1210
PO Box 145801
Salt Lake City, Utah 84114-5801
(801) 538-5340 telephone
(801) 359-3940 fax
(801) 538-7223 TTY
www.nr.utah.gov

Michael O. Leavitt
Governor
Robert L. Morgan
Executive Director
Lowell P. Braxton
Division Director

CONDITIONS OF APPROVAL TO PLUG AND ABANDON WELL

Well Name and Number: Christensen # 1X
API Number: 43-025-30035
Operator: Legend Energy of Utah LLC
Reference Document: Original Sundry Notice dated April 14, 2003,
received by DOGM on April 15, 2003

Approval Conditions:

1. Notify the Division at least 24 hours prior to conducting abandonment operations. Please call Mike Hebertson at 801-538-5333.
2. All balanced plugs shall be tagged to ensure that they are at the depths specified in the intent.
3. Cement used shall be a neat Class G (1.18 yield) or Division approved equivalent.
4. The intervals between plugs shall be filled with a non-corrosive fluid of adequate density to prevent migration of fluid (R649-3-24-3.4)
5. A dry hole marker shall be erected in accordance with R649-3-24-7.
6. Surface reclamation shall be done in accordance with R649-3-34 – Well Site Restoration.
7. All requirements in the Oil and Gas Conservation General Rule R649-3-24 shall apply.
8. If there are any changes to the plugging procedure or the wellbore configuration, notify Dustin Doucet at 801-538-5281 prior to continuing with the procedure.
9. All other requirements for notice and reporting in the Oil and Gas Conservation General Rules shall apply.

Dustin K. Doucet
Petroleum Engineer

April 15, 2003
Date



Fax Transmittal Form

To **DUSTIN**

From **A H MORGAN**

Name:
Organization Name/Dept:
CC:
Phone number:
Fax number :

Phone: 435-648-2647
Fax: 435-648-2709
Email: Harry@LegendEnergy.net

- Urgent
- For Review
- Please Comment
- Please Reply

Date sent: **4-14-03**
Time sent: **4:30/PM**
Number of pages including cover
page: **2**

Message:

DUSTIN



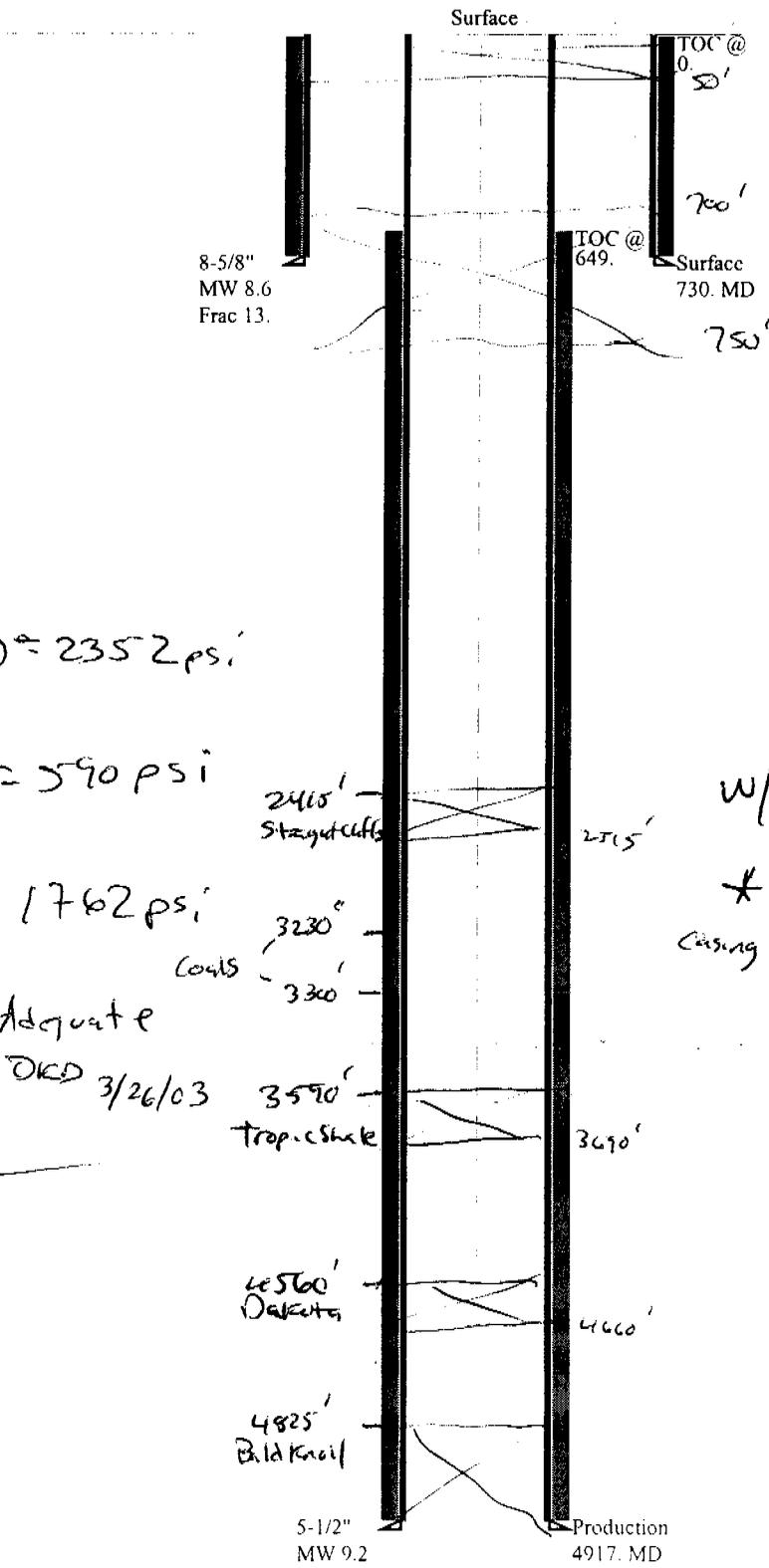
PO Box 231
Glendale, UT 84729
Phone: 435-648-2647
Fax: 435-648-2709
Email: Harry@LegendEnergy.net

RECEIVED

APR 15 2003

DIV. OF OIL, GAS & MINING

3-03 Legend Energy Christensen # 1 Xrev.
Casing Schematic



w/189 washout

w/59 washout

* Bring cement inside surface casing shoe

BOA

BHP

$$(0.052)(9.2)(4917) = 2352 \text{ psi}$$

Gas

$$(0.12)(4917) = 590 \text{ psi}$$

$$\text{MASP} = 1762 \text{ psi}$$

2M BOPE Adequate

OKD 3/26/03



011

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 intervals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.

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

2. NAME OF OPERATOR: **LEGEND ENERGY OF UTAH LLC**

3. ADDRESS OF OPERATOR: **P.O. BOX 271 GLENDALE UT 84729** PHONE NUMBER: **435 648 2647**

4. LOCATION OF WELL: FOOTAGES AT SURFACE: **622' FSL 2081' FEL** COUNTY: **KANE**

5. COUNTY, SECTION, TOWNSHIP, RANGE, MERIDIAN: **SWSE 22 38S 6W** STATE: **UTAH**

6. LEASE OPERATOR AND SERIAL NUMBER: **N/A**

7. # INDIAN, ALLOTTEE OR TRIBE NAME: **N/A**

8. UNIT or CO AGREEMENT NAME: **N/A**

9. WELL NAME and NUMBER: **CHRISTENSEN #1X**

10. API NUMBER: **43-025-30035**

11. FIELD AND POOL, OR WILDCAT: **WILD CAT**

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

TYPE OF SUBMISSION	TYPE OF ACTION		
<input checked="" type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start:	<input type="checkbox"/> ADDRESS	<input type="checkbox"/> OPEN	<input type="checkbox"/> REPERFORATE CURRENT FORMATION
<input type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion:	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> SIDETRACK TO REPAIR WELL
	<input type="checkbox"/> CASING REPAIR	<input type="checkbox"/> NEW CONSTRUCTION	<input type="checkbox"/> TEMPORARILY ABANDON
	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> TUBING REPAIR
	<input type="checkbox"/> CHANGE TUBING	<input checked="" type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> VENT OR PLUG
	<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"/> CORRECTS 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.

BECAUSE OF DRILL PIPE STUCK IN HOLE FROM ^{ABOUT} 2760' TO 2575', WE WILL NOT BE ABLE TO P/A WELL ACCORDING TO APPROVED PLAN OF 4-15-03. WE WILL NOW PLACE A 400' OPEN HOLE PLUG FROM THE TOP OF THE PIPE LEFT IN HOLE @ 2575' TO 2175' AND A 150' PLUG FROM 830' TO 680' (50' UP INTO 8 5/8" SURFACE PIPE) AND A PLUG FROM 50' TO THE SURFACE.

WE HAVE MADE MANY ATTEMPTS TO FREE PIPE OVER THE PAST WEEK - PULLING, PUSHING, TORQUING, JARRING, ETC. TO NO AVAIL AND WE CANNOT CIRCULATE AT 2760'. DUE TO THESE CIRCUMSTANCES, WE FEEL THAT THIS IS OUR ONLY OPTION, AND THAT THE TROPIC SHALE FROM 3590' TO 4560' HAS PROBABLY CLOSED IN BELOW THE BOTTOM OF THE STUCK PIPE.

YOUR APPROVAL WILL BE GREATLY APPRECIATED.

NAME (PLEASE PRINT): **A. H. MORGAN** TITLE: **MANAGER**

SIGNATURE: *A. H. Morgan* DATE: **4-22-03**

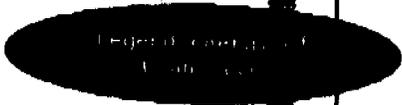
This space for State use only

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

DATE: **4/22/03**
 BY: *[Signature]*
 * See Conditions of Approval

COPY SENT TO OPERATOR
 DATE: **4/22/03**
 INITIALS: **CHD**

(See Instructions on Reverse Side)



Fax Transmittal Form

To **DUSTIN**

From **A.H.MORGAN**

Name:
Organization Name/Dept:
CC:
Phone number:
Fax number :

Phone: 435-648-2647
Fax: 435-648-2709
Email: Harry@LegendEnergy.net

- Urgent
- For Review
- Please Comment
- Please Reply

Date sent: **4-22-03**
Time sent: **3:33 PM**
Number of pages including cover
page: **2**

Message:

DUSTIN DOUCET



PO Box 231
Glendale, UT 84729
Phone: 435-648-2647
Fax: 435-648-2709
Email: Harry@LegendEnergy.net

REC'D
APR 22 2003



State of Utah
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

1594 West North Temple, Suite 1210
PO Box 145801
Salt Lake City, Utah 84114-5801
(801) 538-5340 telephone
(801) 359-3940 fax
(801) 538-7223 TTY
www.nr.utah.gov

Michael O. Leavitt
Governor
Robert L. Morgan
Executive Director
Lowell P. Braxton
Division Director

**CONDITIONS OF APPROVAL
TO PLUG AND ABANDON WELL**

Well Name and Number: Christensen # 1X
API Number: 43-025-30035
Operator: Legend Energy of Utah LLC
Reference Document: Original Sundry Notice dated April 22, 2003,
received by DOGM on April 22, 2003

Approval Conditions:

1. Notify the Division at least 24 hours prior to conducting abandonment operations. Please call Mike Hebertson at 801-538-5333.
2. All balanced plugs shall be tagged to ensure that they are at the depths specified in the intent.
3. Cement used shall be a neat Class G (1.18 yield) or Division approved equivalent.
4. The intervals between plugs shall be filled with a non-corrosive fluid of adequate density to prevent migration of fluid (R649-3-24-3.4)
5. A dry hole marker shall be erected in accordance with R649-3-24-7.
6. Surface reclamation shall be done in accordance with R649-3-34 – Well Site Restoration.
7. All requirements in the Oil and Gas Conservation General Rule R649-3-24 shall apply.
8. If there are any changes to the plugging procedure or the wellbore configuration, notify Dustin Doucet at 801-538-5281 prior to continuing with the procedure.
9. All other requirements for notice and reporting in the Oil and Gas Conservation General Rules shall apply.

Dustin K. Doucet
Petroleum Engineer

April 22, 2003

Date

012

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

FORM

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill new wells, significantly deepen existing wells (beyond current bottom-hole depth, 100' for plugged wells, or to drill horizontal intervals). Use APPLICATION FOR PERMIT TO DRILL NEW OR REEVALUATE

1. TYPE OF WELL: OR WELL GAS WELL OTHER

2. NAME OF OPERATOR: LEGEND ENERGY OF UTAH LLC

3. ADDRESS OF OPERATOR: P.O. Box 231, GLENDALE, UT 84729

4. LOCATION OF WELL: FOOTAGES AT SURFACE: 622' ASE 2091' FEL

5. COUNTY, SECTION, TOWNSHIP, RANGE, MERIDIAN: SW 28 38S 6W

6. UIC# REGISTRATION AND SERIAL NUMBER: N/A

7. IF UIC# NOT ALLOCATED OR THESE NUMBERS: N/A

8. LIST OF OIA APPROVED PARTY NAME: N/A

9. WELL NAME AND NUMBER: CHRISTENSEN #1X

10. APPROXIMATE: 43-025-30035

11. FIELD AND POOL OR WELDCAT: WILDCAT

12. 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) (Appropriate date when well starts)	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> DEEPCON
<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"/> CASING REPAIR	<input type="checkbox"/> NEW CONSTRUCTION
	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input type="checkbox"/> OPERATOR CHANGE
	<input type="checkbox"/> CHANGE TUBING	<input checked="" type="checkbox"/> PLUG AND ABANDON
	<input type="checkbox"/> CHANGE WELL NAME	<input type="checkbox"/> PLUG BACK
	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> PRODUCTION (START/RESUME)
	<input type="checkbox"/> COMPLESSIBLE PRODUCING FORMATIONS	<input type="checkbox"/> RECLAMATION OF WELL SITE
	<input type="checkbox"/> CONVERT WELL TYPE	<input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION
		<input type="checkbox"/> REPERFORATE CURRENT FORMATION
		<input type="checkbox"/> SIDETRACK TO REPAIR WELL
		<input type="checkbox"/> TEMPORARILY ABANDON
		<input type="checkbox"/> TUBING REPAIR
		<input type="checkbox"/> VENT OR FLARE
		<input type="checkbox"/> WATER DISPOSAL
		<input type="checkbox"/> WATER SHUT-OFF
		<input type="checkbox"/> OTHER

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

AFTER GETTING CLUTCH ON RIG FIXED, DRYLOR PULLED ON STUCK PIPE AND PIPE PARTED IN HOLE. ATTEMPTED TO RETRIEVE PIPE - BACKED OFF @ 775' (FREE POINT). WE CAN SET OPEN HOLE CEMENT PLUG FROM 775' TO 730' (BOTTOM OF 8 5/8" SURFACE PIPE) AND PLACE 100' CEMENT PLUG FROM 730' TO 630' INSIDE PIPE, AND 50' CEMENT PLUG FROM 50' TO SURFACE.

WE HAVE MADE MANY ATTEMPTS TO RETRIEVE PIPE STUCK IN HOLE AND HAVE NOT BEEN SUCCESSFUL.

YOUR APPROVAL WILL BE GREATFULLY APPRECIATED.

NAME (PLEASE PRINT) A.H. MOREAN TITLE MANAGER
SIGNATURE A.H. Morean DATE 4-25-03

(This space for State use only)

COPY SENT TO OPERATOR
Date: 4-25-03
Initials: CHD

APPROVED BY THE STATE
OF UTAH DIVISION OF
OIL, GAS, AND MINING RECEIVED
DATE: April 25, 2003
BY: V.M. [Signature] APR 24 2003



State of Utah
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

1594 West North Temple, Suite 1210
PO Box 145801
Salt Lake City, Utah 84114-5801
(801) 538-5340 telephone
(801) 359-3940 fax
(801) 538-7223 TTY
www.nr.utah.gov

Michael O. Leavitt
Governor
Robert L. Morgan
Executive Director
Lowell P. Braxton
Division Director

**CONDITIONS OF APPROVAL
TO PLUG AND ABANDON WELL**

Well Name and Number: Christensen # 1X
API Number: 43-025-30035
Operator: Legend Energy of Utah LLC
Reference Document: Original Sundry Notice dated April 22, 2003,
received by DOGM on April 22, 2003

Approval Conditions:

1. Notify the Division at least 24 hours prior to conducting abandonment operations. Please call Mike Hebertson at 801-538-5333.
2. All balanced plugs shall be tagged to ensure that they are at the depths specified in the intent.
3. Cement used shall be a neat Class G (1.18 yield) or Division approved equivalent.
4. The intervals between plugs shall be filled with a non-corrosive fluid of adequate density to prevent migration of fluid (R649-3-24-3.4)
5. A dry hole marker shall be erected in accordance with R649-3-24-7.
6. Surface reclamation shall be done in accordance with R649-3-34 -- Well Site Restoration.
7. All requirements in the Oil and Gas Conservation General Rule R649-3-24 shall apply.
8. If there are any changes to the plugging procedure or the wellbore configuration, notify Dustin Doucet at 801-538-5281 prior to continuing with the procedure.
9. All other requirements for notice and reporting in the Oil and Gas Conservation General Rules shall apply.

for K. Michael Hebertson
Dustin K. Doucet
Petroleum Engineer

April 25-2003
Date

013

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

FORM

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, re-work plugged wells, or to drill horizontal intervals. Use APPLICATION FOR PERMIT TO DRILL FORM for such proposals.

1. TYPE OF WELL
OIL WELL GAS WELL OTHER _____

2. NAME OF OPERATOR
LEGEND ENERGY OF UTAH LLC

3. ADDRESS OF OPERATOR
P.O. Box 231, CLEVELAND STATE UT 84729 PHONE NUMBER: 435-649-2647

4. LOCATION OF WELL
FOOTAGES AT SURFACE: 632' R/S/L 2091' F/E/L

5. COUNTY, SECTION, TOWNSHIP, RANGE, MERIDIAN
COUNTY: KANE STATE: UTAH
SW/SE 28 38S 6W

6. LEASE REGISTRATION AND SERIAL NUMBER

7. IF FEDERAL ALLEYS OR TRADE NAME:

8. LIST OF GAS ADJACENT NAME

9. WELL NAME AND NUMBER

10. FIELD AND POOL OR WADCAT

11. APT NUMBER

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

- TYPE OF SUBMISSION
- NOTICE OF INTENT (Submit in duplicate)
Approximate date work will start: _____
 - SUBSEQUENT REPORT (Submit Original Form Only)
Date of work completion: _____

- TYPE OF ACTION
- ACIDIZE
 - ALTER CASING
 - CASING REPAIR
 - CHANGE TO PREVIOUS PLANS
 - CHANGE TUBING
 - CHANGE WELL NAME
 - CHANGE WELL STATUS
 - COMMENCE PRODUCING FORMATIONS
 - CONVERT WELL TYPE
 - DEEPEN
 - FRACTURE TREAT
 - NEW CONSTRUCTION
 - OPERATOR CHANGE
 - PLUS AND ABANDON
 - PLUS BACK
 - PRODUCTION (START/RESUME)
 - RECLAMATION OF WELL SITE
 - RECOMPLETE - DIFFERENT FORMATION
 - REPERFORATE CURRENT FORMATION
 - SIDETRACK TO REPAIR WELL
 - TEMPORARILY ABANDON
 - TUBING REPAIR
 - VENT OR FLARE
 - WATER DISPOSAL
 - WATER SHUT-OFF
 - OTHER _____

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

AFTER GETTING CLUTCH ON RIG FIXED, DRILLER PULLED ON STUCK PIPE AND PIPE PARTED IN HOLE. ATTEMPTED TO RETRIEVE PIPE - BACKED OFF @ 775' (FREE POINT). WE CAN SET OPEN HOLE CEMENT PLUG FROM 775' TO 730' (BOTTOM OF 8 5/8" SURFACE PIPE) AND PLACE 100' CEMENT PLUG FROM 730' TO 630' INSIDE PIPE, AND 50' CEMENT PLUG FROM 50' TO SURFACE.

WE HAVE MADE MANY ATTEMPTS TO RETRIEVE PIPE STUCK IN HOLE AND HAVE NOT BEEN SUCCESSFUL.

YOUR APPROVAL WILL BE GREATFULLY APPRECIATED.

NAME (PLEASE PRINT) A. H. MORGAN TITLE MANAGER

SIGNATURE A. H. Morgan DATE 4-25-03

(This space for State use only)

COPY SENT TO OPERATOR

Date: 4-25-03
Initials: CHD

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

DATE: April 25 2003
BY: J. M. Robertson APR 24 2003



State of Utah
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

1594 West North Temple, Suite 1210
PO Box 145801
Salt Lake City, Utah 84114-5801
(801) 538-5340, telephone
(801) 359-3940 fax
(801) 538-7223 TTY
www.nr.utah.gov

Michael O. Leavitt
Governor
Robert L. Morgan
Executive Director
Lowell P. Braxton
Division Director

**CONDITIONS OF APPROVAL
TO PLUG AND ABANDON WELL**

Well Name and Number: Christensen # 1X
API Number: 43-025-30035
Operator: Legend Energy of Utah LLC
Reference Document: Original Sundry Notice dated April 22, 2003,
received by DOGM on April 22, 2003

Approval Conditions:

1. Notify the Division at least 24 hours prior to conducting abandonment operations. Please call Mike Hebertson at 801-538-5333.
2. All balanced plugs shall be tagged to ensure that they are at the depths specified in the intent.
3. Cement used shall be a neat Class G (1.18 yield) or Division approved equivalent.
4. The intervals between plugs shall be filled with a non-corrosive fluid of adequate density to prevent migration of fluid (R649-3-24-3.4)
5. A dry hole marker shall be erected in accordance with R649-3-24-7.
6. Surface reclamation shall be done in accordance with R649-3-34 – Well Site Restoration.
7. All requirements in the Oil and Gas Conservation General Rule R649-3-24 shall apply.
8. If there are any changes to the plugging procedure or the wellbore configuration, notify Dustin Doucet at 801-538-5281 prior to continuing with the procedure.
9. All other requirements for notice and reporting in the Oil and Gas Conservation General Rules shall apply.

for

Dustin K. Doucet
Petroleum Engineer

April 25-2003
Date



4200 Skyline Drive, Farmington, New Mexico 87401, (505) 325-8531, Fax (505) 325-3861
 Email: swgslognm@earthlink.net or on the web at www.southwestgeophysical.com

December 12, 2003

Mike Herbertson
 State Of Utah, Dept. of Natural Resources
 Division of Oil, Gas & Mining
 P.O. Box 145801
 Salt Lake City, Utah 84114-5801

Dear Mr. Herbertson,

Harry Morgan with Legend Energy of Utah, LLC asked me to forward you these copies of logs from the three wells in Kane County which we worked on.

Sincerely,

A handwritten signature in cursive script, appearing to read 'M. Peterson'.

Mick Peterson—Manager

ENCLOSED: CARROL #1

PUGH #8

CHRISTENSEN #1X

T 385 RO6W S-22
 43-025-30035

RECEIVED

DEC 19 2003

DIV OF OIL, GAS & MINING

RECEIVED

015 MAR 15 2004

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

AMENDED REPORT FORM 8 (highlight changes)

WELL COMPLETION OR RECOMPLETION REPORT AND LOG

1a. TYPE OF WELL: OIL WELL [] GAS WELL [x] DRY [x] OTHER []

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

2. NAME OF OPERATOR: Legend Energy of Utah LLC

3. ADDRESS OF OPERATOR: 195 E. Fiddlers Cyn CITY Cedar City STATE UT ZIP 84720 PHONE NUMBER: (435) 867-6317

4. LOCATION OF WELL (FOOTAGES) AT SURFACE: 622' FSL 2081' FEL AT TOP PRODUCING INTERVAL REPORTED BELOW: AT TOTAL DEPTH: Same

5. LEASE DESIGNATION AND SERIAL NUMBER: Fee 6. IF INDIAN, ALLOTTEE OR TRIBE NAME 7. UNIT or CA AGREEMENT NAME 8. WELL NAME and NUMBER: Christensen 1X 9. API NUMBER: 4302530035 10. FIELD AND POOL, OR WILDCAT: Wildcat 11. QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: SWSE 22 38S 6W 12. COUNTY: Kane 13. STATE: UTAH

14. DATE SPURRED: 2/19/2003 15. DATE T.D. REACHED: 4/25/2003 16. DATE COMPLETED: 4/27/2003 ABANDONED [x] READY TO PRODUCE [] 17. ELEVATIONS (DF, RKB, RT, GL): 7,480

18. TOTAL DEPTH: MD 4,989 TVD 19. PLUG BACK T.D.: MD 0 TVD 20. IF MULTIPLE COMPLETIONS, HOW MANY? * NA 21. DEPTH BRIDGE MD PLUG SET: TVD

22. TYPE ELECTRIC AND OTHER MECHANICAL LOGS RUN (Submit copy of each) Logs Run Electric Log, Bulk Density/Gamma Ray DENSITY NEUTRON 23. WAS WELL CORED? NO [x] YES [] (Submit analysis) WAS DST RUN? NO [x] YES [] (Submit report) DIRECTIONAL SURVEY? NO [x] YES [] (Submit copy)

24. CASING AND LINER RECORD (Report all strings set in well) Table with columns: HOLE SIZE, SIZE/GRADE, WEIGHT (#/ft.), TOP (MD), BOTTOM (MD), STAGE CEMENTER DEPTH, CEMENT TYPE & NO. OF SACKS, SLURRY VOLUME (BBL), CEMENT TOP **, AMOUNT PULLED. Rows include 12 1/4 8 5/8 N80 and 7 7/8 NA.

25. TUBING RECORD Table with columns: SIZE, DEPTH SET (MD), PACKER SET (MD). Multiple empty rows.

26. PRODUCING INTERVALS and 27. PERFORATION RECORD Tables with columns for formation name, top/bottom depths, interval, size, no. holes, and perforation status.

28. ACID, FRACTURE, TREATMENT, CEMENT SQUEEZE, ETC. Table with columns: DEPTH INTERVAL, AMOUNT AND TYPE OF MATERIAL. Rows include Plug 1, 830' to 680' and Plug 2, 50' to Surface.

29. ENCLOSED ATTACHMENTS: [] ELECTRICAL/MECHANICAL LOGS [] GEOLOGIC REPORT [] DST REPORT [] DIRECTIONAL SURVEY [] SUNDRY NOTICE FOR PLUGGING AND CEMENT VERIFICATION [] CORE ANALYSIS [] OTHER: [] 30. WELL STATUS: Plugged

31. INITIAL PRODUCTION

INTERVAL A (As shown in Item #26)

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

INTERVAL B (As shown in Item #26)

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

INTERVAL C (As shown in Item #26)

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

INTERVAL D (As shown in Item #26)

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

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

33. SUMMARY OF POROUS ZONES (Include Aquifers):

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

Formation	Top (MD)	Bottom (MD)	Descriptions, Contents, etc.
Wasatch	0	600	NA
Kaiparowits	600	2,415	NA
Straight Cliffs	2,415	2,515	NA
Tropic Shale	3,590	4,560	NA
Dakota	4,560	4,825	NA
Bald Knoll	4,825	4,917	NA

34. FORMATION (Log) MARKERS:

Name	Top (Measured Depth)

35. ADDITIONAL REMARKS (Include plugging procedure)

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

NAME (PLEASE PRINT) A. H. Morgan
 SIGNATURE A. H. Morgan

TITLE Manager
 DATE 3-15-04

This report must be submitted within 30 days of

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

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

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

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

Phone: 801-538-5340

Fax: 801-359-3940

RECEIVED

MAR 15 2004

DIV. OF OIL, GAS & MINING

Big 4 Cementing, LLC

P.O. Box 1817
 Vernal, Utah 84078
 Phone 789-1735

1492

016

Date 2-23-03

20

For Legend Energy Address _____

Lease Christensen 1-X 8 7/8" SURFACE PIPE Rig No. _____

CODE	DESCRIPTION	UNIT	AMOUNT		
	Mileage Pump Unit	600 Mi	5 ⁰⁰	3000	00
	Mileage Crew Truck	600 Mi	3 ⁰⁰	1800	00
	Pump Charge	730 FT		2742	00
	Operators Expenses 3 Men	1 Day	300 ⁰⁰	900	00
	8 5/8 Top Plug	1 EA		215	60
	Premium Cement	160 SKS	20 ⁰⁰	3200	00
	Light Cement 65/35/6	160 SKS	17 ⁴⁰	2784	00
	Gel	8 SKS	30 ⁰⁰	240	00
	Salt	400 LBS	.25	100	00
	Calcium Chloride	3 SKS	130 ⁰⁰	390	00
	Floccle	80 LBS	3 ⁰⁰	240	00
	Blending Charge	354 CU FT	2 ⁸²	998	28
	Delivery Charge wt 30274 300 Mi	4541.1 T.M	1 ⁷²	7810	69
RECEIVED				Sub Total	24420 ⁵⁹
APR 08 2004				Less Discount	13431 ³¹
DIV. OF OIL, GAS & MINING				Total	10,989 ²⁵
				Tax	467 ³⁷
TOTAL INVOICE					11456 ⁶²

Paid w/ Check 1152

Operator J. B. T... Accepted and Approved by A. H. M...

Big4

CEMENTING

(435) 789-1735

P.O. Box 1817, Vernal, Utah 84078

048

JOB SUMMARY REPORT

Customer <i>Legend Energy</i>		Date <i>2-23-03</i>	Ticket Number <i>1492</i>		
Lease & Well Name <i>Christensen 1-X</i>		Sec. <i>22</i>	Twp. <i>38S0</i>	Range <i>6-W</i>	County <i>Kane County</i>
Job Type <i>8 5/8 Surface</i>		Drilling Contractor			
Surface CSG Size <i>8 5/8</i>	Wt./Grade <i>24</i>	Thread <i>LTC</i>	Depth From <i>0</i>	To <i>730</i>	
Inter CSG Size	Wt./Grade	Thread	Depth From	To	
Prod. CSG Size	Wt./Grade	Thread	Depth From	To	
Liner CSG Size	Wt./Grade	Thread	Depth From	To	
TBG or D.P. Size	Wt./Grade	Thread	Depth From	To	

SKS	Materials Furnished	Slurry Wt. P.P.G.	Slurry Yield FT ³	Water Gal./Sk.
<i>Lead</i> <i>160</i>	<i>65% CMT / 3540 Pz / 6% Gel 3% Salt 1/4 #/sk Floccle</i>	<i>12.7</i>	<i>1.75</i>	<i>9.3</i>
<i>Tail</i> <i>160</i>	<i>2% Calcium Chloride 1/4 #/sk Floccle</i>	<i>15.6</i>	<i>1.18</i>	<i>5.2</i>

Float Equipment
Furnished By ~~Legend~~ Legend

Equipment & Personnel
K. Morris / Beau Tenney / Blount Taylor

Notes:
Cir 10 BBL CMT TO PIT

RECEIVED

APR 08 2004

DIV. OF OIL, GAS & MINING