

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

DIV. OF OIL, GAS & MINING AMENDED REPORT
(highlight changes)

001

APPLICATION FOR PERMIT TO DRILL			5. MINERAL LEASE NO: U-76592	6. SURFACE: Federal
1A. TYPE OF WORK: DRILL <input checked="" type="checkbox"/> REENTER <input type="checkbox"/> DEEPEN <input type="checkbox"/>			7. IF INDIAN, ALLOTTEE OR TRIBE NAME: N/A	
B. TYPE OF WELL: OIL <input checked="" type="checkbox"/> GAS <input type="checkbox"/> OTHER _____ SINGLE ZONE <input type="checkbox"/> MULTIPLE ZONE <input checked="" type="checkbox"/>			8. UNIT or CA AGREEMENT NAME: N/A <u>WU80900</u>	
2. NAME OF OPERATOR: Miller, Dyer & Co., LLC			9. WELL NAME and NUMBER: Hatch Point 2-24-29-22	
3. ADDRESS OF OPERATOR: 475 17th St Suite 1200 CITY Denver STATE CO ZIP 80202			PHONE NUMBER: (303) 292-0949	10. FIELD AND POOL, OR WILDCAT: Undesignated <u>Wildcat</u>
4. LOCATION OF WELL (FOOTAGES) AT SURFACE: 1980 FEL 660 FNL AT PROPOSED PRODUCING ZONE: SAME			11. QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NWNE 24 29S 22E S	
14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE: See Topo Map "A" (Attached)			12. COUNTY: San Juan	13. STATE: UTAH
15. DISTANCE TO NEAREST PROPERTY OR LEASE LINE (FEET) 660	16. NUMBER OF ACRES IN LEASE: 1921	17. NUMBER OF ACRES ASSIGNED TO THIS WELL: 40		
18. DISTANCE TO NEAREST WELL (DRILLING, COMPLETED, OR APPLIED FOR) ON THIS LEASE (FEET) N/A	19. PROPOSED DEPTH: 7,800	20. BOND DESCRIPTION: RLB0008085		
21. ELEVATIONS (SHOW WHETHER DF, RT, GR, ETC.): 5686' GL	22. APPROXIMATE DATE WORK WILL START: 7/1/2005	23. ESTIMATED DURATION: 1 Month		

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" K-55 36#	1,500	Class G & Prem Lite II	422 sacks	2.28 & 1.17	12 & 15.8
7-7/8"	5-1/2" N-80 17# & 20#	7,800	Class G & Prem Lite II	1089 sacks	2.28 & 1.17	12 & 15.8

25. ATTACHMENTS

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

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

NAME (PLEASE PRINT) Jeff Lang TITLE Vice President of Operations
 SIGNATURE [Signature] DATE 5/27/05

(This space for State use only)

API NUMBER ASSIGNED: 43-037-31775

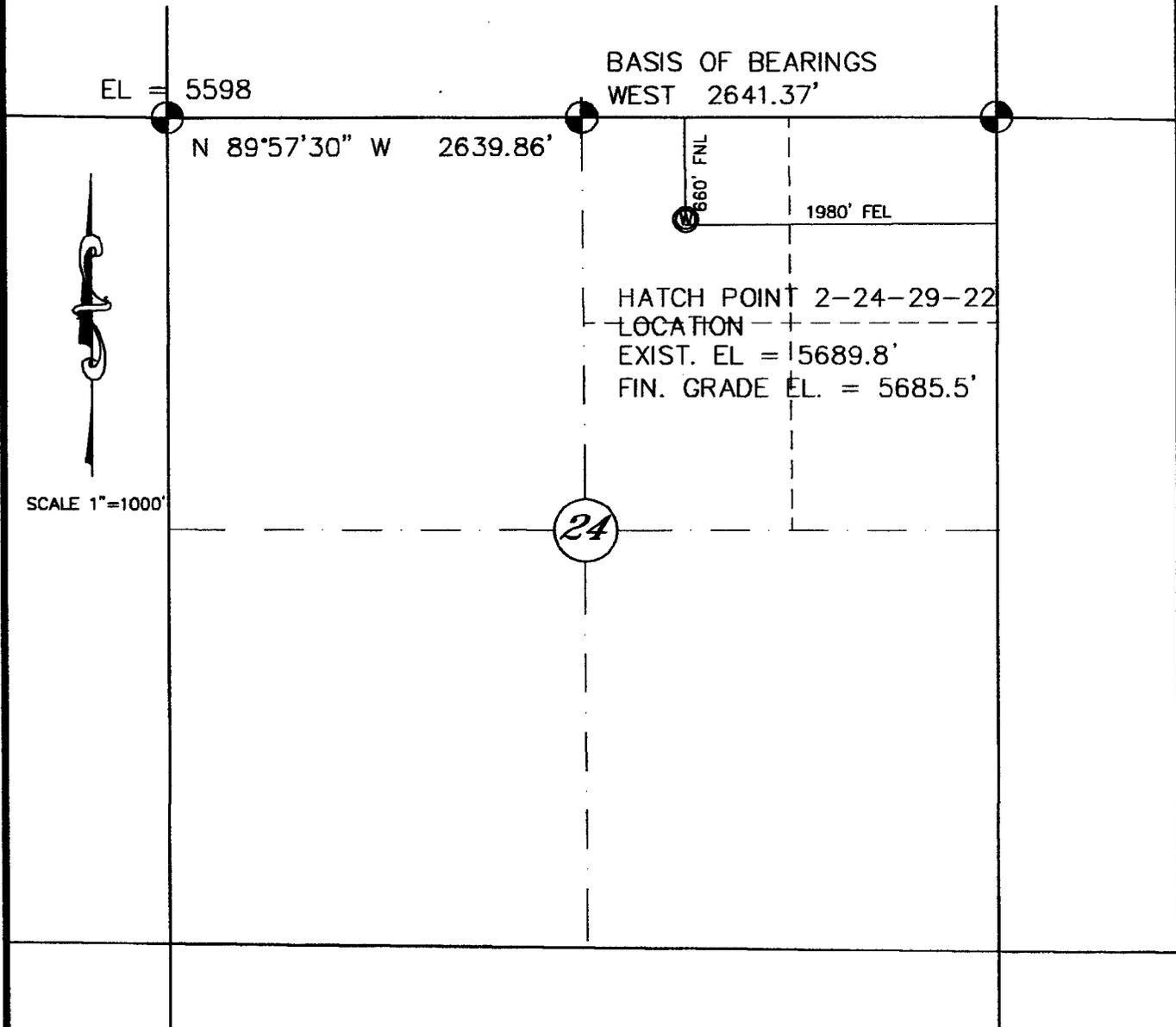
APPROVAL:

Approved by the
Utah Division of
Oil, Gas and Mining

Date: 06-07-05
By: [Signature]

Federal Approval of this
Action is Necessary

SECTION 24, T29 S, R 22 E, SLM



SCALE 1"=1000'

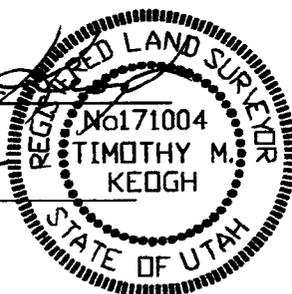
LEGEND

-  FOUND STONE MONUMENT
-  SET SPIKE WITH LATH AT PROPOSED WELL LOCATION

NOTE: ELEVATIONS BASED ON USGS TOPO QUAD "LA SAL JUNCTION" (ELEV @ NW CORNER SEC. 24 = 5598).

Timothy M. Keogh
TIMOTHY M. KEOGH

May 9/05
DATE



KEOGH LAND SURVEYING		
45 EAST CENTER STREET		MOAB, UTAH, 84532
WELL LOCATION PLAT		
HATCH POINT 2-24-29-22		
WITHIN SECTION 24, T 29 S, R 22 E, SLM, SAN JUAN COUNTY, UTAH		
PREPARED FOR MILLER-DYER		
DATE: 05-02-05	DRAWN BY: EJ	CHECKED BY: TMK
SCALE: 1"=1000'	F.B.# 141	MILLER-DYER050640

**DRILLING PLAN
MILLER, DYER & CO. LLC**

**Hatch Point #2-24-29-22
NWNE Section 24 T29S-R22E**

1.

<u>Estimated Formation Tops:</u>	<u>MD</u>	
Kayenta	Surface	
Hermosa	1,385	Oil/Gas
Hatch Shale	3,507	Oil/Gas
Ismay	3,558	Oil/Gas
Gothic Shale	3,800	Oil/Gas
Paradox Salt	3,885	Oil/Gas
Cane Creek	7,105	Oil/Gas
Mississippian	7,786	Oil/Gas
TD	7,800	

2. Miller, Dyer & Co. LLC's Minimum Specification for Pressure Control Equipment and Testing:
- a. 5,000 PSI WP Double Gate Blowout Preventer with Annular Preventer (schematic diagram attached)
 - b. BOPE will be pressure tested upon installation, whenever a seal subject to test pressure is broken or repairs are made; and at least once a every 30 days. Chart recorders shall be used for all pressure tests. Ram-type preventers and related pressure control equipment will be pressure tested to the rated working pressure of the stack assembly if a test plug is used. If a test plug is not used, the stack assembly will be tested to the rated working pressure of the stack assembly or to 70% of the minimum internal yield pressure of the casing, whichever is less. Annular-type preventers will be pressure tested to 50% of rated working pressure.
 - c. All casing strings will be pressure tested to 0.22 psi/ft or 1,500 psi, whichever is greater, prior to drilling plug after cementing. Test pressure not to exceed 70% of the internal yield pressure for the casing.
 - d. Miller Dyer will comply with all requirements for well control specified in BLM Onshore Order #2.

3. Auxiliary Equipment:
 - a. Kelly cock – Yes
 - b. Float sub at bit – No
 - c. Mud logger & instrumentation – Yes
 - d. Full-opening safety valve on rig floor – Yes
 - e. Rotating head – No

4. Casing Program:

	Setting Depth	Hole Size	Casing O.D.	Grade	Weight/Ft.
Conductor	40'	20"	16"	Contactor	0.250" wall
Surface	1500	12-1/4"	9-5/8"	K-55	36.00# (new)
Production	0'-3,500'	7-7/8"	5-1/2"	N-80 LTC	17# (new)
	3,500'-7,800'	7-7/8"	5-1/2"	N-80 LTC	20#

- Subject to review on the basis of actual conditions encountered. Production casing depth will be adjusted based on results.

5. Cement Program:

Conductor: 0'-40'

Ready Mix to surface

Surface Casing: 0'-1,500'

Hole Size: 12-1/4"
 Casing Size: 9-5/8", 36#
 Setting Depth (ft): 1500
 Float Collar Depth (ft): 1460
 Casing Volume (ft³/ft): 0.4340
 Casing Volume (bbl/ft): 0.0773
 Annular Volume (ft³/ft): 0.3132

Lead Slurry:
 Top Depth: 0
 Bottom Depth: 1000
 Cement Weight (ppg): 12.0
 Cement Yield (ft³/sk): 2.28
 Excess (%): 50
 Total Sacks: 206.1

Type of Cement
 Premium Lite Cement + 2% bwoc
 Calcium Shloride + 0.25% bwoc Cello Flake + 1
 gals/100 sack FP-6L + 8% bwoc Bentonite +
 0.2% bwoc Sodium Metasilicate + 124.5% Fresh
 Water

Tail Slurry (Annular):
 Top Depth: 1000
 Bottom Depth: 1500
 Cement Weight (ppg): 15.8
 Cement Yield (ft³/sk): 1.17
 Excess (%): 50
 Total Sacks: 200.8

Type of Cement
 Class G Cement + 2% bwoc Calcium
 Chloride + 0.25 lbs/sack Cello Flake + 44.3%
 Fresh Water

Tail Slurry (Float Shoe):
 Top Depth: 1460
 Bottom Depth: 1500
 Cement Weight (ppg): 15.8
 Cement Yield (ft³/sk): 1.17
 Excess (%): 0
 Total Sacks: 14.8

Type of Cement
 Class G Cement + 2% bwoc Calcium
 Chloride + 0.25 lbs/sack Cello Flake + 44.3%
 Fresh Water

Displacement (bbls): 112.9

Production Casing: 0'-7,800 (MD)

Hole Size:	7-7/8"
Casing Size:	5-1/2", 17# & 20#
Setting Depth (ft):	7800
Float Collar Depth (ft):	7760
Casing Volume (ft3/ft):	0.1305 (17#)
Casing Volume (bbl/ft):	0.0232 (17#)
Casing Volume (ft3/ft):	0.1245 (20#)
Casing Volume (bbl/ft):	0.0221 (20#)
Annular Volume (ft3/ft):	0.1733 (in open hole)
Annular Volume (ft3/ft):	0.2691 (in surface casing)

Stage 1:

Lead Slurry (Inside Surface Casing):

Top Depth:	0
Bottom Depth:	1500
Cement Weight (ppg):	12.0
Cement Yield (ft3/sk):	2.28
Excess (%):	0
Total Sacks:	177.0

Type of Cement

Premium Lite Cement + 2% bwoc
 Calcium Shloride + 0.25% bwoc Cello Flake + 1
 gals/100 sack FP-6L + 8% bwoc Bentonite +
 0.2% bwoc Sodium Metasilicate + 124.5% Fresh
 Water

Lead Slurry (Annular):

Top Depth:	1500
Bottom Depth:	3500
Cement Weight (ppg):	12.0
Cement Yield (ft3/sk):	2.28
Excess (%):	15
Total Sacks:	174.8

Type of Cement

Premium Lite Cement + 2% bwoc
 Calcium Shloride + 0.25% bwoc Cello Flake + 1
 gals/100 sack FP-6L + 8% bwoc Bentonite +
 0.2% bwoc Sodium Metasilicate + 124.5% Fresh
 Water

Tail Slurry (Annular):

Top Depth:	3500
Bottom Depth:	7800
Cement Weight (ppg):	15.8
Cement Yield (ft3/sk):	1.17
Excess (%):	15
Total Sacks:	732.5

Type of Cement

Class G Cement + 2% bwoc Calcium
 Chloride + 0.25 lbs/sack Cello Flake + 44.3%
 Fresh Water

Tail Slurry (Float Shoe):

Top Depth:	7760
Bottom Depth:	7800
Cement Weight (ppg):	15.8
Cement Yield (ft3/sk):	1.17
Excess (%):	0
Total Sacks:	4.3

Type of Cement

Class G Cement + 2% bwoc Calcium
 Chloride + 0.25 lbs/sack Cello Flake + 44.3%
 Fresh Water

Displacement (bbls):	175.3
----------------------	-------

Actual cement volumes will be based on caliper log calculations and drilling experience.

6. Testing, Logging, Coring:
 - a. Drill stem tests – non anticipated
 - b. Electric logs - DIL/SP/GR, FDC/CNL/CAL/PE/GR, BHC sonic/GR all from TD to surface
 - c. Coring – none anticipated.

7. Drilling Fluids:
 - a. Surface hole will be drilled with air and produced water saved in pit for mud drilling.
 - b. Well will be drilled with a low solids non-dispersed mud. In the event of severe lost circulation, the mud may be aerated.

8. Abnormal Pressures and Hazards:
 - a. Abnormal pressure is anticipated in the Cane Creek formation. The proposed casing program and pressure control equipment has been designed based on the anticipated abnormal pressures of the Cane Creek formation.

Hydrogen Sulfide is not anticipated

**SURFACE USE PLAN
MILLER, DYER & CO. LLC**

**Hatch Point #2-24-29-22
NWNE Section 24 T29S-R22E**

1. Existing Roads:
 - a. Topographic Map "A" shows the vicinity of the well. This road is reached from Moab, Utah, by following the Highway US 191 south to La Sal Junction; approximately 1.5 miles south of La Sal Junction turn west on Highway 163; approximately 1 mile south of Highway 191 turn west onto an existing jeep road and continue 5.8 miles west to the Hatch Point 2-24-29-22 location.
 - b. Topographic Map "B" shows the point approximately 29 miles south of Moab where the access road to the well departs from the existing road. Beyond this point the access road consists of approximately 1230' of proposed access road.

2. Planned Access Road: (refer to Topographic Map "B")
 - a. Length of new road will be approximately 0.23 mile.
 - b. The right-of-way width is 30' (15' on either side of the centerline) with a 20-foot wide running surface.
 - c. Maximum grade will be less than 2%
 - d. No turn-outs are planned.
 - e. The new road will be crowned, ditched and dipped to provide adequate drainage.
 - f. Culverts will be used if necessary.
 - g. No gates or cattle guards will be needed. Nor will any existing facilities be modified.
 - h. The proposed road was flagged when the location was staked.
 - i. The authorized officer will be contacted at least 24 hours in advance of commencement of construction of the access road and well pad.

3. Location of Existing Wells:
 - a. The nearest producing well is the Chevron Federal #1, located approximately 6.25 miles east of the proposed well location in SENE Section 24-T29S-R23E.

4. Location of Existing and/or Proposed Facilities:
 - a. There are no existing facilities on the proposed well pad. All proposed facilities will be contained within the proposed location site (see attached "Location Layout").
 - b. The operator will submit information concerning proposed on and off well pad facilities once production has been established by applying for approval of subsequent operations.

5. Location and Type of Water Supply:

- a. Some produced water from existing wells will be used for drilling. Fresh water will be taken from Rattlesnake Spring in Section 7, T29S-R23E
 - b. Water will be transported by truck on existing roads to the location.
6. Source of Construction Materials:
- a. All construction materials used in building the well pad and access road will be native materials accumulated during construction. In the event that additional materials are needed, they will be obtained from private sources.
7. Methods for Handling Waste Disposal:
- a. Drill cuttings will be buried in the reserve pit.
 - b. Sewage waste will be contained in portable chemical toilets serviced by a commercial sanitary service.
 - c. Garbage and trash will be contained in trash baskets and hauled to a sanitary landfill.
 - d. Salt and chemicals will be kept in proper containers and salvaged for future use or disposed of at an approved facility.
 - e. Drilling fluids will be contained in the reserve pit and mud tanks. To the extent possible, drilling fluids and water will be saved for use at future drilling locations. Unusable drilling fluids and water will be disposed of in an approved manner upon the completion of the well.
 - f. The reserve pit will be lined with 12 mil plastic nylon reinforced liner installed over sufficient bedding material to cover any exposed rocks. The pit will be fenced on three sides with 39" net wire, topped with a minimum of one strand of barbed wire. All wire will be stretched prior to attachment to the corner posts. The fourth side will be fenced when drilling activities are completed to allow drying.
8. Ancillary Facilities:
- a. No airstrips will be built. Mobile living quarters and office facilities for supervisors, geologists, mud engineers, mud loggers and air compressor personnel will be confined to the drilling location as shown on the "Location Layout" diagram.
9. Well Site Layout:
- a. Refer to attached "Typical Cross Section" diagram for cuts and fills and relation to topography.
 - b. Refer to "Location Layout" diagram for location of mud tanks, reserve and flare pits, pipe racks, living facilities and top soil stockpiles.
 - c. Refer to "Location Layout" diagram for rig orientation, access road and parking area. Parking area will be in the northeast corner of the location.
10. Plans for Restoration of the Surface:
- a. Producing well location
 - i. Immediately upon well completion the location and surrounding area will be cleared of all tubing, equipment, debris, materials, trash and junk not required for production.

- ii. Immediately upon well completion any hydrocarbons on the reserve pit will be removed and disposed of properly.
- iii. The reserve pit and that portion of the location not needed for production facilities/operations will be re-contoured to the approximate natural contours. The reserve pit will be reclaimed within 90 days of the date of well completion, or as soon thereafter as is practical. Before any dirt work takes place, the reserve pit must be completely dry and all cans, barrels, pipe, etc removed. The liner will be perforated and torn prior to backfilling.
- iv. Access roads will be graded and maintained to prevent erosion and accommodate year-round traffic.
- v. All disturbed areas not needed for operations will be seeded with the mixture required by the State of Utah Division of Oil, Gas and Mining in the manner specified by the State of Utah Division of Oil, Gas and Mining.

b. Dry Hole/Abandoned Location

- i. At such time as it is determined that the well is to be plugged and abandoned, the operator will submit a subsequent report of abandonment to the State of Utah Division of Oil, Gas and Mining. The State of Utah Division of Oil, Gas and Mining will attach plugging conditions of approval, and the State of Utah Division of Oil, Gas and Mining will attach conditions of approval for the restoration of the surface..

11. Surface Ownership:

- a. Access road and location are situated on BLM lands.

12. Additional Information:

- a. The operator will inform all persons in the area who are associated with this project that they will be subject to prosecution for knowingly disturbing historic or archaeological sites, or for collecting artifacts. If historic or archaeological materials are uncovered during construction, the operator will immediately stop work that might further disturb such materials, and will inform the assigned monitor and the authorized officer (AO). Within five working days the AO will inform the operator as to:
 - i. Whether the materials appear to be eligible for the National Register of Historic Places;
 - ii. The mitigation measures the operator will likely have to undertake before the site can be used (assuming in situ preservation is not necessary); and
 - iii. A time frame for the AO to complete an expedited review under 36 CFR 900.11 to confirm, through the State Historic Preservation Officer, that the findings of the AO are correct and that mitigation is appropriate.
- b. If the operator wishes at any time to relocate activities to avoid the cost of mitigation and/or the delays associated with this process, the AO will

assume responsibility for whatever recordation and stabilization of the exposed materials may be required. Otherwise, the operator will be responsible for mitigation costs. The AO will provide technical and procedural guidelines for the conduct of mitigation. Upon verification from the AO that required mitigation has been completed, the operator will be allowed to resume construction.

13. Lessee's or Operator's Representative and Certification:

a. Jeff Lang, Vice President of Operations

Miller, Dyer & Co. LLC

475 17th Street, Suite 1200

Denver, CO 80202

Office: 303 292 0949 Ext 102

FAX: 303 292 3901

Cell: 303 503 3730

Email: jeff@millerdyer.com

I hereby certify that I have inspected the proposed drill site and access road; that I am familiar with the conditions which currently exist; that the statements made in this plan are true and correct to the best of my knowledge; and that the work associated with the operations proposed here will be performed by Miller, Dyer & Co. LLC, and its contractors and subcontractors in conformity with the plan and the terms and conditions under which it is approved. This statement is subject to the provisions of 18 U.S.C. 1001 for the filing of a false statement.

Please be advised that Miller, Dyer & Co. LLC is considered to be the operator of the Hatch Point #2-24-29-22 well; NWNE of Section 24, T29S-R22E and all producing zones; San Juan County, Utah; and is responsible for the operations conducted upon the leased lands. Bond coverage is provided by Certificate of Deposit.

5/27/05
Date



Jeff Lang
Vice President of Operations

The onsite inspection for this well was conducted on _____, 2005

Participants in the onsite inspection were:

Keith Montgomery, Montgomery Archeological

John E. Dyer, Miller, Dyer & Co. LLC

Title: _____

Title: _____


[State Online Services](#)
[Agency List](#)
[Business.utah.gov](#)

UTAH DIVISION OF WATER RIGHTS

Select Related Information

(WARNING: Water Rights makes NO claims as to the accuracy of this data.)

WRNUM: 05-570 APPLICATION/CLAIM NO.: D838 CERT. NO.:
 CHANGES: t19063 Expired
 a19310 Withdrawn

OWNERSHIP*****

NAME: Stanley and Iris Skowbo
 ADDR: 2690 East Cactus Road
 Moab UT 84532

REMARKS: 1 family, 1200 elu's, 7.12 ac., Other

LAND OWNED BY APPLICANT? Yes

DATES, ETC.*****

FILED: 09/01/1960	PRIORITY: / /1913	PUB BEGAN:	PUB ENDED:	NEWSPAPER:
ProtestEnd:	PROTESTED: [No]	HEARNG HLD:	SE ACTION: []	ActionDate:
EXTENSION:	ELEC/PROOF:[]	ELEC/PROOF:	CERT/WUC:	LAP, ETC:
RENOVATE:	RECON REQ:	TYPE: []		

PD Book No. Map:
 Type of Right: Diligence Claim Source of Info: Diligence Claim Status:

LOCATION OF WATER RIGHT* (Points of Diversion: Click on Location to access PLAT Program.)*******

FLOW: 0.111 cfs OR 78.97 acre-feet SOURCE: Rattlesnake Spring
 COUNTY: San Juan COMMON DESCRIPTION:

POINT OF DIVERSION -- SURFACE:

(1) N 3125 ft E 1070 ft from SW cor, Sec 07, T 29S, R 24E, SLBM

Diverting Works:

Source:

Stream Alt Required?: No

USES OF WATER RIGHT*****

WATER RIGHT CLAIMS IN COMMON: 570

###IRRIGATION	*-----NORTH WEST QUARTER-----*				*-----NORTH EAST QUARTER-----*				*-----SOUTH WEST QUARTER-----*	
Tot Acrg.: 7.12	NW	NE	SW	SE	NW	NE	SW	SE	NW	NE
Sec 12 T 29S R 23E SLBM *						X		X*		
Sec 07 T 29S R 24E SLBM *LOT 3										
Sec 07 T 29S R 24E SLBM *LOT 2										
or a Total of 0.0000 acres.	Sole Supply:				Diversion Limit:				PERCENTAGE	

###STOCKWATERING: 1200 Cattle or Equivalent Diversion Limit: PERCENTAGE

###INDUSTRIAL Water used to serve mining, drilling and exploratory work in the adjacent area PERCENTAGE

Storage from 01/01 to 12/31, inclusive, in Unnamed pond with a maximum capacity of 2.800 acre-feet, located

Height of Dam:	1	NORTH-WEST¼	NORTH-EAST¼	SOUTH-WEST¼	SOUTH-EAST¼
Area Inundated:	2.80	NW NE SW SE			
Sec 07 T 29S R 24E SLBM		*LOT 3			
Sec 07 T 29S R 24E SLBM		*LOT 6			

Small Dam Required?: No

OTHER COMMENTS*****

Rattlesnake Spring is considered the primary source of supply, supplemented by Coyote Wash.

SEGREGATION HISTORY*****

This Right as originally filed:

FLOW IN	QUANTITY IN	W /
CFS	ACRE-FEET	IRRIGATION

	0.111	OR	79.97	ACREAGE
OTHER: Industrial				7.120
Industrial: mining, exploration, drilling, and associated uses				

The following Water Rights have been Segregated from 05-570:

(1) WRNUM: 05-2990	APPL#: D838		1.0
NAME: Blankenagel, James			
FILED: 12/03/2003 STATUS: APPR/REJ:			
OTHER: Industrial			
Mining, exploration, drilling, rd. const. & maint. & assoc. uses			

	CFS		ACRE-FEET	IRRIGATI
05-570 currently has: ----->	0.111	OR	78.97	ACREAGE
				7.120

OTHER: Industrial
All DOMESTIC has been SEGREGATED OFF.

 *****END OF DATA*****

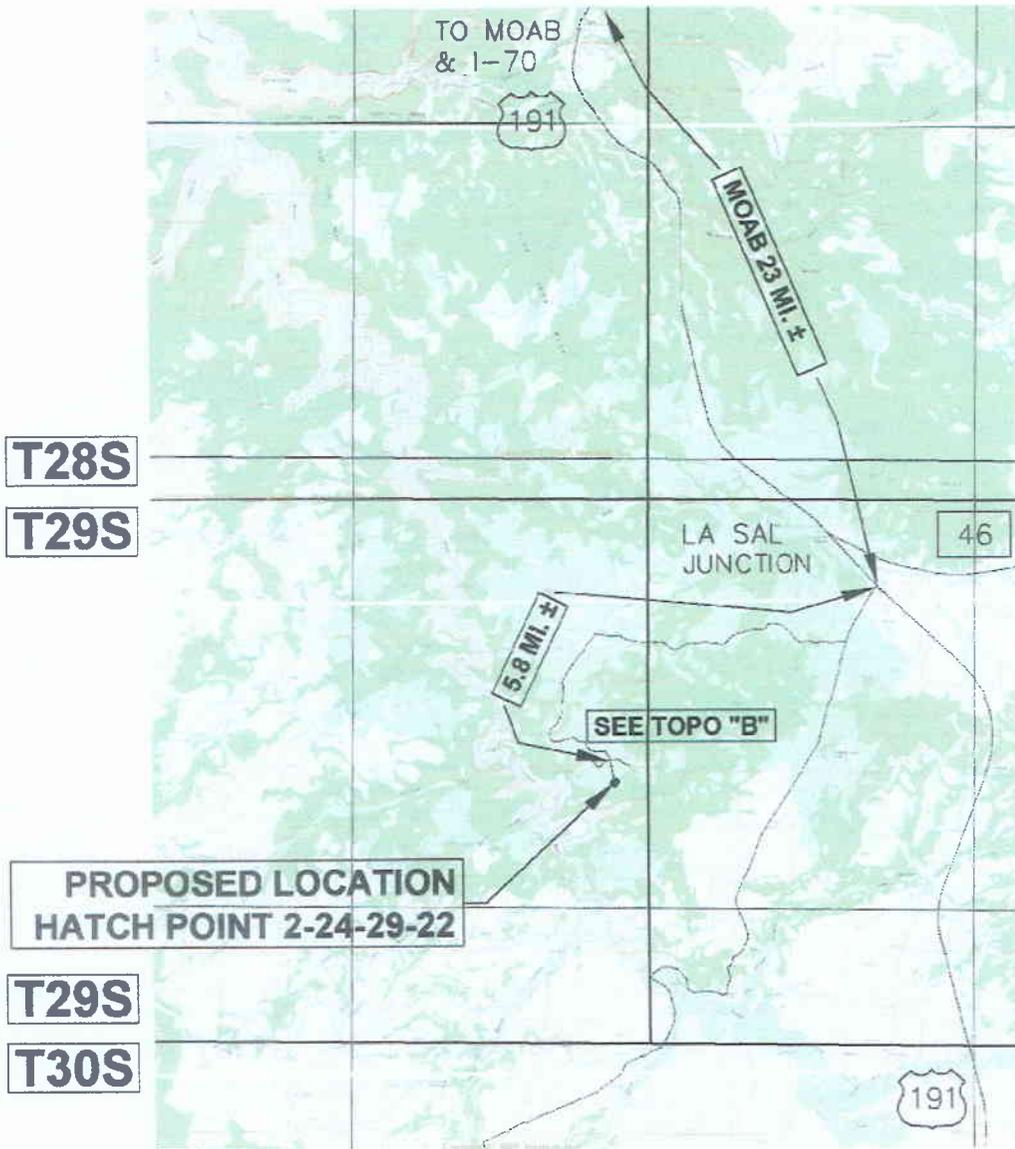
[Natural Resources](#) | [Contact](#) | [Disclaimer](#) | [Privacy Policy](#) | [Accessibility Policy](#)

KEOGH LAND SURVEYING

45 EAST CENTER STREET MOAB, UTAH, 84532

DATE: 05-2-05 DRAWN BY: EJ CHECKED BY: TMK

R22E R23E



SCALE: 1" = 2 MILES

TO COLORADO, LA SAL & OLD LA SAL

TO HATCH POINT, US 191 & ANTICLINE OVERLOOK

TO MONTICELLO

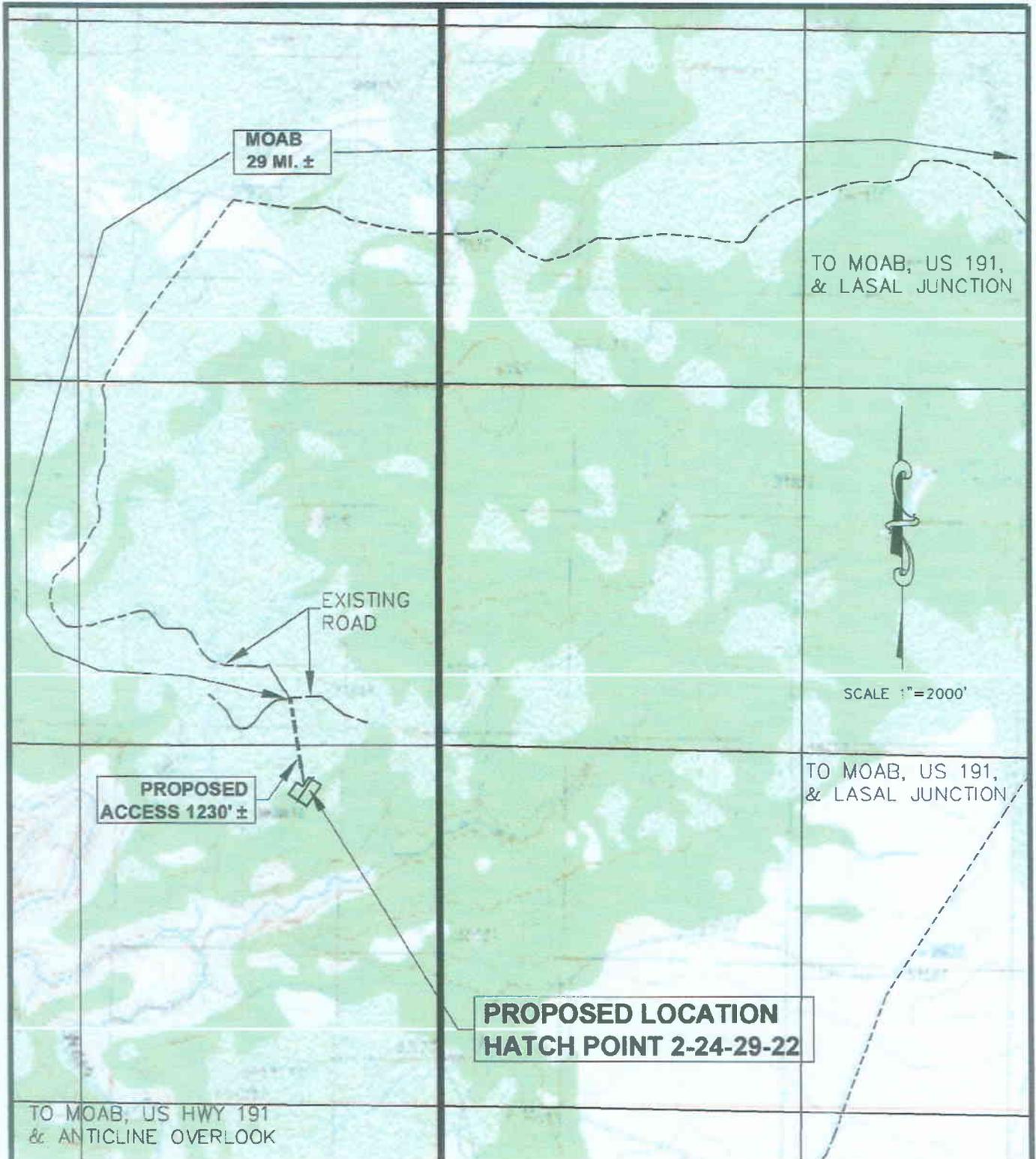
W:\MILLER-DYER\3\dwg\MILLER-DYER050505.dwg, 5/9/2005 12:48:23 PM, 1:1

MILLER-DYER
US HWY. 191 MOAB, UTAH
LOCATION LAYOUT FOR
HATCH POINT 2-24-29-22
SECTION 24, T29S R22E S.L.M.
1980' FEL, 660' FNL

SHEET

A
TOPO

W:\MILLER-DYER3\dwg\MILLER-DYER050605.dwg, 5/9/2005 12:49:02 PM, 1:1



TO MOAB, US HWY 191
& ANTICLINE OVERLOOK

TO MOAB, US 191,
& LASAL JUNCTION

TO MOAB, US 191,
& LASAL JUNCTION

TO US 191 & ANTICLINE
OVERLOOK

KEOGH LAND SURVEYING
 45 EAST CENTER STREET MOAB, UTAH, 84532
 DATE: 05-02-04 DRAWN BY: EJ CHECKED BY: TMK

MILLER-DYER
 US HWY. 191 MOAB, UTAH
 LOCATION LAYOUT FOR
 HATCH POINT 2-24-29-22
 SECTION 24, T29S R22E S.L.M.
 1980' FEL, 660' FNL

SHEET

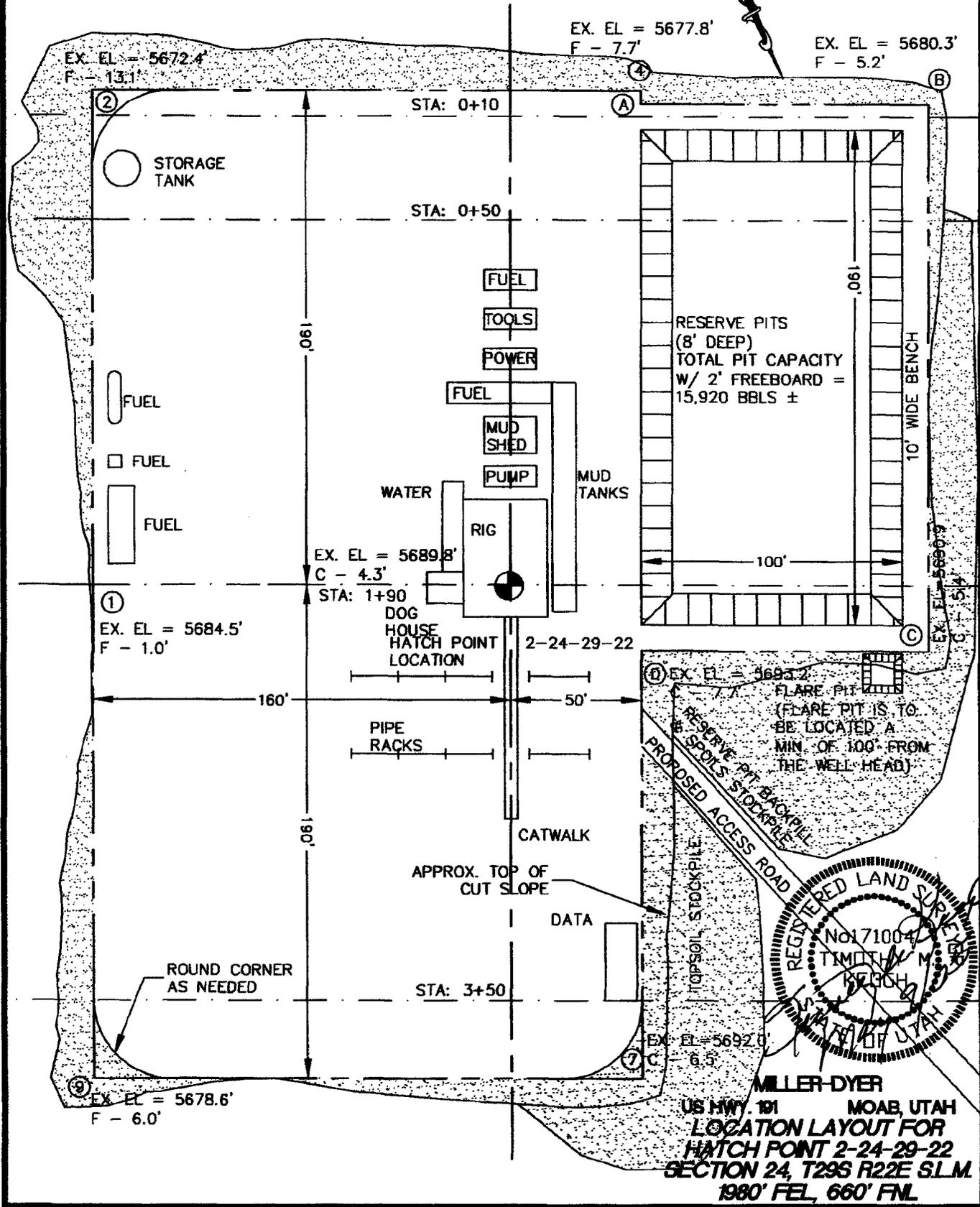
B
 TOPO

KEOGH LAND SURVEYING

45 EAST CENTER STREET MOAB, UTAH, 84532

DATE: 5-9-04 DRAWN BY: EJ CHECKED BY: TMK

SCALE 1"=50'



MILLER-DYER
 US HWY. 191 MOAB, UTAH
 LOCATION LAYOUT FOR
 HATCH POINT 2-24-29-22
 SECTION 24, T29S R22E S.L.M.
 1980' FEL, 660' FNL

W:\MILLER-DYER3\dwg\MILLER-DYER050605.dwg, 5/9/2005 2:51:59 PM, 1:1

KEOGH LAND SURVEYING

45 EAST CENTER STREET MOAB, UTAH, 84532

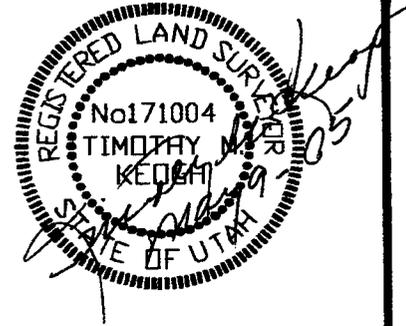
DATE: 5-4-05 DRAWN BY: EJ CHECKED BY: TMK

APPROXIMATE YARDAGES

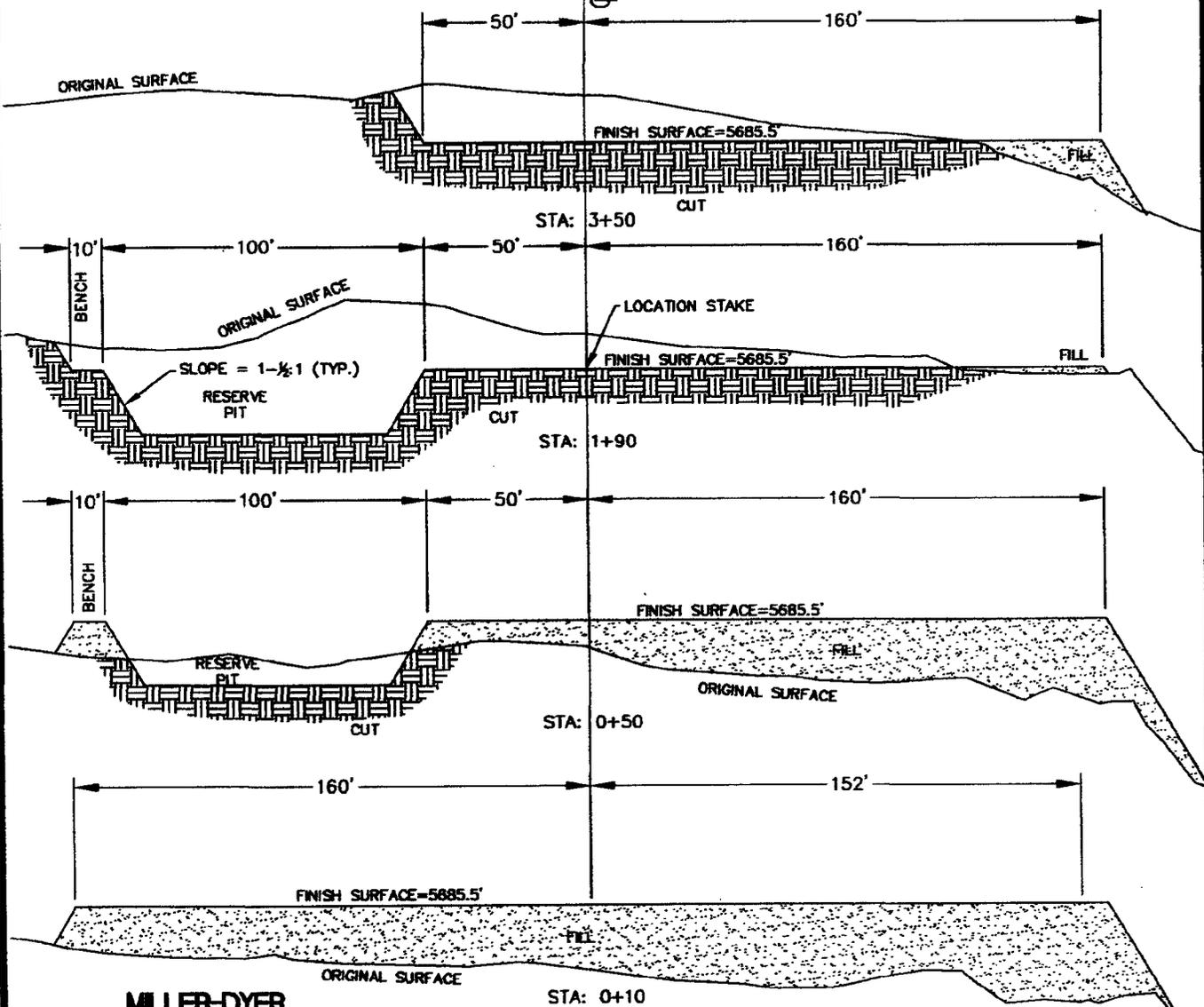
CUT = 11719 CU. YDS.
 (6") TOPSOIL STRIPPING (CUT) = 1331 CU. YDS.
 CUT = 10388 CU. YDS.
 10% COMPACTION = 1039 CU. YDS.
 TOTAL CUT = 9349 CU. YDS.

FILL = 7734 CU. YDS.
 (6") TOPSOIL STRIPPING (FILL) = 873 CU. YDS.
 TOTAL FILL = 8607 CU. YDS.

NET = 742 CU. YDS. (CUT)



HATCH POINT 2-24-29-22



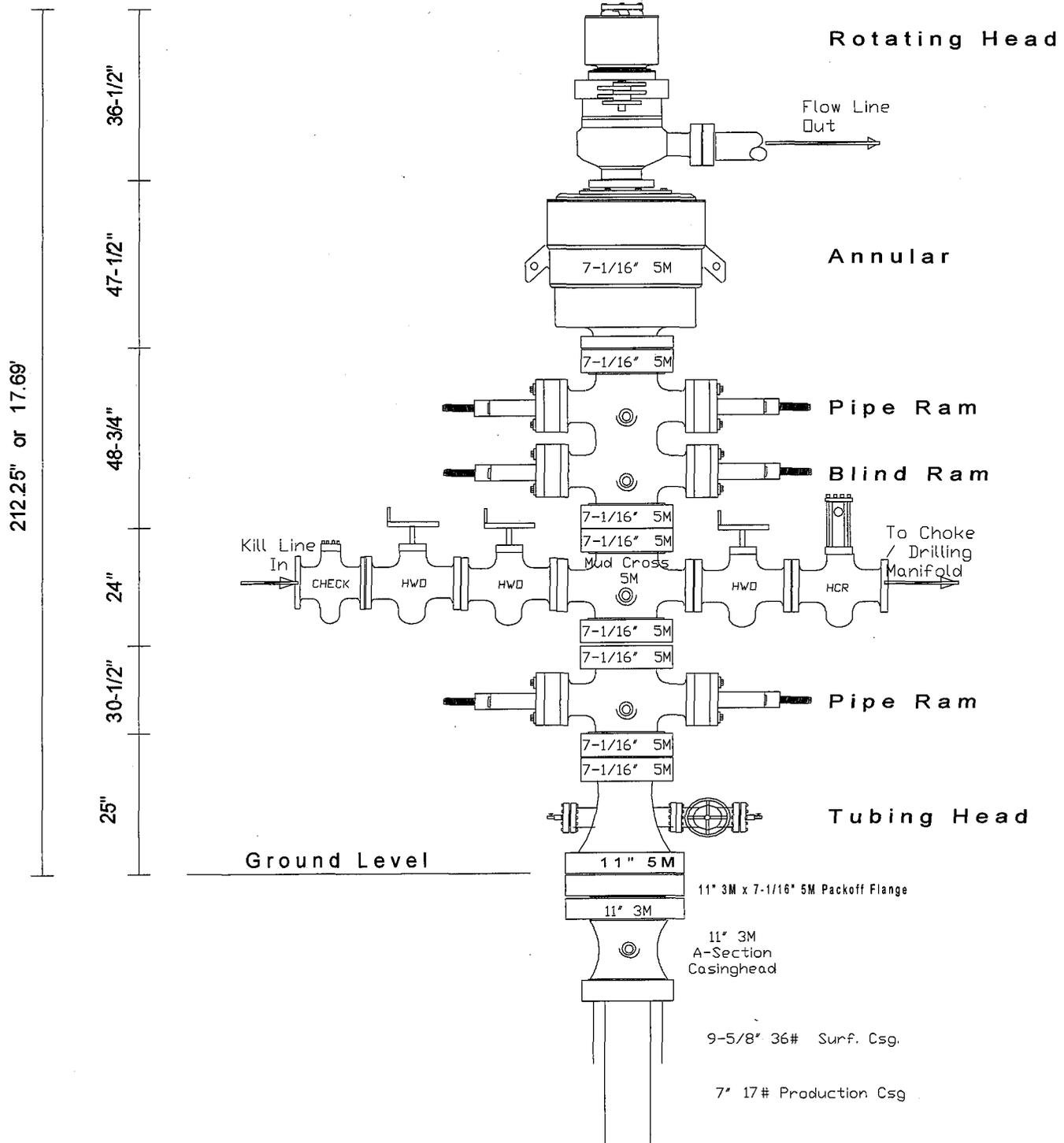
MILLER-DYER
 US HWY. 191 MOAB, UTAH
 LOCATION LAYOUT FOR
 HATCH POINT 2-24-29-22
 SECTION 24, T29S R22E S.L.M.
 1980' FEL, 660' FNL

SCALE: HORZ. 1"=50'
 VERT. 1"=20'

W:\MILLER-DYER3\dwg\MILLER-DYER050605.dwg, 5/9/2005 12:43:06 PM, 1:1

HATCH POINT #2-24-29-22

Typical BOP Stack Configuration



003

WORKSHEET
APPLICATION FOR PERMIT TO DRILL

APD RECEIVED: 05/31/2005

API NO. ASSIGNED: 43-037-31775

WELL NAME: HATCH POINT 2-24-29-22
OPERATOR: MILLER, DYER & CO, LLC (N2580)
CONTACT: JEFF LANG

PHONE NUMBER: 303-292-0949

PROPOSED LOCATION:

NWNE 24 290S 220E
SURFACE: 0660 FNL 1980 FEL
BOTTOM: 0660 FNL 1980 FEL
SAN JUAN
WILDCAT (1)

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

LEASE TYPE: 1 - Federal
LEASE NUMBER: U-76592
SURFACE OWNER: 1 - Federal
PROPOSED FORMATION: MSSP
COALBED METHANE WELL? NO

LATITUDE: 38.27017
LONGITUDE: -109.4470

RECEIVED AND/OR REVIEWED:

- Plat
- Bond: Fed[1] Ind[] Sta[] Fee[]
(No. RLB0008085)
- Potash (Y/N)
- Oil Shale 190-5 (B) or 190-3 or 190-13
- Water Permit
(No. 05-570)
- RDCC Review (Y/N)
(Date: _____)
- Fee Surf Agreement (Y/N)

LOCATION AND SITING:

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

COMMENTS: _____

STIPULATIONS: _____

1- Federal Approval
2- Spacing Strip

T29S R22E

T29S R23E

HATCH POINT 2-24-29-22



24

19

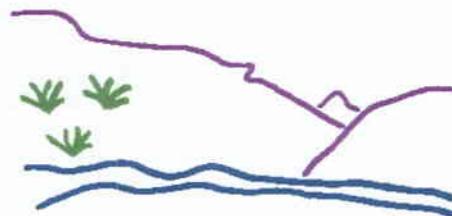
OPERATOR: MILLER, DYER & CO (N2580)

SEC: 24 T. 29S R. 22E

FIELD: WILDCAT (001)

COUNTY: SAN JUAN

SPACING: R649-3-2 / GENERAL SITING



Utah Oil Gas and Mining

Wells

- ↗ GAS INJECTION
- ✱ GAS STORAGE
- ✕ LOCATION ABANDONED
- ⊕ NEW LOCATION
- ⋄ PLUGGED & ABANDONED
- * PRODUCING GAS
- PRODUCING OIL
- ✱ SHUT-IN GAS
- ↘ SHUT-IN OIL
- ✕ TEMP. ABANDONED
- TEST WELL
- ▲ WATER INJECTION
- ◆ WATER SUPPLY
- ↙ WATER DISPOSAL

Units.shp

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

Fields.shp

- ABANDONED
- ACTIVE
- COMBINED
- INACTIVE
- PROPOSED
- STORAGE
- TERMINATED



PREPARED BY: DIANA WHITNEY
DATE: 7-JUNE-2005

**State of Utah****Department of
Natural Resources**

MICHAEL R. STYLER
Executive Director

**Division of
Oil, Gas & Mining**

JOHN R. BAZA
Division Director

JON M. HUNTSMAN, JR.
Governor

GARY R. HERBERT
Lieutenant Governor

June 7, 2005

Miller, Dyer & Co. LLC
475 17th St., Suite 1200
Denver, CO 80202

Re: Hatch Point 2-24-29-22 Well, 660' FNL, 1980' FEL, NW NE, Sec. 24,
T. 29 South, R. 22 East, San Juan County, Utah

Gentlemen:

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

This approval shall expire one year from the above date unless substantial and continuous operation is underway, or a request for extension is made prior to the expiration date. The API identification number assigned to this well is 43-037-31775.

Sincerely,

A handwritten signature in cursive script, appearing to read "Gil Hunt".

Gil Hunt
Acting Associate Director

pab
Enclosures

cc: San Juan County Assessor
Bureau of Land Management, Moab District Office

Operator: Miller, Dyer & Co. LLC
Well Name & Number Hatch Point 2-24-29-22
API Number: 43-037-31775
Lease: U-76592

Location: NW NE Sec. 24 T. 29 South R. 22 East

Conditions of Approval

1. General

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

2. Notification Requirements

Notify the Division within 24 hours of spudding the well.

- Contact Carol Daniels at (801) 538-5284.

Notify the Division prior to commencing operations to plug and abandon the well.

- Contact Dan Jarvis at (801) 538-5338

3. Reporting Requirements

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

4. State approval of this well does not supersede the required federal approval, which must be obtained prior to drilling.

5. This proposed well is located in an area for which drilling units (well spacing patterns) have not been established through an order of the Board of Oil, Gas and Mining (the "Board"). In order to avoid the possibility of waste or injury to correlative rights, the operator is requested, once the well has been drilled, completed, and has produced, to analyze geological and engineering data generated therefrom, as well as any similar data from surrounding areas if available. As soon as is practicable after completion of its analysis, and if the analysis suggests an area larger than the quarter-quarter section upon which the well is located is being drained, the operator is requested to seek an appropriate order from the Board establishing drilling and spacing units in conformance with such analysis by filing a Request for Agency Action with the Board.



State of Utah

**Department of
Natural Resources**

MICHAEL R. STYLER
Executive Director

**Division of
Oil, Gas & Mining**

JOHN R. BAZA
Division Director

JON M. HUNTSMAN, JR.
Governor

GARY R. HERBERT
Lieutenant Governor

October 2, 2006

John Dyer
Miller, Dyer & Co. LLC
475 17TH Street Ste 1200
Denver, CO 80202

Re: APD Rescinded - Hatch Point 2-24-29-22 Sec. 24 T. 29S R. 22E
San Juan County, Utah API No. 43-037-31775

Dear Mr. Dyer:

The Application for Permit to Drill (APD) for the subject well was approved by the Division of Oil, Gas and Mining (Division) on June 7, 2005. No drilling activity at this location has been reported to the division. Therefore, approval to drill the well is hereby rescinded, effective October 2, 2006.

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 Whitney
Engineering Technician

cc: Well File
Bureau of Land Management, Moab