

CTD, Incorporated

3355 North Five Mile Road, #334
Boise, Idaho 83713-3925
(208) 376-7686

August 25, 2009

Ms. Diana Mason, Petroleum Technician
State of Utah Division of Oil, Gas and Mining
1594 West North Temple, Suite 1210
P.O. Box 145801
Salt Lake City, Utah 84114-5801

Re: Exception Location: Hoffman #1-28
Surface Location: 2741' FSL, 2349' FWL, Section 28, T11N-R7E
(Approximate Center of Section)
Rich County, Utah

Dear Ms. Mason:

CTD, Inc. intends to drill a well in the near future at the location as described above. Therefore, CTD, Inc. herewith submits this exception location letter in accordance with Oil and Gas Conservation Rules 649-3-2, requesting the granting of an exception well location supported by the following information:

- The well (core test) is being placed at the above location so that it may be used for a frac monitoring well in the event that a future need arises.
- CTD, Inc. certifies that it is the sole working interest owner of all lands within 460 feet of the well surface and bottom hole locations.
- CTD, Inc. has an agreement from the surface owner for the placement of the location and a Surface Use Agreement.

Based on the information provided, CTD, Inc. requests that the Division grant the exception to the location and siting requirements of R649-3-2. Should you have any questions or need further information, please contact Roxie Simpson at (406) 247-8717.

Sincerely,

CTD, Inc.



Carol T. Davis
President

RECEIVED

SEP 08 2009

DIV. OF OIL, GAS & MINING

STATE ACTIONS
Resource Development Coordinating Committee
Public Lands Policy Coordination Office
5110 State Office Building
SLC, UT 84114
Phone No. 801-537-9230

1. State Agency Oil, Gas and Mining 1594 West North Temple, Suite 1210 Salt Lake City, UT 84114-5801	2. Approximate date project will start: Upon Approval or April 1, 2010
3. Title of proposed action: Application for Permit to Drill	
4. Description of Project: CTD, Inc. proposes to drill the Hoffman 1-28 well (wildcat) on Fee lease, Rich County, Utah. This action is being presented to the RDCC for consideration of resource issues affecting state interests. The Division of Oil, Gas and Mining is the primary administrative agency in this action and must issue approval before operations commence.	
5. Location and detailed map of land affected (site location map required, electronic GIS map preferred) (include UTM coordinates where possible) (indicate county) 2741' FSL 2349' FWL, NE/4 SW/4, Section 28, Township 11 North, Range 7 East, Rich County, Utah	
6. Possible significant impacts likely to occur: Surface impacts include up to five acres of surface disturbance during the drilling and completion phase (estimated for five weeks duration). If oil and gas in commercial quantities is discovered, the location will be reclaimed back to a net disturbance of between one and two acres – not including road, pipeline, or utility infrastructure. If no oil or gas is discovered, the location will be completely reclaimed.	
7. Identify local government affected a. Has the government been contacted? No. b. When? c. What was the response? d. If no response, how is the local government(s) likely to be impacted?	
8. For acquisitions of land or interests in land by DWR or State Parks please identify state representative and state senator for the project area. Name and phone number of state representative, state senator near project site, if applicable: a. Has the representative and senator been contacted? N/A	
9. Areawide clearinghouse(s) receiving state action: (to be sent out by agency in block 1) Bear River Association of Government	
10. For further information, contact: Diana Mason Phone: (801) 538-5312	11. Signature and title of authorized officer  Gil Hunt, Associate Director Date: September 9, 2009

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

CONFIDENTIAL

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 checked="" type="checkbox"/>			8. UNIT or CA AGREEMENT NAME: N/A	
2. NAME OF OPERATOR: CTD, Inc.			9. WELL NAME and NUMBER: Hoffman 1-28	
3. ADDRESS OF OPERATOR: 3355 North Five Mile Rd #334 CITY Boise STATE ID ZIP 83713-3925 PHONE NUMBER: (208) 376-7686			10. FIELD AND POOL, OR WILDCAT: Wildcat	
4. LOCATION OF WELL (FOOTAGES) AT SURFACE: 2741' FSL, 2349' FWL AT PROPOSED PRODUCING ZONE: same			11. QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NESW 28 11N 7E	
14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE: Approximately 2 miles east of the town of Randolph, UT.			12. COUNTY: Rich	13. STATE: UTAH
15. DISTANCE TO NEAREST PROPERTY OR LEASE LINE (FEET) 199'	16. NUMBER OF ACRES IN LEASE: 177.255	17. NUMBER OF ACRES ASSIGNED TO THIS WELL:		
18. DISTANCE TO NEAREST WELL (DRILLING, COMPLETED, OR APPLIED FOR) ON THIS LEASE (FEET) N/A	19. PROPOSED DEPTH: 9,500	20. BOND DESCRIPTION: Surety F20894		
21. ELEVATIONS (SHOW WHETHER DF, RT, GR, ETC.): 6254' ungraded ground	22. APPROXIMATE DATE WORK WILL START: 4/1/2010	23. ESTIMATED DURATION: 45 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"	9 5/8" J or K-55 36#	2,500	Varicem Cmt (lead)	430 sx	2.94 ft3/sk 11.5 ppg
			Varicem Cmt (tail)	185 sx	1.8 ft3/sk 13.5 ppg
8 3/4"	5 1/2" P-110 20#	9,452	Econocem	535 sx	1.49 ft3/sk 13.5 ppg

25. **ATTACHMENTS**

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

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

NAME (PLEASE PRINT) Carol Davis TITLE President
SIGNATURE Carol Davis DATE 9-209

(This space for State use only)

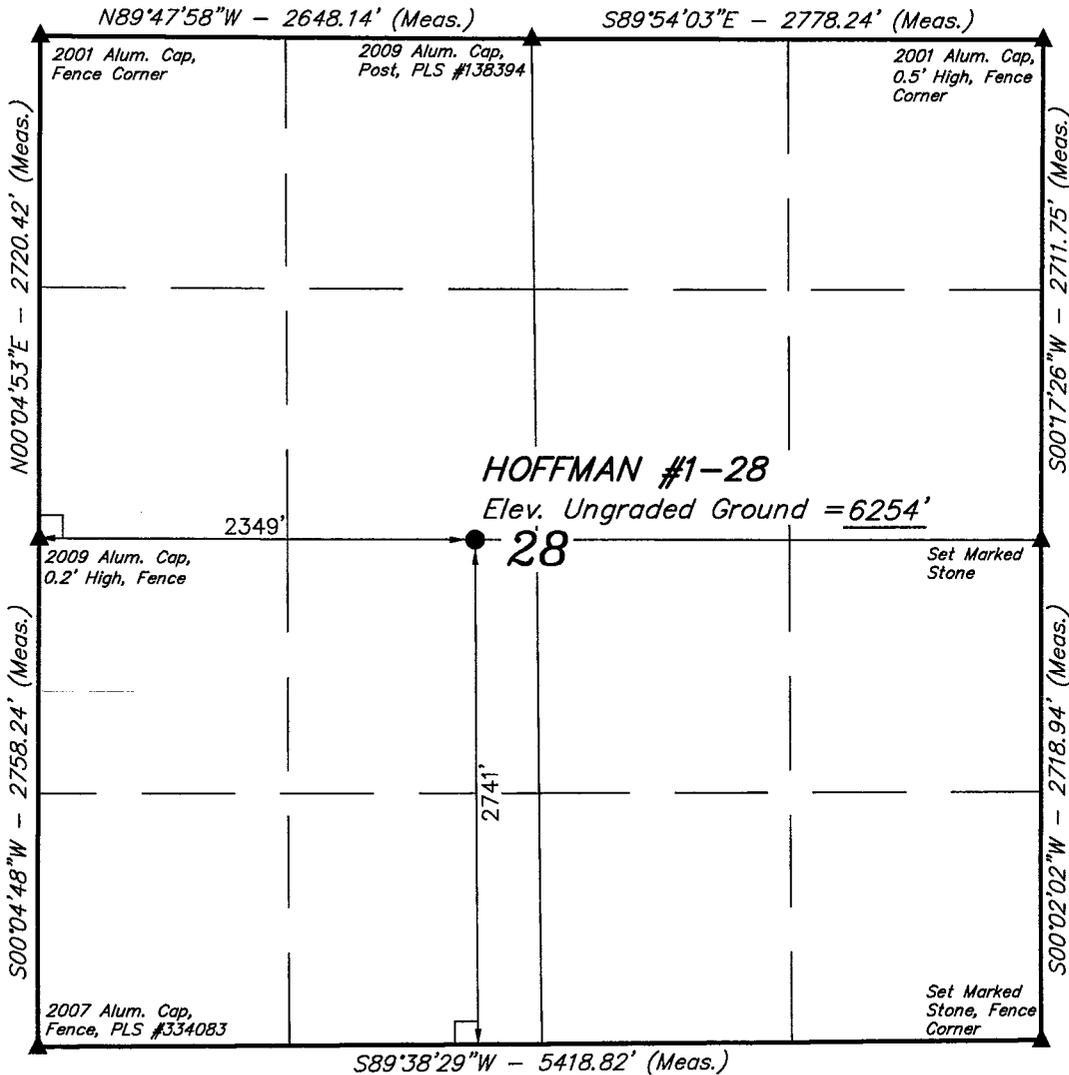
API NUMBER ASSIGNED: 43033-30070

APPROVAL:

RECEIVED

SEP 08 2009

T11N, R7E, S.L.B.&M.



CTD, Inc.

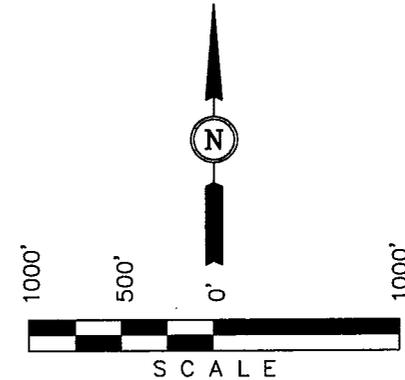
Well location, HOFFMAN #1-28, located as shown in the NE 1/4 SW 1/4 of Section 28, T11N, R7E, S.L.B.&M., Rich County, Utah.

BASIS OF ELEVATION

SPOT ELEVATION LOCATED AT A ROAD INTERSECTION IN THE NW 1/4 OF SECTION 28, T11N, R7E, S.L.B.&M. TAKEN FROM THE RANDOLPH QUADRANGLE, UTAH, RICH COUNTY, 7.5 MINUTE SERIES (TOPOGRAPHICAL MAP) PUBLISHED BY THE UNITED STATES DEPARTMENT OF THE INTERIOR, GEOLOGICAL SURVEY. SAID ELEVATION IS MARKED AS BEING 6265 FEET.

BASIS OF BEARINGS

BASIS OF BEARINGS IS A G.P.S. OBSERVATION.



CERTIFICATE

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

REGISTERED LAND SURVEYOR
 REGISTRATION NO. 161319
 STATE OF UTAH

LEGEND:

- └─┘ = 90° SYMBOL
- = PROPOSED WELL HEAD.
- ▲ = SECTION CORNERS LOCATED.

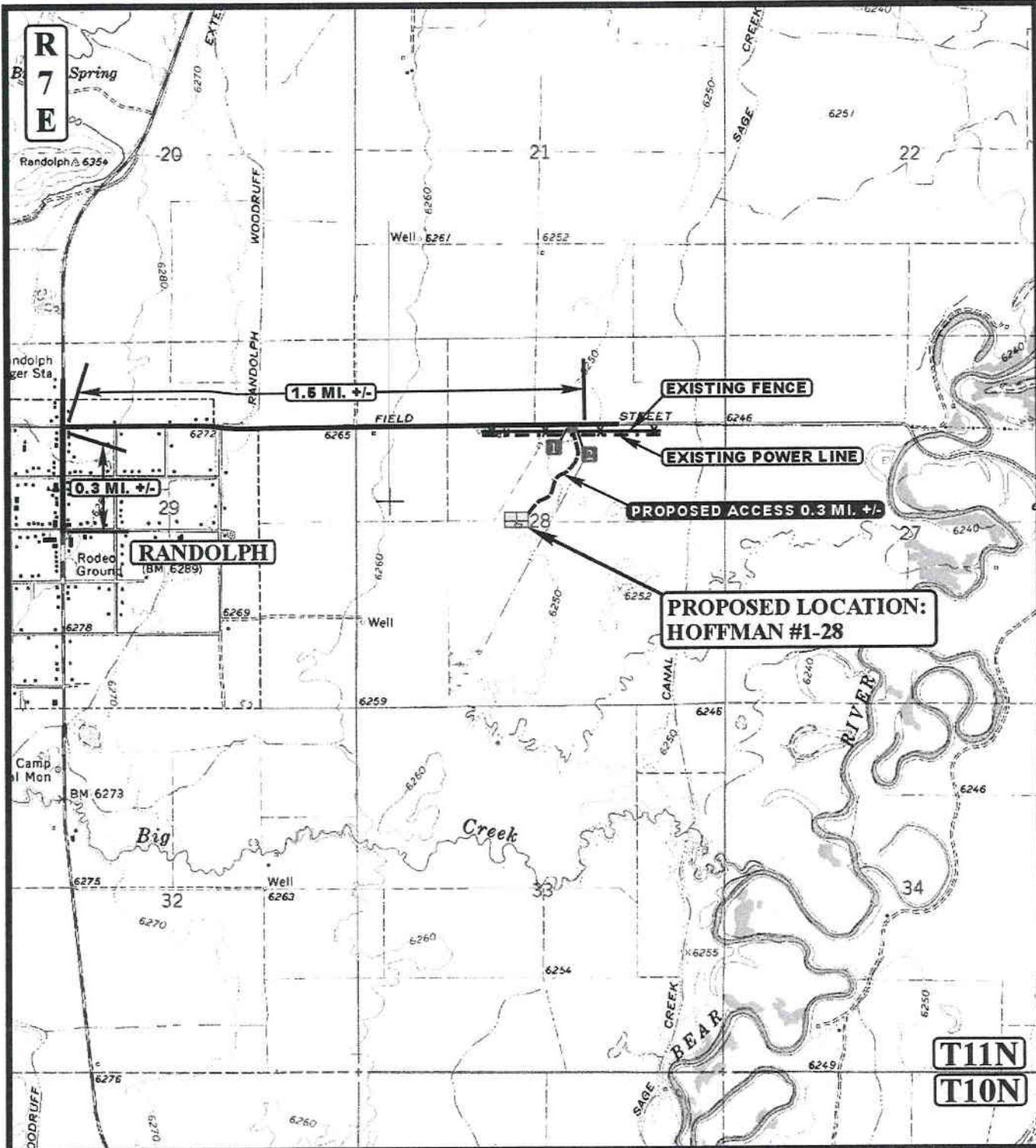
(NAD 83)
 LATITUDE = 41°39'56.91" (41.665808)
 LONGITUDE = 111°09'38.28" (111.160633)
 (NAD 27)
 LATITUDE = 41°39'57.12" (41.665867)
 LONGITUDE = 111°09'35.58" (111.159883)

UINTAH ENGINEERING & LAND SURVEYING

85 SOUTH 200 EAST - VERNAL, UTAH 84078

(435) 789-1017

SCALE 1" = 1000'	DATE SURVEYED: 07-30-09	DATE DRAWN: 08-03-09
PARTY B.B. D.R. S.L.	REFERENCES G.L.O. PLAT	
WEATHER WARM	FILE CTD, Inc.	



LEGEND:

- EXISTING ROAD
- PROPOSED ACCESS ROAD
- EXISTING POWER LINE
- EXISTING FENCE
- 18" CMP REQUIRED
- INSTALL CATTLE GUARD



CTD, Inc.

HOFFMAN #1-28
SECTION 28, T11N, R7E, S.L.B.&M.
2741' FSL 2349' FWL



Uintah Engineering & Land Surveying
 85 South 200 East Vernal, Utah 84078
 (435) 789-1017 * FAX (435) 789-1813

TOPOGRAPHIC MAP 08 03 09
 MONTH DAY YEAR
 SCALE: 1" = 2000' DRAWN BY: Z.L. REVISED: 00-00-00



WORKSHEET
APPLICATION FOR PERMIT TO DRILL

APD RECEIVED: 09/08/2009

API NO. ASSIGNED: 43-033-30070

WELL NAME: HOFFMAN 1-28
 OPERATOR: CTD, INC. (N3605)
 CONTACT: CAROL DAVIS

PHONE NUMBER: 208-376-7686

PROPOSED LOCATION:

NESW 28 110N 070E
 SURFACE: 2741 FSL 2349 FWL
 BOTTOM: 2741 FSL 2349 FWL
 COUNTY: RICH
 LATITUDE: 41.66591 LONGITUDE: -111.15991
 UTM SURF EASTINGS: 486688 NORTHINGS: 4612483
 FIELD NAME: WILDCAT (1)

INSPECT LOCATN BY: / /		
Tech Review	Initials	Date
Engineering	DKD	12/28/09
Geology		
Surface		

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

PROPOSED FORMATION: MDSN
 COALBED METHANE WELL? NO

RECEIVED AND/OR REVIEWED:

- Plat
- Bond: Fed[] Ind[] Sta[] Fee[]
(No. F20894)
- Potash (Y/N)
- Oil Shale 190-5 (B) or 190-3 or 190-13
- Water Permit
(No. 23-594)
- RDCC Review 0/N
(Date: 09/24/2009)
- Fee Surf Agreement 0(Y/N)
- Intent to Commingle (Y/N)

LOCATION AND SITING:

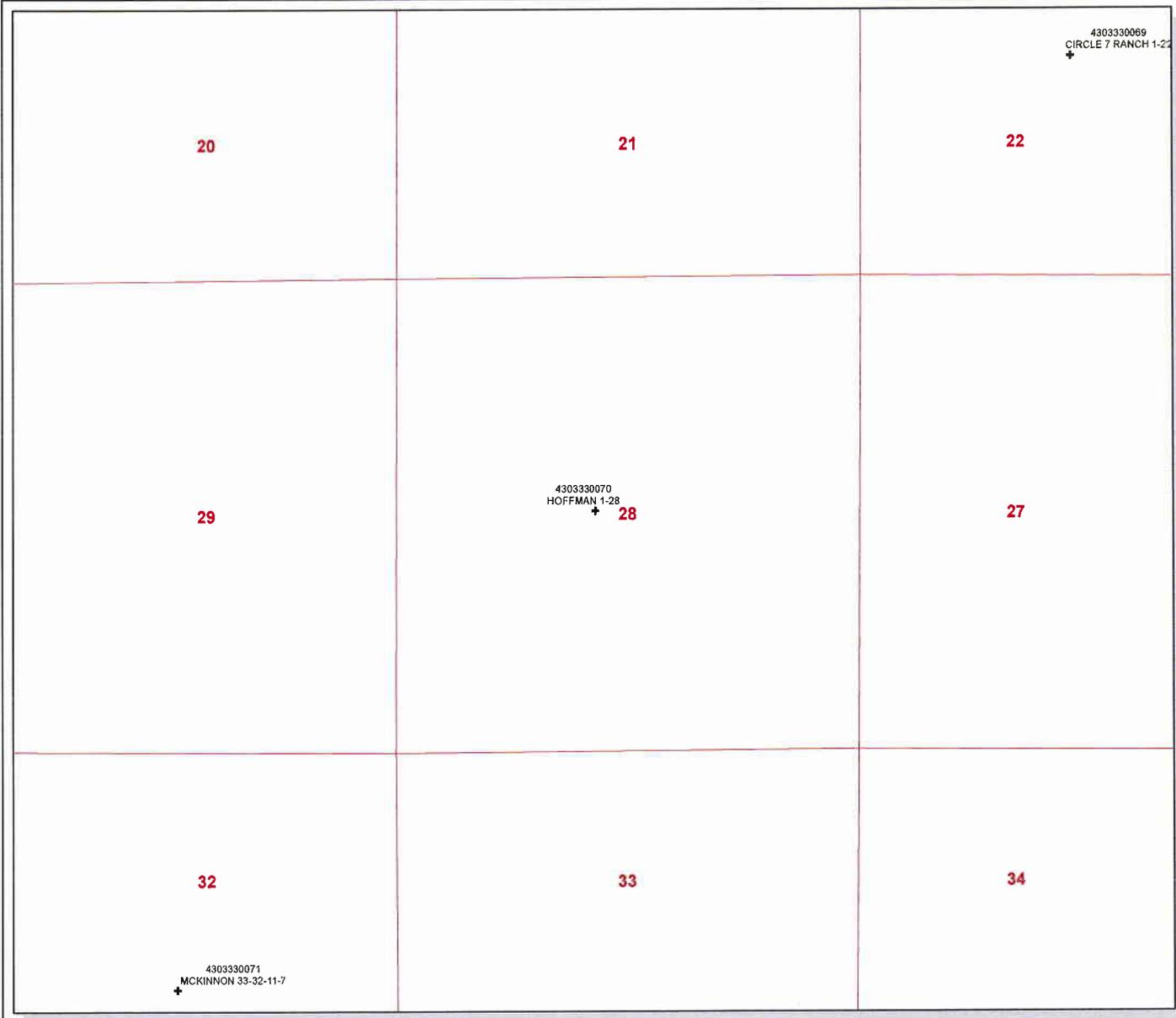
- R649-2-3.
- Unit: _____
- R649-3-2. General
- Siting: 460 From Qtr/Qtr & 920' Between Wells
- R649-3-3. Exception
- Drilling Unit
- Board Cause No: _____
- Eff Date: _____
- Siting: _____
- R649-3-11. Directional Drill

COMMENTS:

Needs Permit (09-29-09)

STIPULATIONS:

- 1- Spacing Strip
- 2- STATEMENT OF BASIS



API Number: 4303330070
Well Name: HOFFMAN 1-28
Township 11.0 N Range 07.0 E Section 28
Meridian: SLBM
 Operator: CTD, INC.

Map Prepared:
 Map Produced by Diana Mason

Units	Wells Query Events
STATUS	✗ (not other values)
ACTIVE	GIS_STAT_TYPE
EXPLORATORY	-NAB
GAS STORAGE	APD
HF PP OIL	DKL
HF SECONDARY	GI
PI OIL	CS
PP GAS	LA
PP GEOTHERMAL	NEW
PP OIL	OPS
SECONDARY	PA
TERMINATED	POW
Fields	POW
STATUS	POW
ACTIVE	RET
COMPLETED	SDW
Sections	TA
	TW
	WD
	WA
	WS



Application for Permit to Drill

Statement of Basis

Utah Division of Oil, Gas and Mining

10/26/2009

Page 1

APD No	API WellNo	Status	Well Type	Surf Ownr	CBM
2010	43-033-30070-00-00		GW	P	No
Operator	CTD, INC.	Surface Owner-APD			
Well Name	HOFFMAN 1-28	Unit			
Field	WILDCAT	Type of Work			
Location	NESW 28 11N 7E S 2741 FSL 2349 FWL GPS Coord (UTM) 486688E 4612483N				

Geologic Statement of Basis

A moderately permeable soil is developed on the Quaternary (Holocene) Main Stream Alluvium of the Bear River valley flood plain. Nearby drilled control into the flood plain is about 2 miles southwest. In that well the Nugget Sandstone Aquifer was encountered at ~ 3,500' and Jurassic age Twin Creek Limestone was drilled below the alluvium at little more than 900'. Tentatively identified Eocene Fowkes Formation strata are possibly exposed ~1.5 miles west northwest of the flood plain-sited well location and Paleozoic strata about 2.5 miles to the southeast. The expected formation tops prognosticate ~1,700' of alluvium atop Jurassic age Twin Creek Limestone. If fractured Twin Creek Limestones and permeable Ankareh Formation sandstone are encountered, they may contain high quality ground water. The operator proposes a benign, fresh water based mud system. The proposed Surface casing and cementing program should adequately protect any high quality ground water resources above 2,500'. The mud system should not contaminate any high quality ground water resources below that depth. Numerous water rights have been filed on underground water resources (200' deep or less) within a mile of the location. I haven't been able to locate any Base of Moderately Saline Ground Water information in this area.

Chris Kierst
APD Evaluator

10/22/2009
Date / Time

Surface Statement of Basis

A presite was conducted at 10:00 am October 29th ,2009 This proposed location is 1.5 miles west of the Bear River. Rich county paved road will be used for access to the remaining 0.3 miles of acces road needing to be constructed on landowners Harold Hoffman property who attended the presite. At time of presite CTD has a surface agreement with the landowner.

General topography in the Randolf area is flat and are suitable for agricultural, irrigated hay, grazing, and wildlife habitat. This area is easily accessed off State Highway 16. Operator will be required to construst a access road 0.3 mile onto landowners property. If the area has a heavy snow fall and large runoff the Bear River will overflow it's banks 1.5 mile east of pad location. Per landowner this overflow will not affect the location. This pasture is flood irrigated from May 1 thru July 15 each year. There is one irrigation ditch in place that runs through the proposed pad on the NW corner. This corner of the pad will not be constructed and the ditch will not need to be diverted.

The proposed Hoffman 1-28 pad runs east west direction and is located in the Bear River valley . The construction material needed for this location and access road will be obtained from the local Randolf gravel pit. The pad is located on flat ground.

Harold Hoffman owns the property the location is to be built on. Harold had no other concerns that were not addressed in his contract with CTD Inc. Mr. Hoffman does not see any local opposition and says the area would like to see development.

The optimal time to drill would be after the flood irrigation has stopped in July. The reserve pit should be pumped dry after the completion of drilling.

Application for Permit to Drill

Statement of Basis

Utah Division of Oil, Gas and Mining

10/26/2009

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The selected location for this well is suitable for drilling.

Ted Smith
Onsite Evaluator

9/29/2009
Date / Time

Conditions of Approval / Application for Permit to Drill

Category	Condition
Pits	A synthetic liner with a minimum thickness of 12 mils shall be properly installed and maintained in the reserve pit.
Surface	The reserve pit shall be fenced upon completion of drilling operations.

ON-SITE PREDRILL EVALUATION

Utah Division of Oil, Gas and Mining

Operator CTD, INC.
Well Name HOFFMAN 1-28
API Number 43-033-30070-0 **APD No** 2010 **Field/Unit** WILDCAT
Location: 1/4,1/4 NESW **Sec** 28 **Tw** 11N **Rng** 7E 2741 FSL 2349 FWL
GPS Coord (UTM) 486692 4612480 **Surface Owner**

Participants

Ted Smith-DOG M, Dick Padon-CTD, Dale Wickersham-CTD, Harold Hoffman-Surface Landowner, Mel Coonrod-Environmental Industrial Services.

Regional/Local Setting & Topography

Flat Bear River valley with cultivated hay fields and open pasture as ground cover. This valley sits between the Crawford Mountains to the east and the Monte Cristo Range to the west. Surrounding area is dry by mid July. Area of proposed pad is flood irrigated from 5/1-7/5. Proposed location is approximately 1 mile east of the town of Randolph. Altitude at site approximately 6253'.

Surface Use Plan

Current Surface Use

Grazing

New Road

Miles	Well Pad		Src Const Material	Surface Formation
0.3	Width 220	Length 340	Offsite	ALLU

Ancillary Facilities N

None with exception of trailers to be on location during drilling operations.

Waste Management Plan Adequate? Y

Environmental Parameters

Affected Floodplains and/or Wetland N

Flood irrigation 5/1-7/15

Flora / Fauna

Flora around the drill location area consist of - Wire Grass, Fox Tail, Clover, White Top, Winter Fat, and Crested wheatgrass.

Fauna around the drill location area consist of - Fox, Coyote, Sandhill Crane, Cattle, and Rabbit.

Soil Type and Characteristics

Brown river valley fill

Erosion Issues N

Sedimentation Issues N

Site Stability Issues N

Drainage Diverson Required Y

Irrigation ditch on NW of pad will be not moved. Pad will have corner cut off to save ditch.

Berm Required? N

Erosion Sedimentation Control Required? N

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

Reserve Pit

Site-Specific Factors		Site Ranking
Distance to Groundwater (feet)	>200	0
Distance to Surface Water (feet)	300 to 1000	2
Dist. Nearest Municipal Well (ft)	1320 to 5280	5
Distance to Other Wells (feet)	300 to 1320	10
Native Soil Type	Mod permeability	10
Fluid Type	Fresh Water	5
Drill Cuttings	Normal Rock	0
Annual Precipitation (inches)	10 to 20	5
Affected Populations	>50	10
Presence Nearby Utility Conduits	Not Present	0
Final Score		47
		1 Sensitivity Level

Characteristics / Requirements

Flora around the drill location area consist of - Wire Grass, Fox Tail, Clover, White Top, Winter Fat, and Crested wheatgrass.

Fauna around the drill location area consist of - Fox, Coyote, Sandhill Crane, Cattle, and Rabbit.

Closed Loop Mud Required? N **Liner Required?** Y **Liner Thickness** 12 **Pit Underlayment Required?** N

Other Observations / Comments

CTD Inc. will use a open lined pit program. All pit fluids will be hauled to an approved disposal site for waste management once well is completed. Fresh water source will be the Bear River with point of diversion in the NE 1/4 of SW 1/4 Section 28 water permit # 23-596 and 23-2. Access road will be using landowner constructed through landowners (Harlod Hoffman) property for 0.3 mile to access API #4303330070. Rich county road will be used to access the entrance to private property approximately 1.5 mile. There is a telephone and power line 0.3 mile North of location along the Rich county road. The town of Randolph is 1 mile west of location. Agricultural irrigation is done by the method of flooding. A water well is located 0.3 mile west Northwest of location. The Bear River is approximately 1.5 mile from location. There are no other oil and gas wells within one mile of proposed well. There is an agreement in place between landowner and CTD Inc dated 8/17/2009. There is no local disagreement by local landowners with this drilling program at time of presite. Rig lights and noise may be seen and herd in the town of Randolph. Operator (CTD) will hold a town meeting to inform residents of this operation. This meeting will take place at the county courthouse on 10/5/2009 at 18:00. H2S is possible from this well. Photos are located in well file.

Ted Smith
Evaluator

9/29/2009
Date / Time



Search all of Utah.gov »

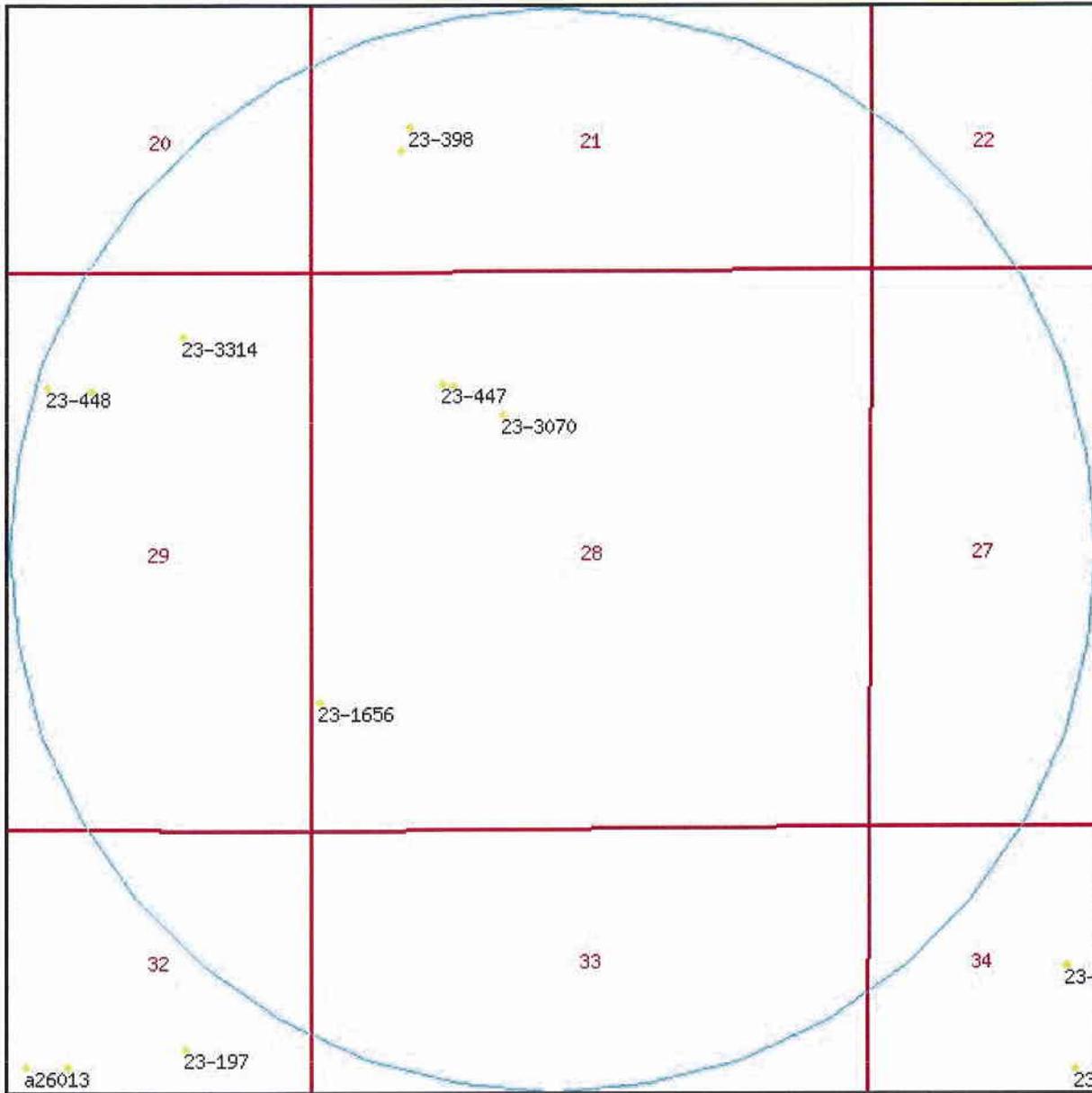
Utah Division of Water Rights



Output Listing

Version: 2009.05.06.00 Rundate: 10/22/2009 05:08 PM

Radius search of 5280 feet from a point N2741 E2349 from the SW corner, section 28, Township 11N, Range 7E, SL b&m
Criteria:wrtypes=W,C,E podtypes=S,U,Sp status=U,A,P usetypes=all



Water Rights

WR Number	Diversion Type/Location	Well Log	Status	Priority	Uses	CFS	ACFT	Owner Name
<u>23-1656</u>	Underground N1270 E75 SW 28 11N 7E SL		P	19591123	S	0.050	0.000	GLENN & THELMA MCKINNON C/O G. MARK MCKINNON
<u>23-197</u>	Underground S2115 W1225 NE 32 11N 7E SL		P	19300000	S	0.011	0.000	EDWIN C. & ALICE HOFFMAN RANDOLPH UT 84064
<u>23-218</u>	Underground S1090 E1370 NW 28 11N 7E SL		P	19280000	S	0.011	0.000	KEITH JESSOP RANDOLPH UT 84064
<u>23-3070</u>	Underground S1370 E1840 NW 28 11N 7E SL	<u>well info</u>	P	19630321	S	0.015	0.000	HAROLD HOFFMAN RANDOLPH UT 84064
<u>23-3314</u>	Underground S625 W1250 NE 29 11N 7E SL		P	19670210	S	0.030	0.000	PERCY H. REX 8 CHURCH STREET
<u>23-3470</u>	Underground N1200 E860 SW 21 11N 7E SL	<u>well info</u>	P	19770513	S	0.015	0.000	SHELDON R. WILSON P.O.BOX 234
<u>23-3799</u>	Surface S1361 E1938 NW 34 11N 7E SL		P	1875	I	0.380	66.000	CRAWFORD THOMPSON CANAL COMPANY 1590 EAST LITTLE CRAWFORD ROAD
<u>23-3889</u>	Surface S1351 E1923 NW 34 11N 7E SL		A	20080807	I	0.000	47.100	HOFFMAN BROTHERS RANCH C/O BOB HOFFMAN
<u>23-3889</u>	Surface N350 E2030 W4 34 11N 7E SL		A	20080807	I	0.000	47.100	HOFFMAN BROTHERS RANCH C/O BOB HOFFMAN
<u>23-398</u>	Underground S1310 E940 W4 21 11N		P	19000000	S	0.022	0.000	LORAN JACKSON RANDOLPH UT 84064

	7E SL					
<u>23-433</u>	Underground	P	18890000 DS	0.007 0.000	KEITH JESSOP	
	S1140 W2160 NE 29 11N				RANDOLPH UT 84064	
	7E SL					
<u>23-447</u>	Underground	P	19300000 S	0.011 0.000	LAWRENCE G. MUIR	
	S1070 E1260 NW 28 11N				RANDOLPH UT 84064	
	7E SL					
<u>23-448</u>	Underground	P	18850000 S	0.011 0.000	LAWRENCE MUIR	
	S1115 W2580 NE 29 11N				RADNOLPH UT 84064	
	7E SL					
<u>23-532</u>	Underground	P	19340000 S	0.022 0.000	ROSS K. AND DEBRA R. MCKINNON	
	S2300 E350 N4 32 11N				JOINT TENANTS	
	7E SL					
<u>a26013</u>	Underground	<u>well</u> <u>info</u>	A	20011003 S	0.022 0.000	ROSS K. AND DEBRA R. MCKINNON
	S2300 W50 N4 32 11N				JOINT TENANTS	
	7E SL					



State of Utah

GARY R. HERBERT
Governor

GREG BELL
Lieutenant Governor

Office of the Governor
PUBLIC LANDS POLICY COORDINATION

JOHN HARJA
Director

43-033-30070

RDCC was up on 9/24/09
October 7, 2009

Diana Mason
Petroleum Technician
Oil, Gas and Mining
1595 West North Temple, Suite 1210
Salt Lake City, Utah 84114-5801

Subject: Application for Permit to Drill: Hoffman 1-28 Well in Rich County
RDCC Project No. 09-10862

Dear Ms. Mason:

The State of Utah, through the Public Lands Policy Coordination Office (PLPCO), has reviewed this project. PLPCO makes use of the Resource Development Coordinating Committee (RDCC) for state agency review of activities affecting state and public lands throughout Utah. The RDCC includes representatives from the state agencies that are generally involved or impacted by public lands management. Utah Code (63J-4-501 *et seq.*) instructs the RDCC to coordinate the review of technical and policy actions that may affect the physical resources of the state and facilitate the exchange of information on those actions among federal, state, and local government agencies. The Division of Air Quality provides the following comments:

Division of Air Quality

The proposed well drilling project may require a permit, known as an Approval Order, from the Executive Secretary of the Air Quality Board. If any compressor or pump stations are constructed at the site a permit application, known as a Notice of Intent (NOI), should be submitted to the Executive Secretary at the Utah Division of Air Quality at 150 N. 1950 West, Salt Lake City, Utah, 84116 for review according to R307-401: Permit: Notice of Intent and Approval Order, of the Utah Air Quality Rules. A copy of the rules may be found at www.rules.utah.gov/publicat/code/r307/r307.htm.

The proposed project in Rich County maybe subject to R307-205-5: Fugitive Dust, of the Utah Air Quality Rules, due to the fugitive dust that is generated during the excavating phases of the project. These rules apply to construction activities that disturb an area greater than 1/4 acre in size. A permit, known as an

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DIV. OF OIL, GAS & MINING

Approval Order, is not required from the Executive Secretary of the Air Quality Board, but steps need to be taken to minimize fugitive dust, such as watering and/or chemical stabilization, providing vegetative or synthetic cover or windbreaks. A copy of the rules may be found at www.rules.utah.gov/publicat/code/r307/r307.htm.

The State of Utah appreciates the opportunity to review this proposal and we look forward to working with you on future projects. Please direct any other written questions regarding this correspondence to the Resource Development Coordinating Committee at the address below, or call Judy Edwards at (801) 537-9023.

Sincerely,

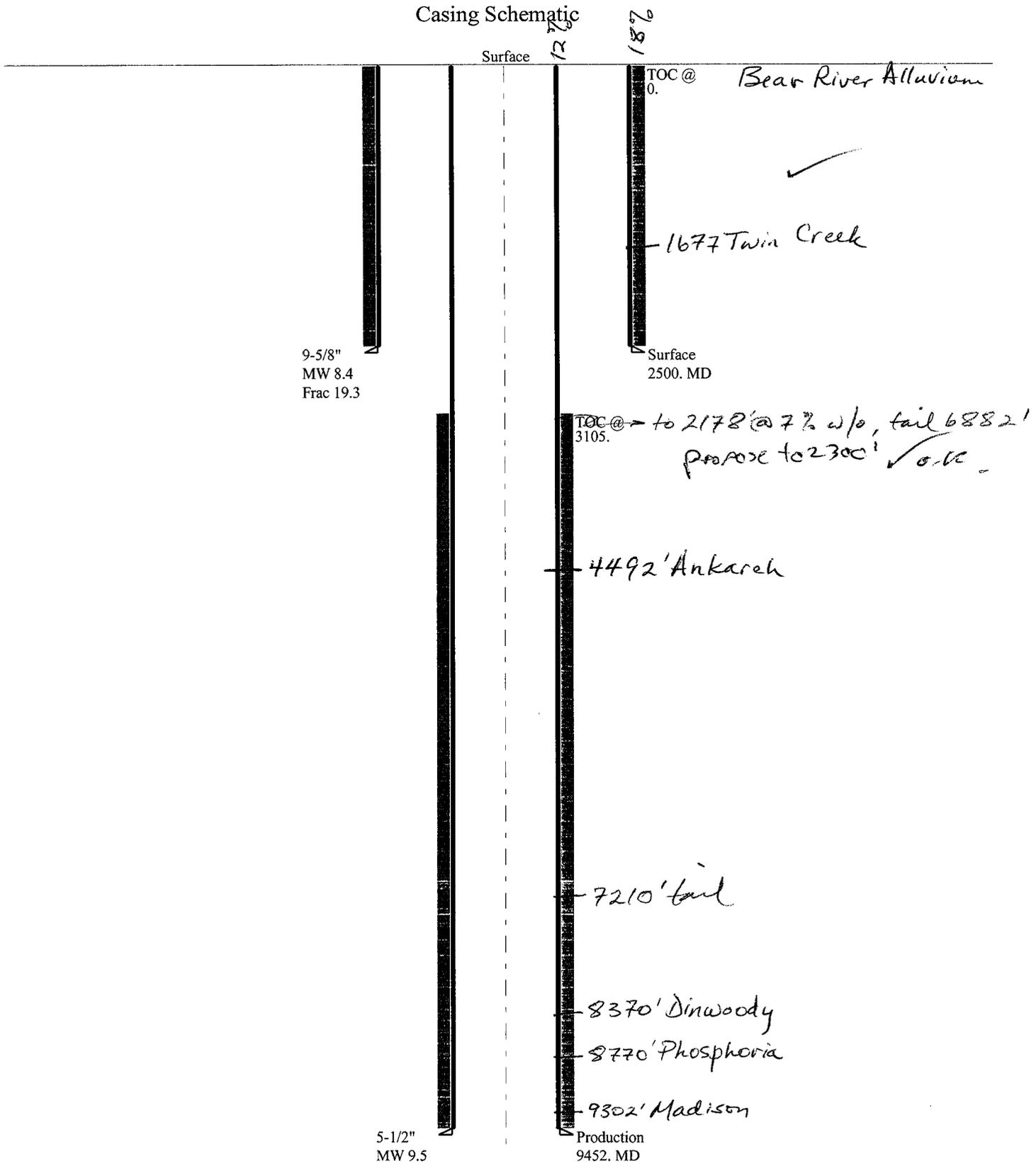
A handwritten signature in black ink, appearing to read 'John Harja', written in a cursive style.

John Harja
Director

cc: Kimberly Kreykes, Division of Air Quality

43033300700000 CTD Hoffman 1-28

Casing Schematic



Well name:

43033300700000 CTD Hoffman 1-28

Operator: CTD Inc.

String type: Surface

Project ID:

43-033-30070-0000

Location: Rich County

Design parameters:

Collapse

Mud weight: 8.400 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: 100 °F
Temperature gradient: 1.40 °F/100ft
Minimum section length: 185 ft

Cement top: Surface

Burst

Max anticipated surface pressure: 2,200 psi
Internal gradient: 0.120 psi/ft
Calculated BHP 2,500 psi

No backup mud specified.

Tension:

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

Tension is based on air weight.
Neutral point: 2,189 ft

Non-directional string.

Re subsequent strings:

Next setting depth: 9,452 ft
Next mud weight: 9.500 ppg
Next setting BHP: 4,665 psi
Fracture mud wt: 19.250 ppg
Fracture depth: 2,500 ft
Injection pressure: 2,500 psi

Run Seq	Segment Length (ft)	Size (in)	Nominal Weight (lbs/ft)	Grade	End Finish	True Vert Depth (ft)	Measured Depth (ft)	Drift Diameter (in)	Internal Capacity (ft³)
1	2500	9.625	36.00	J-55	ST&C	2500	2500	8.796	1085.2

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	1091	2020	1.852	2500	3520	1.41	90	394	4.38 J

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

Phone: 831-538-5357
FAX: 801-359-3940

Date: November 4, 2009
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 2500 ft, a mud weight of 8.4 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:	4303330070000 CTD Hoffman 1-28		
Operator:	CTD Inc.	Project ID:	43-033-30070-0000
String type:	Production		
Location:	Rich County		

Design parameters:

Collapse

Mud weight: 9.500 ppg
 Design is based on evacuated pipe.

Burst

Max anticipated surface pressure: 2,585 psi
 Internal gradient: 0.220 psi/ft
 Calculated BHP: 4,665 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: 8,093 ft

Environment:

H2S considered? No
 Surface temperature: 65 °F
 Bottom hole temperature: 197 °F
 Temperature gradient: 1.40 °F/100ft
 Minimum section length: 1,500 ft

Cement top: 3,105 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)	Internal Capacity (ft³)
1	9452	5.5	20.00	P-110	LT&C	9452	9452	4.653	1176.9

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	4665	11100	2.380	4665	12630	2.71	189	548	2.90 J

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

Phone: 831-538-5357
 FAX: 801-359-3940

Date: December 21, 2009
 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 9452 ft, a mud weight of 9.5 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.

BOPE REVIEW

CTD Inc. Hoffman 1-28

43-033-30070-0000

INPUT

Well Name

CTD Inc.	Hoffman 1-28	43-033-30070-0000
String 1	String 2	
9 5/8	5 1/2	
2500	9452	
60	2500	
8.4	9.5	
500	5000	
3520	12630	
4693	9.5 ppg	

Casing Size (")

Setting Depth (TVD)

Previous Shoe Setting Depth (TVD)

Max Mud Weight (ppg)

BOPE Proposed (psi)

Casing Internal Yield (psi)

Operators Max Anticipated Pressure (psi)

Calculations

String 1 9 5/8 "

Max BHP [psi]	.052*Setting Depth*MW =	1092	
			BOPE Adequate For Drilling And Setting Casing at Depth?
MASP (Gas) [psi]	Max BHP-(0.12*Setting Depth) =	792	NO mud = fresh water + gel as needed, diverter on cond. ✓
MASP (Gas/Mud) [psi]	Max BHP-(0.22*Setting Depth) =	542	NO
			*Can Full Expected Pressure Be Held At Previous Shoe?
Pressure At Previous Shoe	Max BHP-.22*(Setting Depth - Previous Shoe Depth) =	555	NO
Required Casing/BOPE Test Pressure		2464	psi
*Max Pressure Allowed @ Previous Casing Shoe =		60	psi *Assumes 1psi/ft frac gradient

Calculations

String 2 5 1/2 "

Max BHP [psi]	.052*Setting Depth*MW =	4669	
			BOPE Adequate For Drilling And Setting Casing at Depth?
MASP (Gas) [psi]	Max BHP-(0.12*Setting Depth) =	3535	YES
MASP (Gas/Mud) [psi]	Max BHP-(0.22*Setting Depth) =	2590	YES <i>C.R.</i>
			*Can Full Expected Pressure Be Held At Previous Shoe?
Pressure At Previous Shoe	Max BHP-.22*(Setting Depth - Previous Shoe Depth) =	3140	← NO <i>C.R.</i>
Required Casing/BOPE Test Pressure		5000	psi
*Max Pressure Allowed @ Previous Casing Shoe =		2500	psi <i>C.R.</i> *Assumes 1psi/ft frac gradient

H2S Contingency Plan

For

CTD Incorporated

Hoffman #1-28

2741 feet FSL – 2349 feet FWL
NESW, Section 28, Township 11N, Range 7E

Rich County, UT

3355 North Five Mile Rd # 334
Boise, Idaho 83713-3925
(208) 376-7686

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Introduction

It is the policy of CTD, INC. to provide a safe and healthful work environment for all of its employees as well as contractors that may work on any CTD, INC. leases. CTD, INC. makes a continued effort to comply with laws and regulations relative to worker safety and health, and to manage all operations in a manner to reduce risk.

The following is a H2S contingency plan for the CTD, INC., Circle 7 Ranch # 1-22 well. It is designed for personnel working on this project to follow in case of an accidental release of hydrogen sulfide during drilling and or completion operations. For the plan to be effective, all personnel must review and be familiar with onsite duties as well as the safety equipment involved.

The purpose of this plan is to act as a guideline for personnel working on the wellsite in the event of a sudden release of hydrogen sulfide. All personnel working on the wellsite as well as service personnel that may travel to location on an unscheduled basis must be familiar with this program. The cooperation and participation of all personnel involved with the drilling operation is necessary for this plan to be effective.

Directions to Location:

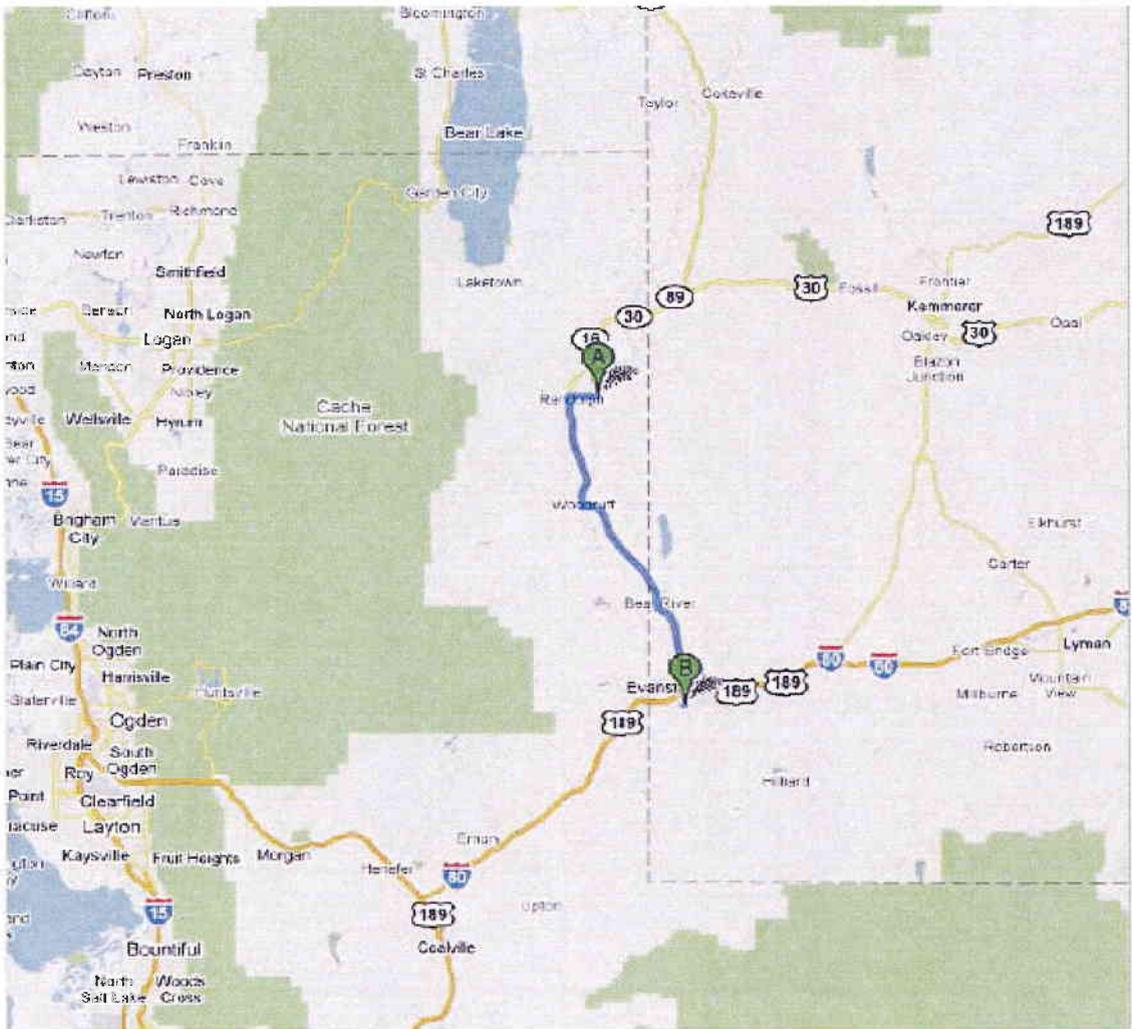
3.1 Miles Northeast of Randolph, UT

Directions to Evanston Regional Hospital (see Figures 1 and 2)

Evanston Regional Hospital
190 Arrowhead Dr.
Evanston, WY 82930-9266

1. Point A (wellsite location) - From rig exit access road, turn (left) West and travel 2.0 miles on Crawford Mountain Road.
2. Turn left at N Main St/UT-16S (continue to follow UT-16S) for 20.8 mi (entering WY).
3. Continue onto WY-89 S for 11.6 mi.
4. Turn right at Bear River Dr, go 0.4 mi.
5. Turn right at the 1st cross street onto Front St, go 0.1 mi.
6. Take the 2nd left onto 11th St/Harrison Dr, go 1.2 mi.
7. Continue onto Overthrust Rd, go 1.3 mi.
8. Turn right at Lodgepole Dr, go 0.1 mi.
9. Turn left at Feather Way, hospital on the right, Point B.

FIGURE 1 - MAP TO HOSPITAL



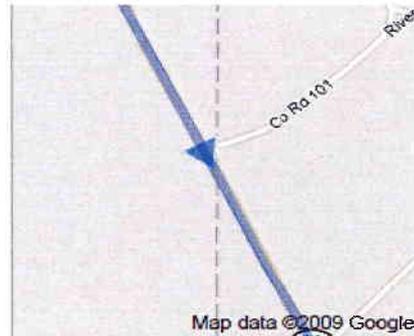
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Figure 2 - Map Details off Hwy

Continue onto **WY-89 S**
About 17 mins



go 11.6 mi
total 35.1 mi

Turn **right** at **Bear River Dr**
About 1 min



go 0.4 mi
total 35.5 mi

Turn **right** at the 1st cross street onto **Front St**



go 0.1 mi
total 35.7 mi

Take the 2nd **left** onto **11th St/Harrison Dr**
Continue to follow Harrison Dr
About 2 mins



go 1.2 mi
total 36.8 mi

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Figure 2 - Map Details off Hwy (continued)

Continue onto **Overthrust Rd**
About 2 mins

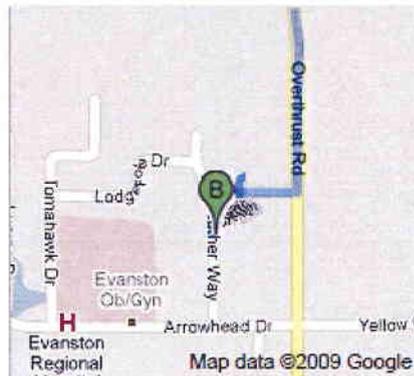


go 1.3 mi
total 38.1 mi

Turn right at **Lodgepole Dr**

go 0.1 mi
total 38.2 mi

Turn **left** at **Feather Way**
Destination will be on the right



go 259 ft
total 38.3 mi

I. Duties & Responsibilities

In order to assure proper execution of the contingency plan, it is essential that one person be responsible for and in complete charge of implementing the procedures outlined in this plan. The order of responsibility will be as follows:

1. CTD, INC. representative on location - if unable to perform his/ her duties
2. Alternate CTD, INC. representative - if unable to perform his/ her duties
3. Rig Toolpusher/ Supervisor - if unable to perform his/ her duties
4. Safety consultant representative- if available

A. All Personnel

1. Always be alert for possible H2S alarms- both audible and visual.
 2. Be familiar with location of Safe Briefing Areas (SBA) and protective breathing equipment.
 3. Develop "wind awareness". Be aware of prevailing wind direction as well as nearby uphill areas, should there be no wind.
 4. Familiarize yourself with nearest escape routes for safe evacuation
 5. Should H2S alarm sound, DON'T PANIC - Remain calm and follow instructions of person in charge.
 6. If the H2S alarms sound:
 - a. Essential personnel shall don the appropriate respiratory protective equipment and follow company procedures. Essential personnel will continue to wear respiratory protective equipment until the area is deemed safe (H2S concentration less than 10 PPM)
 - b. Non-essential personnel shall evacuate to the appropriate safe briefing area using escape-breathing systems. Wait there for further instructions from CTD, INC. representative.
- C. Initiate rescue protocol if necessary- following training procedures.

B. CTD, INC.

1. The CTD, INC. foreman will confirm that all personnel on location at any time are trained in H2S safety and aware of above list of duties. Provided H2S has been verified to be present during daily operations.

2. The CTD, INC. foreman will ensure that all personnel observe all safety and emergency procedures.

3. The CTD, INC. foreman will make an effort to keep the number of personnel on location to a minimum and to ensure that only essential personnel are on location during critical operations.

4. Should an extreme danger condition arise, the CTD, INC. foreman will:

- a. Assess the situation and advise all personnel by appropriate means of communication.
- b. Be responsible for determining that the extreme danger condition is warranted and the red flag shall be posted at location entrance.
- c. Go to safe briefing area and give clear instructions relative to hazard on location, and actions for personnel to follow.
- d. Notify company and regulatory groups of current situation as outlined in company protocol. Follow appropriate emergency procedures for emergency services notification.
- e. Proceed to rig floor and supervise operations with rig supervisor. Take action to control and reduce the H2S hazard.
- f. Ensure that essential personnel are properly protected with supplied air breathing equipment and that non-essential personnel are in a "poison gas free" area.
- g. Be responsible for authorizing evacuation of persons/ residents in area surrounding the drilling location.
- h. Commence any ignition procedures if ignition criteria are met.

C. Rig Supervisor- Toolpusher

1. If the CTD, INC. foreman is unable to perform his/ her duties, and the alternate foreman is also unable or unavailable to perform his duties, the drilling rig toolpusher will assume command of wellsite operations and all responsibilities listed above for drilling foreman.

2. Ensure that all rig personnel are properly trained to work in H2S environment and fully understand purpose of H2S alarms, and actions to take when alarms activate. Ensure that all crew personnel understand the buddy system, safe briefing areas, and individual duties as well as emergency evacuation procedures.

3. Should an extreme danger operational condition arise, the rig toolpusher shall assist the CTD, INC. foreman by:

- a. Proceeding to the rig floor and assist in supervising rig operations.
- b. Ensure that only essential working personnel remain in hazardous areas.
- c. Ensure that all crewmembers that remain in hazardous area, wear respiratory protective equipment until notified that area is "clear" of any toxic gases.
- d. Assign rig crewmember or other service representative to block entrance to location. No unauthorized personnel will be allowed entry to location.
- e. Help to determine hazardous "danger zones" on location using portable detection equipment and position electric fans to move gas in any high concentration areas.

D. Safety Consultant

1. During normal operations (no H₂S present), there will be no safety consultant on site. Should an H₂S hazard become present, operations will be halted and a safety consultant will be brought out to the drilling site at which time he or she will have the following responsibilities.

- a. Ensure that all wellsite safety equipment is in place and operational.
- b. Ensure that all wellsite personnel are familiar with location safety layout and operation of all safety equipment.
- c. Assist the CTD, INC. foreman in performing weekly H₂S drills for location personnel.

2. When an operational condition is classified as extreme danger, the safety consultant will be responsible for the following:

- a. Account for all wellsite personnel
- b. Assess any injuries and direct first aid measure.
- c. Ensure that all safety and monitoring equipment is functioning properly and available.
- d. Monitor the safety of wellsite personnel
- e. Maintain a close communication with CTD, INC. foreman.
- f. Be prepared to assist CTD, INC. foreman with support for rig crew or other personnel using breathing equipment.
- g. Be prepared to assist CTD, INC. foreman with emergency procedures including possible well ignition.
- h. Be prepared to assist with evacuation of any area residents or other personnel working in the immediate area.

E. Operation Center Foreman (IF Applies)

1. The CTD, INC. Operations Center Foreman will be responsible for notifying and maintaining contact with company production manager as well as other company supervisory personnel.

2. Maintain communication with the CTD, INC. foreman to proceed with any other assistance that might be required.

3. Travel to wellsite if appropriate

4. Assist CTD, INC. foreman with all other notifications - both company and regulatory.

II. Well Location Layout

A. Location

1. All respiratory protective equipment and H₂S detection equipment will be rigged up 1000 ft prior to entering the first sour formation. The rig crews and other service personnel will be trained at this time if operations should dictate it to be necessary. All rig crews will be trained and all safety equipment will be in place and functioning when work begins on that well formation.

2. The drilling rig will be situated on location to allow for the prevailing winds to blow across the rig toward the circulation tanks or at right angles to the lines from the B.O.P.s to the circulation tanks.

3. The entrance to the location is designed so that it can be barricaded if a hydrogen sulfide emergency condition arises. An auxiliary exit route will be available so that in case of an emergency, a shift in wind direction would not prevent escape from the location.

4. A minimum of 2 safe briefing areas (SBA) shall be designated for assembly of personnel during emergency conditions. These will be located at least 150 ft. or as practical, from the wellbore and in such a location that at least one area will be upwind of the well at all times. Upon recognition of an emergency situation, all personnel will be trained to assemble at the designated briefing area for instructions.

5. Smoking areas will be established and "No Smoking" signs will be posted around the location.

6. Reliable 24 hour telephone communications will be available at the drilling foremen's office.

7. A mud-gas separator will be rigged up and manifolded to the choke system.

8. All equipment that might come in to contact with hydrogen sulfide - drill pipe, drill stem test tools, blowout preventers, casing, choke system will meet CTD, INC. metallurgy requirements for H₂S service.

9. The drilling rig will have a continuous electronic H₂S detection system that automatically will activate visible and audible alarms if hydrogen sulfide is detected. The visible light will activate if 10 ppm H₂S is present. The audible siren will activate if 15 ppm H₂S or higher concentration is present. There will be at least 4 H₂S sensors in place on the drilling rig. They will be located to detect the presence of hydrogen sulfide in areas where it is most likely to come to surface. The sensor head locations will be: 1) rig floor by driller's console, 2) substructure area near the bell nipple, 3) the shale

shaker, 4) the mud mixing area. Additional sensors will be positioned at the discretion of the drilling foreman. At least 1 light and 1 siren will be placed on the rig to indicate the presence of hydrogen sulfide. The light and siren will be strategically placed to be visible to all personnel on the drill site. Additional alarm lights & sirens may be added to ensure that all personnel on the drill site are able to notice the alarms at any time.

10. The H₂S detection equipment will be calibrated as recommended by the manufacturer. Calibration records will be maintained on location.

11. At least 2 windsocks will be placed around the drill site to ensure that everyone on the drilling location can readily determine wind direction. One windsock will be mounted on or near the rig floor to be readily visible to rig crews when tripping pipe.

12. All respiratory protective equipment will be NIOSH/ MSHA approved positive pressure type and maintained according to manufacturer's guidelines. All breathing air used for this equipment will be CGA type Grade D breathing air.

13. Both 30-minute self-contained breathing apparatuses (SCBA) and workline units with escape cylinders will be available on location. There will be sufficient numbers of this supplied air breathing equipment on location to ensure that all personnel on location have 1 piece of equipment available to them. All respiratory protective equipment will use nose cups to prevent fogging in temperatures below 32 F. Spectacle kits will be available for personnel that require corrective lenses when working under mask.

14. Electric explosion- proof ventilating fans (bug blowers) will be available to provide air movement in enclosed areas where gas might accumulate. (available upon request)

15. H₂S drills will be conducted at least weekly to ensure that all well site personnel are competent in emergency donning procedures. These drills will be recorded in the driller's log, as well as in the safety trailer logbook.

16. Electronic voice-mikes will be available for essential personnel to use when working under mask to facilitate communication. (available upon request)

17. Additional breathing equipment will be provided for non routine operations that require additional service personnel on the well location to ensure that all personnel on the well location have a dedicated supplied air respirator.

18. Location access will be monitored and controlled during "non- routine" operations such as perforating, pressurized pumping, and well testing. The number of personnel on location will be restricted to "essential" personnel only.

III. Safety Procedures

A. Training

If H₂S is encountered all personnel who come onto the location must be properly trained in hydrogen sulfide, nitrogen, and oxygen deficient atmospheres safety. The personnel shall carry documentation with them indicating that the training has occurred within the previous 12 months. All training will comply with federal and state regulatory guidelines.

Training topics shall include at a minimum:

1. Hazards and characteristics of hydrogen sulfide, nitrogen, and oxygen deficient atmospheres and symptoms of exposure to these gases.
2. Proper use, care and limitations of respiratory protective equipment with hands on practice.
3. Use of both fixed and portable detection toxic gas equipment.
4. Work practices to reduce opportunities for toxic gas exposure as well as confined space procedures.
5. First aid for toxic gas exposure and resuscitation equipment.
6. The buddy system
7. Emergency evacuation procedures
8. A review of the contingency plan for the well.

B. Operating Conditions

A three color- flag warning system will be used to notify personnel approaching the drill site as to operating conditions on the wellsite. This system is in compliance with BLM OO#6 and follows industry standards.

Green Flag - Potential Danger

Yellow Flag - Moderate Danger

Red Flag- Extreme Danger - Do Not approach if red flag is flying.

C. Evacuation Plan

There are currently no permanent residents within a 1-mile radius of the drilling site. The CTD, INC. does not currently have operations surrounding this location. The prevailing wind is from the southwest. CTD, INC. will conduct any evacuation in coordination with the CTD, INC. foreman.

All regulatory agencies will be notified as soon as possible.

D. Emergency Rescue Procedures

Well site personnel should not attempt emergency rescues unless they have been properly trained. A trained person who discovers another person overcome by hydrogen sulfide **should not attempt to rescue without donning the proper breathing equipment**. When making an emergency rescue always use the following procedures:

1. Don rescue breathing equipment before attempting to rescue someone.
2. Remove the victim from the contaminated area to an area free of toxic gas by traveling upwind or cross wind. Be certain that you are in a safe area before removing your breathing equipment.
3. If the victim is not breathing, initiate mouth- to mouth resuscitation immediately. Follow CPR guidelines and replace mouth to mouth with a bag mask resuscitator if available.
4. Treat the victim for shock, keeping the victim warm and calm. Never leave the victim alone.
5. Any personnel who experience hydrogen sulfide exposure must be taken to a hospital for examination and their supervisor notified of the incident.
6. Their supervisor shall follow the company Emergency Preparedness plan.

IV. H2S Safety Equipment on Drilling Location

Item	Amount	Description
1.	1	safety trailer with a cascade system of 10-300 cu. ft bottles of compressed breathing air complete with high-pressure regulators
2.	800 ft.	Low-pressure airline equipped with Hanson locking fittings. This airline will be rigged up with manifolds to supply breathing air to the rig floor, substructure, derrick, shale shaker area, and mud mixing areas. Three high-pressure refill hoses will be attached to cascade systems for cylinder refill.
3.	Six (6)	Scott 30 minute self-contained breathing apparatuses (SCBA).
4.	Six (6)	Scott airline units with emergency escape cylinders.
5.	One (1)	4- channel continuous electronic H2S monitor with audible and visual alarms. The set points for these alarms are 10 ppm for the low alarm and 15 ppm for the high alarm.
6.	Two (1)	Sensidyne portable hand operated pump type detection units with tubes for hydrogen sulfide and sulfur dioxide.
7.	One (1)	Oxygen resuscitator with spare oxygen cylinder.
8.	One (1)	Trauma first aid kit
9.	One (1)	Stokes stretcher and one (1) KED.
10.	Two (2)	Windssocks
11.	At least one (1)	Well condition sign with 3 flag system.
12.	Two (2)	Safe Briefing Area (SBA) signs
13.	One (1)	Fire blanket

- | | | |
|-----|----------------|---|
| 14. | One (1) | Set air splints |
| 15. | (Upon request) | Electric explosion proof fans |
| 16. | (Upon request) | Bullhorn and chalk board |
| 17. | (Upon request) | 300 cu. ft. air bottles for the safe briefing area. |
| 18. | Two (2) | 30 # fire extinguishers |
| 19. | (Upon request) | Battery powered voice mikes for communication when wearing air masks. |
| 20. | One (1) | Battery powered combustible gas meter |

CTD, Inc.

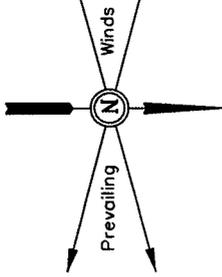
FIGURE #1

LOCATION LAYOUT FOR

HOFFMAN #1-28

SECTION 28, T11N, R7E, S.L.B.&M.

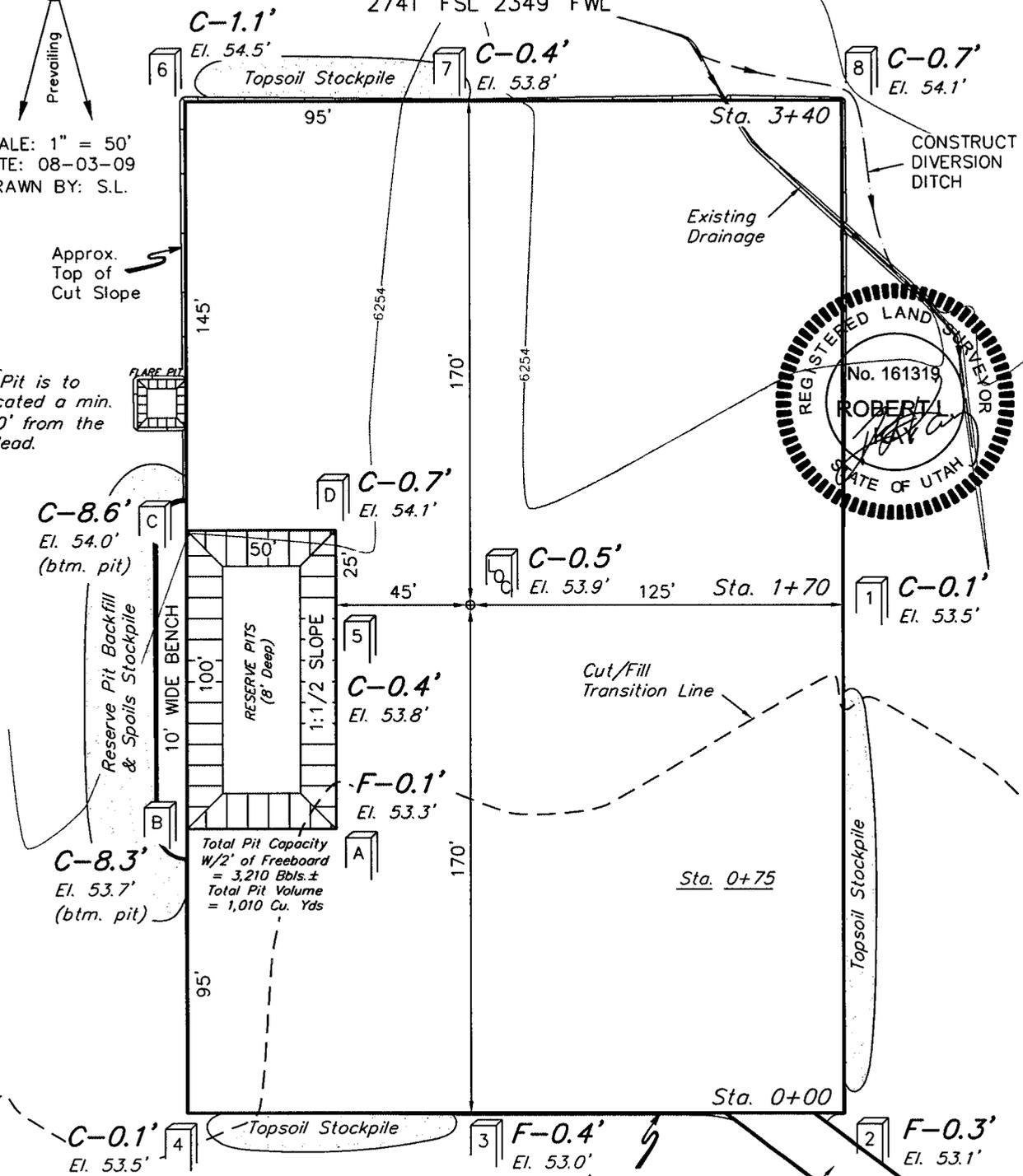
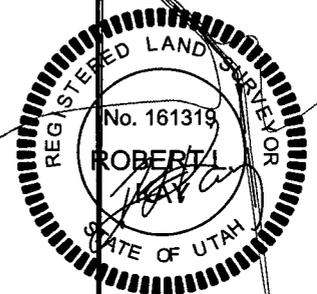
2741' FSL 2349' FWL



SCALE: 1" = 50'
DATE: 08-03-09
DRAWN BY: S.L.

Approx. Top of Cut Slope

NOTE:
Flare Pit is to be located a min. of 100' from the Well Head.

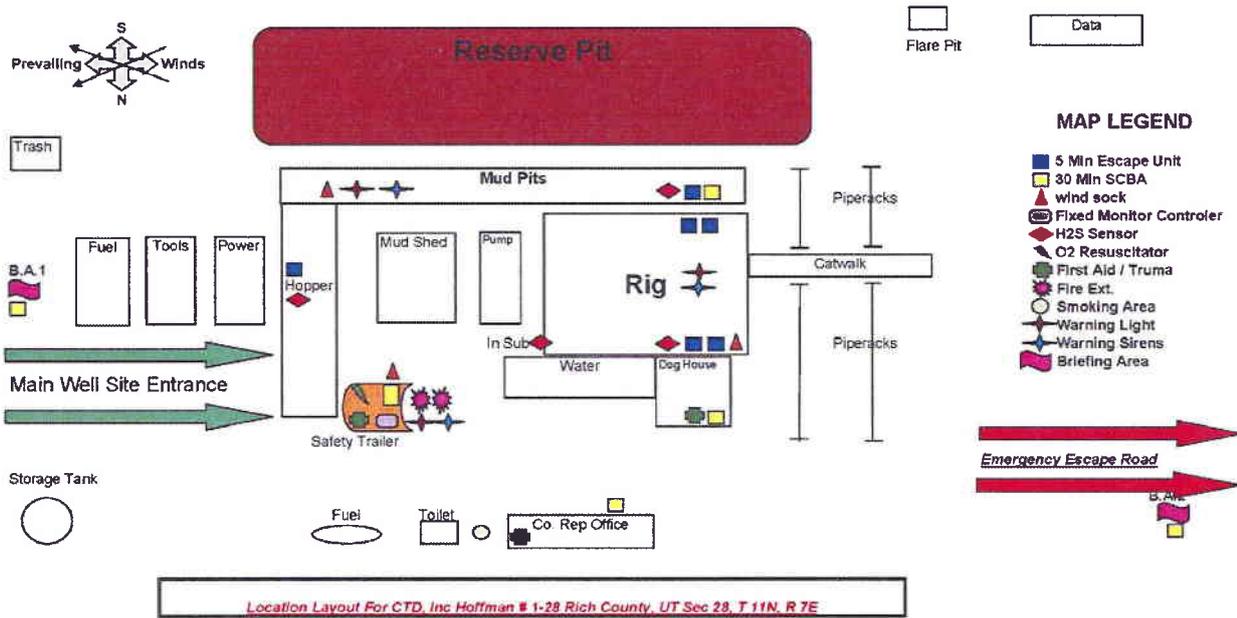


Total Pit Capacity W/2' of Freeboard = 3,210 Bbls. ±
Total Pit Volume = 1,010 Cu. Yds

Elev. Ungraded Ground At Loc. Stake = 6253.9'
FINISHED GRADE ELEV. AT LOC. STAKE = 6253.4'

UINTAH ENGINEERING & LAND SURVEYING
85 So. 200 East • Vernal, Utah 84078 • (435) 789-1017

FIGURE 2 – SAFETY EQUIPMENT PLACEMENT



V. Well Ignition Procedures

If it should become apparent that an uncontrolled release of hydrogen sulfide to the atmosphere might endanger the health and safety of the public or well site personnel, the CTD, INC. foreman will make a decision to ignite the well. The following procedure should be followed before attempting to ignite the well.

A. Ignition equipment - The following equipment will be available for on-site for use by the ignition team.

1. 2-12 gauge flare guns with flare shells
2. 2-500 ft. Fire resistant retrieval ropes
3. 1 portable combustible gas meter
4. Self contained breathing apparatus (SCBA) for each member of the ignition team.
5. 1 backup vehicle with communication equipment

B. Ignition Procedures

1. The CTD, INC. foreman will ensure that well site personnel are evacuated to a safe area upwind of the well bore prior to any ignition action.

2. The CTD, INC. foreman and a designated partner "buddy" backed up by well site safety personnel will comprise the ignition team. All team members will be wearing 30 minute SCBAs.

3. The backup crew will be positioned near a radio-equipped vehicle at a safe distance from the sour gas release. They will standby to rescue the actual team igniting the well.

4. The partner of the ignition team will carry a combustible gas/ hydrogen sulfide meter to continuously monitor the area in which they are working and define the perimeter of the gas cloud.

5. The CTD, INC. foreman will carry the flare gun and shells.

6. The ignition team will determine the hazardous area and establish safe working perimeters. Once this is identified the team will proceed upwind of the leak and fire into the area with flare gun. If trouble is encountered in trying to light the leak, retry to ignite by firing the flare shells at 45 and 90 angles to the gas source, but DO NOT approach closer to the leak.

7. After ignition, monitor for sulfur dioxide and work with the support group to restrict access to the contaminated area.

VI. Residents - Public in R.O.E.

There are no permanent residents within a 1-mile radius of the drilling site. CTD, INC. may have personnel working in the area and their contact numbers are included. The surrounding area is federally owned and maintained by the BLM. This land may be used for recreational purposes including hunting and recreational vehicles any time during the drilling or completion of this well.

<u>Title</u>	<u>Name</u>	<u>Phone</u>
Manager Environmental Health & Safety	Scot Donato	Office: (303) 312-8191 Cell: (303) 549-7739 Home: (303) 733-0130 Fax: (303) 291-0420
Public Relations	Jim Felton	Office: (303) 312-8103 Cell: (303) 241-3364 Home: (970) 668-1624 Fax: (303) 291-0420
Drilling Manager	Troy Schindler	Office: (303) 312-8156 Cell: (303) 249-8511 Home: (303) 740-8507
Permit Analyst	Reed Haddock	Office: (303) 312-8546 Fax: (303) 291-0420
Safety Coordinator	Johnny Thayne	Office: (435) 725-3515 Ext 6 Cell: (435) 669-8108
Drilling Rep (On Site)	Victor Stier	Cell: (307) 679-6121

VII. Emergency Phone Directory

<u>Title</u>	<u>Name</u>	<u>Phone</u>
EH&S Manager	Scot Donato	303-312-8191
Public Relations	Jim Felton	303-312-8103
Drilling Manager	Troy Schindler	303-312-8156
Drilling Superintendent	Jim Davidson	303-312-8115
Safety Consultant	Johnny Thayne	435-725-3515 Ext 6
Drilling Rep (on site)	Victor Stier	307-679-6121

A. Emergency Services Phone List

1. Hospital -	South Lincoln Med. Center	307-877-4401
	Evanston Regional Hospital	307-789-3636
	Uinta Urgent Care	307-789-6111
2. Helicopters	Air Med (University or Utah)	800-453-0120
	Life Flight (LDS Hospital)	800-321-1234
3. Enforcement	Randolph Police	435-793-2285
4. Emergency Svc	Randolph Fire	435-793-2285
	Randolph Ambulance	435-793-2285
	Randolph Sherriff	435-793-2285
	Utah Highway Patrol	435-793-2285
5. Poison Control Center	National	800-222-1222
6. Utah State	Division of Oil, Gas, & Mining (DNR)	801-538-5340
	1594 West North Temple, Ste 1210	
	Box 145801	
	Salt Lake City, UT 84114-5811	
7. Burn Center	University of Utah	801-581-3050

This page will be a map of the well location site showing the section and other related facilities and residents within a 1-mile radius of the well.

TO BE ADDED WHEN AVAILABLE

PROPERTY OF GAS

If gas should be produced, it could be a mixture of Carbon Dioxide, Hydrogen Sulfide, and Methane.

TOXICITY OF VARIOUS GASES

<u>Common Name</u>	<u>Chemical Formula</u>	<u>Specific Gravity of Air=1</u>	<u>1 Threshold Limit</u>	<u>2 Hazardous Limit</u>	<u>3 Lethal Concern</u>
Hydrogen Cyanide	HCN	0.94	10 ppm	150 ppm/hr	300 ppm
Hydrogen Sulfide	H ₂ S	1.18	10 ppm	250 ppm/hr	600 ppm
Sulfur Dioxide	SO ₂	2.21	2 ppm	-----	1,000 ppm
Chloride	CL ₁	2.45	1 ppm	4 ppm/hr	1,000 ppm
Carbon Monoxide	CO	0.97	50 ppm	400 ppm/hr	1,000 ppm
Carbon Dioxide	CO ₂	1.52	5,000 ppm	5%	10%
Methane	CH ₄	0.55	90,000 ppm	Combustible Above 5% in Air	-----

1 Threshold=Concentration at which it is believed that all workers may repeatedly be exposed, day after day, without adverse side effects.

2 Hazardous=Concentration that may cause death.

3 Lethal=Concentration that will cause death with short-term exposure.

HYDROGEN SULFIDE

GENERAL PROPERTIES

Hydrogen Sulfide itself is a colorless and transparent gas and is flammable. It is heavier than air and, hence, may accumulate in low places.

Although the slightest presence of H₂S in the air is normally detectable by its Characteristic “Rotten Egg” odor, it is dangerous to rely on the odor as a means of detecting excessive concentrations because the sense of smell is rapidly lost allowing lethal concentrations to be accumulated without warning. The following table indicates the poisonous nature of Hydrogen Sulfide, which is more toxic than Carbon Monoxide.

COMMON NAMES: Sour Gas, Rotten Egg Gas, Sulphurated Hydrogen, Hydrogen sulfide, Stink Damp, H₂S, Acid Gas, Sweet Gas*

PHYSICAL-CHEMICAL PROPERTIES

- Chemical FormulaH₂S
1. Specific Gravity (Air = 1.000)1.193 (@ 77°F)
 2. Color.....None
 3. OdorCompared to Rotten Eggs
 4. Odor Threshold.....0.13 part of 1 ppm
 5. CorrosivityReacts with metals, plastics, tissues and nerves.
 6. Solubility in Water4.0 to 1 in H₂O @ 32°F
2.6 to 1 in H₂O @ 68°F
 7. Effects on HumansOlfactory nerves, respiratory nerves, irritates sensitive membranes in eyes, nose, and throat.
 8. Vapor Pressure.....19.6 atmospheres at 25°C
 9. Explosive Limits4.3% to 46% by volume in air.

* H₂S is a sweet tasting Gas, but often the word “tasting” is left out.

10. Ignition Temperature.....	18°F (Burns with a pale blue flame)
11. Molecular Weight.....	34.08
12. Conversion Factors.....	1 mg/1 of air = 717 ppm (at 25°C and 760 mm HG). 1 ppm = 0.00139 mg/1 of air.
13. pH.....	3 in water

INDUSTRIAL OCCURRENCES

Hydrogen Sulfide exposures occur in certain processes in the petroleum industry, chemical plants, chemical laboratories, sulfur and gypsum mines, viscose rayon and rubber industries, tanneries, and in the manufacture of some chemicals, dyes, and pigments. It may be encountered in excavations in the swampy or filled ground. It is produced when sulfur-containing organic matter decomposes, and it can therefore be found in sewage or organic-waste treatment plants. A common sewer gas, it may find its way into utility manhole, particularly dangerous when encountered in tanks, vessels, and other enclosed spaces.

TOXIC PROPERTIES

Hydrogen Sulfide is an extremely toxic and irritating gas. Free Hydrogen Sulfide in the blood reduces its oxygen carrying capacity, thereby depressing the nervous system. Sufficiently high concentrations can cause blockage of the phrenic nerve, resulting in immediate collapse and death due to respiratory failure and asphyxiation.

Because Hydrogen Sulfide is oxidized quite rapidly to sulfates in the body, no permanent after effects occur in cases of recovery from acute exposures unless oxygen deprivation of the nervous system is prolonged. However, in cases of acute exposures, there is always the possibility that pulmonary edema may develop. It is also reported that symptoms such as nervousness, dry nonproductive coughing, nausea, headache, and insomnia, lasting up to about 3 days have occurred after acute exposures to Hydrogen Sulfide.

At low concentrations the predominant effect of Hydrogen Sulfide is on the eyes and respiratory tract. Eye irritation, conjunctivitis, pain, lacrimation, keratitis, and photophobia may persist for several days. Respiratory tract symptoms include coughing, painful breathing, and pain in the nose and throat.

There is no evidence that repeated exposures to Hydrogen Sulfide results in accumulative or systemic poisoning. Effects such as eye irritation, respiratory tract irritation, slow pulse rate, lassitude, digestive disturbances, and cold sweats may occur, but these symptoms disappear in a relatively short time after removal from the exposure. Repeated exposures to Hydrogen Sulfide does not appear to cause any increase or decrease in susceptibility to this gas.

The paralytic effect of Hydrogen Sulfide on the olfactory nerve is probably the most significant property of the gas. This paralysis may create a false sense of security. A worker can be overcome after the typical rotten-egg odor has disappeared. Rather than the characteristic Hydrogen Sulfide odor, some victims of sudden acute overexposure have reported a brief sickeningly sweet odor just prior to unconsciousness.

Subjective olfactory responses to various concentrations of Hydrogen Sulfide have be summarized as follows:

0.02 ppm	No odor
0.13 ppm	Minimal perceptible odor
0.77 ppm	Faint, but readily perceptible odor
4.60 ppm	Easily detectable, moderate odor
27.0 ppm	Strong, unpleasant odor, but not intolerable

Physiological responses to various concentrations of Hydrogen Sulfide have been reported as follows:

10 ppm	Beginning eye irritation
50-100 ppm	Slight conjunctivitis and respiratory tract irritation after 1 hour exposure
100 ppm	Coughing, eye irritation, loss of sense of smell after 2-15 minutes. Altered respiration, pain in the eyes, and drowsiness after 15-30 minutes, followed by throat irritation after 1 hour. Several hours ¹ exposure results in gradual increase in severity of these symptoms and death may occur within the next 48 hours.
200-300 ppm	Marked conjunctivitis and respiratory tract irritation after 1 hour exposure
500-700 ppm	Loss of consciousness and possibly death in 30 minutes.

- 700 ppm Raped unconsciousness, cessation of respiration, and death.
- 1000-2000 ppm Unconsciousness at once, with early cessation of respiration and death in a few minutes. Death may occur even if individual is removed to fresh air at once.

ACCEPTABLE CONCENTRATIONS

ACCEPTABLE EIGHT-HOUR TIME-WEIGHTED AVERAGE

To avoid discomfort, the Time-Weighted average concentration of Hydrogen Sulfide Shall not exceed 10 ppm.

ACCEPTABLE CEILING CONCENTRATION

The acceptable concentration for protection of health for an eight-hour, five-day week shall be 20 ppm, Fluctuations are to occur below this concentration.

ACCEPTABLE MAXIMUM FOR PEAKS ABOVE ACCEPTABLE BASE LINE FOR CONTINUOUS EXPOSURE

A single-peak concentration not exceeding 50 ppm for a maximum of 10 minutes is allowable provided that the daily time-weighted average is not exceeded.

H₂S EQUIVALENTS

Parts Per Million	Percents	Grains per 100 cu. Ft.
1	.0001	.055
10	.001	.55
18	.0018	1.0
100	.01	5.5
1000	.1	55.5
10000	1.0	555.5

Grains per 100 cu. Ft. = % by volume Mole 636.4
1% by volume = 10,000 ppm

SULFUR DIOXIDE

Sulfur Dioxide (SO₂) is a colorless, transparent gas and is non-flammable.

Sulfur Dioxide is produced during the burning of H₂S. Although SO₂ is heavier than air, it will be picked up by a breeze and carried downwind at elevated temperatures, While Sulfur Dioxide is extremely irritating to the eyes and mucous membranes of the upper respiratory tract, it has exceptionally good warning powers in this respect.

CONCENTRATIONS

EFFECTS

<u>%SO₂</u>	<u>ppm</u>	
.0002	2	Safe for eight (8) hour exposure
.0005	5	Pungent odor-normally a person can detect SO ₂ in this range.
.0012	12	Throat irritation, coughing, constriction of the chest, tearing and smarting of the eyes.
.015	150	So irritating that it can only be endured for a few minutes.
.05	500	Causes a sense of suffocation, even with the first breath.

PHYSICAL PROPERTIES AND CHARACTERISTICS

- Chemical FormulaSO₂
1. Specific Gravity.....2.212
2. Color.....None
3. FlammableNo
4. OdorCharacteristic, pungent, gives ample warning of its presence.

5. Corrosivity Dry---not corrosive to ordinary metals.
Wet---corrosive to most common metals.
6. Allowable Concentrations 2 ppm (ACGIH)
2 ppm (OSHA)
7. Effects on Humans Irritates eyes, throat and upper
Respiratory system.

TOXIC PROPERTIES

Sulfur Dioxide is an irritating gas in its vapor form and the odor is so intensely irritating that concentrations of 3 to 5 parts per million in the air are readily detectable by the normal person. In higher concentrations, the severely irritating effect of the gas makes it unlikely that any person would be able to remain in a Sulfur Dioxide contaminated atmosphere unless they were unconscious or trapped.

Sulfur Dioxide gas is intensely irritating to the eyes, throat, and upper respiratory system. Inhalation of this gas in concentrations of 8 to 12 parts per million in air causes throat irritation, coughing, constriction of the chest, tearing and smarting of the eyes. 150 parts per million is so extremely irritating that it can be endured only for a few minutes. 500 parts per million is so acutely irritating to the upper respiratory tract that it causes a sense of suffocation, even with the first breath.

Out of numerous reported exposures to Sulfur Dioxide, there are few references that would indicate pneumonia as an after effect.

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 checked="" type="checkbox"/>				8. UNIT or CA AGREEMENT NAME: N/A	
2. NAME OF OPERATOR: CTD, Inc.				9. WELL NAME and NUMBER: Hoffman 1-28	
3. ADDRESS OF OPERATOR: 3355 North Five Mile Rd CITY Boise STATE ID ZIP 83713-3925			PHONE NUMBER: (208) 376-7686	10. FIELD or CA AGREEMENT NAME: Wildcat	
4. LOCATION OF WELL (FOOTAGES) AT SURFACE: 2741' FSL, 2349' FWL AT PROPOSED PRODUCING ZONE: same				11. QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NESW 28 11N 7E	
14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE: Approximately 2 miles east of the town of Randolph, UT.				12. COUNTY: Rich	13. STATE: UTAH
15. DISTANCE TO NEAREST PROPERTY OR LEASE LINE (FEET) 199'		16. NUMBER OF ACRES IN LEASE: 177.255		17. NUMBER OF ACRES ASSIGNED TO THIS WELL:	
18. DISTANCE TO NEAREST WELL (DRILLING, COMPLETED OR APPLIED FOR) ON THIS LEASE (FEET) N/A		19. PROPOSED DEPTH: 9,500		20. BOND DESCRIPTION: Surety F20894	
21. ELEVATIONS (SHOW WHETHER DF, RT, GR, ETC.): 6254' ungraded ground		22. APPROXIMATE DATE WORK WILL START: 4/1/2010		23. ESTIMATED DURATION: 45 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
24"	16"	60	grout to surface
12 1/4"	9 5/8" J or K-55 36#	2,500	Varicem Cmt (lead) 430 sx 2.94 ft3/sk 11.5 ppg Varicem Cmt (tail) 185 sx 1.8 ft3/sk 13.5 ppg
8 3/4"	5 1/2" P-110 20#	9,452	Extendacem (lead) 506 sx 2.63 ft3/sk 11.5 ppg Econocem (tail) 540 sx 1.49 ft3/sk 13.5 ppg

25. ATTACHMENTS

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

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

NAME (PLEASE PRINT) Carol Davis TITLE President
SIGNATURE Carol Davis DATE 12/17/09

Digitally signed by Carol Davis
DN: cn=Carol Davis, o=CTD Inc, ou,
email=carole@landrecordsresearch.com, c=US
Date: 2009.12.17 10:36:51 -0700

(This space for State Use only)

API NUMBER ASSIGNED: 43-033-30070

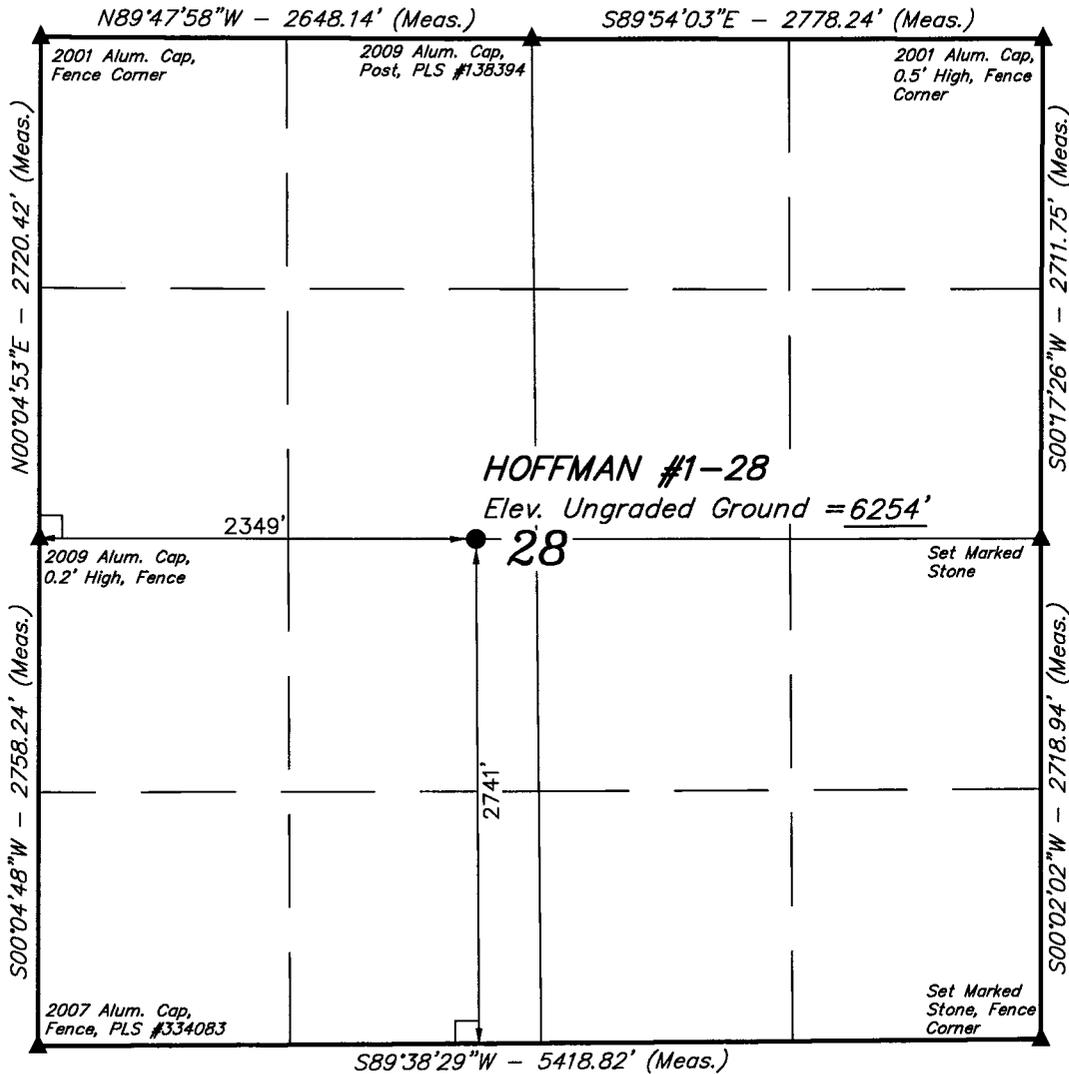
Approved by the
Utah Division of
Oil, Gas and Mining

APPROVAL:

RECEIVED
DEC 17 2009

Date: 12-29-09
(See Instructions on Reverse Side)
By: [Signature] DIV. OF OIL, GAS & MINING

T11N, R7E, S.L.B.&M.



HOFFMAN #1-28
 Elev. Ungraded Ground = 6254'

LEGEND:

- └─┘ = 90° SYMBOL
- = PROPOSED WELL HEAD.
- ▲ = SECTION CORNERS LOCATED.

(NAD 83)
 LATITUDE = 41°39'56.91" (41.665808)
 LONGITUDE = 111°09'38.28" (111.160633)
 (NAD 27)
 LATITUDE = 41°39'57.12" (41.665867)
 LONGITUDE = 111°09'35.58" (111.159883)

CTD, Inc.

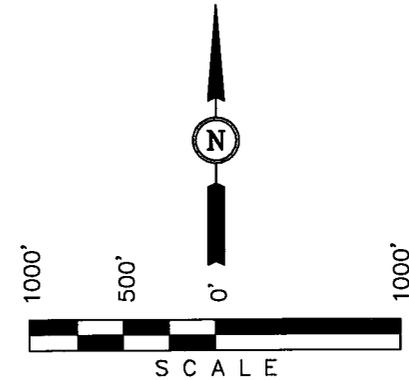
Well location, HOFFMAN #1-28, located as shown in the NE 1/4 SW 1/4 of Section 28, T11N, R7E, S.L.B.&M., Rich County, Utah.

BASIS OF ELEVATION

SPOT ELEVATION LOCATED AT A ROAD INTERSECTION IN THE NW 1/4 OF SECTION 28, T11N, R7E, S.L.B.&M. TAKEN FROM THE RANDOLPH QUADRANGLE, UTAH, RICH COUNTY, 7.5 MINUTE SERIES (TOPOGRAPHICAL MAP) PUBLISHED BY THE UNITED STATES DEPARTMENT OF THE INTERIOR, GEOLOGICAL SURVEY. SAID ELEVATION IS MARKED AS BEING 6265 FEET.

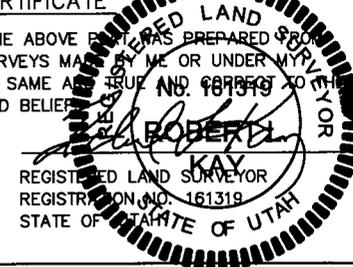
BASIS OF BEARINGS

BASIS OF BEARINGS IS A G.P.S. OBSERVATION.



CERTIFICATE

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



UINTAH ENGINEERING & LAND SURVEYING
 85 SOUTH 200 EAST - VERNAL, UTAH 84078
 (435) 789-1017

SCALE 1" = 1000'	DATE SURVEYED: 07-30-09	DATE DRAWN: 08-03-09
PARTY B.B. D.R. S.L.	REFERENCES G.L.O. PLAT	
WEATHER WARM	FILE CTD, Inc.	

REVISED 12/16/09 – SEE HI-LITED AREAS
DRILLING PROGRAM

CTD, Inc.
Hoffman 1-28
 NESW, 2741' FSL, 2349' FWL, Sec. 28, T11N-R7E, S.L.B.&M.
 Rich County, Utah

1 – 2. Estimated Tops of Geological Markers and Formations Expected to Contain Water, Oil and Gas and Other Minerals

<u>Formation</u>	<u>Depth – MD</u>
Twin Creek	1,677'
Ankareh	4,492'
Dinwoody	8,370'
Phosphoria *	8,770'
Madison*	9,302'
TD	9,500'

RECEIVED

DEC 17 2009

DIV. OF OIL, GAS & MINING

PROSPECTIVE PAY

*The Phosphoria and Madison formations are primary objectives for oil/gas.

3. BOP and Pressure Containment Data

<u>Depth Intervals</u>	<u>BOP Equipment</u>
0 – 2,500'	No pressure control required
2,500' – TD	11" 5000# Ram Type BOP 11" 5000# Annular BOP
- Drilling spool to accommodate choke and kill lines; - Ancillary equipment and choke manifold rated at 5,000#. All well control equipment will be in accordance with the requirements of R649-3-7. - The State of Utah Division of Oil, Gas and Mining will be notified 24 hours in advance of all BOP pressure tests. - BOP hand wheels may be underneath the sub-structure of the rig if the drilling rig used is set up to operate most efficiently in this manner. - A diverter will be nipped up on the conductor to allow well closure in the event of water flow.	

4. Casing Program

<u>Hole Size</u>	<u>SETTING DEPTH (FROM) (TO)</u>		<u>Casing Size</u>	<u>Casing Weight</u>	<u>Casing Grade</u>	<u>Thread</u>	<u>Condition</u>
24"	surface	60'	16"	varies for conductor pipe			
12 ¼"	surface	2,500'	9 5/8"	36#	J or K 55	ST&C	New
8 ¾"	surface	9,452'	5 ½"	20#	P-110	LT&C	New
- Any substitute casing string shall have equivalent or greater collapse, tension and burst properties. - The State of Utah, Division of Oil, Gas and Mining, will be notified 24 hours in advance of all casing tests performed in accordance with R649-3-13.							

CTD, Inc.
 Drilling Program
 Hoffman 1-28
 Rich County, Utah

5. Cementing Program

<p>9 5/8" Surface Casing</p>	<p>Fluid 2: Lead Cement VARICEM™ RS1 CEMENT 0.125 lbm/sk Poly-E-Flake (Lost Circulation Additive) 0.25 lbm/sk Kwik Seal (Lost Circulation Additive)</p> <p style="text-align: right;"> Fluid Weight 11.50 lbm/gal Slurry Yield: 2.94 ft³/sk Total Mixing Fluid: 17.83 Gal/sk Top of Fluid: 0 ft Calculated Fill: 2000 ft Volume: 223.12 bbl Calculated Sacks: 426.69 sks Proposed Sacks: 430 sks</p> <p>Fluid 3: Tail Cement VARICEM™ RS1 CEMENT 0.125 lbm/sk Poly-E-Flake (Lost Circulation Additive) 0.25 lbm/sk Kwik Seal (Lost Circulation Additive)</p> <p style="text-align: right;"> Fluid Weight 13.50 lbm/gal Slurry Yield: 1.80 ft³/sk Total Mixing Fluid: 9.33 Gal/sk Top of Fluid: 2000 ft Calculated Fill: 500 ft Volume: 58.87 bbl Calculated Sacks: 183.64 sks Proposed Sacks: 185 sks</p>
<p>5 1/2" Production Casing</p>	<p>Fluid 2: Lead Cement EXTENDACEM (TM) SYSTEM 0.7 % HR-7 (Retarder) 0.125 lbm/sk Poly-E-Flake (Lost Circulation Additive)</p> <p style="text-align: right;"> Fluid Weight 11.50 lbm/gal Slurry Yield: 2.63 ft³/sk Total Mixing Fluid: 15.52 Gal/sk Top of Fluid: 2300 ft Calculated Fill: 4652 ft Volume: 259.95 bbl Calculated Sacks: 555.16 sks Proposed Sacks: 560 sks</p> <p>Fluid 3: Tail Cement ECONOCEM (TM) SYSTEM 0.3 % HR-5 (Retarder) 1 % Halliburton Gel (Light Weight Additive)</p> <p style="text-align: right;"> Fluid Weight 13.50 lbm/gal Slurry Yield: 1.49 ft³/sk Total Mixing Fluid: 7.15 Gal/sk Top of Fluid: 6952 ft Calculated Fill: 2500 ft Volume: 141.52 bbl Calculated Sacks: 533.99 sks Proposed Sacks: 540 sks</p>

Note: Actual volumes to be calculated from caliper log.

CTD, Inc.
 Drilling Program
 Hoffman 1-28
 Rich County, Utah

6. **Mud Program**

<u>Interval</u>	<u>Weight</u>	<u>Viscosity</u>	<u>Fluid Loss (API filtrate)</u>	<u>Remarks</u>
0 – 2,500'	8.2 – 8.4	26 – 27	--	Freshwater/Max Gel/Polyplus/Drilzone
2,500' – 9452'	9.0 – 9.5	45 – 50	8 cc or less	LSND
Note: Sufficient mud materials to maintain mud properties, control lost circulation and to contain "kicks" will be available at wellsite. BBC may require minor amounts of diesel to be added to its fluid system in order to reduce tork and drag.				

7. **Testing, Logging and Core Programs**

Cores	Coring of up to 150' proposed.
Testing	None anticipated;
Sampling	Pason unit on location 2 man, 24 hour from surface casing to TD
Surveys	Run every 1000' and on trips, slope only;
Logging	Run gamma ray log while drilling. Platform Express TD to 2500'. Sonic TD to surface

8. **Anticipated Abnormal Pressures or Temperatures**

No abnormal pressures or temperatures or other hazards are anticipated.

Maximum anticipated bottom hole pressure equals approximately 4,693 psi* and maximum anticipated surface pressure equals approximately 2,603 psi** (bottom hole pressure minus the pressure of a partially evacuated hole calculated at 0.22 psi/foot).

*Max Mud Wt x 0.052 x TD = A (bottom hole pressure)

**Maximum surface pressure = A – (0.22 x TD)

9. **Auxiliary Equipment**

- a) Upper kelly cock; lower Kelly cock will be installed while drilling
- b) Inside BOP or stab-in valve (available on rig floor)
- c) Safety valve(s) and subs to fit all string connections in use
- d) Mud monitoring will be visually observed

10. **Drilling Schedule**

Location Construction: Spring 2010
 Spud: Spring 2010
 Duration: 25 days drilling time
 20 days completion time
 Additional days for testing

CTD, Inc.
Drilling Program
Hoffman 1-28
Rich County, Utah

11. **Water Source**

Water would be purchased from a third party that is properly permitted through the State of Utah, Division of Water Rights.

12. **Archaeology**

Montgomery Archaeological Consultants has conducted a Class III archaeology inventory under MOAC 09-145 dated August 10, 2009. The inventory resulted in no cultural resources.

13. **Paleontology**

Not required. Fee surface/minerals.

Hoffman 1-28

Well name:
 Operator: **CTD, Inc.**
 String type: **Surface**
 Location: **Rich County, Utah**

Design parameters:

Collapse

Mud weight:

9.00 ppg

Minimum design factors:

Collapse:

Design factc

1.125

Environment:

H2S considered?

No

Surface temperature:

75.00 °F

Design is based on evacuated pipe.

Bottom hole temperature

110 °F

Temperature gradient:

1.40 °F/100ft

Minimum section length:

1,500 ft

Burst:

Design factc

1.00

Cement top:

0 ft

Burst

Max anticipated surface pressure:

2,475.33 psi

Internal gradient:

0.22 psi/ft

Tension:

Non-directional string.

Calculated BHP

3,025.33 psi

8 Round ST

1.80 (J)

8 Round LTC:

1.80 (J)

No backup mud specified.

Buttress:

1.60 (J)

Premium:

1.50 (J)

Body yield:

1.50 (B)

Re subsequent strings:

Next setting depth:

10,000 ft

Next mud weight:

9.000 ppg

Next setting BHP:

4,675 psi

Tension is based on buoyed weight.

Neutral poin 2,167.06 ft

Fracture mud wt:

14.000 ppg

Fracture depth:

10,000 ft

Injection pressure

7,273 psi

Run Seq	Segment Length (ft)	Size (in)	Nominal Weight (lbs/ft)	Grade	End Finish	True Vert Depth (ft)	Measured Depth (ft)	Drift Diameter (in)	Internal Capacity (ft³)
1	2500	9.625	36.00	J-55	LT&C	2500	2500	8.796	178
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	1169	2020	1.728	3025	3520	1.16	78	453	5.81 J

Remarks:

Collapse is based on a vertical depth of 2500 ft, a mud weight of 9 ppg. The casing is considered to be evacuated for collapse purposes. Collapse strength is based on the Westcott, Dunlop & Kemler method of biaxial correction for tension.

Burst strength is not adjusted for tension.

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

Hoffman 1-28

Well name:
 Operator: **CTD, Inc.**
 String type: Production: Frac
 Location: Rich County, Utah

Design parameters:
Collapse
 Mud weight: 9.50 ppg
 Design is based on evacuated pipe.

Minimum design factors:
Collapse:
 Design factc 1.125
Burst:
 Design factc 1.00

Environment:
 H2S considered? No
 Surface temperature: 75.00 °F
 Bottom hole temperature 207 °F
 Temperature gradient: 1.40 °F/100ft
 Minimum section length: 1,500 ft
 Cement top: 6,952 ft

Burst
 Max anticipated surface pressure: 9,177.03 psi

Internal gradient: 0.12 psi/ft
 Calculated BHP 10,311.27 psi

Annular backup: 9.00 ppg

Tension:
 Non-directional string.
 8 Round ST 1.80 (J)
 8 Round LTC: 1.80 (J)
 Buttress: 1.60 (J)
 Premium: 1.50 (J)
 Body yield: 1.50 (B)

Tension is based on buoyed weight.
 Neutral poin 8,090.37 ft

Run Seq	Segment Length (ft)	Size (in)	Nominal Weight (lbs/ft)	Grade	End Finish	True Vert Depth (ft)	Measured Depth (ft)	Drift Diameter (in)	Internal Capacity (ft³)
1	9452	5.5	20	P-110	LT&C	9452	9452	4.653	1176

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	4665	11080	2.375	9177	12360	1.46	138	445	3.24 J

Remarks:
 Collapse is based on a vertical depth of 9452 ft, a mud weight of 9.5 ppg The casing is considered to be evacuated for collapse purposes.
 Collapse strength is based on the Westcott, Dunlop & Kemler method of biaxial correction for tension.
 Burst strength is not adjusted for tension.

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

Job Information

Surface Casing

Well Name: Hoffman

Well #: 1-28

12 1/4" Surface Open Hole

0 - 2500 ft (MD)

Inner Diameter

12.250 in

Job Excess

100 %

9 5/8" Surface Casing

0 - 2500 ft (MD)

Outer Diameter

9.625 in

Inner Diameter

8.921 in

Linear Weight

36 lbm/ft

Job Recommendation**Surface Casing**

Fluid Instructions

Fluid 1: Water Spacer

Fresh Water

Fluid Density: 8.34 lbm/gal

Fluid Volume: 20 bbl

Fluid 2: Lead Cement

VARICEM™ RS1 CEMENT

0.125 lbm/sk Poly-E-Flake (Lost Circulation Additive)

0.25 lbm/sk Kwik Seal (Lost Circulation Additive)

Fluid Weight 11.50 lbm/gal

Slurry Yield: 2.94 ft³/sk

Total Mixing Fluid: 17.83 Gal/sk

Top of Fluid: 0 ft

Calculated Fill: 2000 ft

Volume: 223.12 bbl

Calculated Sacks: 426.69 sks

Proposed Sacks: 430 sks

Fluid 3: Tail Cement

VARICEM™ RS1 CEMENT

0.125 lbm/sk Poly-E-Flake (Lost Circulation Additive)

0.25 lbm/sk Kwik Seal (Lost Circulation Additive)

Fluid Weight 13.50 lbm/gal

Slurry Yield: 1.80 ft³/sk

Total Mixing Fluid: 9.33 Gal/sk

Top of Fluid: 2000 ft

Calculated Fill: 500 ft

Volume: 58.87 bbl

Calculated Sacks: 183.64 sks

Proposed Sacks: 185 sks

Fluid 4: Water Spacer

Displacement

Fluid Density: 8.34 lbm/gal

Fluid Volume: 190.18 bbl

HALLIBURTON

Job Information

Production Casing

Well Name: Hoffman

Well #: 1-28

9 5/8" Surface Casing	0 - 2500 ft (MD)
Outer Diameter	9.625 in
Inner Diameter	8.921 in
Linear Weight	36 lbm/ft

8 3/4" Production Open Hole	2500 - 9452 ft (MD)
Inner Diameter	8.750 in
Job Excess	25 %

5 1/2" Production Casing	0 - 9452 ft (MD)
Outer Diameter	5.500 in
Inner Diameter	4.892 in
Linear Weight	17 lbm/ft
Casing Grade	P-110

HALLIBURTON

Job Recommendation

Production Casing

Fluid Instructions

Fluid 1: Water Based Spacer
MUD FLUSH

Fluid Density: 8.40 lbm/gal
Fluid Volume: 20 bbl

Fluid 2: Lead Cement EXTENDACEM (TM) SYSTEM

0.7 % HR-7 (Retarder)
0.125 lbm/sk Poly-E-Flake (Lost Circulation Additive)

Fluid Weight 11.50 lbm/gal
Slurry Yield: 2.63 ft³/sk
Total Mixing Fluid: 15.52 Gal/sk
Top of Fluid: 2300 ft
Calculated Fill: 4652 ft
Volume: 259.95 bbl
Calculated Sacks: 555.16 sks
Proposed Sacks: 560 sks

Fluid 3: Tail Cement ECONOCEM (TM) SYSTEM

0.3 % HR-5 (Retarder)
1 % Halliburton Gel (Light Weight Additive)

Fluid Weight 13.50 lbm/gal
Slurry Yield: 1.49 ft³/sk
Total Mixing Fluid: 7.15 Gal/sk
Top of Fluid: 6952 ft
Calculated Fill: 2500 ft
Volume: 141.52 bbl
Calculated Sacks: 533.99 sks
Proposed Sacks: 540 sks

Fluid 4: Water Based Spacer
ClayFix II Water Displacement
2 gal/Mgal Clayfix II (Clay Control)

Fluid Density: 8.40 lbm/gal
Fluid Volume: 218.81 bbl

PRESSURE CONTROL EQUIPMENT – Schematic Attached

A. Type: Eleven (11) Inch Double Gate Hydraulic BOP with Eleven (11) Inch Annular Preventer. The blow out preventer will be equipped as follows:

1. One (1) blind ram (above).
2. One (1) pipe ram (below).
3. Drilling spool with two (2) side outlets (choke side 3-inch minimum, kill side 2-inch minimum).
4. 3-inch diameter choke line.
5. Two (2) choke line valves (3-inch minimum).
6. Kill line (2-inch minimum).
7. Two (2) chokes with one (1) remotely controlled from the rig floor.
8. Two (2) kill line valves, and a check valve (2-inch minimum).
9. Upper and lower kelly cock valves with handles available.
10. Safety valve(s) & subs to fit all drill string connections in use.
11. Inside BOP or float sub available.
12. Pressure gauge on choke manifold.
13. Fill-up line above the uppermost preventer.

B. Pressure Rating: 5,000 psi

C. Testing Procedure:

Annular Preventer

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

At a minimum the above pressure test will be performed:

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

In addition, the Annular Preventer will be functionally operated at least weekly.

Blow-Out Preventer

At a minimum, the BOP, choke manifold, and related equipment will be pressure tested to the approved working pressure of the BOP stack (if isolated from the surface casing by a test plug) or to 70% of the internal yield strength of the surface casing (if the BOP is not isolated from the casing by a test plug). Pressure will be

maintained for a period of at least ten (10) minutes or until the requirements of the test are met, whichever is longer.

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

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

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

D. Choke Manifold Equipment:

All choke lines will be straight lines unless turns use tee blocks or are targeted with running tees, and will be anchored to prevent whip and vibration.

E. Accumulator:

The accumulator will have sufficient capacity to open the hydraulically-controlled choke line valve (if so equipped), close all rams plus the annular preventer, and retain a minimum of 200 psi above precharge on the closing manifold without the use of closing unit pumps. The fluid reservoir capacity will be double the usable fluid volume of the accumulator system capacity and the fluid level of the reservoir will be maintained at the manufacturer's recommendations.

The BOP system will have two (2) independent power sources to close the preventers. Nitrogen bottles (3 minimum) will be one (1) of these independent power sources and will maintain a charge equal to the manufacturer's specifications.

The accumulator precharge pressure test will be conducted prior to connecting the closing unit to the BOP stack and at least once every six (6) months thereafter. The accumulator pressure will be corrected if the measured precharge pressure is found to be above or below the maximum or minimum limits specified in the *Onshore Oil & Gas Order Number 2 and R 649-3-7*.

A manual locking device (i.e. hand wheels) or automatic locking device will be installed on all systems of 2M or greater. A valve will be installed in the closing line as close as possible to the annular preventer to act as a locking device. This valve will be maintained in the open position and will be closed only when the power source for the accumulator is inoperative.

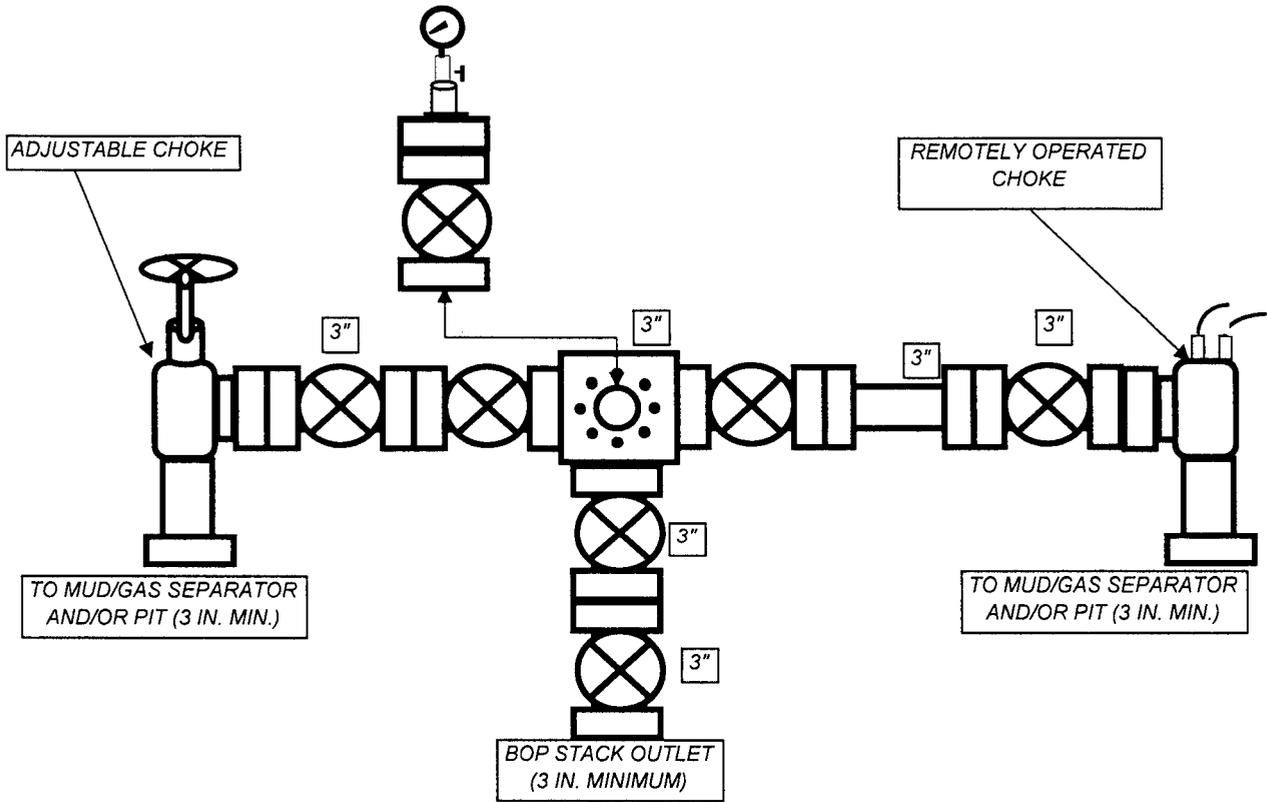
Remote controls shall be readily accessible to the driller. Remote controls for all 3M or greater systems will be capable of closing all preventers. Remote controls for 5M or greater systems will be capable of both opening and closing all preventers. Master controls will be at the accumulator and will be capable of opening and closing all preventers and the choke line valve (if so equipped).

F. Miscellaneous Information:

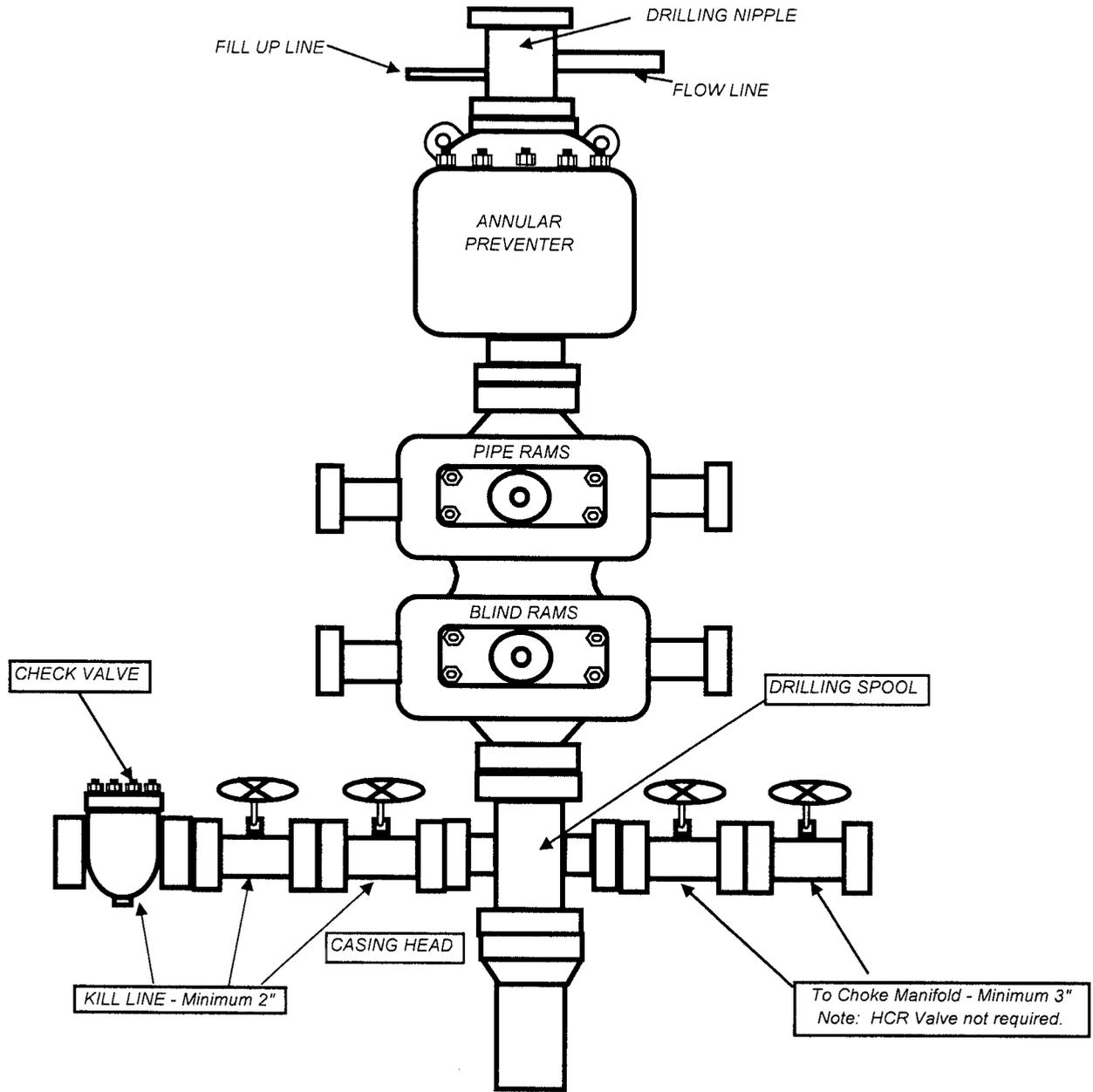
The Blow-Out Preventer and related pressure control equipment will be installed, tested and maintained in compliance with the specifications in and requirements of *Onshore Order Number 2* and *R-649-3-7*. The choke manifold will be located outside the rig sub-structure. The hydraulic BOP closing unit will be located at least twenty-five (25) feet from the well head but readily accessible to the driller. Exact locations and configurations of the hydraulic BOP closing unit will depend upon the particular rig contracted to drill this hole.

A flare line will be installed after the choke manifold, extending 125 feet (minimum) from the center of the drill hole to a separate flare pit.

TYPICAL 5,000 p.s.i. CHOKE MANIFOLD



TYPICAL 5,000 p.s.i. BLOWOUT PREVENTER



**EASEMENT, RIGHT-OF-WAY, SURFACE USE AND
DAMAGE AGREEMENT**

THIS EASEMENT, RIGHT-OF-WAY, SURFACE USE AND DAMAGE AGREEMENT (hereinafter the "Agreement"), effective the 1st day August, 2009 is by and between The Harold H. Hoffman Family Living Trust dated April 15, 1982 (50%) and The Nilda Mae Longhurst Hoffman Family Living Trust dated April 15, 1982 (50%) with a mailing address of P.O. Box 213, Randolph, Utah 84064, hereinafter collectively referred to as "Owner", and CTD, Inc. with an address of 3355 North Five Mile Road, #334, Boise, Idaho 83713, hereinafter referred to as "CTD".

WITNESSETH:

WHEREAS, CTD proposes to drill a Well on lands located in the NE $\frac{1}{4}$ SW $\frac{1}{4}$, Section 28, Township 11 North, Range 7 East, S.L.B. & M., Rich County, Utah (hereinafter the "Well");

WHEREAS, Owner owns certain rights in and to the surface of lands located in the NE $\frac{1}{4}$ SW $\frac{1}{4}$, Section 28 of Township 11 North, Range 7 East, S.L.B. & M., Rich County, Utah (hereinafter the "Premises"), and more specifically set forth on Exhibit "A" attached hereto and incorporated herein; and

WHEREAS, Owner recognizes that the Premises are subject to one or more oil and gas leases of record and that the Lessee and its assigns, have certain rights in the use of the surface of the lands covered by such lease, or leases, and being now informed of the proposed use, including ingress and egress, placement of roads, pits and drilling location and other uses incident to the drilling, completion and production of oil or gas on the Premises. CTD does hereby agree, in consideration of the Premises and the further promise to pay the undersigned prior to the preparation and construction of the road and wellsite location, and the considerations set forth below:

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed as of the day and year appearing with their signatures below. effective the day and year first above written.

The Harold H. Hoffman Family Living Trust
dated April 15, 1982

Date: 8/17/09

Nilda Mae Hoffman
Nilda Mae Longhurst Hoffman, Trustee

The Nilda Mae Longhurst Hoffman Family Living Trust
dated April 15, 1982

Date: 8/17/09

Harold H. Hoffman
Harold H. Hoffman, Trustee

CTD, Inc.

Date: 8/17/09

Richard M. Padon
Richard M. Padon
Agent

STATE OF UTAH)
) ss
COUNTY OF RICH)

On this 17th day of August, 2009, before me, a Notary Public, personally appeared Nilda Mae Longhurst Hoffman, Trustee of The Harold H. Hoffman Family Living Trust dated April 15, 1982, and Harold H. Hoffman, Trustee of The Nilda Mae Longhurst Hoffman Family Living Trust dated April 15, 1982, known to me to be the persons described in and who executed the foregoing instrument, and acknowledged to me that they executed the same as their free act and deed.

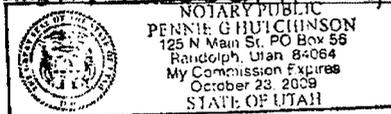
My Commission expires: 10-23-09

Pennie G. Hutchinson

Notary Public in and for the State of Utah

Printed Name: PENNIE G. HUTCHINSON

Residing at RANDOLPH UT

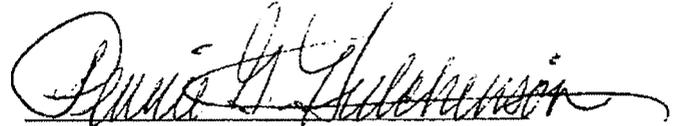


STATE OF UTAH)
) SS
COUNTY OF RICH)

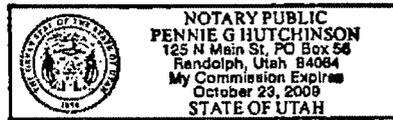
On this 17th day of Aug, 2009, before me personally appeared Richard M. Padon, to me personally known, who, being by me duly sworn, did say that he is the Agent for CTD, Inc., and that said instrument was signed on behalf of said corporation and said Agent acknowledged said instrument to be the free act and deed of said corporation.

Witness my hand and official seal.

My Commission expires: 10-23-09



Notary Public for the State of Utah
Printed Name: PENNIE G. HUTCHINSON
Residing at RANDOLPH, UT



T11N, R7E, S.L.B.&M.

CTD, Inc.

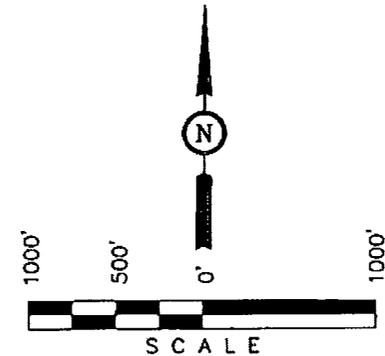
Well location, HOFFMAN #1-28, located as shown in the NE 1/4 SW 1/4 of Section 28, T11N, R7E, S.L.B.&M., Rich County, Utah.

BASIS OF ELEVATION

SPOT ELEVATION LOCATED AT A ROAD INTERSECTION IN THE NW 1/4 OF SECTION 28, T11N, R7E, S.L.B.&M. TAKEN FROM THE RANDOLPH QUADRANGLE, UTAH, RICH COUNTY, 7.5 MINUTE SERIES (TOPOGRAPHICAL MAP) PUBLISHED BY THE UNITED STATES DEPARTMENT OF THE INTERIOR, GEOLOGICAL SURVEY. SAID ELEVATION IS MARKED AS BEING 6265 FEET.

BASIS OF BEARINGS

BASIS OF BEARINGS IS A G.P.S. OBSERVATION.



CERTIFICATE

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

ROBERT L. KAY
 REGISTERED LAND SURVEYOR
 REGISTRATION NO. 161319
 STATE OF UTAH

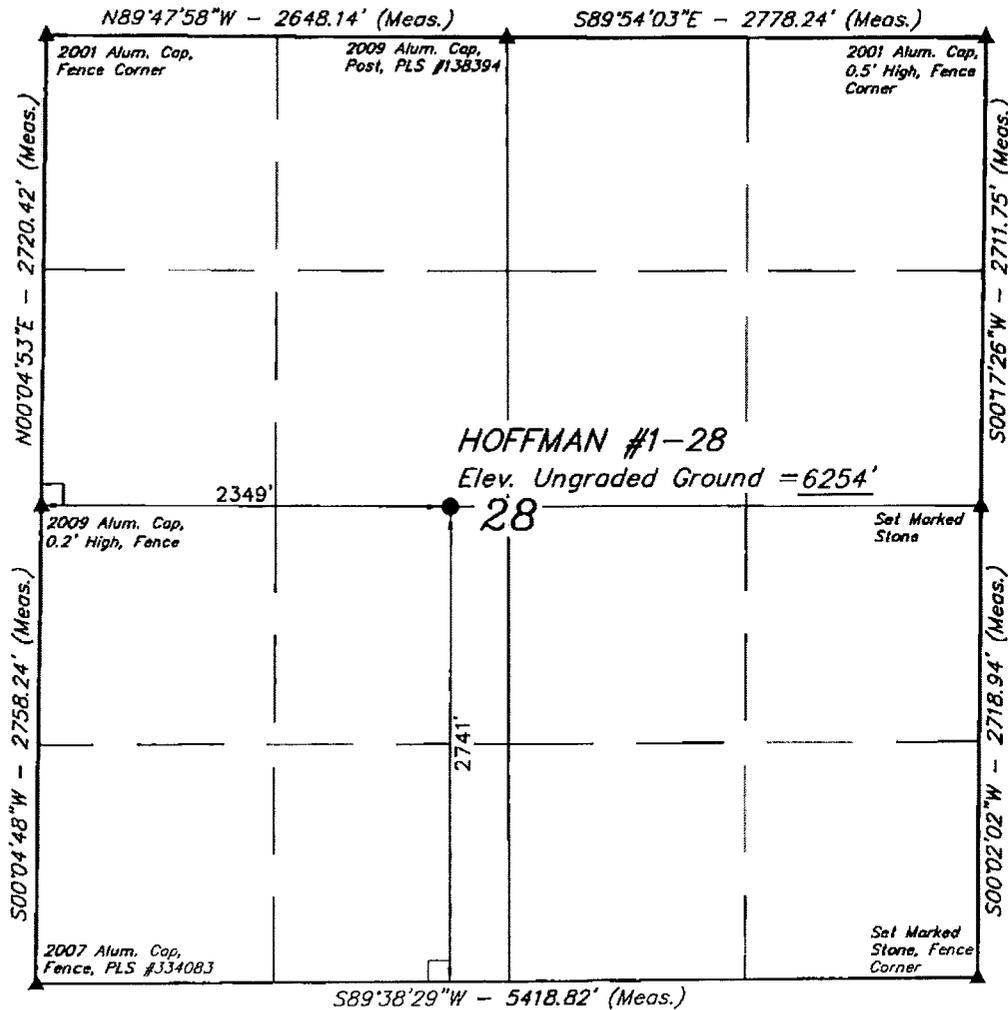


Exhibit "A"

S89°38'29"W - 5418.82' (Meas.)

LEGEND:

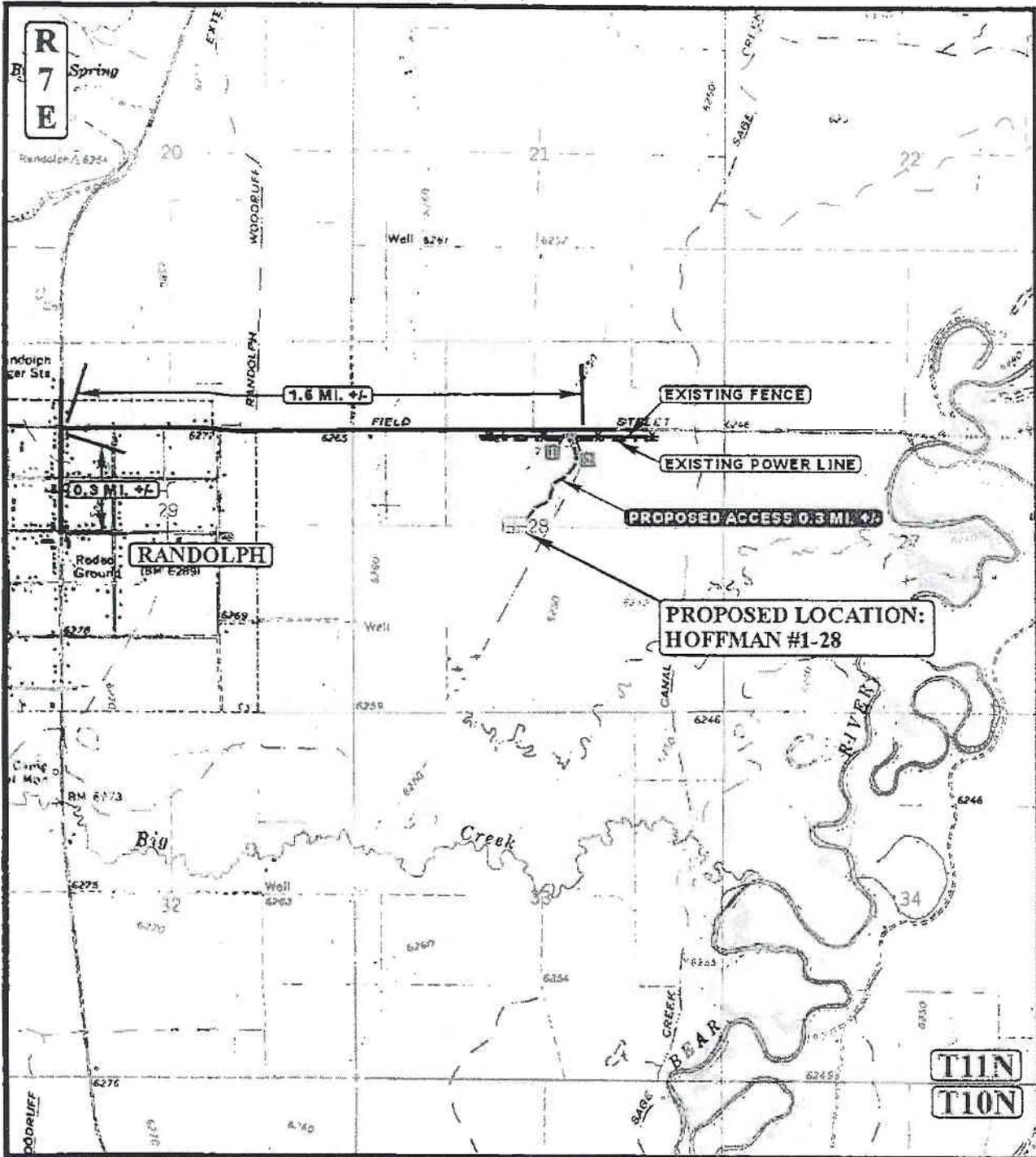
- └─┘ = 90° SYMBOL
- = PROPOSED WELL HEAD.
- ▲ = SECTION CORNERS LOCATED.

(NAD 83)
 LATITUDE = 41°39'56.91" (41.665808)
 LONGITUDE = 111°09'38.28" (111.160633)
 (NAD 27)
 LATITUDE = 41°39'57.12" (41.665867)
 LONGITUDE = 111°09'35.58" (111.159883)

UINTAH ENGINEERING & LAND SURVEYING
 85 SOUTH 200 EAST - VERNAL, UTAH 84078
 (435) 789-1017

SCALE 1" = 1000'	DATE SURVEYED: 07-30-09	DATE DRAWN: 08-03-09
PARTY B.B. D.R. S.L.	REFERENCES G.L.O. PLAT	
WEATHER WARM	FILE CTD, Inc.	

Exhibit "A"



LEGEND:

- EXISTING ROAD
- PROPOSED ACCESS ROAD
- EXISTING POWER LINE
- EXISTING FENCE
- 18' CMP REQUIRED
- INSTALL CATTLE GUARD



CTD, Inc.

HOFFMAN #1-28
SECTION 28, T11N, R7E, S1B&M
2741' FSL 2349' FWL



Utah Engineering & Land Surveying
 85 South 200 East Vernal, Utah 84079
 (435) 789-1017 - FAX (435) 789-1813

TOPOGRAPHIC
MAP

08 03 09
 MONTH DAY YEAR

B
TOPO

SCALE: 1" = 2000' DRAWN BY: Z.L. REVISED: 00-00-00

CTD, Inc.
HOFFMAN #1-28
 LOCATED IN RICH COUNTY, UTAH
 SECTION 28, T11N, R7E, S.L.B.&M.

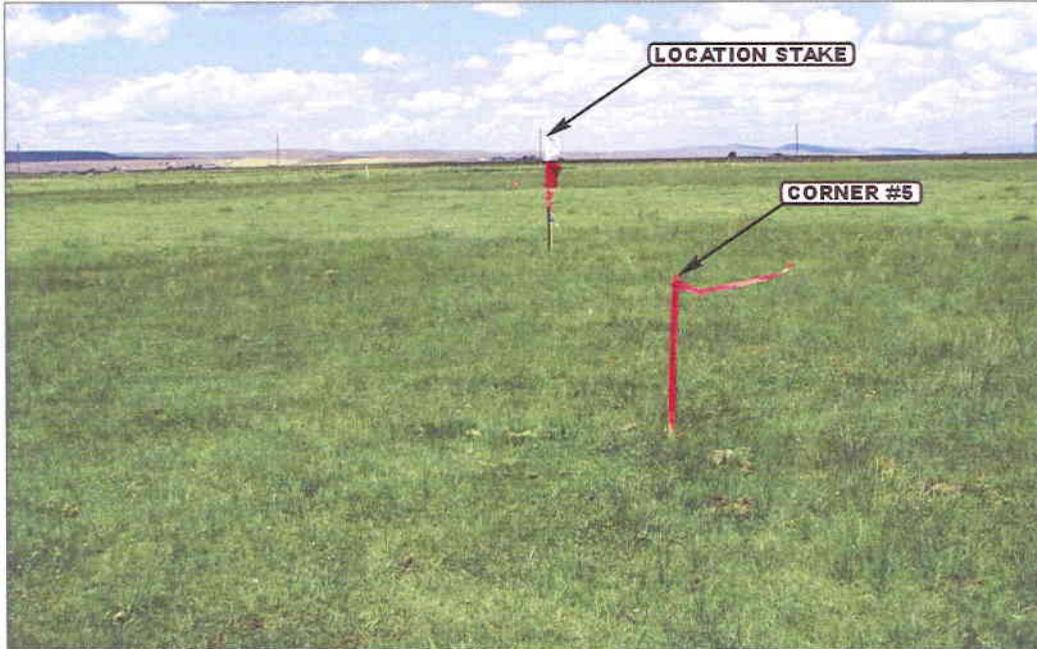


PHOTO: VIEW FROM CORNER #5 TO LOCATION STAKE

CAMERA ANGLE: NORTHERLY



PHOTO: VIEW FROM BEGINNING OF PROPOSED ACCESS

CAMERA ANGLE: SOUTHERLY



UELS Uintah Engineering & Land Surveying
 85 South 200 East Vernal, Utah 84078
 (435) 789-1017 * FAX (435) 789-1813

LOCATION PHOTOS	08	03	09	PHOTO
	MONTH	DAY	YEAR	
TAKEN BY: B.B.	DRAWN BY: Z.L.	REVISED: 00-00-00		

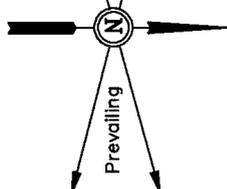
- Since 1964 -

CTD, Inc.

FIGURE #1

LOCATION LAYOUT FOR

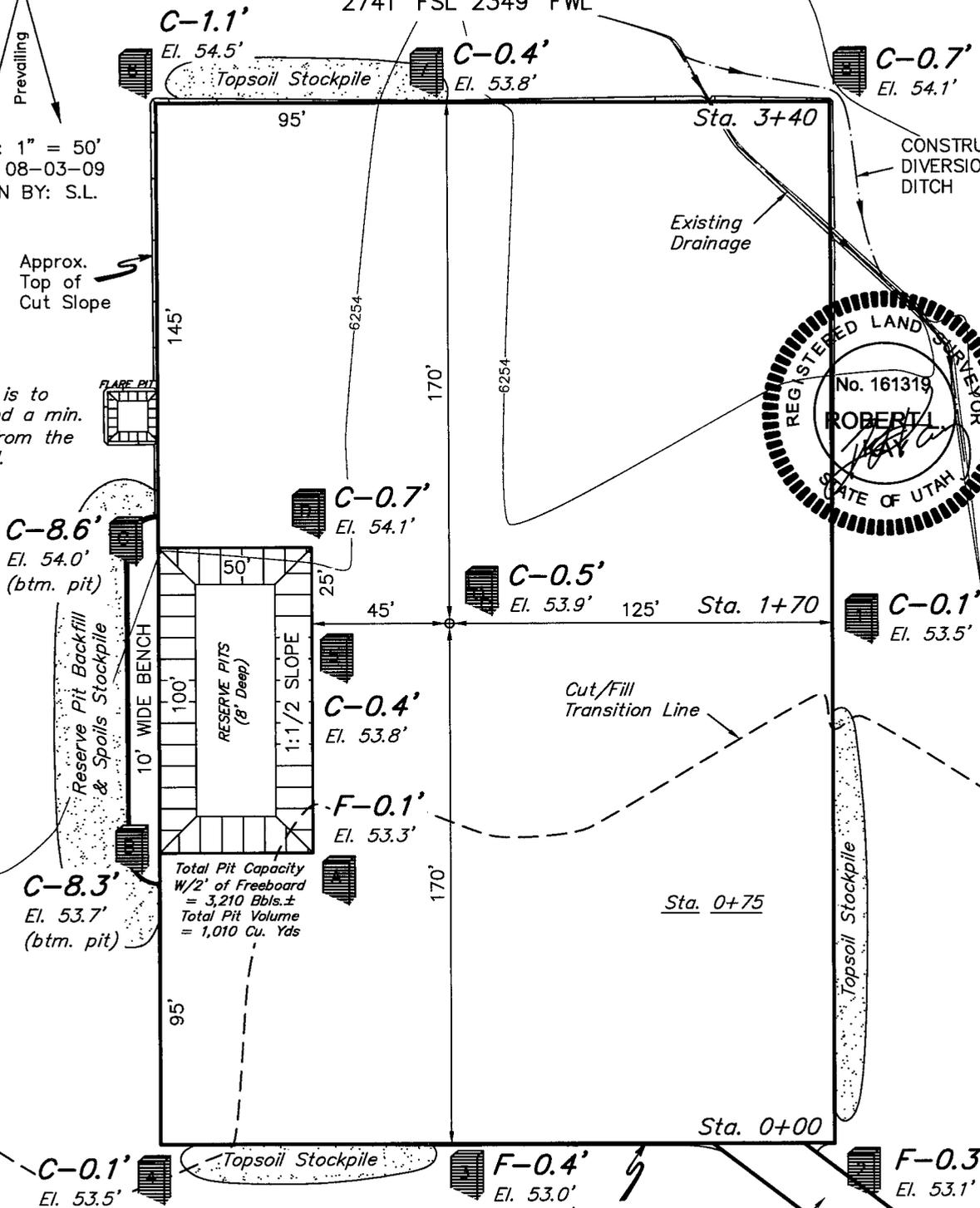
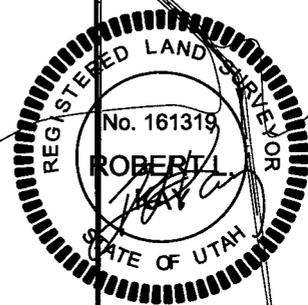
HOFFMAN #1-28
SECTION 28, T11N, R7E, S.L.B.&M.
2741' FSL 2349' FWL



SCALE: 1" = 50'
DATE: 08-03-09
DRAWN BY: S.L.

Approx. Top of Cut Slope

NOTE:
Flare Pit is to be located a min. of 100' from the Well Head.



Total Pit Capacity
W/2' of Freeboard
= 3,210 Bbls.±
Total Pit Volume
= 1,010 Cu. Yds

Approx. Toe of Fill Slope
Proposed Access Road

Elev. Ungraded Ground At Loc. Stake = 6253.9'
FINISHED GRADE ELEV. AT LOC. STAKE = 6253.4'

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CTD, Inc.

FIGURE #2

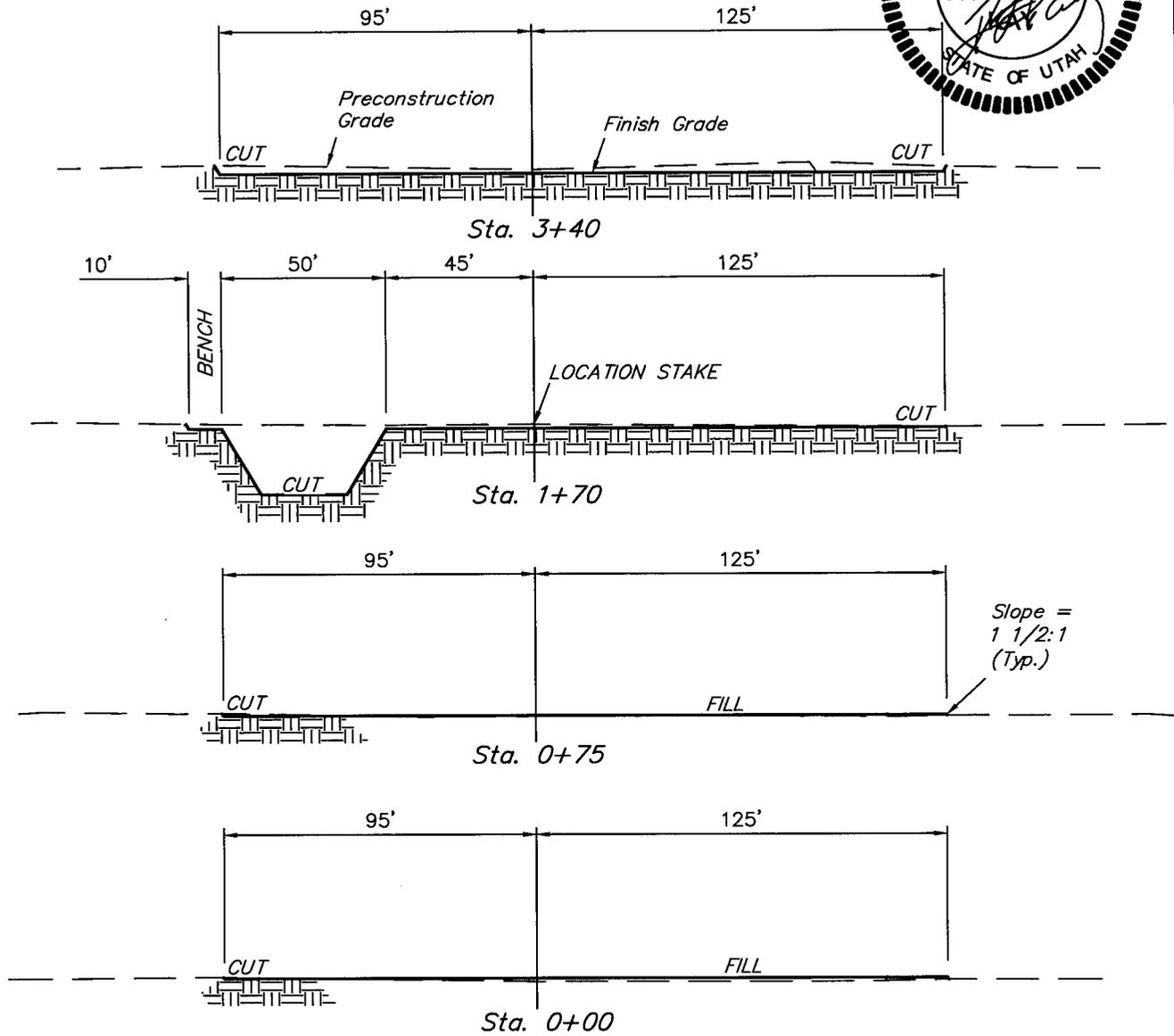
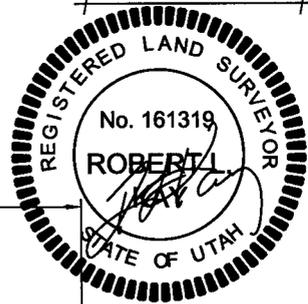
TYPICAL CROSS SECTION FOR

HOFFMAN #1-28

SECTION 28, T11N, R7E, S.L.B.&M.

2741' FSL 2349' FWL

1" = 20'
X-Section Scale
1" = 50'
DATE: 08-03-09
DRAWN BY: S.L.



NOTE:

Topsoil should not be Stripped Below Finished Grade on Substructure Area.

APPROXIMATE ACREAGES

WELL SITE DISTURBANCE = ± 1.931 ACRES
ACCESS ROAD DISTURBANCE = ± 1.143 ACRES
TOTAL = ± 3.074 ACRES

* NOTE:

FILL QUANTITY INCLUDES 5% FOR COMPACTION

APPROXIMATE YARDAGES

(6") Topsoil Stripping = 1,440 Cu. Yds.
Remaining Location = 1,260 Cu. Yds.
TOTAL CUT = 2,700 CU.YDS.
FILL = 750 CU.YDS.

EXCESS MATERIAL = 1,950 Cu. Yds.
Topsoil & Pit Backfill (1/2 Pit Vol.) = 1,950 Cu. Yds.
EXCESS UNBALANCE (After Interim Rehabilitation) = 0 Cu. Yds.

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CTD, Inc.

FIGURE #3

TYPICAL RIG LAYOUT FOR

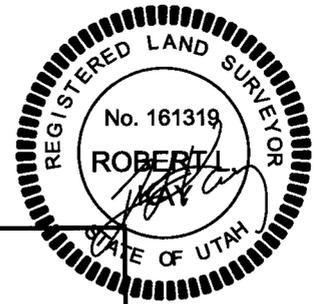
HOFFMAN #1-28

SECTION 28, T11N, R7E, S.L.B.&M.

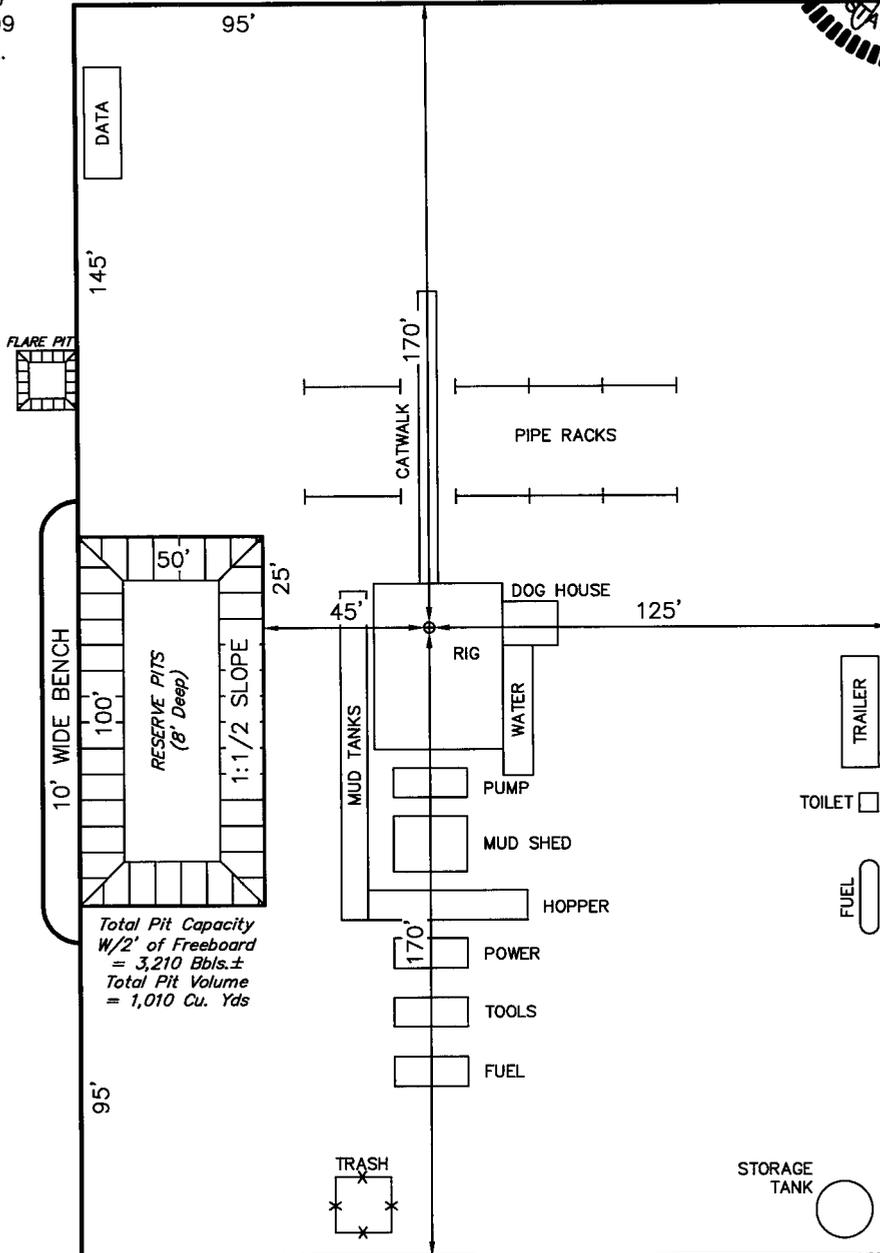
2741' FSL 2349' FWL



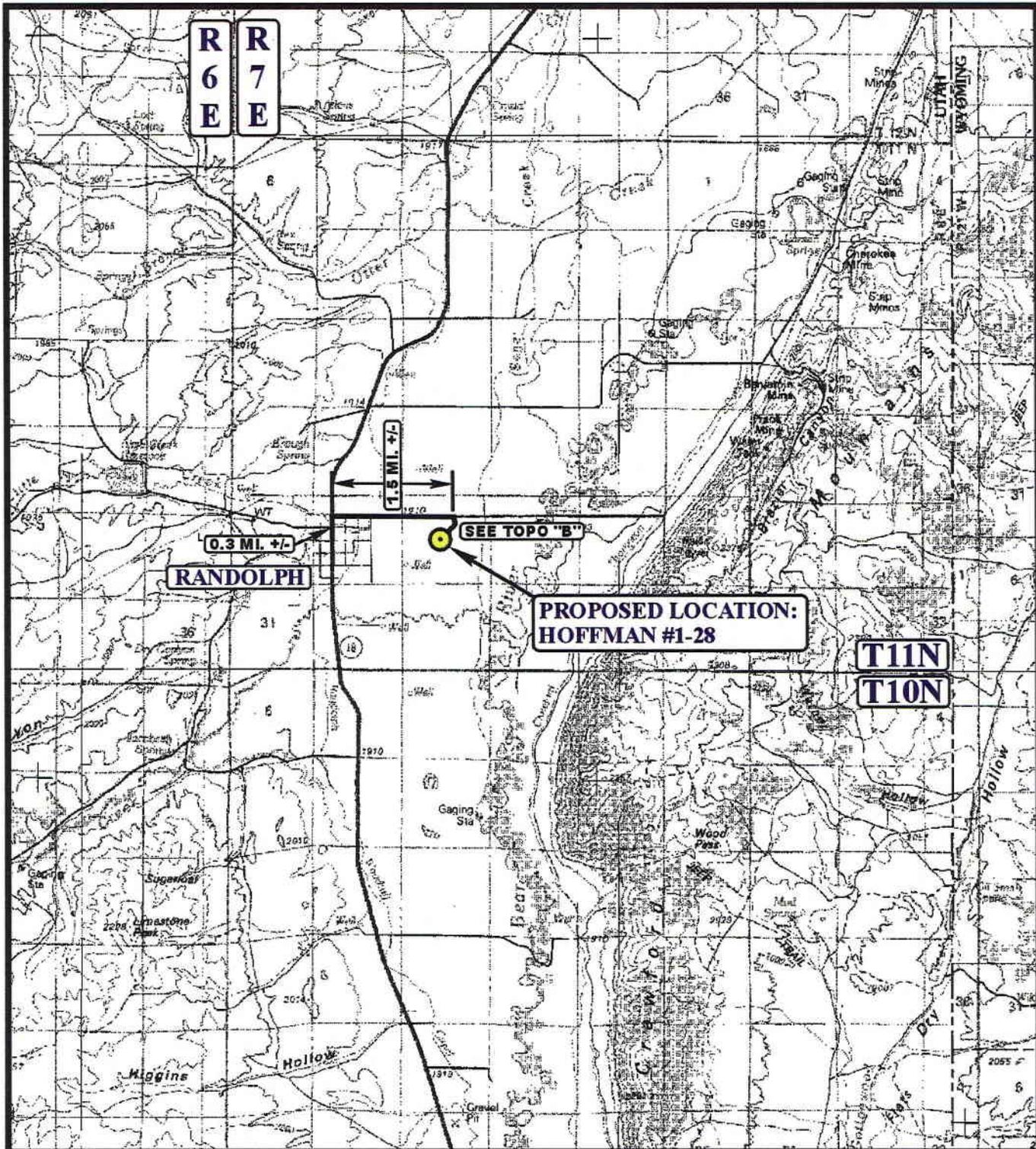
SCALE: 1" = 50'
DATE: 08-03-09
DRAWN BY: S.L.



NOTE:
Flare Pit is to be located a min. of 100' from the Well Head.



Total Pit Capacity
w/2' of Freeboard
= 3,210 Bbls.±
Total Pit Volume
= 1,010 Cu. Yds



LEGEND:

 PROPOSED LOCATION



CTD, Inc.

HOFFMAN #1-28
SECTION 28, T11N, R7E, S.L.B.&M.
2741' FSL 2349' FWL



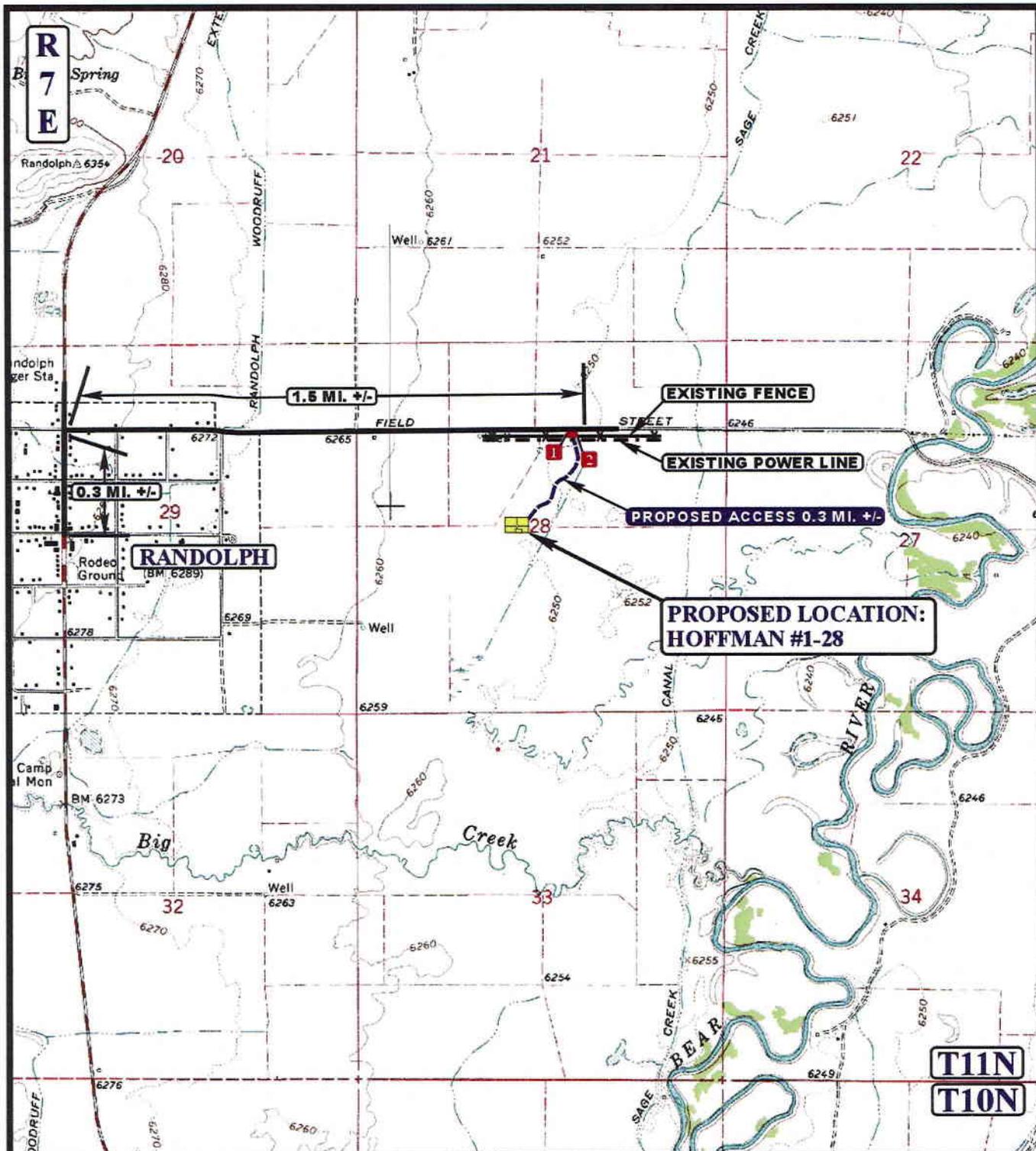
Uintah Engineering & Land Surveying
 85 South 200 East Vernal, Utah 84078
 (435) 789-1017 * FAX (435) 789-1813

TOPOGRAPHIC
MAP

08 03 09
 MONTH DAY YEAR



SCALE: 1:100,000 | DRAWN BY: Z.L. | REVISED: 00-00-00



LEGEND:

- EXISTING ROAD
- PROPOSED ACCESS ROAD
- EXISTING POWER LINE
- EXISTING FENCE
- 18" CMP REQUIRED
- INSTALL CATTLE GUARD

CTD, Inc.

HOFFMAN #1-28
SECTION 28, T11N, R7E, S.L.B.&M.
2741' FSL 2349' FWL

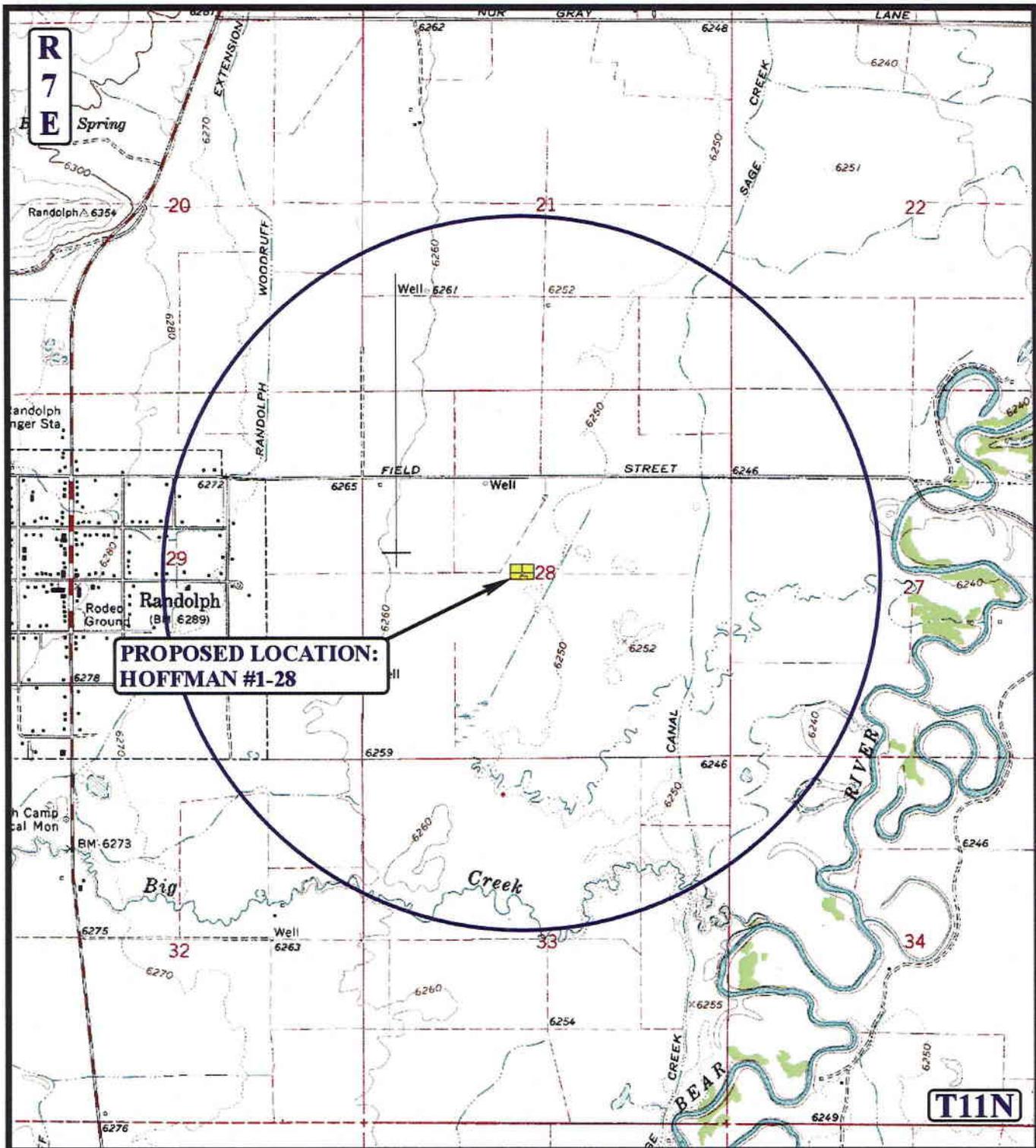


Uintah Engineering & Land Surveying
 85 South 200 East Vernal, Utah 84078
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TOPOGRAPHIC MAP **08 03 09**
 MONTH DAY YEAR
 SCALE: 1" = 2000' DRAWN BY: Z.L. REVISED: 00-00-00





**PROPOSED LOCATION:
HOFFMAN #1-28**

T11N

LEGEND:

- | | |
|-------------------|-------------------------|
| ⊗ DISPOSAL WELLS | ⊗ WATER WELLS |
| ● PRODUCING WELLS | ⊕ ABANDONED WELLS |
| ⊖ SHUT IN WELLS | ⊖ TEMPORARILY ABANDONED |



CTD, Inc.

**HOFFMAN #1-28
SECTION 28, T11N, R7E, S.L.B.&M.
2741' FSL 2349' FWL**

UEIS
Uintah Engineering & Land Surveying
 85 South 200 East Vernal, Utah 84078
 (435) 789-1017 * FAX (435) 789-1813

TOPOGRAPHIC MAP **08 03 09**
 MONTH DAY YEAR
 SCALE: 1" = 2000' DRAWN BY: Z.L. REVISED: 00-00-00





GARY R. HERBERT
Governor

GREGORY S. BELL
Lieutenant Governor

State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA
Division Director

December 29, 2009

CTD, Inc
3355 North Five Mile Rd, #334
Boise, ID 83713-3925

Re: Hoffman 1-28 Well, 2741' FSL, 2349' FWL, NE SW, Sec. 28, T. 11 North, R. 7 East,
Rich County, Utah

CTD, Inc:

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

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

This approval shall expire one year from the above date unless substantial and continuous operation is underway, or a request for extension is made prior to the expiration date. The API identification number assigned to this well is 43-033-30070.

Sincerely,


for Gil Hunt
Associate Director

js
Enclosures
cc: Rich County Assessor

5) Reporting Requirements:

All reports, forms and submittals as required by the Utah Oil and Gas Conservation General Rules will be promptly filed with the Division of Oil, Gas and Mining, including but not limited to:

- Entity Action Form (Form 6) – due within 5 days of spudding the well
 - Monthly Status Report (Form 9) – due by 5th day of the following calendar month
 - Requests to Change Plans (Form 9) – due prior to implementation
 - Written Notice of Emergency Changes (Form 9) – due within 5 days
 - Notice of Operations Suspension or Resumption (Form 9) – due prior to implementation
 - Report of Water Encountered (Form 7) – due within 30 days after completion
 - Well Completion Report (Form 8) – due within 30 days after completion or plugging
- 6) Compliance with the Conditions of Approval/Application for Permit to Drill outlined in the Statement of Basis. (Copy Attached)
- 7) The Application for Permit to Drill has been forwarded to the Resource Development Coordinating Committee for review of this action. You will be required to comply with any applicable recommendations resulting from this review.
- 8) 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
OPERATOR CHANGE WORKSHEET (for state use only)

ROUTING

1. DJJ
2. CDW

X - Change of Operator (Well Sold)

Operator Name Change/Merger

The operator of the well(s) listed below has changed, effective:

8/1/2010

FROM: (Old Operator): N3605-CTD, Inc. 3355 N Five Mile Rd, Suite 334 Boise, ID 83713-3925 Phone: 1 (303) 893-5073	TO: (New Operator): N2165-Bill Barrett Corporation 1099 18th St, Suite 2300 Denver, CO 80202 Phone: 1 (303) 312-8134
--	--

CA No.

Unit:

WELL NAME	SEC	TWN	RNG	API NO	ENTITY NO	LEASE TYPE	WELL TYPE	WELL STATUS	
CIRCLE 7 RANCH 1-22	22	110N	070E	4303330069		Fee	GW	APD	C
HOFFMAN 1-28	28	110N	070E	4303330070		Fee	GW	APD	C
MCKINNON 33-32-11-7	32	110N	070E	4303330071	17540	Fee	GW	DRL	C

OPERATOR CHANGES DOCUMENTATION

Enter date after each listed item is completed

- (R649-8-10) Sundry or legal documentation was received from the **FORMER** operator on: 8/2/2010
- (R649-8-10) Sundry or legal documentation was received from the **NEW** operator on: 8/2/2010
- The new company was checked on the **Department of Commerce, Division of Corporations Database** on: 6/7/2010
- Is the new operator registered in the State of Utah: Business Number: 5239043-0143
- (R649-9-2) Waste Management Plan has been received on: IN PLACE
- Inspections of LA PA state/fee well sites complete on: n/a
- Reports current for Production/Disposition & Sundries on: ok
- Federal and Indian Lease Wells:** The BLM and or the BIA has approved the merger, name change, or operator change for all wells listed on Federal or Indian leases on: BLM n/a BIA not yet
- Federal and Indian Units:**
The BLM or BIA has approved the successor of unit operator for wells listed on: n/a
- Federal and Indian Communization Agreements ("CA"):**
The BLM or BIA has approved the operator for all wells listed within a CA on: n/a
- Underground Injection Control ("UIC")** approved UIC Form 5, **Transfer of Authority to Inject**, for the enhanced/secondary recovery unit/project for the water disposal well(s) listed on: n/a

DATA ENTRY:

- Changes entered in the **Oil and Gas Database** on: 8/12/2010
- Changes have been entered on the **Monthly Operator Change Spread Sheet** on: 8/12/2010
- Bond information entered in RBDMS on: 8/12/2010
- Fee/State wells attached to bond in RBDMS on: 8/12/2010
- Injection Projects to new operator in RBDMS on: n/a
- Receipt of Acceptance of Drilling Procedures for APD/New on: 8/12/2010

BOND VERIFICATION:

- Federal well(s) covered by Bond Number: n/a
- Indian well(s) covered by Bond Number:
- (R649-3-1) The **NEW** operator of any state/fee well(s) listed covered by Bond Number LPM4138148
- The **FORMER** operator has requested a release of liability from their bond on: 7/29/2010

LEASE INTEREST OWNER NOTIFICATION:

- (R649-2-10) The **NEW** operator of the fee wells has been contacted and informed by a letter from the Division of their responsibility to notify all interest owners of this change on: 8/12/2010

COMMENTS:

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

FORM 9

SUNDRY NOTICES AND REPORTS ON WELLS

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

1. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER _____		5. LEASE DESIGNATION AND SERIAL NUMBER: Fee
2. NAME OF OPERATOR: Bill Barrett Corporation <u>N2165</u>		6. IF INDIAN, ALLOTTEE OR TRIBE NAME: N/A
3. ADDRESS OF OPERATOR: 1099 18th St, Suite 230 <small>CITY</small> Denver <small>STATE</small> CO <small>ZIP</small> 80202		7. UNIT or CA AGREEMENT NAME: N/A
PHONE NUMBER: (303) 312-8134		8. WELL NAME and NUMBER: Hoffman 1-28
4. LOCATION OF WELL FOOTAGES AT SURFACE: 2741' FSL, 2349' FWL		9. API NUMBER: 4303330070
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NESW 28 11N 7E		10. FIELD AND POOL, OR WILDCAT: Wildcat
COUNTY: Rich		STATE: UTAH

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

TYPE OF SUBMISSION	TYPE OF ACTION		
<input checked="" type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: <u>8/1/2010</u>	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> REPERFORATE CURRENT FORMATION
	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> SIDETRACK TO REPAIR WELL
<input type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion:	<input type="checkbox"/> CASING REPAIR	<input type="checkbox"/> NEW CONSTRUCTION	<input type="checkbox"/> TEMPORARILY ABANDON
	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> TUBING REPAIR
	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> VENT OR FLARE
	<input type="checkbox"/> CHANGE WELL NAME	<input type="checkbox"/> PLUG BACK	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> PRODUCTION (START/RESUME)	<input type="checkbox"/> WATER SHUT-OFF
	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input checked="" type="checkbox"/> OTHER: <u>Change of Operator</u>
	<input type="checkbox"/> CONVERT WELL TYPE	<input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION	

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

BILL BARRETT CORPORATION IS SUBMITTING THIS SUNDRY AS NOTIFICATION THAT THE ABOVE-MENTIONED WELL WILL BE OPERATED BY BILL BARRETT CORPORATION (BOND # LPM 4138148) EFFECTIVE 8/1/2010. PLEASE REFER ALL FUTURE CORRESPONDENCE TO TRACEY FALLANG AT THE FOLLOWING ADDRESS:

Bill Barrett Corporation
1099 18th Street, Suite 2300
Denver, Colorado 80202
(303) 312-8134
(303) 291-0420 fax

Carol T. Davis Name (Please Print) President (Title)
CTD, Inc. (Operator N3605)
3355 N. Five Mile Rd, Boise, ID 83713 N3605
Carol J. Davis Signature July 29, 2010 (Date)

NAME (PLEASE PRINT) Tracey Fallang TITLE Regulatory Manager
SIGNATURE Tracey Fallang DATE 7/29/2010

(This space for State use only)

APPROVED 8/12/2010
Earlene Russell
Division of Oil, Gas and Mining
Earlene Russell, Engineering Technician

(See Instructions on Reverse Side)

RECEIVED
AUG 02 2010

DIV. OF OIL, GAS & MINING

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

Request to Transfer Application or Permit to Drill

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

Well name:	Hoffman 1-28
API number:	4303330070
Location:	Qtr-Qtr: NESW Section: 28 Township: 11N Range: 7E
Company that filed original application:	CTD, Inc.
Date original permit was issued:	12/29/2009
Company that permit was issued to:	CTD, Inc.

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

Following is a checklist of some items related to the application, which should be verified.	Yes	No
If located on private land, has the ownership changed?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<input type="checkbox"/> If so, has the surface agreement been updated?	<input type="checkbox"/>	<input type="checkbox"/>
Have any wells been drilled in the vicinity of the proposed well which would affect the spacing or siting requirements for this location?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Have there been any unit or other agreements put in place that could affect the permitting or operation of this proposed well?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Have there been any changes to the access route including ownership or right-of-way, which could affect the proposed location?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Has the approved source of water for drilling changed?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Have there been any physical changes to the surface location or access route which will require a change in plans from what was discussed at the onsite evaluation?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Is bonding still in place, which covers this proposed well? Bond No. <u>LPM 4138148</u>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

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

Name (please print) Tracey Fallang Title Regulatory Manager
 Signature *Tracey Fallang* Date 07/29/2010
 Representing (company name) Bill Barrett Corporation

RECEIVED
AUG 02 2010

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

STATE OF UTAH DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS, AND MINING	FORM 9 5. LEASE DESIGNATION AND SERIAL NUMBER: FEE
SUNDRY NOTICES AND REPORTS ON WELLS Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.	6. IF INDIAN, ALLOTTEE OR TRIBE NAME: 7. UNIT or CA AGREEMENT NAME:
1. TYPE OF WELL Gas Well	8. WELL NAME and NUMBER: HOFFMAN 1-28
2. NAME OF OPERATOR: BILL BARRETT CORP	9. API NUMBER: 43033300700000
3. ADDRESS OF OPERATOR: 1099 18th Street Ste 2300 , Denver, CO, 80202	PHONE NUMBER: 303 312-8164 Ext
4. LOCATION OF WELL FOOTAGES AT SURFACE: 2741 FSL 2349 FWL QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: Qtr/Qtr: NESW Section: 28 Township: 11.0N Range: 07.0E Meridian: S	9. FIELD and POOL or WILDCAT: WILDCAT COUNTY: RICH STATE: UTAH

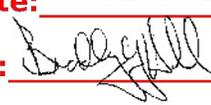
11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION		
<input checked="" type="checkbox"/> NOTICE OF INTENT Approximate date work will start: 7/1/2011	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> CASING REPAIR
<input type="checkbox"/> SUBSEQUENT REPORT Date of Work Completion:	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> CHANGE WELL NAME
<input type="checkbox"/> SPUD REPORT Date of Spud:	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> CONVERT WELL TYPE
<input type="checkbox"/> DRILLING REPORT Report Date:	<input type="checkbox"/> DEEPEN	<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 OR RESUME	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input type="checkbox"/> RECOMPLETE DIFFERENT FORMATION
	<input type="checkbox"/> REPERFORATE CURRENT FORMATION	<input type="checkbox"/> SIDETRACK TO REPAIR WELL	<input type="checkbox"/> TEMPORARY ABANDON
	<input type="checkbox"/> TUBING REPAIR	<input type="checkbox"/> VENT OR FLARE	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> WATER SHUTOFF	<input type="checkbox"/> SI TA STATUS EXTENSION	<input checked="" type="checkbox"/> APD EXTENSION
	<input type="checkbox"/> WILDCAT WELL DETERMINATION	<input type="checkbox"/> OTHER	OTHER: <input style="width: 100px;" type="text"/>

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

BBC is submitting this sundry to request that the APD which expires 12/29/2010 be renewed for a period of one year from its current expiration date.

Approved by the
 Utah Division of
 Oil, Gas and Mining

Date: 12/13/2010
 By: 

NAME (PLEASE PRINT) Brady Riley	PHONE NUMBER 303 312-8115	TITLE Permit Analyst
SIGNATURE N/A		DATE 12/7/2010



The Utah Division of Oil, Gas, and Mining

- State of Utah
- Department of Natural Resources

Electronic Permitting System - Sundry Notices

Request for Permit Extension Validation Well Number 43033300700000

API: 43033300700000

Well Name: HOFFMAN 1-28

Location: 2741 FSL 2349 FWL QTR NESW SEC 28 TWNP 110N RNG 070E MER S

Company Permit Issued to: BILL BARRETT CORP

Date Original Permit Issued: 12/29/2009

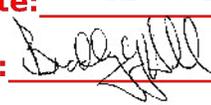
The undersigned as owner with legal rights to drill on the property as permitted above, hereby verifies that the information as submitted in the previously approved application to drill, remains valid and does not require revision. Following is a checklist of some items related to the application, which should be verified.

- If located on private land, has the ownership changed, if so, has the surface agreement been updated? Yes No
- Have any wells been drilled in the vicinity of the proposed well which would affect the spacing or siting requirements for this location? Yes No
- Has there been any unit or other agreements put in place that could affect the permitting or operation of this proposed well? Yes No
- Have there been any changes to the access route including ownership, or rightof- way, which could affect the proposed location? Yes No
- Has the approved source of water for drilling changed? Yes No
- Have there been any physical changes to the surface location or access route which will require a change in plans from what was discussed at the onsite evaluation? Yes No
- Is bonding still in place, which covers this proposed well? Yes No

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

Signature: Brady Riley **Date:** 12/7/2010
Title: Permit Analyst **Representing:** BILL BARRETT CORP

Date: 12/13/2010
By: 

STATE OF UTAH DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS, AND MINING		FORM 9
SUNDRY NOTICES AND REPORTS ON WELLS		5. LEASE DESIGNATION AND SERIAL NUMBER: FEE
Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.		6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
		7. UNIT or CA AGREEMENT NAME:
1. TYPE OF WELL Gas Well	8. WELL NAME and NUMBER: HOFFMAN 1-28	
2. NAME OF OPERATOR: BILL BARRETT CORP	9. API NUMBER: 43033300700000	
3. ADDRESS OF OPERATOR: 1099 18th Street Ste 2300 , Denver, CO, 80202	PHONE NUMBER: 303 312-8164 Ext	9. FIELD and POOL or WILDCAT: WILDCAT
4. LOCATION OF WELL FOOTAGES AT SURFACE: 2741 FSL 2349 FWL QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: Qtr/Qtr: NESW Section: 28 Township: 11.0N Range: 07.0E Meridian: S		COUNTY: RICH
		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 Approximate date work will start: 12/29/2011 <input type="checkbox"/> SUBSEQUENT REPORT Date of Work Completion: <input type="checkbox"/> SPUD REPORT Date of Spud: <input type="checkbox"/> DRILLING REPORT Report Date:	<input type="checkbox"/> ACIDIZE <input type="checkbox"/> CHANGE TO PREVIOUS PLANS <input type="checkbox"/> CHANGE WELL STATUS <input type="checkbox"/> DEEPEN <input type="checkbox"/> OPERATOR CHANGE <input type="checkbox"/> PRODUCTION START OR RESUME <input type="checkbox"/> REPERFORATE CURRENT FORMATION <input type="checkbox"/> TUBING REPAIR <input type="checkbox"/> WATER SHUTOFF <input type="checkbox"/> WILDCAT WELL DETERMINATION <input type="checkbox"/> ALTER CASING <input type="checkbox"/> CHANGE TUBING <input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS <input type="checkbox"/> FRACTURE TREAT <input type="checkbox"/> PLUG AND ABANDON <input type="checkbox"/> RECLAMATION OF WELL SITE <input type="checkbox"/> SIDETRACK TO REPAIR WELL <input type="checkbox"/> VENT OR FLARE <input type="checkbox"/> SI TA STATUS EXTENSION <input type="checkbox"/> OTHER	
	<input type="checkbox"/> CASING REPAIR <input type="checkbox"/> CHANGE WELL NAME <input type="checkbox"/> CONVERT WELL TYPE <input type="checkbox"/> NEW CONSTRUCTION <input type="checkbox"/> PLUG BACK <input type="checkbox"/> RECOMPLETE DIFFERENT FORMATION <input type="checkbox"/> TEMPORARY ABANDON <input type="checkbox"/> WATER DISPOSAL <input checked="" type="checkbox"/> APD EXTENSION OTHER: <input style="width: 100px;" type="text"/>	
12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.		
BBC is submitting this sundry to request that the APD which expires 12/29/2011 be renewed for a period of one year from its current expiration date.		
		Approved by the Utah Division of Oil, Gas and Mining Date: <u>12/08/2011</u> By: <u></u>
NAME (PLEASE PRINT) Brady Riley	PHONE NUMBER 303 312-8115	TITLE Permit Analyst
SIGNATURE N/A		DATE 12/5/2011



The Utah Division of Oil, Gas, and Mining

- State of Utah
- Department of Natural Resources

Electronic Permitting System - Sundry Notices

Request for Permit Extension Validation Well Number 43033300700000

API: 43033300700000

Well Name: HOFFMAN 1-28

Location: 2741 FSL 2349 FWL QTR NESW SEC 28 TWNP 110N RNG 070E MER S

Company Permit Issued to: BILL BARRETT CORP

Date Original Permit Issued: 12/29/2009

The undersigned as owner with legal rights to drill on the property as permitted above, hereby verifies that the information as submitted in the previously approved application to drill, remains valid and does not require revision. Following is a checklist of some items related to the application, which should be verified.

- If located on private land, has the ownership changed, if so, has the surface agreement been updated? Yes No

- Have any wells been drilled in the vicinity of the proposed well which would affect the spacing or siting requirements for this location? Yes No

- Has there been any unit or other agreements put in place that could affect the permitting or operation of this proposed well? Yes No

- Have there been any changes to the access route including ownership, or rightof- way, which could affect the proposed location? Yes No

- Has the approved source of water for drilling changed? Yes No

- Have there been any physical changes to the surface location or access route which will require a change in plans from what was discussed at the onsite evaluation? Yes No

- Is bonding still in place, which covers this proposed well? Yes No

Signature: Brady Riley

Date: 12/5/2011

Title: Permit Analyst **Representing:** BILL BARRETT CORP

STATE OF UTAH DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS, AND MINING		FORM 9	
SUNDRY NOTICES AND REPORTS ON WELLS		5. LEASE DESIGNATION AND SERIAL NUMBER: FEE	
Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.		6. IF INDIAN, ALLOTTEE OR TRIBE NAME:	
		7. UNIT or CA AGREEMENT NAME:	
1. TYPE OF WELL Gas Well		8. WELL NAME and NUMBER: HOFFMAN 1-28	
2. NAME OF OPERATOR: BILL BARRETT CORP		9. API NUMBER: 43033300700000	
3. ADDRESS OF OPERATOR: 1099 18th Street Ste 2300 , Denver, CO, 80202	PHONE NUMBER: 303 312-8164 Ext	9. FIELD and POOL or WILDCAT: WILDCAT	
4. LOCATION OF WELL FOOTAGES AT SURFACE: 2741 FSL 2349 FWL QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: Qtr/Qtr: NESW Section: 28 Township: 11.0N Range: 07.0E Meridian: S		COUNTY: RICH	
		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 Approximate date work will start: 12/29/2011 <input type="checkbox"/> SUBSEQUENT REPORT Date of Work Completion: <input type="checkbox"/> SPUD REPORT Date of Spud: <input type="checkbox"/> DRILLING REPORT Report Date:	<input type="checkbox"/> ACIDIZE <input type="checkbox"/> CHANGE TO PREVIOUS PLANS <input type="checkbox"/> CHANGE WELL STATUS <input type="checkbox"/> DEEPEN <input type="checkbox"/> OPERATOR CHANGE <input type="checkbox"/> PRODUCTION START OR RESUME <input type="checkbox"/> REPERFORATE CURRENT FORMATION <input type="checkbox"/> TUBING REPAIR <input type="checkbox"/> WATER SHUTOFF <input type="checkbox"/> WILDCAT WELL DETERMINATION	<input type="checkbox"/> ALTER CASING <input type="checkbox"/> CHANGE TUBING <input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS <input type="checkbox"/> FRACTURE TREAT <input type="checkbox"/> PLUG AND ABANDON <input type="checkbox"/> RECLAMATION OF WELL SITE <input type="checkbox"/> SIDETRACK TO REPAIR WELL <input type="checkbox"/> VENT OR FLARE <input type="checkbox"/> SI TA STATUS EXTENSION <input type="checkbox"/> OTHER	<input type="checkbox"/> CASING REPAIR <input type="checkbox"/> CHANGE WELL NAME <input type="checkbox"/> CONVERT WELL TYPE <input type="checkbox"/> NEW CONSTRUCTION <input type="checkbox"/> PLUG BACK <input type="checkbox"/> RECOMPLETE DIFFERENT FORMATION <input type="checkbox"/> TEMPORARY ABANDON <input type="checkbox"/> WATER DISPOSAL <input checked="" type="checkbox"/> APD EXTENSION OTHER: <input style="width: 50px;" type="text"/>
12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.			
BBC is submitting this sundry to request that the APD which expires 12/29/2011 be renewed for a period of one year from its current expiration date.			
			Approved by the Utah Division of Oil, Gas and Mining
			Date: <u>12/08/2011</u>
			By: <u></u>
NAME (PLEASE PRINT) Brady Riley	PHONE NUMBER 303 312-8115	TITLE Permit Analyst	
SIGNATURE N/A		DATE 12/5/2011	



The Utah Division of Oil, Gas, and Mining

- State of Utah
- Department of Natural Resources

Electronic Permitting System - Sundry Notices

Request for Permit Extension Validation Well Number 43033300700000

API: 43033300700000

Well Name: HOFFMAN 1-28

Location: 2741 FSL 2349 FWL QTR NESW SEC 28 TWNP 110N RNG 070E MER S

Company Permit Issued to: BILL BARRETT CORP

Date Original Permit Issued: 12/29/2009

The undersigned as owner with legal rights to drill on the property as permitted above, hereby verifies that the information as submitted in the previously approved application to drill, remains valid and does not require revision. Following is a checklist of some items related to the application, which should be verified.

- If located on private land, has the ownership changed, if so, has the surface agreement been updated? Yes No

- Have any wells been drilled in the vicinity of the proposed well which would affect the spacing or siting requirements for this location? Yes No

- Has there been any unit or other agreements put in place that could affect the permitting or operation of this proposed well? Yes No

- Have there been any changes to the access route including ownership, or rightof- way, which could affect the proposed location? Yes No

- Has the approved source of water for drilling changed? Yes No

- Have there been any physical changes to the surface location or access route which will require a change in plans from what was discussed at the onsite evaluation? Yes No

- Is bonding still in place, which covers this proposed well? Yes No

Signature: Brady Riley

Date: 12/5/2011

Title: Permit Analyst **Representing:** BILL BARRETT CORP

STATE OF UTAH DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS, AND MINING		FORM 9	
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		7. UNIT or CA AGREEMENT NAME:	
1. TYPE OF WELL Gas Well	8. WELL NAME and NUMBER: HOFFMAN 1-28		
2. NAME OF OPERATOR: BILL BARRETT CORP	9. API NUMBER: 43033300700000		
3. ADDRESS OF OPERATOR: 1099 18th Street Ste 2300 , Denver, CO, 80202	PHONE NUMBER: 303 312-8164 Ext	9. FIELD and POOL or WILDCAT: WILDCAT	
4. LOCATION OF WELL FOOTAGES AT SURFACE: 2741 FSL 2349 FWL QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: Qtr/Qtr: NESW Section: 28 Township: 11.0N Range: 07.0E Meridian: S		COUNTY: RICH	
		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 Approximate date work will start: 12/29/2011 <input type="checkbox"/> SUBSEQUENT REPORT Date of Work Completion: <input type="checkbox"/> SPUD REPORT Date of Spud: <input type="checkbox"/> DRILLING REPORT Report Date:	<input type="checkbox"/> ACIDIZE <input type="checkbox"/> CHANGE TO PREVIOUS PLANS <input type="checkbox"/> CHANGE WELL STATUS <input type="checkbox"/> DEEPEN <input type="checkbox"/> OPERATOR CHANGE <input type="checkbox"/> PRODUCTION START OR RESUME <input type="checkbox"/> REPERFORATE CURRENT FORMATION <input type="checkbox"/> TUBING REPAIR <input type="checkbox"/> WATER SHUTOFF <input type="checkbox"/> WILDCAT WELL DETERMINATION	<input type="checkbox"/> ALTER CASING <input type="checkbox"/> CHANGE TUBING <input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS <input type="checkbox"/> FRACTURE TREAT <input type="checkbox"/> PLUG AND ABANDON <input type="checkbox"/> RECLAMATION OF WELL SITE <input type="checkbox"/> SIDETRACK TO REPAIR WELL <input type="checkbox"/> VENT OR FLARE <input type="checkbox"/> SI TA STATUS EXTENSION <input type="checkbox"/> OTHER	<input type="checkbox"/> CASING REPAIR <input type="checkbox"/> CHANGE WELL NAME <input type="checkbox"/> CONVERT WELL TYPE <input type="checkbox"/> NEW CONSTRUCTION <input type="checkbox"/> PLUG BACK <input type="checkbox"/> RECOMPLETE DIFFERENT FORMATION <input type="checkbox"/> TEMPORARY ABANDON <input type="checkbox"/> WATER DISPOSAL <input checked="" type="checkbox"/> APD EXTENSION OTHER: <input style="width: 50px;" type="text"/>
12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.			
BBC is submitting this sundry to request that the APD which expires 12/29/2011 be renewed for a period of one year from its current expiration date.			
			Approved by the Utah Division of Oil, Gas and Mining
			Date: <u>12/08/2011</u>
			By: <u></u>
NAME (PLEASE PRINT) Brady Riley	PHONE NUMBER 303 312-8115	TITLE Permit Analyst	
SIGNATURE N/A		DATE 12/5/2011	



The Utah Division of Oil, Gas, and Mining

- State of Utah
- Department of Natural Resources

Electronic Permitting System - Sundry Notices

Request for Permit Extension Validation Well Number 43033300700000

API: 43033300700000

Well Name: HOFFMAN 1-28

Location: 2741 FSL 2349 FWL QTR NESW SEC 28 TWNP 110N RNG 070E MER S

Company Permit Issued to: BILL BARRETT CORP

Date Original Permit Issued: 12/29/2009

The undersigned as owner with legal rights to drill on the property as permitted above, hereby verifies that the information as submitted in the previously approved application to drill, remains valid and does not require revision. Following is a checklist of some items related to the application, which should be verified.

- If located on private land, has the ownership changed, if so, has the surface agreement been updated? Yes No

- Have any wells been drilled in the vicinity of the proposed well which would affect the spacing or siting requirements for this location? Yes No

- Has there been any unit or other agreements put in place that could affect the permitting or operation of this proposed well? Yes No

- Have there been any changes to the access route including ownership, or rightof- way, which could affect the proposed location? Yes No

- Has the approved source of water for drilling changed? Yes No

- Have there been any physical changes to the surface location or access route which will require a change in plans from what was discussed at the onsite evaluation? Yes No

- Is bonding still in place, which covers this proposed well? Yes No

Signature: Brady Riley

Date: 12/5/2011

Title: Permit Analyst **Representing:** BILL BARRETT CORP

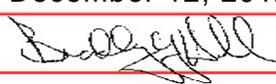
STATE OF UTAH DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS, AND MINING	FORM 9
SUNDRY NOTICES AND REPORTS ON WELLS Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.	5. LEASE DESIGNATION AND SERIAL NUMBER: FEE
	6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
	7. UNIT or CA AGREEMENT NAME:
1. TYPE OF WELL Gas Well	8. WELL NAME and NUMBER: HOFFMAN 1-28
2. NAME OF OPERATOR: BILL BARRETT CORP	9. API NUMBER: 43033300700000
3. ADDRESS OF OPERATOR: 1099 18th Street Ste 2300 , Denver, CO, 80202	PHONE NUMBER: 303 312-8164 Ext
4. LOCATION OF WELL FOOTAGES AT SURFACE: 2741 FSL 2349 FWL QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: Qtr/Qtr: NESW Section: 28 Township: 11.0N Range: 07.0E Meridian: S	9. FIELD and POOL or WILDCAT: WILDCAT
	COUNTY: RICH
	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 Approximate date work will start: 12/29/2012	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> CASING REPAIR
<input type="checkbox"/> SUBSEQUENT REPORT Date of Work Completion:	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> CHANGE WELL NAME
<input type="checkbox"/> SPUD REPORT Date of Spud:	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> CONVERT WELL TYPE
<input type="checkbox"/> DRILLING REPORT Report Date:	<input type="checkbox"/> DEEPEN	<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 OR RESUME	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input type="checkbox"/> RECOMPLETE DIFFERENT FORMATION
	<input type="checkbox"/> REPERFORATE CURRENT FORMATION	<input type="checkbox"/> SIDETRACK TO REPAIR WELL	<input type="checkbox"/> TEMPORARY ABANDON
	<input type="checkbox"/> TUBING REPAIR	<input type="checkbox"/> VENT OR FLARE	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> WATER SHUTOFF	<input type="checkbox"/> SI TA STATUS EXTENSION	<input checked="" type="checkbox"/> APD EXTENSION
	<input type="checkbox"/> WILDCAT WELL DETERMINATION	<input type="checkbox"/> OTHER	OTHER: <input style="width: 100px;" type="text"/>

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

BBC is submitting this sundry to request that the APD which expires 12/29/2012 be renewed for a period of one year from its current expiration date due to a change in the drilling plan.

Approved by the Utah Division of Oil, Gas and Mining
Date: December 12, 2012
By: 

NAME (PLEASE PRINT) Brady Riley	PHONE NUMBER 303 312-8115	TITLE Permit Analyst
SIGNATURE N/A	DATE 12/3/2012	



The Utah Division of Oil, Gas, and Mining

- State of Utah
- Department of Natural Resources

Electronic Permitting System - Sundry Notices

Request for Permit Extension Validation Well Number 43033300700000

API: 43033300700000

Well Name: HOFFMAN 1-28

Location: 2741 FSL 2349 FWL QTR NESW SEC 28 TWP 110N RNG 070E MER S

Company Permit Issued to: BILL BARRETT CORP

Date Original Permit Issued: 12/29/2009

The undersigned as owner with legal rights to drill on the property as permitted above, hereby verifies that the information as submitted in the previously approved application to drill, remains valid and does not require revision. Following is a checklist of some items related to the application, which should be verified.

- If located on private land, has the ownership changed, if so, has the surface agreement been updated? Yes No
- Have any wells been drilled in the vicinity of the proposed well which would affect the spacing or siting requirements for this location? Yes No
- Has there been any unit or other agreements put in place that could affect the permitting or operation of this proposed well? Yes No
- Have there been any changes to the access route including ownership, or rightof- way, which could affect the proposed location? Yes No
- Has the approved source of water for drilling changed? Yes No
- Have there been any physical changes to the surface location or access route which will require a change in plans from what was discussed at the onsite evaluation? Yes No
- Is bonding still in place, which covers this proposed well? Yes No

Signature: Brady Riley

Date: 12/3/2012

Title: Permit Analyst Representing: BILL BARRETT CORP



GARY R. HERBERT
Governor

SPENCER J. COX
Lieutenant Governor

State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA
Division Director

January 9, 2014

Bill Barrett Corp.
1099 18TH Street, Suite 2300
Denver, CO 80202

Re: APD Rescinded – Hoffman 1-28, Sec. 28 T.11N, R.7E
Rich County, Utah API No. 43-033-30070

Ladies and Gentlemen:

The Application for Permit to Drill (APD) for the subject well was approved by the Division of Oil, Gas and Mining (Division) on December 29, 2009. On December 13, 2010, December 8, 2011 and December 12, 2012 the Division granted a one-year APD extension. No drilling activity at this location has been reported to the division. Therefore, approval to drill the well is hereby rescinded, effective January 9, 2014.

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

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

Sincerely,


Diana Mason
Environmental Scientist

cc: Well File
Brad Hill, Technical Service Manager