

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

FORM 3

AMENDED REPORT   
(highlight changes)

<b>APPLICATION FOR PERMIT TO DRILL</b>			5. MINERAL LEASE NO: <b>ML 48562</b>	6. SURFACE: State <del>FEE</del>
1A. TYPE OF WORK: DRILL <input checked="" type="checkbox"/> REENTER <input type="checkbox"/> DEEPEN <input type="checkbox"/>			7. IF INDIAN, ALLOTTEE OR TRIBE NAME:	
B. TYPE OF WELL: OIL <input type="checkbox"/> GAS <input checked="" type="checkbox"/> OTHER _____ SINGLE ZONE <input checked="" type="checkbox"/> MULTIPLE ZONE <input type="checkbox"/>			8. UNIT or CA AGREEMENT NAME:	
2. NAME OF OPERATOR: <b>CrownQuest Operating, LLC</b>			9. WELL NAME and NUMBER: <b>Chanticleer State 1-32</b>	
3. ADDRESS OF OPERATOR: <b>P.O. Box 2221</b> CITY <b>Farmington</b> STATE <b>NM</b> ZIP <b>87499</b>			PHONE NUMBER: <b>(505) 325-5750</b>	10. FIELD AND POOL, OR WILDCAT: <b>Wildcat</b>
4. LOCATION OF WELL (FOOTAGES) AT SURFACE: <b>660' FNL X 1985' FEL</b> <i>1980' R.R.C 668376X 37.783866</i> AT PROPOSED PRODUCING ZONE: <b>same</b> <i>4183351Y -109.087957</i>			11. QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: <b>NWNE 32 34S 26E</b>	
14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE: <b>12 miles east of Monticello</b>			12. COUNTY: <b>San Juan</b>	13. STATE: <b>UTAH</b>
15. DISTANCE TO NEAREST PROPERTY OR LEASE LINE (FEET) <b>660'</b>	16. NUMBER OF ACRES IN LEASE: <b>960</b>	17. NUMBER OF ACRES ASSIGNED TO THIS WELL: <b>160</b>		
18. DISTANCE TO NEAREST WELL (DRILLING, COMPLETED, OR APPLIED FOR) ON THIS LEASE (FEET) <b>3250'</b>	19. PROPOSED DEPTH: <b>5,880</b>	20. BOND DESCRIPTION: <b>RLB 0007554</b>		
21. ELEVATIONS (SHOW WHETHER DF, RT, GR, ETC.): <b>6760' GL</b>	22. APPROXIMATE DATE WORK WILL START: <b>12/1/2007</b>	23. ESTIMATED DURATION: <b>60 days</b>		

**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		
16"	13 3/8" H40 48	150	class 'G', 250 sks	1.15 cf/sk	15.8 ppg
12 1/4"	9 5/8" J55 36	2,100	65/35 Poz, 500 sks	1.75 cf/sk	12.8 ppg
			class 'G', 100 sks	1.15 cf/sk	15.8 ppg
7 7/8"	5 1/2" P110 17	6,238	25/75 Poz, 550 sks	1.74 cf/sk	11.8 ppg
			LiteCrete, 300 sks	1.61 cf/sk	12.5 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 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) Robert R. Griffie TITLE Operations Manager

SIGNATURE *Robert R. Griffie* DATE 8/20/2007

(This space for State use only)

API NUMBER ASSIGNED: 43037-31866

APPROVAL:

**RECEIVED**  
**AUG 31 2007**

**DIV. OF OIL, GAS & MINING**

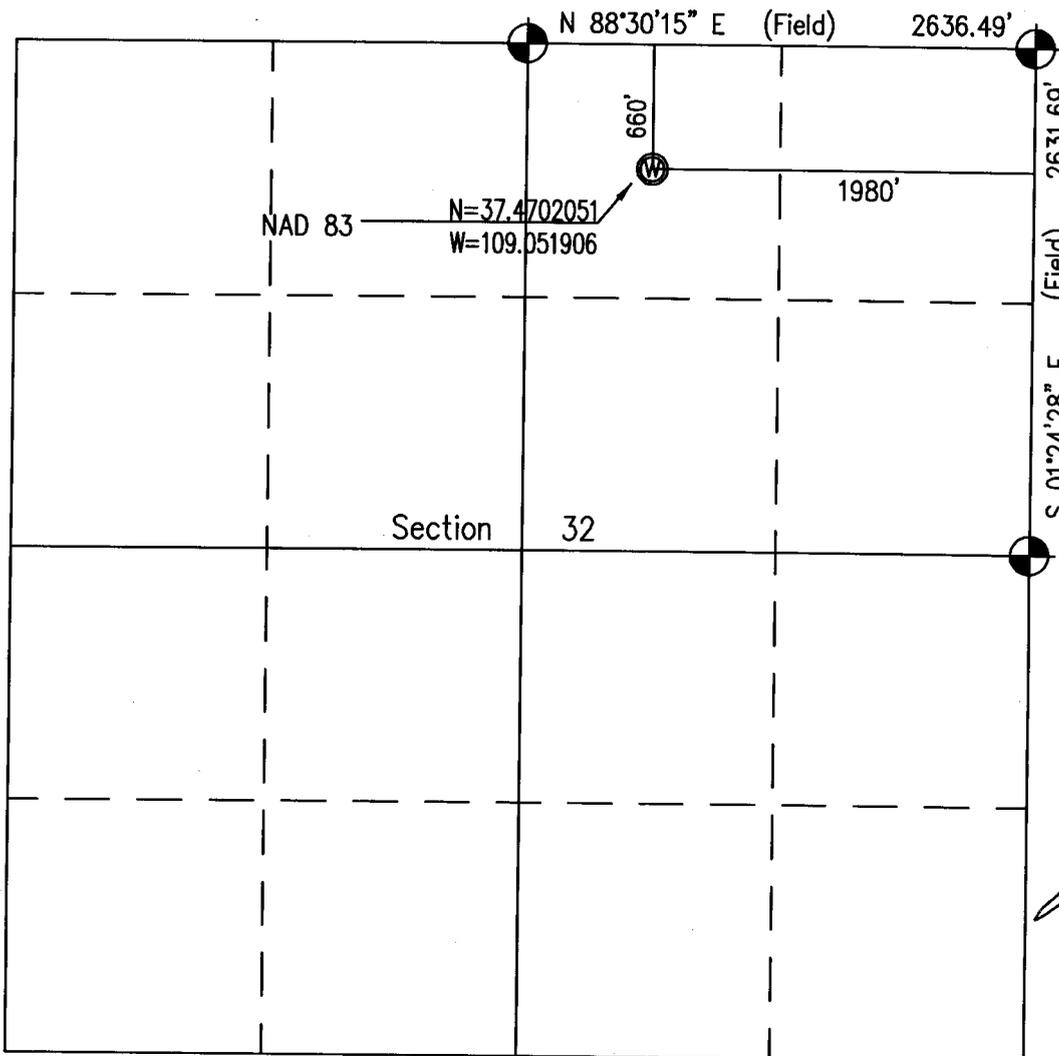
UTAH WELL LOCATION PLAT

OPERATOR Crown Quest Operating  
 LEASE CHANTICLEER STATE WELL NO. 1-32  
 SECTION 32 TOWNSHIP 34 South RANGE 26 East SALT LAKE P.M.  
 COUNTY San Juan UTAH  
 FOOTAGE LOCATION OF WELL: 660 FEET FROM THE North LINE and  
1980 FEET FROM THE East LINE and  
 GROUND LEVEL ELEVATION: 6759.86  
 SURFACE USE WITHIN 200' RADIUS: No Improvements Within 200' - Pasture  
 BASIS OF BEARING: GPS Data - NAD 83-PODP #4  
 BASIS OF ELEVATION: GPS Data - Diff. corrections Omnistar

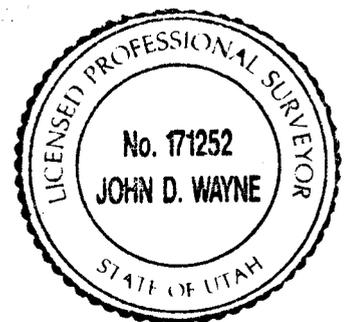
500' 500'  
1" = 1000'

Some information on this plat is based on information taken from previous surveys, record information, or collateral evidence and may not reflect that which may be disclosed by a complete boundary survey. This plat is not to be relied on for the establishment of surface boundaries, fences, buildings, or other future improvements.

-  GLO BC
-  WELL Location



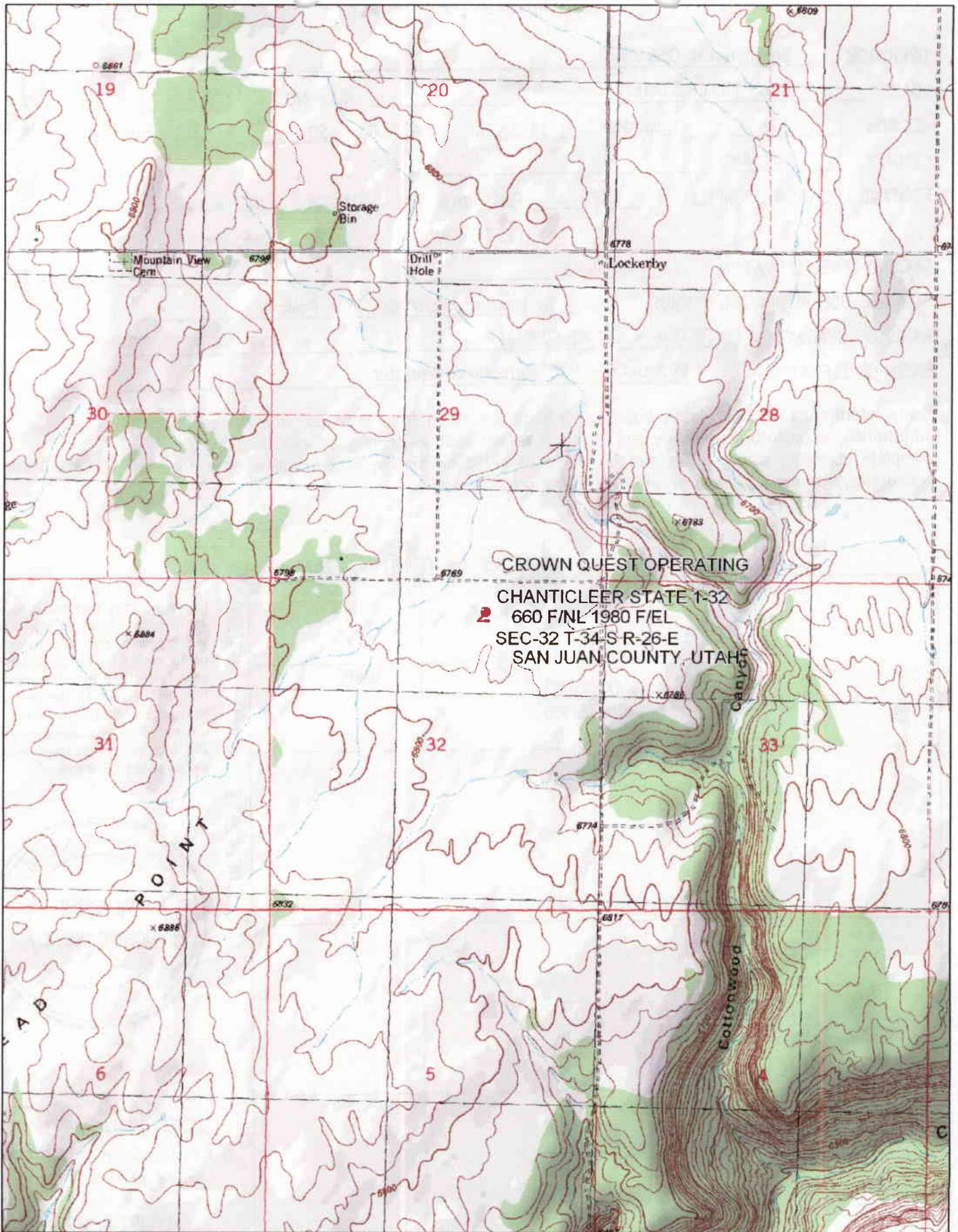
I hereby certify that the proposed well location shown on this plat was prepared from field notes of an actual survey by me or under my supervision, and that the same is true and correct to the best of my knowledge and belief, and that there are no visible improvements within 200 feet of this proposed wellhead, unless noted otherwise.



*John D. Wayne*  
 John D. Wayne  
 Professional L.S. #171252  
 State of Utah

AUGUST 6, 2007  
 Date Surveyed:  
 AUGUST 21, 2007  
 Date Platted:

SCALE: 1" = 1000'



**CROWN QUEST OPERATING**  
**CHANTICLEER STATE 1-32**  
**660 F/NL 1980 F/EL**  
**SEC-32 T-34 S-R-26-E**  
**SAN JUAN COUNTY, UTAH**



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 www.delorme.com

Scale 1 : 25,000  
 1" = 2080 ft



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**Drilling Plan**

**Well Name:** Chanticleer State 1-32  
**Surface Location:** 660' FNL x 198~~7~~<sup>0</sup>' FEL, Section 32, T34S, R26E  
San Juan County, Utah  
**Target Formation:** Pennsylvanian  
**Elevation:** 6760' GL

**Geology:**

Formation	Top	Probable Content
Morrison	Surface	
Entrada Ss	1030'	potential fresh water
Navajo Ss	1220'	potential fresh water
Chinle Fm	1895'	vari-color shale
Shinarump Ss	2450'	gas/water
Moenkopi Fm	2590'	brn-red sltst/sh
Cutler (top of Permian)	2910'	prpl crs ss/sh; potential fresh water
Honaker Trail (top of Penn)	4300'	ls; potential gas, brine
Upper Ismay	5500'	gas/oil/brine
Desert Creek	5760'	gas/oil/brine
TD	5880'	

**Logging Program:** Triple Combo including Induction, Neutron/Density, and Sonic logs from TD to surface casing shoe.

**Clean-out Fluid Program:**

Interval	Fluid Type	Weight	Viscosity	Fluid Loss
0' - 2100'	fresh water/gel	8.4 ppg	n/a	no control
2100' - 5880'	fresh water/gel/polymer	9.2 ppg	30 - 80 sec	10

**Casing Program:**

Interval	Hole Diameter	Csg Size	Wt.	Grade	Thread
Conductor					
0' - 150'	16"	13 3/8"	48 ppf	H40	STC
Surface					
0' - 2100'	12 1/4"	9 5/8"	36 ppf	J-55	LTC
Production					
0' - 5880'	7 7/8"	5 1/2"	17 ppf	P110	LTC

**Tubing Program:** 0 - 5700', 2 3/8", 4.7 ppf, J55, EUE

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## **BOPE and Wellhead Specifications and Testing:**

For drilling operations from conductor casing shoe to 2100': 13 5/8", 2000 psi, threaded casing head with two 2" outlets. 13 5/8", 2000 psi double gate BOP and 2000 psi choke manifold (see figures 1 and 2). Pressure test conductor casing to 600 psi prior to drilling out of conductor casing shoe. Pressure test BOPE to 2000 psi.

For drilling operations from surface casing shoe to TD (5880'): Cut off 13 5/8" casing and casing head. Install 9 5/8", 3000 psi, SOW casing head. 11", 3000 psi double ram BOP and 3000 psi annular preventor. 3000 psi choke manifold (see figures 3 and 4). Pressure test BOPE to 3000 psi and 9 5/8" surface casing to 3000 psi prior to drilling out of surface casing shoe.

For completion operations: 5 1/2" x 2 3/8", 5000 psi tree assembly. 7 1/16", 5000 psi double gate BOP system. 5000 psi choke manifold (see figures 3 and 4). Pressure test 5 1/2" casing to 5000 psi prior to frac'ing. The 5000 psi pressure rating is for possible frac treatment pressures and is far in excess of 3000 psi BOP equipment required to control anticipated formation pressure.

### **General Operation:**

- Actuate pipe rams once each day during clean-out operations. Actuate blind rams once each trip.
- An upper Kelly cock valve, with handle, will be available on the rig floor to fit each drilling string.
- BOP pit level drill will be conducted weekly for each drilling crew.
- All BOP tests and drills will be recorded in the daily drilling report.
- Blind and pipe rams will be equipped with extension hand wheels.

### **Cementing Program:**

13 3/8" Conductor Casing String: Run casing with saw-tooth guide shoe on bottom, insert float valve one joint from bottom, and install 1 bow-spring centralizer in the middle of the 1<sup>st</sup> joint and one at 88'. Cement to surface with 250 sks class 'G' with 1/4 #/sk celloflake and 2% CaCl<sub>2</sub> (1.15 cf/sk, 15.8 ppg). Perform top job as necessary. This string may be set with a rat-hole machine prior to moving on the drilling rig.

9 5/8" Surface Casing String: Run casing with swirl pattern guide shoe on bottom and non-differential fill float collar one joint from bottom. Centralize with one centralizer in the middle of the first joint, one centralizer every other collar for the next three collars, and one centralizer inside the conductor casing shoe. Cement to surface with 500 sks 65/35 poz + 6% gel + 6 #/sk gilsonite + .25 #/sk celloflake (12.8 ppg, 1.75 cf/sk), followed by 100 sks class 'G' + 2% CaCl<sub>2</sub> (15.8 ppg, 1.15 cf/sk).

5 1/2" Production Casing String: Run casing with float shoe on bottom, float collar one joint from bottom. Install one centralizer in the middle of the first joint, one on every other collar from TD to the top of the Honaker Trail formation, and one inside the surface casing shoe. Cement with

**CONFIDENTIAL**

550 sks 25/75 Poz TXI blend (11.8 ppg, 1.74 cf/sk) followed with 300 sks LiteCrete + gas block (12.5 ppg, 1.61 cf/sk) Top of cement calculated to be at 1500'.

**Special Drilling Operations:**

None anticipated

**Additional Information:**

- This well is designed to be completed in the Pennsylvanian formations.
- Bottom-hole pressure is calculated to be 2475 psi at 5500', 0.45 psi/ft. Adequate weighting material will be kept on location to maintain mud weight.
- LCM will be added to the mud system as required to maintain circulation.
- Estimated formation pressures:
  - Ismay 2475 psi
  - Desert Creek 2592 psi

**Completion Information:**

The completion procedure will be prepared after cased-hole logs are analyzed. The well will be completed by frac and acid treatments.

Prepared by: Robert R. Griffie  
Operations Manager  
Date: 8/17/07

## CONTACT LIST

### Utah Projects

CrownQuest Operating , LLC  
303 Veterans Airpark Ln  
P.O. Box 53310  
Midland, Texas 79710  
Tommy Lent, PE, Vice President-Operations & Engineering  
432-818-0300

Roddy Production Company, Inc  
P.O. Box 2221 \* 2600 Farmington Ave.  
Farmington, NM 87499  
Robert R. Griffee, PE, Operations Manager & CQ Agent  
505-326-6813  
Fax: 505-326-6814  
Donal Key, Land, Permitting & Locations  
505-716-2543  
Fax: 505-326-6814

Basin Surveying, Inc  
P.O. Box 6456  
Farmington, NM 87499  
108 Llano, Aztec NM 87410  
John D. Wayne, P.L.S.  
505-334-1500  
Fax: 505-334-1498

Chanticleer State # 1-32  
Thirteen Point Surface Use Plan

1) Existing Roads

- a) The proposed route to the location is shown on the attached Topographical Map.
- b) The well pad is located approximately 3 miles Southeast of Eastland Township, Utah.
- c) If necessary, an encroachment permit will be obtained from San Juan County, Utah for use of the existing county roads (CR #314, CR #359, CR #341 & CR #343). Approximately 2 miles of CR #314 and 1/2 mile of CR #359, and 1 mile of CR #341 and ¼ mile of CR #343 will be used to access the well site.

2) Access Road

- a) Approximately 660' of flat bladed road off CR #343 provides access to the well site.
- b) No cattle guards will be required.
- c) There are no existing roads outside the lease or unit boundary for which a right-of-way is required .

b) Location of existing wells

See attached Topographical Map for the location of existing wells in the area of this proposed well site.

c) Location of Production Facilities

- a. In the event the well is brought to production, necessary production equipment will be determined and a diagram will be submitted showing the layout of such equipment on the location site.
- b. Off-site facilities: No off-site facilities are required.
- c. Pipelines: Pipeline design, construction, and permitting will be performed if needed after it is determined that the well is productive.

All permanent (in place for six months or longer) structures constructed or installed (including oil well pump jacks) will be painted a flat, nonreflective color to match the standard environmental colors, as determined by the Rocky Mountain Five-State Interagency Committee. All facilities will be painted within six months of installation. Facilities required to comply with the Occupational Safety and Health Act (OSHA) may be excluded. Colors will be as follows: Juniper Green.

All site security guidelines identified in 43 CFR 3162.7-5 and Onshore Oil and Gas Order No. 3 shall be followed.

If a gas meter run is constructed it will be located on the lease within 500 feet of the well head. The gas flow line will be buried from the wellhead to the meter and will be buried downstream of the meter until it leaves the pad. Meter runs will be housed and /or fenced. The gas meter shall be calibrated prior to first sales and shall be calibrated quarterly thereafter. All gas production and measurement shall comply with the provisions of 43 CFR 3162.7-3, Onshore Oil and Gas Order No. 5, and American Gas Association (AGA) Report No. 3.

If a tank battery is constructed on this lease, it will be surrounded by a berm of sufficient capacity to contain 1 ½ times the storage capacity of the largest tank. All loading lines and valves will be placed inside the berm surrounding the tank battery. All oil production and measurement shall conform to the provisions of 43 CFR 3162.7-3, Onshore Oil and Gas Order No. 4.

Production facilities on location may include a lined or unlined production water pit as specified. If water is produced from the well an OOGO #7 application must be submitted.

d) Location and Type of Water Supply

All water needed for drilling and completion purposes will be obtained from the City of Monticello, Utah ( SW 1/4, Section 30, T33S, R24E.).

e) Source of Construction Material

It is not anticipated that additional construction materials will be required for construction of the well pad, pit, and access road for drilling operations. Gravel and rock for upgrading the access roads to Class III Standards will be obtained from a private source, if needed. If additional materials are required, they will be obtained from a private source. The use of materials under BLM jurisdiction will conform to 43 CFR 3610.2-3.

f) Methods of Handling Waste Water Disposal

All garbage and trash materials will be contained in a trash cage and removed from the site for proper disposal as necessary, but no later than at the conclusion of drilling operations. Portable toilets will be provided and serviced appropriately.

The first 6 inches of top soil will be removed, stockpiled along the Northern edge of the well pad and reserved for reclamation. The drill pad is approximately 300' x 300'. The reserve pit is in the Southeast corner of the drill pad and is approximately 150' x 75' x 10' with 3:1 slopes. Upon inspection, the reserve will be re-lined if necessary. Three sides of the reserve pit will be fenced prior to drilling operations and the fourth side of the pit will be fenced when drilling operations cease. The fence will be constructed using 32" woven wire topped with

two smooth wire strands 4" and 16" above the woven wire. Steel T-posts will be set 16.5' apart and two stays will be used between the posts. Corner posts will be 2' H Posts or more and anchored. The fence will be kept in repair while the pit dries. It is anticipated 2-3 days will be needed to dress up the well pad, reserve pit and access. No new surface disturbance is anticipated. The reserve pit is located in the cut, with 100% of the pit volume being below the original ground level. Wildlife protection, consisting of appropriate netting, will be used to cover the reserve pit.

g) Ancillary Facilities

N/A

h) Well Site Layout

All existing wells in the vicinity of this well pad are shown on the attached Topographical Map. Access to the well pad will be shown on the Topographical Map.

i) Plans for Restoration of the Surface

The top 6 inches of topsoil material will be removed from the location and stockpiled separately on the north side of the pad.

Immediately upon completion of drilling, all equipment that is not necessary for production will be removed.

Before any dirt work to restore the location takes place, the reserve pit must be completely dry.

All road surfaces will be removed prior to the rehabilitation of roads.

Reclaimed roads will have the berms and cuts reduced and will be closed to vehicle use.

All disturbed areas will be re-contoured to replicate the natural slope.

The stockpiled topsoil will be evenly distributed over the disturbed area.

In the event the well is abandoned an abandonment marker will be placed below ground level. The marker will supply the operator name, lease number, well name and surveyed description ( township, range, section and either quarter-quarter or footages).

11) Surface and Mineral Ownership

The surface is Fee and the minerals are owned by the State of Utah.

12) Other Information

a) Archaeological Concerns: None

If historic or archaeological materials are uncovered during construction, the operator is to immediately stop work that might further disturb such materials, and will contact the authorized officer (AO). Within five (5) working days, the AO will inform the operator as to:

- whether the materials appear eligible for the National Register of Historic Places;
- the mitigation measures the operator will likely have to undertake before the site can be used (assuming in situ preservation is not necessary); and
- a time frame for the AO to complete an expedited review under 36 CFR 800.11 to confirm, through the State Historic Preservation Officer, that the findings of the AO are correct and that the mitigation is appropriate.
- If the operator wishes, at any time, to relocate activities to avoid the expense of mitigation and/or the delays associated with this process, the 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 the technical and procedural guidelines for the conduct of mitigation. Upon verification from the AO that the required mitigation has been completed, the operator will be allowed to resume construction.

b) Threatened and Endangered Species Concerns: No known concerns.

c) Wildlife Seasonal Restrictions (yes/no): Deer Winter Range December 15 – April 30.

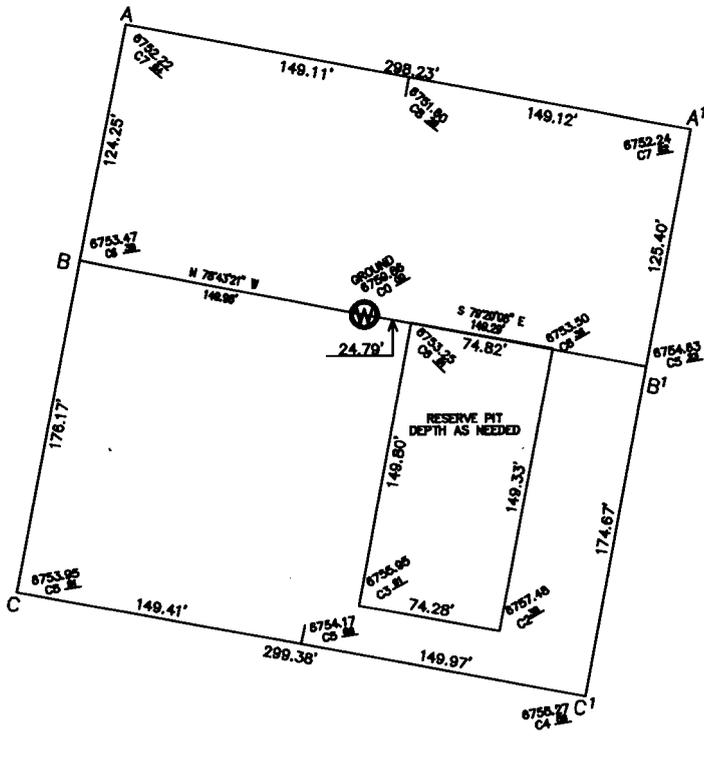
d) Off Location Geophysical Testing: N/A

e) Drainage crossing that require additional State or Federal approval: N/A

f) Other: Anticipated spud date, October 1, 2007.



Donal W. Key  
Surface Operations  
June 17, 2007



Crown Quest Operating  
OPERATOR

CHANTICLEER STATE 1-32  
WELL NAME and NUMBER

660' F/NL      1980' F/EL  
FOOTAGES

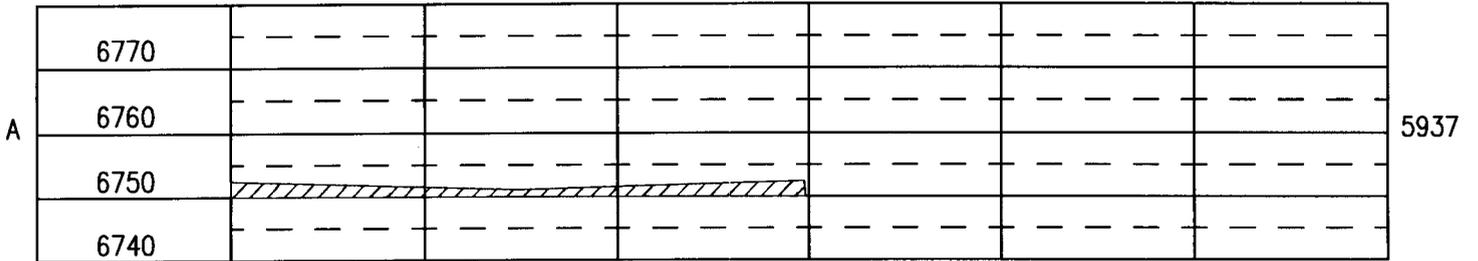
32	34S	26E
SEC.	TWP.	RGE.

San Juan,      Utah  
COUNTY      STATE

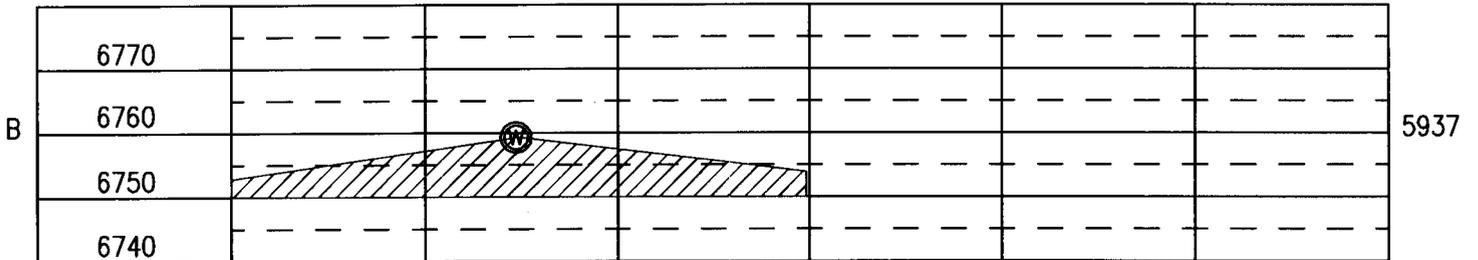
AUGUST 21, 2007  
DATE

SCALE  
Horiz. 1" = 50'  
Vert. 1" = 30'

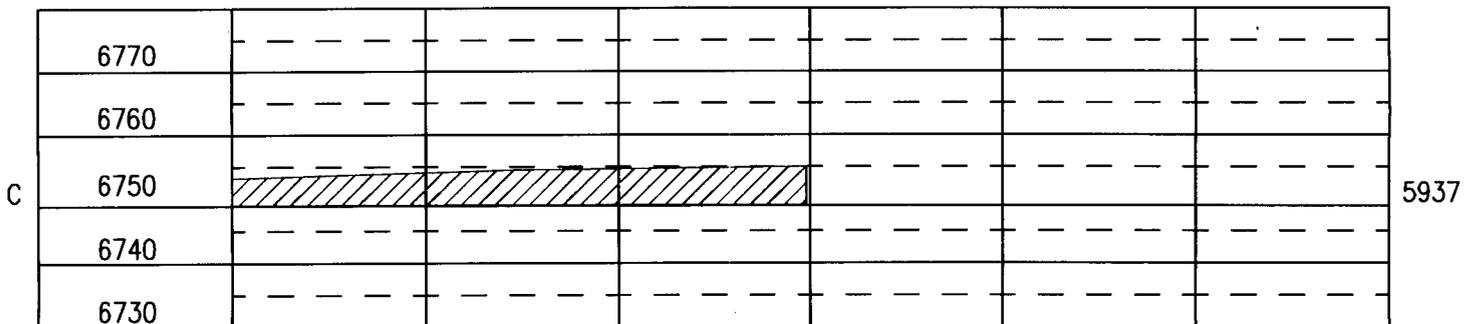
A - A'



B - B'



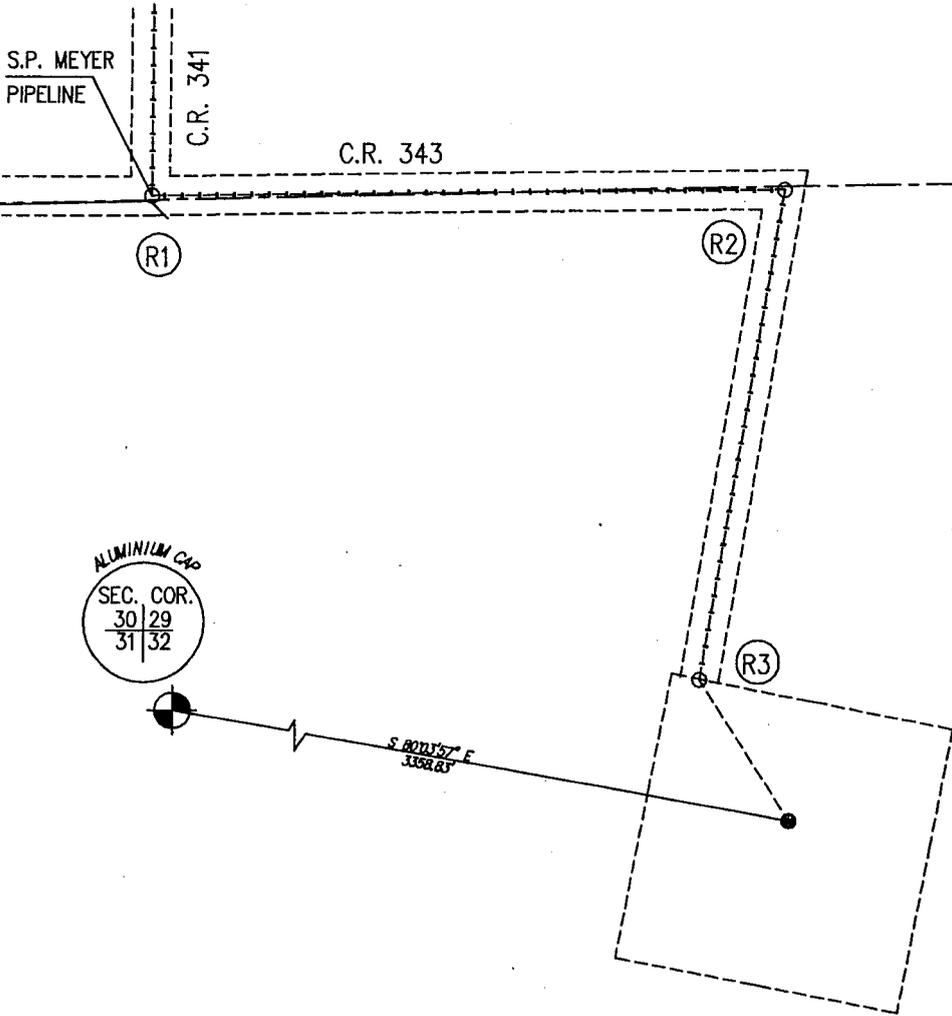
C - C'



CHANTICLEER STATE 1-32  
PROPOSED PIPELINE  
& ROAD

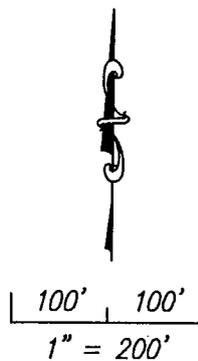
START

	0+00	CHANTICLEER STATE 1-32	
IN	NW	33 00 44	172.90
R1	1+72.90		
IN	SW	89 17 04	656.50
R2	8+29.40		
IN	NE	09 31 57	518.01
R3	13+47.41	R-3 EOL @ EXIST. C.R.	



*John D. Wayne*  
John D. Wayne  
Professional Surveyor  
Utah Reg. No. 171252

Some information on this plat is based on information taken from previous surveys, record information, or collateral evidence and may not reflect that which may be disclosed by a complete boundary survey. This plat is not to be relied on for the establishment of surface boundaries, fences, buildings or other future improvements.



REVISED DATE:  
DRAWING NO: 00845CHANTICLEER

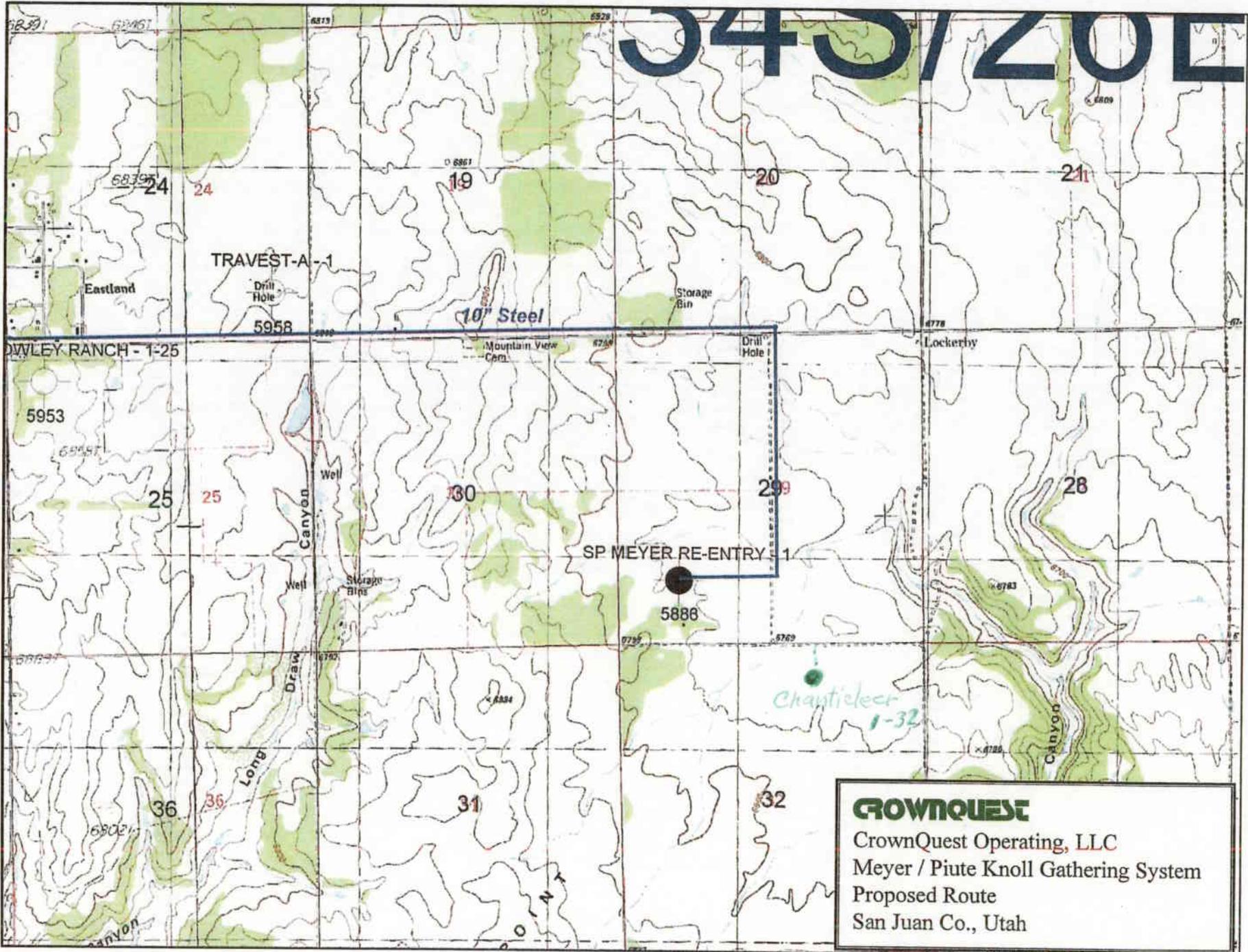
SEC.	TWP.	RGE.	1/4 SEC.	WIDTH	LENGTH			ACRES
					FEET	RODS	MILES	
32	34S	26E	NE1/4	40'	1347.41	81.66	.26	1.24
TOTALS					1347.41	81.66	.26	1.24

CROWN QUEST OPERATING  
PROPOSED PIPELINE & ROAD  
CHANTICLEER STATE 1-32  
Sec. 32, T-34-S, R-26-E, S.L.B.M.

San Juan County, Utah

SCALE: 1"=200'      DATE: 08/22/07

# 34S/20E



**CROWNQUEST**  
CrownQuest Operating, LLC  
Meyer / Piute Knoll Gathering System  
Proposed Route  
San Juan Co., Utah



**WORKSHEET  
APPLICATION FOR PERMIT TO DRILL**

APD RECEIVED: 08/31/2007

API NO. ASSIGNED: 43-037-31866

WELL NAME: CHANTICLEER ST 1-32  
 OPERATOR: CROWNQUEST OPERATING, ( N2685 )  
 CONTACT: ROBERT GRIFFEE

PHONE NUMBER: 505-325-5750

PROPOSED LOCATION:

NWNE 32 340S 260E  
 SURFACE: 0660 FNL 1980 FEL  
 BOTTOM: 0660 FNL 1980 FEL  
 COUNTY: SAN JUAN  
 LATITUDE: 37.78387 LONGITUDE: -109.0880  
 UTM SURF EASTINGS: 668376 NORTHINGS: 4183351  
 FIELD NAME: WILDCAT ( 1 )

INSPECT LOCATN BY: / /		
Tech Review	Initials	Date
Engineering	DKD	11/21/07
Geology		
Surface		

LEASE TYPE: 3 - State  
 LEASE NUMBER: ML 48562  
 SURFACE OWNER: ~~3 - State~~ FEE

PROPOSED FORMATION: DSCR  
 COALBED METHANE WELL? NO

RECEIVED AND/OR REVIEWED:

- Plat
- Bond: Fed[] Ind[] Sta[] Fee[]  
(No. RLB0007554 )
- N Potash (Y/N)
- N Oil Shale 190-5 (B) or 190-3 or 190-13
- Water Permit  
(No. MUNICIPAL )
- RDCC Review (Y/N)  
(Date: 09/25/2007 )
- Fee Surf Agreement (Y/N)
- N/A Intent to Commingle (Y/N)

LOCATION AND SITING:

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

COMMENTS: Needs Permit (09-24-07)

STIPULATIONS: 1- Spacing Strip  
2- STATEMENT OF BASIS  
3- Surface Csg Cont Strip

T34S R26E

19

20

21

22

ANTEATER ST 1-21

30

29

28

27

S.P. MYER 1

CHANTICLEER ST 1-32

31

32

33

34

T35S R26E

4

3

OPERATOR: CROWNQUEST OPER (N2685)

SEC: 21,32 T.34S R. 26E

FIELD: WILDCAT (001)

COUNTY: SAN JUAN

SPACING: R649-3-2 / GENERAL SITING

- Field Status**
- ABANDONED
  - ACTIVE
  - COMBINED
  - INACTIVE
  - PROPOSED
  - STORAGE
  - TERMINATED

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

**Wells Status**

- 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
- DRILLING



PREPARED BY: DIANA MASON  
DATE: 10-SEPTEMBER-2007

# Application for Permit to Drill

## Statement of Basis

11/13/2007

Utah Division of Oil, Gas and Mining

Page 1

APD No	API WellNo	Status	Well Type	Surf Ownr	CBM
539	43-037-31866-00-00		GW	S	No
<b>Operator</b>	CROWNQUEST OPERATING, LLC	<b>Surface Owner-APD</b>			
<b>Well Name</b>	CHANTICLEER ST 1-32	<b>Unit</b>			
<b>Field</b>	UNDESIGNATED	<b>Type of Work</b>			
<b>Location</b>	NWNE 32 34S 26E S 660 FNL 1980 FEL GPS Coord (UTM) 668376E 4183351N				

### Geologic Statement of Basis

A moderately permeable soil is likely to be developed on Quaternary Eolian Loess covering the relatively thin Dakota Sandstone/Burro Canyon Formation, which overlies the Morrison Formation. Significant volumes of high quality ground water are likely to be encountered at this location. No underground sources of water have been filed on within a mile of the location. Estimates of the elevation of the base of moderately saline ground water determined from nearby wells suggest that it may occur at about 2,500' above mean sea level. This corresponds to a depth of about 4,300', which is the depth near the interformational contact of the Cutler Group and Honaker Trail Formation according to the Operator's geologic prognosis. It is likely that fresh water may also be found in the Morrison Formation, the Entrada Sandstone, and the Navajo Sandstone. The proposed drilling, casing and cementing program should adequately isolate any zones of fresh water that may be penetrated. A benign mud system is proposed.

Chris Kierst  
APD Evaluator

11/8/2007  
Date / Time

### Surface Statement of Basis

On-site evaluation completed September 24, 2007, attending: Bart Kettle-Division of Oil, Gas and Mining (DOGM), Ed Bonner-Trust Lands Administration (SITLA), Kyle Beagley-Division of Wildlife Resources (DWR), Donal Key-CrownQuest Operating, LLC

Reserve pit requires a liner to prevent migration of materials into shallow high quality water zones commonly found within the project area. A fence will be required around the reserve pit to prevent entrance and entrapment of livestock and wildlife.

Bart Kettle  
Onsite Evaluator

9/24/2007  
Date / Time

### Conditions of Approval / Application for Permit to Drill

Category	Condition
Pits	A synthetic liner with a minimum thickness of 16 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** CROWNQUEST OPERATING, LLC  
**Well Name** CHANTICLEER ST 1-32  
**API Number** 43-037-31866-0      **APD No** 539      **Field/Unit** UNDESIGNATED  
**Location:** 1/4,1/4 NWNE      **Sec** 32      **Tw** 34S      **Rng** 26E      660 FNL 1980 FEL  
**GPS Coord (UTM)**      **Surface Owner**

### Participants

Bart Kettle-Division of Oil, Gas and Mining (DOGM), Ed Bonner-Trust Lands Administration (SITLA), Kyle Beagley-Division of Wildlife Resources (DWR), Donal Key-CrownQuest Operating, LLC

### Regional/Local Setting & Topography

Proposed project location is ~10 miles east of Monticello, San Juan County, Utah. The immediate area surrounding the proposed well is a mixture of CRP and dry land agriculture fields. Project is staked on fee surface owned by David Fullmer of Monticello. Access to this well will be along existing County maintained roads and approximately 660' of upgraded two track access across lands currently held by Mr. Fullmer. Regionally the project site is located along the eastern edge of the Canyon lands portion of the Colorado Plateau. Topography is a series of large mesas cut by sandstone outcrops and narrow canyons. Drainage is to the southwest entering Montezuma Creek within 15 miles. Locally a majority of the surface is being used for dry land farming or CRP pastures.

### Surface Use Plan

#### **Current Surface Use**

Grazing  
Agricultural  
Wildlfe Habitat

#### **New Road**

<b>Miles</b>	<b>Well Pad</b>		<b>Src Const Material</b>	<b>Surface Formation</b>
0.1	<b>Width</b> 250	<b>Length</b> 300	Onsite	DKTA

**Ancillary Facilities** N

### Waste Management Plan Adequate? Y

### Environmental Parameters

**Affected Floodplains and/or Wetland** N

#### **Flora / Fauna**

Flora: Dry land agriculture field.

#### **Soil Type and Characteristics**

Deep orange loam

**Erosion Issues** N

**Sedimentation Issues** N

**Site Stability Issues** N

Drainage Diversion Required? N

Berm Required? N

Erosion Sedimentation Control Required? N

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

**Reserve Pit**

<b>Site-Specific Factors</b>		<b>Site Ranking</b>
Distance to Groundwater (feet)	100 to 200	5
Distance to Surface Water (feet)	>1000	0
Dist. Nearest Municipal Well (ft)	>5280	0
Distance to Other Wells (feet)	>1320	0
Native Soil Type	Mod permeability	10
Fluid Type	Fresh Water	5
Drill Cuttings	Salt or Detrimental	10
Annual Precipitation (inches)	10 to 20	5
Affected Populations	<10	0
Presence Nearby Utility Conduits	Not Present	0
	<b>Final Score</b>	<b>35</b>
		<b>1</b>
		<b>Sensitivity Level</b>

**Characteristics / Requirements**

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

**Other Observations / Comments**

Proposed project stacked in the center of 40 acre parcel currently being farmed in a dry land rotation. Surface owner is David Fullmer contacted in person on 10/22/2007. Per conversation with Mr. Fullmer not comments concerning DOGM permitting process or surface resource concerns pertaining to permitting. Concerns revolving around Surface Use Agreement mainly stemming from damage compensation amounts.

Bart Kettle  
Evaluator

9/24/2007  
Date / Time

**utah**  
**gov**   **Online Services**   **Agency List**   **Business**

# Utah Division of Water Rights

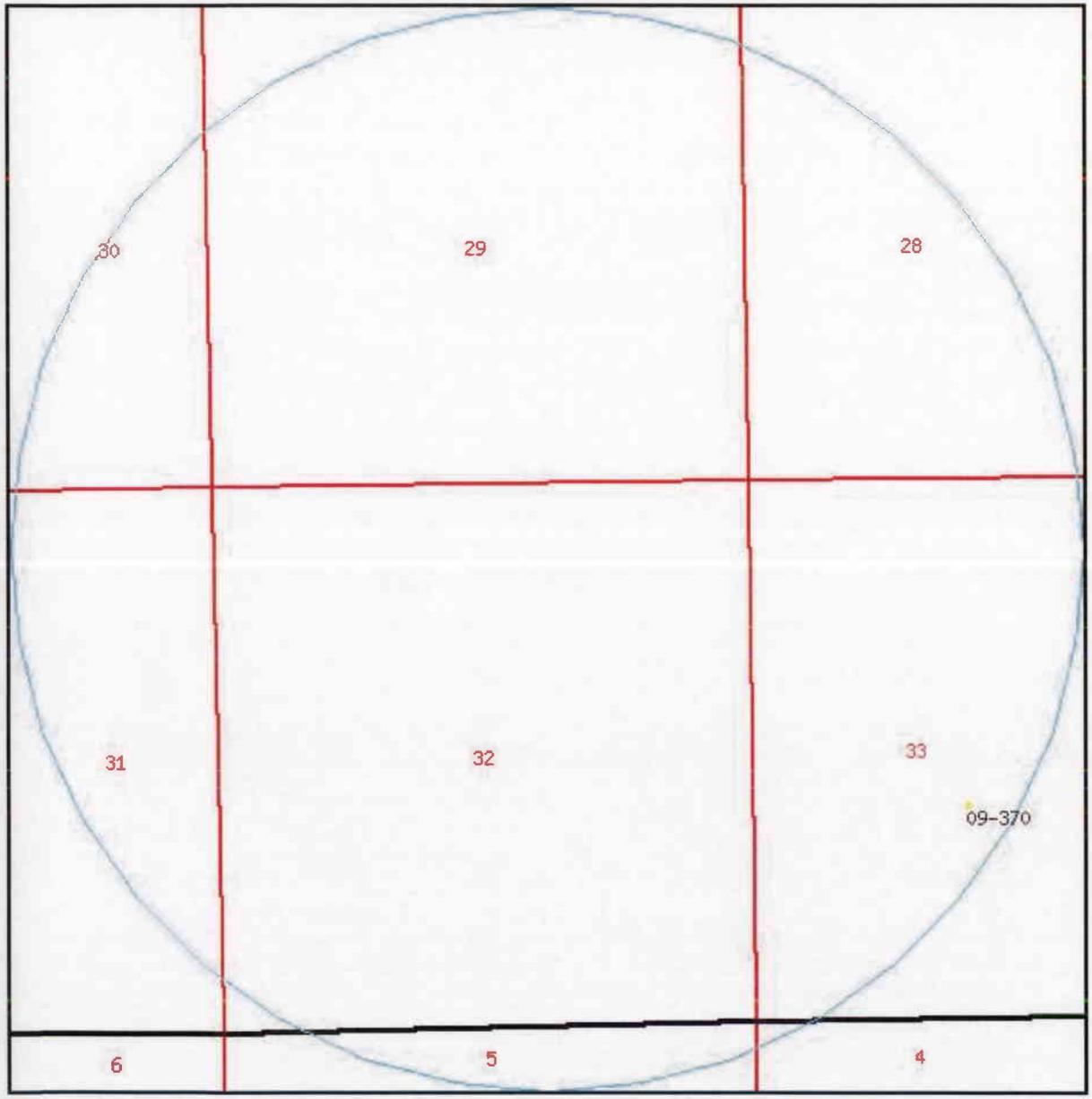
## WRPLAT Program Output Listing

Version: 2007.04.13.01    Rundate: 11/08/2007 04:19 PM

Radius search of 5280 feet from a point S660 W1980 from the NE corner, section 32, Township 34S, Range 26E, SL b&m Criteria:wrtypes=W,C,E  
podtypes=S,U,Sp status=U,A,P usetypes=all

<b>WR Number</b>	<b>Diversion Type/Location</b>	<b>Well Log</b>	<b>Status</b>	<b>Priority</b>	<b>Uses</b>	<b>CFS</b>	<b>ACFT</b>	<b>Owner Name</b>
<u>09-370</u>	Surface S532 E2113 W4 33 34S 26E SL		P	19641229	DS	0.007	0.000	BILL JOHNSON EAST ROUTE

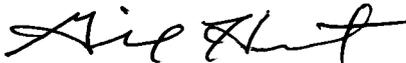
[Natural Resources](#) | [Contact](#) | [Disclaimer](#) | [Privacy Policy](#) | [Accessibility Policy](#)



0 700 1400 2100 2800 ft

**Water Rights**

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

<b>1. State Agency</b> Oil, Gas and Mining 1594 West North Temple, Suite 1210 Salt Lake City, UT 84114-5801	<b>2. Approximate date project will start:</b>  Upon Approval or September 25, 2007
<b>3. Title of proposed action:</b> Application for Permit to Drill	
<b>4. Description of Project:</b>  CrownQuest Operating, LLC proposes to drill the Chanticleer State 1-32 well (wildcat) on State lease ML-48562, San Juan 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.	
<b>5. Location and detailed map of land affected (site location map required, electronic GIS map preferred)</b> (include UTM coordinates where possible) (indicate county) 660' FNL 1980' FEL , NW/4 NE/4, Section 32, Township 34 South, Range 26 East, San Juan County, Utah	
<b>6. Possible significant impacts likely to occur:</b> 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.	
<b>7. Identify local government affected</b> 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?	
<b>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:</b> a. Has the representative and senator been contacted? N/A	
<b>9. Areawide clearinghouse(s) receiving state action:</b> (to be sent out by agency in block 1) Southeastern Utah Association of Governments	
<b>10. For further information, contact:</b>   <b>Diana Mason</b> <b>Phone:</b> (801) 538-5312	<b>11. Signature and title of authorized officer</b>   Gil Hunt, Associate Director <b>Date:</b> September 11, 2007

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

FORM 3

AMENDED REPORT   
(highlight changes)

<b>APPLICATION FOR PERMIT TO DRILL</b>				5. MINERAL LEASE NO: <b>ML 48562</b>	6. SURFACE: <b>State</b>
1A. TYPE OF WORK:    DRILL <input checked="" type="checkbox"/> REENTER <input type="checkbox"/> DEEPEN <input type="checkbox"/>				7. IF INDIAN, ALLOTTEE OR TRIBE NAME:	
B. TYPE OF WELL:    OIL <input type="checkbox"/> GAS <input checked="" type="checkbox"/> OTHER _____    SINGLE ZONE <input checked="" type="checkbox"/> MULTIPLE ZONE <input type="checkbox"/>				8. UNIT or CA AGREEMENT NAME:	
2. NAME OF OPERATOR: <b>CrownQuest Operating, LLC</b>				9. WELL NAME and NUMBER: <b>Chanticleer State 1-32</b>	
3. ADDRESS OF OPERATOR: <b>P.O. Box 2221</b> CITY <b>Farmington</b> STATE <b>NM</b> ZIP <b>87499</b>			PHONE NUMBER: <b>(505) 325-5750</b>	10. FIELD AND POOL, OR WILDCAT: <b>Wildcat</b>	
4. LOCATION OF WELL (FOOTAGES) AT SURFACE: <b>660' FNL x 1980' FEL</b> <i>R.R.C 668376X    37.783866</i> AT PROPOSED PRODUCING ZONE: <b>same</b> <i>4183351Y    -109.087957</i>				11. QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: <b>NWNE 32 34S 26E</b>	
14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE: <b>12 miles east of Monticello</b>				12. COUNTY: <b>San Juan</b>	13. STATE: <b>UTAH</b>
15. DISTANCE TO NEAREST PROPERTY OR LEASE LINE (FEET) <b>660'</b>		16. NUMBER OF ACRES IN LEASE: <b>960</b>		17. NUMBER OF ACRES ASSIGNED TO THIS WELL: <b>160</b>	
18. DISTANCE TO NEAREST WELL (DRILLING, COMPLETED, OR APPLIED FOR) ON THIS LEASE (FEET) <b>3250'</b>		19. PROPOSED DEPTH: <b>5,880</b>		20. BOND DESCRIPTION: <b>RLB 0007554</b>	
21. ELEVATIONS (SHOW WHETHER DF, RT, GR, ETC.): <b>6760' GL</b>		22. APPROXIMATE DATE WORK WILL START: <b>12/1/2007</b>		23. ESTIMATED DURATION: <b>60 days</b>	

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		
16"	13 3/8"    H40    48	150	class 'G', 250 sks	1.15 cf/sk	15.8 ppg
12 1/4"	9 5/8"    J55    36	2,100	65/35 Poz, 500 sks	1.75 cf/sk	12.8 ppg
			class 'G', 100 sks	1.15 cf/sk	15.8 ppg
7 7/8"	5 1/2"    P110    17	6,238	25/75 Poz, 550 sks	1.74 cf/sk	11.8 ppg
			LiteCrete, 300 sks	1.61 cf/sk	12.5 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 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) Robert R. Griffie    TITLE Operations Manager  
SIGNATURE *Robert R. Griffie*    DATE 8/20/2007

(This space for State use only)

API NUMBER ASSIGNED: 43037-31866

APPROVAL:

**RECEIVED**  
**AUG 31 2007**

**DIV. OF OIL, GAS & MINING**

# UTAH WELL LOCATION PLAT

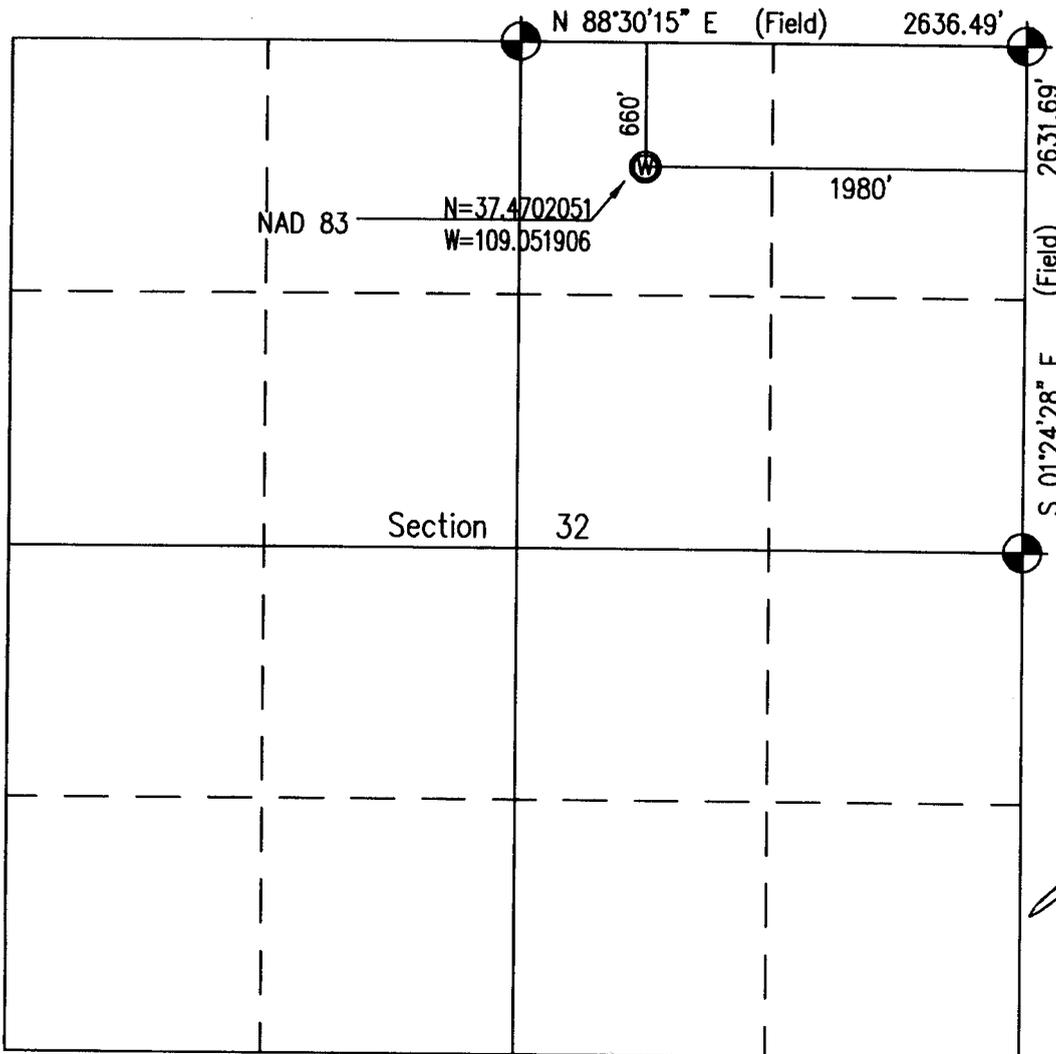
OPERATOR Crown Quest Operating  
 LEASE CHANTICLEER STATE WELL NO. 1-32  
 SECTION 32 TOWNSHIP 34 South RANGE 26 East SALT LAKE P.M.  
 COUNTY San Juan UTAH  
 FOOTAGE LOCATION OF WELL: 660 FEET FROM THE North LINE and  
1980 FEET FROM THE East LINE and  
 GROUND LEVEL ELEVATION: 6759.86  
 SURFACE USE WITHIN 200' RADIUS: No Improvements Within 200' - Pasture  
 BASIS OF BEARING: GPS Data - NAD 83-PODP #4  
 BASIS OF ELEVATION: GPS Data - Diff. corrections Omnistar



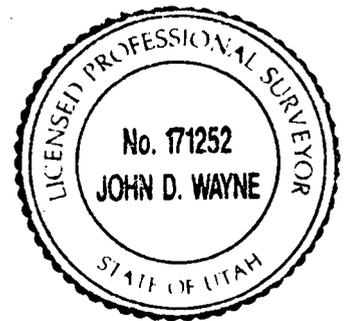
500' 500'  
 1" = 1000'

Some information on this plat is based on information taken from previous surveys, record information, or collateral evidence and may not reflect that which may be disclosed by a complete boundary survey. This plat is not to be relied on for the establishment of surface boundaries, fences, buildings, or other future improvements.

- GLO BC
- WELL Location



I hereby certify that the proposed well location shown on this plat was prepared from field notes of an actual survey by me or under my supervision, and that the same is true and correct to the best of my knowledge and belief, and that there are no visible improvements within 200 feet of this proposed wellhead, unless noted otherwise.



John D. Wayne  
 Professional L.S. #171252  
 State of Utah

AUGUST 6, 2007

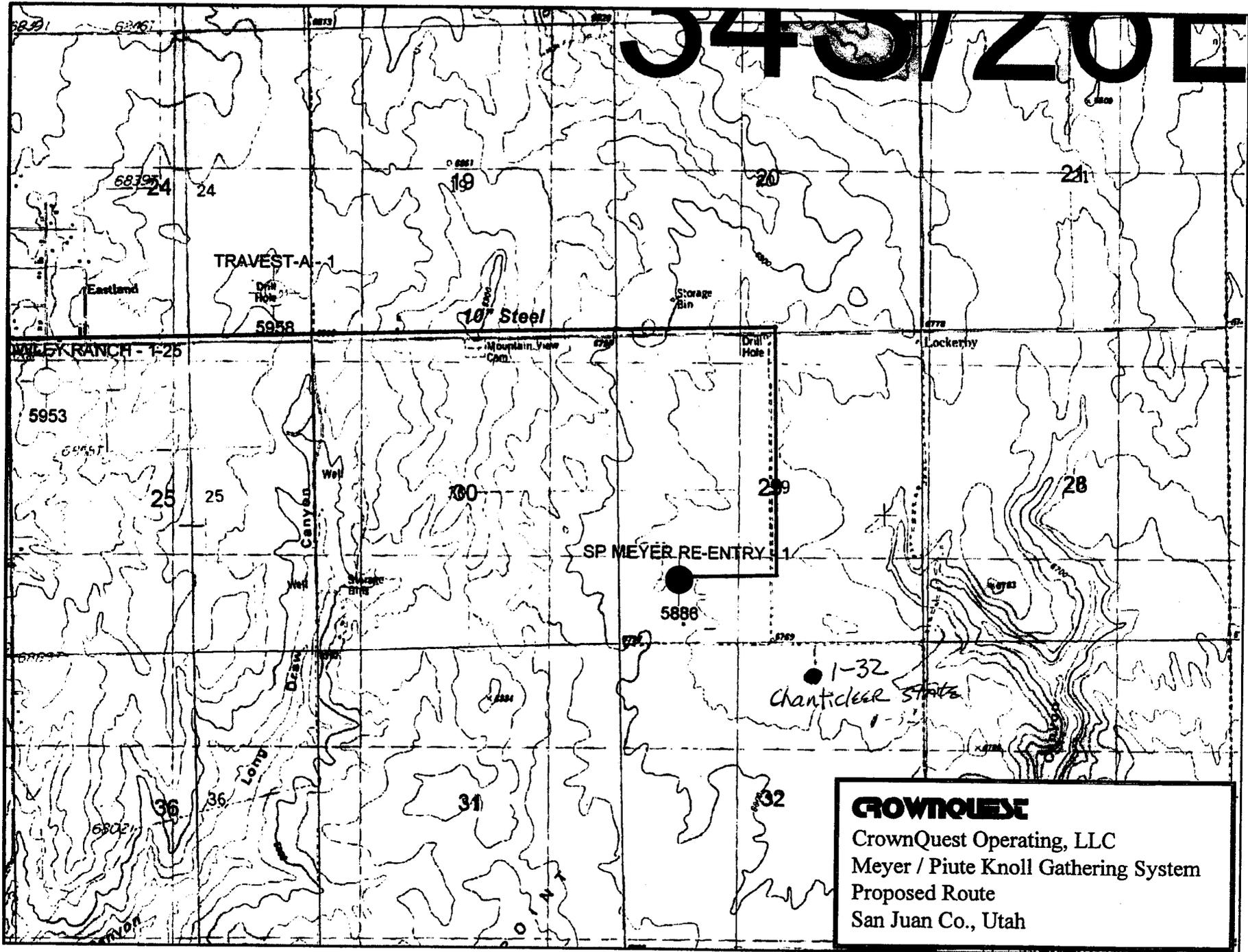
Date Surveyed:

AUGUST 21, 2007

Date Platted:

SCALE: 1" = 1000'

343/20E



**CROWNQUEST**  
CrownQuest Operating, LLC  
Meyer / Piute Knoll Gathering System  
Proposed Route  
San Juan Co., Utah

# 2007-11 CrownQuest Chanticleer ST 1-32

## Casing Schematic

BHP Cond.

$$.052(2100)8.4 = 917 \text{ psi}$$

13-3/8" MW 8.4

Gas  $.12(2100) = 252$   
 $917 - 252 = 665 \text{ psi, MASP}$

BOPE 2M to 2100' ✓

Burst 1730  
 70% 1211 psi

Max P @ cond. shoe  
 $.22(1950) = 429$   
 $917 - 429 = 488 \text{ psi}$   
 test to 500 psi

9-5/8" MW 8.4  
 Frac 19.3

BHP  $.052(5880)9.2 = 2813 \text{ psi}$   
 anticipate 2592 psi

Gas  $.12(5880) = 706$   
 $2813 - 706 = 2107 \text{ psi, MASP}$

BOPE 2100-TD  
 3M ✓

Burst 3520  
 70% 2464 psi

Max P @ surf. shoe  
 $.22(3780) = 832$   
 $2813 - 832 = 1981 \text{ psi}$

test to 2000 psi ✓

Strip surf. cont. ✓

5-1/2" MW 9.2

✓ Adequate DWD 11/21/07

Surface 15% 18%

TOC @ Burro Canyon  
 0. Conductor  
 150. MD

TOC @ 539. to surf w/9% w/o ✓

TOC @ 780. to surf w/10% w/o

1030' Entrada  
 1220' Navajo

1895' Chinle

Surface 2100. MD

2450' Shinarump  
 2590' Moenkopi

2910' Cutler

4300' Honaker Trail

5500' Upper Ismay

5760 Desert Creek

Production 5880. MD

Well name:	<b>2007-11 CrownQuest Chanticleer ST 1-32</b>		
Operator:	<b>CrownQuest Operating , LLC</b>		
String type:	Conductor	Project ID:	43-037-31866
Location:	San Juan 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: 75 °F  
 Bottom hole temperature: 77 °F  
 Temperature gradient: 1.40 °F/100ft  
 Minimum section length: 1,500 ft

Cement top: Surface

**Burst**

Max anticipated surface pressure: 47 psi  
 Internal gradient: 0.120 psi/ft  
 Calculated BHP 65 psi

No backup mud specified.

**Tension:**

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

**Non-directional string.**

Tension is based on buoyed weight.  
 Neutral point: 132 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	150	13.375	48.00	H-40	ST&C	150	150	12.59	132.3
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	65	740	11.306	65	1730	26.43	6	322	50.99 J

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

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

Date: November 16, 2007  
 Salt Lake City, Utah

**Remarks:**

Collapse is based on a vertical depth of 150 ft, a mud weight of 8.4 ppg. The casing is considered to be evacuated for collapse purposes. Collapse strength is based on the Westcott, Dunlop & Kemler method of biaxial correction for tension.

Burst strength is not adjusted for tension.

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

Well name:	<b>2007-11 CrownQuest Chanticleer ST 1-32</b>	
Operator:	<b>CrownQuest Operating , LLC</b>	Project ID:
String type:	Surface	43-037-31866
Location:	San Juan County	

**Design parameters:**

**Collapse**  
Mud weight: 8.400 ppg  
Design is based on evacuated pipe.

**Burst**  
Max anticipated surface pressure: 1,848 psi  
Internal gradient: 0.120 psi/ft  
Calculated BHP: 2,100 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 buoyed weight.  
Neutral point: 1,839 ft

**Environment:**

H2S considered? No  
Surface temperature: 75 °F  
Bottom hole temperature: 104 °F  
Temperature gradient: 1.40 °F/100ft  
Minimum section length: 250 ft

Cement top: 539 ft

**Non-directional string.**

**Re subsequent strings:**  
Next setting depth: 5,880 ft  
Next mud weight: 9.200 ppg  
Next setting BHP: 2,810 psi  
Fracture mud wt: 19.250 ppg  
Fracture depth: 2,100 ft  
Injection pressure: 2,100 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	2100	9.625	36.00	J-55	LT&C	2100	2100	8.796	911.5

Run Seq	Collapse Load (psi)	Collapse Strength (psi)	Collapse Design Factor	Burst Load (psi)	Burst Strength (psi)	Burst Design Factor	Tension Load (Kips)	Tension Strength (Kips)	Tension Design Factor
1	916	2020	2.204	2100	3520	1.68	66	453	6.84 J

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

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

Date: November 16, 2007  
Salt Lake City, Utah

Remarks:  
Collapse is based on a vertical depth of 2100 ft, a mud weight of 8.4 ppg. The casing is considered to be evacuated for collapse purposes.  
Collapse strength is based on the Westcott, Dunlop & Kemler method of biaxial correction for tension.

Burst strength is not adjusted for tension.

Well name:	<b>2007-11 CrownQuest Chanticleer ST 1-32</b>		
Operator:	<b>CrownQuest Operating , LLC</b>		
String type:	Production	Project ID:	43-037-31866
Location:	San Juan County		

**Design parameters:**

**Collapse**

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

**Burst**

Max anticipated surface pressure: 1,517 psi  
Internal gradient: 0.220 psi/ft  
Calculated BHP 2,810 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 buoyed weight.  
Neutral point: 5,060 ft

**Environment:**

H2S considered? No  
Surface temperature: 75 °F  
Bottom hole temperature: 157 °F  
Temperature gradient: 1.40 °F/100ft  
Minimum section length: 1,500 ft

Cement top: 780 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	5880	5.5	17.00	P-110	LT&C	5880	5880	4.767	767.5
Run Seq	Collapse Load (psi)	Collapse Strength (psi)	Collapse Design Factor	Burst Load (psi)	Burst Strength (psi)	Burst Design Factor	Tension Load (Kips)	Tension Strength (Kips)	Tension Design Factor
1	2810	7480	2.662	2810	10640	3.79	86	445	5.17 J

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

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

Date: November 16, 2007  
Salt Lake City, Utah

**Remarks:**

Collapse is based on a vertical depth of 5880 ft, a mud weight of 9.2 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.*

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

**CONFIDENTIAL**

FORM 3

AMENDED REPORT   
(highlight changes)

<b>APPLICATION FOR PERMIT TO DRILL</b>			5. MINERAL LEASE NO: <b>ML 48562</b>	6. SURFACE: <b>Fee</b>
1A. TYPE OF WORK: <b>DRILL</b> <input checked="" type="checkbox"/> <b>REENTER</b> <input type="checkbox"/> <b>DEEPEN</b> <input type="checkbox"/>			7. IF INDIAN, ALLOTTEE OR TRIBE NAME:	
B. TYPE OF WELL: <b>OIL</b> <input type="checkbox"/> <b>GAS</b> <input checked="" type="checkbox"/> <b>OTHER</b> _____ <b>SINGLE ZONE</b> <input checked="" type="checkbox"/> <b>MULTIPLE ZONE</b> <input type="checkbox"/>			8. UNIT or CA AGREEMENT NAME:	
2. NAME OF OPERATOR: <b>CrownQuest Operating, LLC</b>			9. WELL NAME and NUMBER: <b>Chanticleer State 1-32</b>	
3. ADDRESS OF OPERATOR: <b>P.O. Box 2221</b> CITY <b>Farmington</b> STATE <b>NM</b> ZIP <b>87499</b>		PHONE NUMBER: <b>(505) 325-5750</b>	10. FIELD AND POOL, OR WILDCAT: <b>Wildcat</b>	
4. LOCATION OF WELL (FOOTAGES) AT SURFACE: <b>660' FNL x 1980' FEL</b> AT PROPOSED PRODUCING ZONE: <b>same</b>			11. QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: <b>NWNE 32 34S 26E</b>	
14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE: <b>12 miles east of Monticello</b>			12. COUNTY: <b>San Juan</b>	13. STATE: <b>UTAH</b>
15. DISTANCE TO NEAREST PROPERTY OR LEASE LINE (FEET) <b>660'</b>	16. NUMBER OF ACRES IN LEASE: <b>960</b>	17. NUMBER OF ACRES ASSIGNED TO THIS WELL: <b>160</b>		
18. DISTANCE TO NEAREST WELL (DRILLING, COMPLETED, OR APPLIED FOR) ON THIS LEASE (FEET) <b>3250'</b>	19. PROPOSED DEPTH: <b>5,880</b>	20. BOND DESCRIPTION: <b>RLB 0007554</b>		
21. ELEVATIONS (SHOW WHETHER DF, RT, GR, ETC.): <b>6760' GL</b>	22. APPROXIMATE DATE WORK WILL START: <b>12/1/2007</b>	23. ESTIMATED DURATION: <b>60 days</b>		

**PROPOSED CASING AND CEMENTING PROGRAM**

SIZE OF HOLE	CASING SIZE, GRADE, AND WEIGHT PER FOOT	SETTING DEPTH	CEMENT TYPE, QUANTITY, YIELD, AND SLURRY WEIGHT		
16"	13 3/8" H40 48	150	class 'G', 250 sks	1.15 cf/sk	15.8 ppg
12 1/4"	9 5/8" J55 36	2,100	65/35 Poz, 500 sks	1.75 cf/sk	12.8 ppg
			class 'G', 100 sks	1.15 cf/sk	15.8 ppg
7 7/8"	5 1/2" P110 17	<del>580</del> <del>6,238</del>	25/75 Poz, 550 sks	1.74 cf/sk	11.8 ppg
			LiteCrete, 300 sks	1.61 cf/sk	12.5 ppg

**ATTACHMENTS**

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

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

NAME (PLEASE PRINT) Robert R. Griffiee TITLE Operations Manager  
SIGNATURE *Robert R. Griffiee* DATE 8/20/2007

(This space for State use only)

API NUMBER ASSIGNED: 43-037-31866

Approved by the  
Utah Division of  
Oil, Gas and Mining

**RECEIVED**  
**SEP 11 2007**

APPROVAL:

Date: 11-21-07

By: *[Signature]*

DIV. OF OIL, GAS & MINING

**From:** Robert Clark  
**To:** Mason, Diana  
**Date:** 9/17/2007 10:24 AM  
**Subject:** RDCC short turn-around comments

**CC:** Anderson, Tad; Mcneill, Dave; Wright, Carolyn  
The following comments are submitted on short turn-around items **RDCC #8425 through RDCC #8432.**

**RDCC #8425, Comments begin:** The Petro-Canada Resources (USA), Inc. proposal to drill the State 32-11 wildcat well, in Emery County, may require a permit, known as an Approval Order, from the Executive Secretary of the Air Quality Board. If any compressor or pump stations are constructed at the site, a permit application, known as a Notice of Intent (NOI), should be submitted to the Executive Secretary at the Utah Division of Air Quality at 150 N. 1950 West, Salt Lake City, Utah, 84116 for review according to the Utah Air Quality Rule R307-401. Permit: Notice of Intent and Approval Order. A copy of the rules is found at [www.rules.utah.gov/publicat/code/r307/r307.htm](http://www.rules.utah.gov/publicat/code/r307/r307.htm).

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

**RDCC #8426, Comments begin:** The CrownQuest Operating, LLC proposal to drill the Raider 1-17 wildcat well, in San Juan County, may require a permit, known as an Approval Order, from the Executive Secretary of the Air Quality Board. If any compressor or pump stations are constructed at the site, a permit application, known as a Notice of Intent (NOI), should be submitted to the Executive Secretary at the Utah Division of Air Quality at 150 N. 1950 West, Salt Lake City, Utah, 84116 for review according to the Utah Air Quality Rule R307-401. Permit: Notice of Intent and Approval Order. A copy of the rules is found at [www.rules.utah.gov/publicat/code/r307/r307.htm](http://www.rules.utah.gov/publicat/code/r307/r307.htm).

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**RDCC #8427, Comments begin:** The CrownQuest Operating, LLC proposal to drill the Dragon State 1-13 wildcat well, in San Juan County, may require a permit, known as an Approval Order, from the Executive Secretary of the Air Quality Board. If any compressor or pump stations are constructed at the site, a permit application, known as a Notice of Intent (NOI), should be submitted to the Executive Secretary at the Utah Division of Air Quality at 150 N. 1950 West, Salt Lake City, Utah, 84116 for review according to the Utah Air Quality Rule R307-401. Permit: Notice of Intent and Approval Order. A copy of the rules is found at [www.rules.utah.gov/publicat/code/r307/r307.htm](http://www.rules.utah.gov/publicat/code/r307/r307.htm).

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

**RDCC #8428, Comments begin:** The CrownQuest Operating, LLC proposal to drill the Banana Slug Federal 1-8 wildcat well, in San Juan County, may require a permit, known as an Approval Order, from the Executive Secretary of the Air Quality Board. If any compressor or pump stations are constructed at the site, a permit application, known as a Notice of Intent (NOI), should be submitted to the Executive Secretary at the Utah Division of Air Quality at 150 N. 1950 West, Salt Lake City, Utah, 84116 for review according to the Utah Air Quality Rule R307-401. Permit: Notice of Intent and Approval Order. A copy of the rules is found at [www.rules.utah.gov/publicat/code/r307/r307.htm](http://www.rules.utah.gov/publicat/code/r307/r307.htm).

The proposed project is also subject to Utah Air Quality Rule R307-205-5, Fugitive Dust, due to the fugitive dust that is generated during the excavating phases of the project. These rules apply to construction activities that disturb an area greater than 1/4 acre in size. A permit, known as an Approval Order, is not required from the Executive Secretary of the Air Quality Board, but steps need to be taken to minimize fugitive dust, such as watering and/or chemical stabilization, providing

vegetative or synthetic cover or windbreaks. A copy of the rules may be found at [www.rules.utah.gov/publicat/code/r307/r307.htm](http://www.rules.utah.gov/publicat/code/r307/r307.htm). **Comments end.**

**RDCC #8429, Comments begin:** The CrownQuest Operating, LLC proposal to drill the Anteater State 1-21 wildcat well, in San Juan County, may require a permit, known as an Approval Order, from the Executive Secretary of the Air Quality Board. If any compressor or pump stations are constructed at the site, a permit application, known as a Notice of Intent (NOI), should be submitted to the Executive Secretary at the Utah Division of Air Quality at 150 N. 1950 West, Salt Lake City, Utah, 84116 for review according to the Utah Air Quality Rule R307-401. Permit: Notice of Intent and Approval Order. A copy of the rules is found at [www.rules.utah.gov/publicat/code/r307/r307.htm](http://www.rules.utah.gov/publicat/code/r307/r307.htm).

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

**RDCC #8430, Comments begin:** The CrownQuest Operating, LLC proposal to drill the Chanticleer State 1-32 wildcat well, in San Juan County, may require a permit, known as an Approval Order, from the Executive Secretary of the Air Quality Board. If any compressor or pump stations are constructed at the site, a permit application, known as a Notice of Intent (NOI), should be submitted to the Executive Secretary at the Utah Division of Air Quality at 150 N. 1950 West, Salt Lake City, Utah, 84116 for review according to the Utah Air Quality Rule R307-401. Permit: Notice of Intent and Approval Order. A copy of the rules is found at [www.rules.utah.gov/publicat/code/r307/r307.htm](http://www.rules.utah.gov/publicat/code/r307/r307.htm).

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

**RDCC #8431, Comments begin:** The CrownQuest Operating, LLC proposal to drill the Explorer State 1-16 wildcat well, in San Juan County, may require a permit, known as an Approval Order, from the Executive Secretary of the Air Quality Board. If any compressor or pump stations are constructed at the site, a permit application, known as a Notice of Intent (NOI), should be submitted to the Executive Secretary at the Utah Division of Air Quality at 150 N. 1950 West, Salt Lake City, Utah, 84116 for review according to the Utah Air Quality Rule R307-401. Permit: Notice of Intent and Approval Order. A copy of the rules is found at [www.rules.utah.gov/publicat/code/r307/r307.htm](http://www.rules.utah.gov/publicat/code/r307/r307.htm).

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

**RDCC #8432, Comments begin:** The Delta Petroleum Corporation proposal to drill the Greentown State #31-362216 wildcat well, in Grand County, may require a permit, known as an Approval Order, from the Executive Secretary of the Air Quality Board. If any compressor or pump stations are constructed at the site, a permit application, known as a Notice of Intent (NOI), should be submitted to the Executive Secretary at the Utah Division of Air Quality at 150 N. 1950 West, Salt Lake City, Utah, 84116 for review according to the Utah Air Quality Rule R307-401. Permit: Notice of Intent and Approval Order. A copy of the rules is found at [www.rules.utah.gov/publicat/code/r307/r307.htm](http://www.rules.utah.gov/publicat/code/r307/r307.htm).

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

Robert Clark  
Division of Air Quality  
801-536-4435

MEMORANDUM

DATE: September 19, 2007  
TO: Resource Development Coordinating Committee  
FROM: Utah Geological Survey, Geologic Hazards Program and Ground Water and Paleontology Program  
SUBJECT: UGS comments on RDCC items 8390, 8420, 8425, and 8430.

8390. Proposed Round Valley golf and country club development, Morgan County, Utah

Potential geologic hazards in the area that could affect the potential development include alluvial-fan flooding/debris flows, problem soils (shrink/swell and/or collapsible), riverine flooding, and moderate to high indoor radon potential. Responsible planning should address geologic hazards prior to land development and construction. The Utah Geological Survey recommends potential hazards be addressed in a manner appropriate for the intended use of the land. The Utah Geological Survey has general hazards information available at our offices for review.

8420. Trust Lands Administration  
Sec. 36, T10S, R21E, Uintah County  
Special Use Lease Application #1538

Although there are no paleontological localities recorded in our files for this project area, the Eocene Uinta Formation that is exposed here has the potential for yielding significant vertebrate fossil localities. The office of the State Paleontologist therefore recommends that a paleontological survey be conducted for this project and its easements by a paleontologist with a valid permit.

8425. Division of Oil, Gas and Mining  
Short Turn Around Drilling Permit  
Sec. 32, T22S, R15E, Emery County  
Application for Permit to Drill - Petro-Canada Resources (USA), Inc., proposal to drill a wildcat well on State 32-11 on State lease ML-50651.

Although there are no paleontological localities recorded in our files for this project area, the Cretaceous Cedar Mountain Formation that is exposed here has the potential for yielding significant vertebrate fossil localities. The office of the State Paleontologist

therefore recommends that a paleontological survey be conducted for this project and its easements by a paleontologist with a valid permit.

8430. Division of Oil, Gas and Mining  
Short Turn Around Drilling Permit  
Sec. 32, T34S, R26E, San Juan County  
Application for Permit to Drill - Crown Quest Operating, LLC proposal to drill a wildcat well the Chanticleer State 1-32 on State lease ML-48562

Although there are no paleontological localities recorded in our files for this project area, the Cretaceous Dakota and Cedar Mountain/Burro Canyon Formations that are exposed here have the potential for yielding significant vertebrate fossil localities. The office of the State Paleontologist therefore recommends that a paleontological survey be conducted for this project and its easements by a paleontologist with a valid permit.

# CROWNQUEST

CROWNQUEST OPERATING, LLC

Date: 10/23/07

To Whom It May Concern:

Re: Chanticleer State # 1-32  
Section 32, T34S, R26E  
San Juan County, Utah

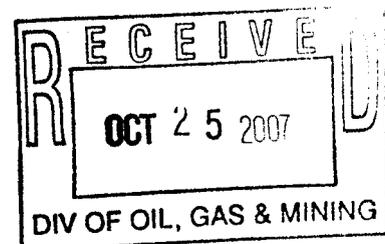
This letter is to certify CrownQuest Operating, LLC has in hand a signed Surface Agreement from Mr. David Frank Fullmer, P.O.Box 102, Monticello, UT 84535 . Mr. Fullmer is the surface owner of the above referenced well. A copy of the Surface Use Plan, location plat and map, as submitted in the APD, has been sent to Mr. Fullmer.

Please attach this certification to the APD and proceed with processing our request for the permit. If you need additional information, please contact: Donal Key, at the above address or at [donalkey@msn.com](mailto:donalkey@msn.com). Ph: 505-716-2543.

Sincerely,



Donal Key  
Surface Operations





JON M. HUNTSMAN, JR.  
Governor

GARY R. HERBERT  
Lieutenant Governor

**State of Utah**  
DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER  
Executive Director

**Division of Oil Gas and Mining**

JOHN R. BAZA  
Division Director

November 21, 2007

CrownQuest Operating, LLC  
P O Box 2221  
Farmington, NM 87499

Re: Chanticleer State 1-32 Well, 660' FNL, 1980' FEL, NW NE, Sec. 32, T. 34 South,  
R. 26 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 43-037-31866.

Sincerely,

Gil Hunt  
Associate Director

pab  
Enclosures

cc: San Juan County Assessor  
SITLA



Operator: CrownQuest Operating, LLC  
Well Name & Number Chanticleer State 1-32  
API Number: 43-037-31866  
Lease: ML 48562

Location: NW NE                      Sec. 32                      T. 34 South                      R. 26 East

### Conditions of Approval

#### 1. General

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

#### 2. Notification Requirements

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

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

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

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

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

- Dan Jarvis at:                      (801) 538-5338 office                      (801) 942-0873 home
- Carol Daniels at:                      (801) 538-5284 office
- Dustin Doucet at:                      (801) 538-5281 office                      (801) 733-0983 home

#### 3. Reporting Requirements

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

4. Compliance with the State of Utah Antiquities Act forbids disturbance of archeological, historical, or paleontological remains. Should archeological, historical or paleontological remains be encountered during your operations, you are required to immediately suspend all operations and immediately inform the Trust Lands Administration and the Division of State History of the discovery of such remains.
5. Compliance with the Conditions of Approval/Application for Permit to Drill outlined in the Statement of Basis. (Copy Attached)
6. The Application for Permit to Drill has been forwarded to the Resource Development Coordinating Committee for review of this action. The operator will be required to comply with any applicable recommendations resulting from this review.
7. 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.
8. Surface casing shall be cemented to the surface.

**DIVISION OF OIL, GAS AND MINING**

**SPUDDING INFORMATION**

Name of Company: CROWNQUEST OPERATING, LLC

Well Name: CHANTICLEER ST 1-32

Api No: 43-037-31866 Lease Type: STATE-FEE SURF

Section 32 Township 34S Range 26E County SAN JUAN

Drilling Contractor ACME DRILLING RIG # RATHOLE

**SPUDDED:**

Date 11/28/07

Time 12:19 PM

How DRY

**Drilling will Commence:** \_\_\_\_\_

Reported by ANTHONY YARBORROW

Telephone # (505) 486-1256

Date 12/04/07 Signed CHD

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

FORM 9

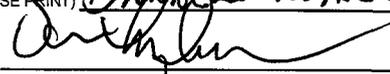
<b>SUNDRY NOTICES AND REPORTS ON WELLS</b>		5. LEASE DESIGNATION AND SERIAL NUMBER: <b>ML 48562</b>
Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.		6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
1. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER <u>CONFIDENTIAL</u>		7. UNIT or CA AGREEMENT NAME:
2. NAME OF OPERATOR: <b>CrownQuest Operating, LLC</b>		8. WELL NAME and NUMBER: <b>Chanticleer State 1-32</b>
3. ADDRESS OF OPERATOR: P.O. Box 2221 CITY Farmington STATE NM ZIP 87499		9. API NUMBER: <b>43-037-31866</b>
4. LOCATION OF WELL FOOTAGES AT SURFACE: <b>660' FNL X 1980' FEL</b>		10. FIELD AND POOL, OR WILDCAT: <b>Wildcat</b>
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: <b>NWNE 32 34S 26E</b>		COUNTY: <b>San Juan</b>
		STATE: <b>UTAH</b>

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>12/1/2007</u>	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> REPERFORATE CURRENT FORMATION
	<input checked="" 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 type="checkbox"/> OTHER: _____
	<input type="checkbox"/> CONVERT WELL TYPE	<input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION	

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

Request permission to change 13 3/8" conductor pipe setting depth to 60'. Received verbal permission from State of Utah engineer (Dustin Douce 11/30/07 approx. 09:30AM) to change depth and to use a diverter system on 12 1/4" surface hole

NAME (PLEASE PRINT) <u>DARRELL KUYKENDALL</u>	TITLE <u>SUPERINTENDANT (agent f) CrownQuest</u>
SIGNATURE 	DATE <u>11/30/07</u>

(This space for State use only)

APPROVED BY \_\_\_\_\_

UTAH DIVISION OF OIL, GAS, AND MINING

DATE: 12/5/07

**RECEIVED**

**DEC 03 2007**

**DIV. OF OIL, GAS & MINING**

(5/2000) COPY SENT TO OPERATOR  
Date: 12-10-2007  
Initials: \_\_\_\_\_ (See Instructions on Reverse Side)

**CONFIDENTIAL**

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

FORM 9

**SUNDRY NOTICES AND REPORTS ON WELLS**

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

1. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER _____		5. LEASE DESIGNATION AND SERIAL NUMBER: ML 48562
2. NAME OF OPERATOR: Crownquest Operating		6. IF INDIAN, ALLOTTEE OR TRIBE NAME: N/A
3. ADDRESS OF OPERATOR: PO Box 2221 CITY Farmington STATE NM ZIP 87499		7. UNIT or CA AGREEMENT NAME: N/A
4. LOCATION OF WELL FOOTAGES AT SURFACE: 660' FNL x 1980' FEL COUNTY: San Juan QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NWNE 32 34S 26E STATE: UTAH		8. WELL NAME and NUMBER: Chanticleer State 1-32
PHONE NUMBER: (505) 325-5750		9. API NUMBER: 430731866
		10. FIELD AND POOL, OR WILDCAT: Wildcat

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

TYPE OF SUBMISSION	TYPE OF ACTION		
<input type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: _____	<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"/> 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 checked="" type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion: 12/18/2007	<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: Spud Report
	<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.

Crownquest operating has performed the attached work on the Chanticleer State 1-32.

**RECEIVED**  
**DEC 24 2007**  
DIV. OF OIL, GAS & MINING

NAME (PLEASE PRINT) <u>Luke Dunn</u>	TITLE <u>Engineer</u>
SIGNATURE 	DATE <u>12/18/2007</u>

(This space for State use only)

**CONFIDENTIAL**

**Chanticleer State # 1-32**  
(1/1/2007 thru 12/18/2007)  
CrownQuest Operating, LLC

**11/26/2007**

Road Boom Drlg auger to loc & RU. Spud well @ 11:51 am 11/26/07, drilled 20" hole to 6' in 6 min. Hit hard rock & made approx 9", replaced teeth on auger 4 times. RD auger. MIRU rental equip. Notified State of Utah, B. Kettle, of spud 11/23/07. C. Daniels with State of Utah was notified of actual spud on 11/26/07 @ 11:51 am.

**11/27/2007**

Boom Drlg loaded auger & equipment on trailer to move from location. Notified C. Daniels with the State of Utah of rig change by phone @ 1:49 pm.

**11/28/2007**

Road ACME Drlg auger to loc. MIRU spot equip. RIH, tag @ 6' 3", start spud, POH & changed bit. RIH & tag 7', started spud, drilled from 7' - 16'. POH & SDFN. C. Daniels with State of Utah was notified of actual spud on 11/28/07 @ 12:50 pm.

**11/29/2007**

Drilled from 16' - 48' through hard rock.

**11/30/2007**

TD 61', GL 78' RKB. POH. RU conductor to RIH, land conductor. WOC. Heavy wind & rain.

**12/1/2007**

MIRU Superior Cement. Press test to 500#, pump 10 bbls dye, 29.4 sx cmt @ 15.6 ppg, displ wooden plug w/6 BW. SD, SI csg, RD cmt crew. MO Superior. SD due to weather conditions.

**12/2/2007**

Spot auger over mousehole. Drill from surf - 6'. SDFN.

**12/3/2007**

Drlg mousehole. Will have to wait for freeze to move equip.

**12/4/2007**

Move equip & rock pad for auger, MIRU auger over rat hole, Drlg rathole. POOH & SDFN.

**12/5/2007**

RDMO Acme Drilling rathole. Cut conductor pipe & weld on casing head.

**12/6/2007**

MIRU Boom Drlg Rig #7. .

**12/7/2007**

Shut down due to inclement weather.

**12/8/2007**

Remain shut down due to bad weather; it is too muddy to move the rig.

**12/9/2007**

Shut down for weather, it is too muddy to move the rig.

**12/10/2007**

Shut down for weather, it is too muddy to move the rig.

**12/11/2007**

Shut down due to weather, too muddy to move the rig. Prepare location to move rig in the morning.

**CONFIDENTIAL**

**12/12/2007**

MIRU Boom Rig 7.

**12/13/2007**

MIRU Boom Rig 7.

**12/17/2007**

MIRU Boom Rig 7.

Notified Carol Daniels of the State of Utah about our intent to spud on the 17th of December, 2007.

**12/18/2007**

Spud @ 10:30 pm 12/17/07, drilled out cmt & 10' of form. Drilled to 163'.

ENTITY ACTION FORM

Operator: CrownQuest Operating, LLC Operator Account Number: N 2685  
 Address: P.O. Box 2221  
city Farmington  
state NM zip 87499 Phone Number: (505) 325-5750

Well 1

API Number	Well Name		QQ	Sec	Twp	Rng	County
4303731866	Chanticleer State 1-32		NWNE	32	34S	26E	San Juan
Action Code	Current Entity Number	New Entity Number	Spud Date			Entity Assignment Effective Date	
A	99999	16545	11/28/2007			12/31/07	
Comments: <u>DSCR</u> <span style="float: right;">CONFIDENTIAL</span>							

Well 2

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

Well 3

API Number	Well Name		QQ	Sec	Twp	Rng	County
Action Code	Current Entity Number	New Entity Number	Spud Date			Entity Assignment Effective Date	
Comments: <span style="float: right;">RECEIVED DEC 31 2007</span>							

ACTION CODES:

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

DIV. OF OIL, GAS & MINING

Rhonda Padilla  
Name (Please Print)  
Rhonda Padilla  
Signature  
Administrative Assistant 12/28/07  
Title Date

**CONFIDENTIAL**

**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:  
**ML 48562**

6. IF INDIAN, ALLOTTEE OR TRIBE NAME:  
**N/A**

7. UNIT or CA AGREEMENT NAME:  
**N/A**

8. WELL NAME and NUMBER:  
**Chanticleer State 1-32**

9. API NUMBER:  
**4303731866**

1. TYPE OF WELL  
OIL WELL  GAS WELL  OTHER \_\_\_\_\_

2. NAME OF OPERATOR:  
**CrownQuest Operating, LLC**

3. ADDRESS OF OPERATOR:  
P. O. Box 2221 CITY Farmington STATE NM ZIP 87499 PHONE NUMBER: (505) 325-5750

10. FIELD AND POOL, OR WILDCAT:  
**Wildcat**

4. LOCATION OF WELL  
FOOTAGES AT SURFACE: **660' FNL x 1980' FEL** COUNTY: **San Juan**  
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: **NWNE 32 34S 26E** STATE: **UTAH**

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

TYPE OF SUBMISSION	TYPE OF ACTION		
<input type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: _____	<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"/> 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 checked="" type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion: _____	<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>Drilling Report</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.

CrownQuest operating has performed the attached work on the chanticleer State 1-32 during the time period of 12/19/2007 through 12/30/2007.

NAME (PLEASE PRINT) Luke Dunn TITLE Engineer  
SIGNATURE  DATE 1/9/2008

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**RECEIVED**

**JAN 15 2008**

**DIV. OF OIL, GAS & MINING**

**CONFIDENTIAL**

**Chanticleer State # 1-32**  
San Juan Co., UT  
**CrownQuest Operating, LLC**  
API #4303731866

**12/19/2007**

Current Depth: 552'. Rig repairs during drlg: empty cellar w/pump, replace BP in csg, replace pony rod clamp on #1 pump.

**12/20/2007**

Current Depth: 896'. Surveys: 1/2° @ 500' & 1/2° @ 760'.

**12/21/2007**

Current Depth: 984'. Unable to stand back kelly due to mis-positioned mousehole. Attempt to re-align kelly shuck, drain pumps and lines. TOH, PU bit #2. Surveys: None

**12/22/2007**

Current Depth: 984'. TIH w/ bit #2. RU pump and lines. PU kelly. Thaw out low pressure ends on mud pumps and centrifical pumps.

**12/23/2007**

Current Depth: 1,015'. WO heaters, tarps and welder. Construct wind walls for floor and around mud pumps. Thaw out pumps. Both mud pumps went down, #2 pump requires liners and swabs.

**12/24/2007**

Current Depth: 1,015', WO pump parts. Welders built liner puller. Repair pump #1, change charger belts. Pump had wrong seats. Repair pump #2, thaw out, change out liners and swab.

**12/25/2007**

Current Depth: 1,330'. Lost circ, mix mud & LCM, try to regain. Surveys: mis-run @ 1214' & 1/2° @ 1234'.

**12/26/2007**

Current Depth: 1,524' Lost circ, mix mud & LCM, try to regain. Having difficulty keeping equipment from freezing up.

**12/27/2007**

Current Depth: 1,878'. Surveys: 1/4° @ 1679'.

**12/28/2007**

Depth: 1,956'. Hydraulic motor failed, unable to break out DP and collars. Bit torqued, pull 50K off bottom. LD Kelly, TOH. Hydraulic motor failed. Unable to break out DP and collars. Work on hydraulic pump, enable it to perform at about 20% of requirement. POOH w/last stand. Will attempt to run casing with power tongs and casing crew. Rig can hoist and lower pipe. Cannot provide rotary or make-up or break-out of drill string. Left some buttons from bit on bottom. Surveys: none.

**12/29/2007**

Current Depth: 1,956'. Ran 9-5/8" 36# J-55 surf csg, wash csg to btm. Prep to cmt surf csg @ report time.

**12/30/2007**

Current Depth: 1,956'. Cmt surf csg w/565 sx 50/50 POZ + additives. Lost returns after circ slurry to surf. WOC. Run TS. Run 1" tbg to 350", cmt top job w/300 sx CI "G" to surf. Weld on 9-5/8" 3000# casinghead. Release Boom Rig 7, operations suspended while replacing drlg contractor.

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

<b>SUNDRY NOTICES AND REPORTS ON WELLS</b>		5. LEASE DESIGNATION AND SERIAL NUMBER: ML 48562
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: N/A
1. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER _____		7. UNIT or CA AGREEMENT NAME: N/A
2. NAME OF OPERATOR: CrownQuest Operating, LLC		8. WELL NAME and NUMBER: Chanticleer State 1-32
3. ADDRESS OF OPERATOR: P. O. Box 2221 CITY Farmington STATE NM ZIP 87499		9. API NUMBER: 4303731866
4. LOCATION OF WELL FOOTAGES AT SURFACE: 660' FNL x 1980' FEL QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NWNE 32 34S 26E		10. FIELD AND POOL, OR WILDCAT: Wildcat
		COUNTY: San Juan STATE: UTAH

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

TYPE OF SUBMISSION	TYPE OF ACTION		
<input type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: _____	<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 checked="" 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>Drilling Report</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.  
CrownQuest operating has performed the attached work on the chanticleer State 1-32 during the time period of 04/03/2008 through 04/13/2008.

NAME (PLEASE PRINT) <u>Luke Dunn</u>	TITLE <u>Engineer</u>
SIGNATURE	DATE <u>4/17/2008</u>

**Chanticleer State # 1-32**  
**San Juan Co., UT**  
**CrownQuest Operating, LLC**  
API #4303731866

**4/3/2008**

Current Depth: 1956'. Unable to set deadmen on pit side due to rock, jack hammer holes with trackhoe and fill with ready-mix. WO on ready-mix to set for 24 hrs.

**4/4/2008**

Current Depth: 1956'. Test deadmen to 20000#-ok. Finish NU BOPE. Set up Mathena choke. Test BOPE w/wellcheck, had to work on & re-test 3 times. PU bit, mud motor, DC & drill rat & mouse hole. Hard drilling, drilled 7-7/8" pilot hole, open hole w/ 9-7/8" bit.

**4/5/2008**

Current Depth: 2060'. Drl'd 8¾" pilot hole, open rat hole w/ 9 7/8" bit, mouse hole / 12¼" bit. P/U & RIH w/ 36 Jts 4½ DP. Tag @ 1881'. P/U Kelly and drl float, cmt & shoe to TD @ 1956'. POOH w/7/8". Svy: 1° @ 2058'.

**4/6/2008**

Current Depth: 2918'. Total Daily Footage - 2060 - 2918'. Svy: 1½° @ 2531'.

**4/7/2008**

Current Depth: 3690'. Total Daily Footage - 2918 - 3690'. Survey: 1° @ 3257'.

**4/8/2008**

Current Depth: 4400'. Total Daily Footage -3690 - 4400'. Survey: 1° @ 4015'.

**4/9/2008**

Current Depth: 5105'. Total Daily Footage 4400 - 5105' . Held 2 BOPE drills.

**4/10/2008**

Current Depth: 5680'. Total Daily Footage 5105 - 5680'. Survey: 1/2° @ 5022'.

**4/11/2008**

Current Depth: 5900'. Total Daily Footage 5680 - 5900'. Change bit @ 5766'. Circ & condition hole for logs.

**4/12/2008**

Current Depth: 5901'. Logger's TD 5903". Run Triple Combo-w/ GR & Caliper; Resistivity, Density/Neutron: (TD-Base Csg @ 1950'); ECS & FMI:  
TD-3500'-skip to 2700'-2400'-go In & P/U missed interval; rotary SW cores; bbl jammed-recut 10 cores-total 73 cores.

**4/13/2008**

Current Depth: 5901'RIH with 5901' 5.5" 17# P-110. Cement with 12 sxs cmt. Did not circ. WOC - Lift BOPES - set slips w/ 60,000 over @ 160,000. Clean pits & rel rig @ 12 noon on 4/13/08. Cut Off 5 1/2", 17#, P110, LTC Production Casing - 18.5'.

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

<b>SUNDRY NOTICES AND REPORTS ON WELLS</b>		5. LEASE DESIGNATION AND SERIAL NUMBER: ML 48562
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: N/A
1. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER _____		7. UNIT or CA AGREEMENT NAME: N/A
2. NAME OF OPERATOR: CrownQuest Operating, LLC		8. WELL NAME and NUMBER: Chanticleer State 1-32
3. ADDRESS OF OPERATOR: P. O. Box 2221 CITY Farmington STATE NM ZIP 87499		9. API NUMBER: 43-037-31866
4. LOCATION OF WELL FOOTAGES AT SURFACE: 660' FNL x 1980' FEL QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NWNE 32 34S 26E		10. FIELD AND POOL, OR WILDCAT: Wildcat
		COUNTY: San Juan STATE: UTAH

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

TYPE OF SUBMISSION	TYPE OF ACTION		
<input type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: _____	<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 checked="" 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>Waiting on Completion Rig</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.

CrownQuest Operating is waiting on completion rig during the time period of 04/14/2008 through 4/17/2008.

**RECEIVED**  
**APR 24 2008**  
**DIV. OF OIL, GAS & MINING**

NAME (PLEASE PRINT) <u>Luke Dunn</u>	TITLE <u>Engineer</u>
SIGNATURE	DATE <u>4/17/2008</u>

(This space for State use only)

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

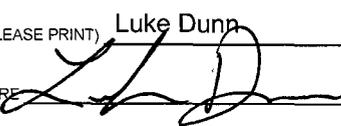
<b>SUNDRY NOTICES AND REPORTS ON WELLS</b>		5. LEASE DESIGNATION AND SERIAL NUMBER: ML 48562
Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.		6. IF INDIAN, ALLOTTEE OR TRIBE NAME: N/A
1. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER _____		7. UNIT or CA AGREEMENT NAME: N/A
2. NAME OF OPERATOR: CrownQuest Operating, LLC		8. WELL NAME and NUMBER: Chanticleer State 1-32
3. ADDRESS OF OPERATOR: P. O. Box 2221 CITY Farmington STATE NM ZIP 87499		9. API NUMBER: 4303731866
		10. FIELD AND POOL, OR WILDCAT: Wildcat
4. LOCATION OF WELL FOOTAGES AT SURFACE: 660' FNL x 1980' FEL COUNTY: San Juan QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NWNE 32 34S 26E STATE: UTAH		

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA			
TYPE OF SUBMISSION	TYPE OF ACTION		
<input type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate)  Approximate date work will start: _____  <input checked="" type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only)  Date of work completion: 6/4/2008	<input type="checkbox"/> ACIDIZE <input type="checkbox"/> ALTER CASING <input type="checkbox"/> CASING REPAIR <input type="checkbox"/> CHANGE TO PREVIOUS PLANS <input type="checkbox"/> CHANGE TUBING <input type="checkbox"/> CHANGE WELL NAME <input type="checkbox"/> CHANGE WELL STATUS <input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS <input type="checkbox"/> CONVERT WELL TYPE	<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/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"/> TEMPORARILY ABANDON <input type="checkbox"/> TUBING REPAIR <input type="checkbox"/> VENT OR FLARE <input type="checkbox"/> WATER DISPOSAL <input type="checkbox"/> WATER SHUT-OFF <input checked="" type="checkbox"/> OTHER: <u>Operations Report</u>

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

CrownQuest Operating has performed the attached work on the Chanticleer State 1-32 during the time period of 04/18/08 through 06/04/08.

NAME (PLEASE PRINT) Luke Dunn TITLE Engineer

SIGNATURE  DATE 4/5/2008 6/15/2008

(This space for State use only)

**RECEIVED**  
**JUN 09 2008**  
DIV. OF OIL, GAS & MINING

Chanticleer State #1-32  
San Juan Co., U  
**PROPRIETARY-CONFIDENTIAL**  
CrownQuest Operating, LLC  
API #4303731866

Apr 18, 2008

RU Blue Jet & run 5.5" 17# gauge ring to 5832'. Run CBL from 5832 to 1300'. Top of cement is 1590'. RD MO WL. Install tubing head.

May 22, 2008

Road rig to Chanticleer State #1-32. MIRU, NU BOPE, tally & PU 2-3/8" 4.7# J-55 tubing. TIH w/ 4 3/4" bit, 70 joints in hole, secure well, SDFN.

May 23, 2008

Crew on loc 07:00, SM, SICP & SITP=0, continue PU tubing & TIH to 5773', pressure test casing 1500# 15 min, bleed off pressure, circ down to PBTD @ 5845' (7' in on jt # 181), while circ hole w/ 3% kcl water Hurricane install brake assist on rig, TOOH LD 2 3/8" tbg, secure well, SDFN

May 24, 2008

Crew on loc 07:00, SM, ND BOPE, NU frac valve, RD, rel rig.

May 25, 2008

Superior on loc RU, Blue Jet perf Gothic Shale w/ 3 1/8" HSC gun, .32" holes, 2 spf 5710-50', total of 80 holes, RU stinger, tst lines, frac w/ 30 quality foam, 3063 bbls fluid, 1,838,00 scfm nitrogen, 45,000# 40/70 sand, 30,000# 20/40 sand, & 48,000# 20/40 resin, flush w/ 134 bbls 3% kcl water, MTP=4292 psi, ATP=3382 psi, MIR=41 bpm, AIR=34.6 bpm, ISIP=2985, 5 min=2429 psi, 10 min=2325 psi, 15 min=2237 psi. Sand concentrations from 0.25 to 2 ppg. RIH w/ 5.5" frac plug, tag @ 1422', POOH, RIH w/ gauge ring to 5460'. Had to work gauge ring for about 2 hrs to clear casing. POOH, RIH w/ 5.5" frac plug & sat down at 850'. Picked up and ran right through spot. Hit rough spot 1530-60' but went through & all the way to bottom. Set frac plug at 5450' & perf 5342-58' w/ 3 1/8" HSC guns, .32" holes, 2 spf, total of 32 holes, frac w/ 823 bbls fluid, 1,387,000 scf nitrogen, 41,000# 20/40 sand, 10,000# 20/40 resin sand, screened out 82 bbls into flush (total flush was 123 bbls). Pumped 0.5 to 2 ppg sand concentration at 3450 psi and 40 bpm. ISIP 6750 & 15 min 5440 psi. Secure well, SDFN.

May 26, 2008

Blue Jet on loc, RIH w/ Gauge ring to 5186', POOH, RIH and set 5 1/2" frac plug @ 5100', perforate w/ 3-1/8" HSC, .32 dia. Holes, 4 spf 4966'-4986', total of 80 holes, RD Blue Jet, RU tree saver, wait on Superior, N2 transports on loc, spot in and RU, test lines, frac w/ 70 quality foam, 800 bbls fluid, 2,080,000 scfm nitrogen with 67,414# 20/40 ottawa sand, flush with 112.9 bbls, MTP=2950#, ATP=2738#, AIR=47 bpm, MIR=47 bpm, RD Superior and Stinger. RU line to flow back tank, 10:00 pm flow well back on 1/8" choke, 800 psi. Flow back at 6 am flowing 1298 psi on a 1/4 choke & a total.

May 27, 2008

Flow back well.

May 28, 2008

Flow back well.

May 29, 2008

Flow back well.

May 30, 2008

Flow back well.

May 31, 2008

Flow back well.

June 1, 2008

Flow back well.

June 2, 2008

Flow back well.

June 3, 2008

Flow back well.

June 4, 2008

Flow back well.

**RECEIVED**

**JUN 09 2008**

**DIV. OF OIL, GAS & MINING**

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

CONFIDENTIAL

FORM 9

<b>SUNDRY NOTICES AND REPORTS ON WELLS</b>		5. LEASE DESIGNATION AND SERIAL NUMBER: ML 48562
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: N/A
		7. UNIT or CA AGREEMENT NAME: N/A
1. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER _____	8. WELL NAME and NUMBER: Chanticleer State 1-32	
2. NAME OF OPERATOR: CrownQuest Operating, LLC	9. API NUMBER: 4303731866	
3. ADDRESS OF OPERATOR: P. O. Box 2221 CITY Farmington STATE NM ZIP 87499	PHONE NUMBER: (505) 325-5750	10. FIELD AND POOL, OR WILDCAT: Wildcat
4. LOCATION OF WELL FOOTAGES AT SURFACE: 660' FNL x 1980' FEL COUNTY: San Juan QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NWNE 32 34S 26E STATE: UTAH		

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA			
TYPE OF SUBMISSION	TYPE OF ACTION		
<input type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate)  Approximate date work will start: _____  <input checked="" type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only)  Date of work completion: 6/5/2008	<input type="checkbox"/> ACIDIZE <input type="checkbox"/> ALTER CASING <input type="checkbox"/> CASING REPAIR <input type="checkbox"/> CHANGE TO PREVIOUS PLANS <input type="checkbox"/> CHANGE TUBING <input type="checkbox"/> CHANGE WELL NAME <input type="checkbox"/> CHANGE WELL STATUS <input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS <input type="checkbox"/> CONVERT WELL TYPE	<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 checked="" type="checkbox"/> PRODUCTION (START/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"/> TEMPORARILY ABANDON <input type="checkbox"/> TUBING REPAIR <input type="checkbox"/> VENT OR FLARE <input type="checkbox"/> WATER DISPOSAL <input type="checkbox"/> WATER SHUT-OFF <input type="checkbox"/> OTHER: _____

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

The well above has had first production on June 5, 2008.

NAME (PLEASE PRINT) <u>Luke Dunn</u>	TITLE <u>Engineer</u>
SIGNATURE	DATE <u>6/6/2008</u>

(This space for State use only)

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**JUN 11 2008**

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

PROPRIETARY-CONFIDENTIAL FORM 8  
AMENDED REPORT (highlight changes)

WELL COMPLETION OR RECOMPLETION REPORT AND LOG

1a. TYPE OF WELL: OIL WELL  GAS WELL  DRY  OTHER \_\_\_\_\_

b. TYPE OF WORK: NEW WELL  HORIZ. LATS.  DEEP-EN  RE-ENTRY  DIFF. RESVR.  OTHER \_\_\_\_\_

2. NAME OF OPERATOR: **CrownQuest Operating, LLC**

3. ADDRESS OF OPERATOR: **PO BOX 2221** CITY **Farmington** STATE **NM** ZIP **87499** PHONE NUMBER: **(505) 325-5750**

4. LOCATION OF WELL (FOOTAGES)  
AT SURFACE: **660' FNL x 1980' FEL**  
AT TOP PRODUCING INTERVAL REPORTED BELOW: **same**  
AT TOTAL DEPTH: **same**

5. LEASE DESIGNATION AND SERIAL NUMBER: **ML 48562**

6. IF INDIAN, ALLOTTEE OR TRIBE NAME: **N/A**

7. UNIT or CA AGREEMENT NAME: **N/A**

8. WELL NAME and NUMBER: **Chanticleer State 1-32**

9. API NUMBER: **4303731866**

10. FIELD AND POOL, OR WILDCAT: **Wildcat**

11. QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: **NWNE 32 34S 26E**

12. COUNTY: **San Juan** 13. STATE: **UTAH**

14. DATE SPUNDED: **11/26/2007** 15. DATE T.D. REACHED: **4/11/2008** 16. DATE COMPLETED: **6/5/2008** ABANDONED  READY TO PRODUCE

17. ELEVATIONS (DF, RKB, RT, GL): **6760 G7**

18. TOTAL DEPTH: MD **5,901** TVD **5,901** 19. PLUG BACK T.D.: MD **5,845** TVD **5,845** 20. IF MULTIPLE COMPLETIONS, HOW MANY? \*

21. DEPTH BRIDGE MD PLUG SET: TVD

22. TYPE ELECTRIC AND OTHER MECHANICAL LOGS RUN (Submit copy of each)  
**Triple Combo, ECS & FMI, 4 CBI**

23. WAS WELL CORED? NO  YES  (Submit analysis)  
WAS DST RUN? NO  YES  (Submit report)  
DIRECTIONAL SURVEY? NO  YES  (Submit copy)

24. CASING AND LINER RECORD (Report all strings set in well)

HOLE SIZE	SIZE/GRADE	WEIGHT (#/ft.)	TOP (MD)	BOTTOM (MD)	STAGE CEMENTER DEPTH	CEMENT TYPE & NO. OF SACKS	SLURRY VOLUME (BBL)	CEMENT TOP **	AMOUNT PULLED
17.5	133/8 H-40	48	0	61		29	6	surf	
12.25	9 5/8 J-55	36	0	1,956		G 200	42		
						POZ 565	204		
						G 300	63	surf	
7.875	5 1/2 P-1 1/2	17	0	5,893		POZ 700	145		
						POZ 500	168	1590	

25. TUBING RECORD

SIZE	DEPTH SET (MD)	PACKER SET (MD)	SIZE	DEPTH SET (MD)	PACKER SET (MD)	SIZE	DEPTH SET (MD)	PACKER SET (MD)
none								

26. PRODUCING INTERVALS

FORMATION NAME	TOP (MD)	BOTTOM (MD)	TOP (TVD)	BOTTOM (TVD)
(A) Pennsylvanian	4,966	5,750	4,966	5,750
(B) <b>PRDX per</b>				
(C) <b>DJ</b>				
(D)				

27. PERFORATION RECORD

INTERVAL (Top/Bot - MD)	SIZE	NO. HOLES	PERFORATION STATUS
4,966 4,986	0.32	80	Open <input checked="" type="checkbox"/> Squeezed <input type="checkbox"/>
5,342 5,358	0.32	32	Open <input checked="" type="checkbox"/> Squeezed <input type="checkbox"/>
5,710 5,750	0.32	80	Open <input checked="" type="checkbox"/> Squeezed <input type="checkbox"/>
			Open <input type="checkbox"/> Squeezed <input type="checkbox"/>

28. ACID, FRACTURE, TREATMENT, CEMENT SQUEEZE, ETC.

DEPTH INTERVAL	AMOUNT AND TYPE OF MATERIAL
4966-86	67,400 lbs sand 4 70QN2
5342-58	51,000 lbs sand 4 70QN2
5710-50	123,000 lbs sand 4 30QN2

29. ENCLOSED ATTACHMENTS:

ELECTRICAL/MECHANICAL LOGS  GEOLOGIC REPORT  DST REPORT  DIRECTIONAL SURVEY  
 SUNDRY NOTICE FOR PLUGGING AND CEMENT VERIFICATION  CORE ANALYSIS  OTHER: \_\_\_\_\_

30. WELL STATUS:

Producing

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31. INITIAL PRODUCTION

INTERVAL A (As shown in item #26)

DATE FIRST PRODUCED: 6/5/2008		TEST DATE: 6/5/2008		HOURS TESTED: 6		TEST PRODUCTION RATES: →	OIL – BBL: 0	GAS – MCF: 144	WATER – BBL: 36	PROD. METHOD: Flowing
CHOKE SIZE: 20/64	TBG. PRESS.	CSG. PRESS. 132	API GRAVITY	BTU – GAS 850	GAS/OIL RATIO	24 HR PRODUCTION RATES: →	OIL – BBL: 0	GAS – MCF: 689	WATER – BBL: 173	INTERVAL STATUS: Prod

INTERVAL B (As shown in item #26)

DATE FIRST PRODUCED:		TEST DATE:		HOURS TESTED:		TEST PRODUCTION RATES: →	OIL – BBL:	GAS – MCF:	WATER – BBL:	PROD. METHOD:
CHOKE SIZE:	TBG. PRESS.	CSG. PRESS.	API GRAVITY	BTU – GAS	GAS/OIL RATIO	24 HR PRODUCTION RATES: →	OIL – BBL:	GAS – MCF:	WATER – BBL:	INTERVAL STATUS:

INTERVAL C (As shown in item #26)

DATE FIRST PRODUCED:		TEST DATE:		HOURS TESTED:		TEST PRODUCTION RATES: →	OIL – BBL:	GAS – MCF:	WATER – BBL:	PROD. METHOD:
CHOKE SIZE:	TBG. PRESS.	CSG. PRESS.	API GRAVITY	BTU – GAS	GAS/OIL RATIO	24 HR PRODUCTION RATES: →	OIL – BBL:	GAS – MCF:	WATER – BBL:	INTERVAL STATUS:

INTERVAL D (As shown in item #26)

DATE FIRST PRODUCED:		TEST DATE:		HOURS TESTED:		TEST PRODUCTION RATES: →	OIL – BBL:	GAS – MCF:	WATER – BBL:	PROD. METHOD:
CHOKE SIZE:	TBG. PRESS.	CSG. PRESS.	API GRAVITY	BTU – GAS	GAS/OIL RATIO	24 HR PRODUCTION RATES: →	OIL – BBL:	GAS – MCF:	WATER – BBL:	INTERVAL STATUS:

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

Sold

33. SUMMARY OF POROUS ZONES (Include Aquifers):

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

Formation	Top (MD)	Bottom (MD)	Descriptions, Contents, etc.	Name	Top (Measured Depth)
Shinarump	2,522	2,615		Entrada	1,050
Cutler	2,794	4,150		Chinle	1,900
Hermosa	4,150	5,505	oil, gas, brine water	Cutler	2,794
Ismay	5,505	5,764	oil, gas, brine water	Hermosa	4,150
Desert Creek	5,764	5,842	oil, gas, brine water	Ismay	5,505

34. FORMATION (Log) MARKERS:

35. ADDITIONAL REMARKS (Include plugging procedure)

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

NAME (PLEASE PRINT) Luke Dunn

TITLE Engineer

SIGNATURE 

DATE 6/17/08

This report must be submitted within 30 days of

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

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

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

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

Phone: 801-538-5340  
Fax: 801-359-3940

**ROTARY SIDEWALL CORE ANALYSIS**

CROWNQUEST OPERATING, LLC  
 CHANTICLEER STATE 32-1  
 SAN JUAN COUNTY, UTAH

A.P.I. NUMBER : 43-037-31866  
 FIELD : Wildcat  
 LOCATION: 660' FNL, 1980' FEL,  
 Section 32, T-34-S, R-26-E

FILE NO. : MD-39345  
 DATE : April 23, 2008  
 ANALYSTS : WH, SB, PK, JR

**DEAN STARK EXTRACTION**

SAMPLE NO.	DEPTH ft	GRAIN DENSITY	POROSITY %	PERM mD	SATURATIONS		GAS UNITS	FLUORESCENCE %	LITHOLOGY
					Sw	So			
36	4275.0	2.67	14.4	0.139	56.2	0.0	0	0	
37	4277.0	2.68	16.4	0.233	51.7	0.0	0	0	
38	4292.0	2.65	16.5	0.283	45.2	0.0	0	0	
39	4293.0	2.66	17.1	0.283	48.8	0.0	0	0	
40	4295.0	2.70	17.0	0.146	53.9	0.0	0	0	
41	4447.0	2.65	11.7	0.562	38.3	0.0	0	0	
42	4448.0	2.64	10.8	0.107	58.8	0.0	0	0	
43	4451.0	2.64	20.6	0.976	55.3	0.0	0	0	
44	4690.0	2.65	11.7	0.090	67.4	0.0	0	0	
45	4692.0	2.63	15.8	0.241	35.4	0.0	0	0	
46	4693.0	2.64	16.6	0.559	44.3	0.0	0	0	
47	4699.0	2.64	15.9	0.208	62.1	0.0	0	0	
48	4779.0	2.63	16.2	0.472	37.7	0.0	0	0	
49	4781.0	2.64	14.7	0.334	49.4	0.0	0	0	
50	4783.0	2.64	17.8	1.094	38.2	0.0	0	0	
51	4785.0	2.66	12.0	0.111	69.6	0.0	0	0	
52	4787.0	2.67	17.2	1.973	30.1	0.0	2	0	
53	4838.0	2.64	13.0	0.280	41.8	0.0	1	0	
54	4842.0	2.64	15.7	0.843	45.5	0.0	0	0	
55	4843.0	2.66	14.7	0.879	31.7	0.0	1	0	
56	4973.0	2.66	14.3	0.310	44.0	0.0	0	0	
57	4974.0	2.67	15.5	0.656	31.3	0.0	1	0	
58	4975.0	2.65	16.8	3.496	25.9	0.0	1	0	
59	4844.0	2.66	14.0	0.226	57.2	0.0	0	0	
60	4971.0	2.67	10.7	0.200	47.8	0.0	1	0	
61	4972.0	2.66	12.0	0.230	46.4	0.0	0	0	
62	4978.0	2.64	11.1	32.831	36.7	0.0	0	0	
63	5298.0	2.59	0.7	tbfa	41.3	0.0	1	0	
64	5299.0	2.67	0.4	tbfa	59.0	0.0	2	0	
65	5346.0	2.63	6.3	0.068	37.2	0.0	0	0	
66	5347.0	2.61	4.7	0.039	41.0	0.0	0	0	
67	5350.0	2.63	9.5	0.223	39.2	0.0	0	0	
68	5351.0	2.61	6.7	0.043	41.7	0.0	0	0	
69	5353.0	2.58	4.6	0.060	45.8	0.0	0	0	
70	5526.0	2.65	6.7	2.738	20.8	0.0	0	0	
71	5527.0	2.73	3.1	0.114	36.5	0.0	0	0	
72	5528.0	2.81	16.1	1.530	36.1	0.0	2	0	

ROTARY SIDEWALL CORE ANALYSIS

CROWNQUEST OPERATING, LLC  
CHANTICLEER STATE 32-1  
SAN JUAN COUNTY, UTAH

A.P.I. NUMBER : 43-037-31866  
FIELD : Wildcat  
LOCATION: 660' FNL, 1980' FEL,  
Section 32, T-34-S, R-26-E

FILE NO. : MD-39345  
DATE : April 23, 2008  
ANALYSTS : WH, SB, PK, JR

DEAN STARK EXTRACTION

SAMPLE NO.	DEPTH ft	GRAIN DENSITY	POROSITY %	PERM mD	SATURATIONS Sw	GAS So	FLUORESCENCE UNITS	FLUORESCENCE %	LITHOLOGY
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73	5529.0	2.82	18.0	3.438	39.5	0.0	0	0	
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STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

5. LEASE DESIGNATION AND SERIAL NUMBER: ML 48562
6. IF INDIAN, ALLOTTEE OR TRIBE NAME: N/A
7. UNIT or CA AGREEMENT NAME: N/A
8. WELL NAME and NUMBER: Chanticleer State 1-32
9. API NUMBER: 430731866
10. FIELD AND POOL, OR WILDCAT: Wild Cat
11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

Table with 2 main columns: TYPE OF SUBMISSION and TYPE OF ACTION. Includes checkboxes for NOTICE OF INTENT, SUBSEQUENT REPORT, ACIDIZE, ALTER CASING, etc.

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.
Additional pay in the Pennsylvanian will be tested and added:
1. Perf 5524-44' - Acidize w/ 4000 gal 20% HCl & if necessary sqz w/ 200 sxs CI H neat if wet.
2. Perf 4834-49' & 4775-90' - Frac w/ 125,000 lbs if necessary & sqz w/ 200 sxs CI H if wet.
3. Perf 4684-4706' - Frac w/ 100,000 lbs if necessary & sqz w/ 200 sxs CI H neat if wet.
4. Return well to production in Pennsylvanian interval.

NAME (PLEASE PRINT) Robert Griffie TITLE Engineer
SIGNATURE [Signature] DATE 8/15/2008

(This space for State use only)
APPROVED BY THE STATE OF UTAH DIVISION OF OIL, GAS AND MINING
DATE: 8/28/08
BY: [Signature]
RECEIVED AUG 19 2008 DIV. OF OIL, GAS & MINING

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

<b>SUNDRY NOTICES AND REPORTS ON WELLS</b>		5. LEASE DESIGNATION AND SERIAL NUMBER: <b>ML 48562</b>
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: <b>N/A</b>
1. TYPE OF WELL    OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER _____		7. UNIT or CA AGREEMENT NAME: <b>N/A</b>
2. NAME OF OPERATOR: <b>CrownQuest Operating, LLC</b>		8. WELL NAME and NUMBER: <b>Chanticleer State 1-32</b>
3. ADDRESS OF OPERATOR: P. O. Box 2221    CITY <b>Farmington</b> STATE <b>NM</b> ZIP <b>87499</b>		9. API NUMBER: <b>4303731866</b>
		10. FIELD AND POOL, OR WILDCAT: <b>Wildcat</b>
4. LOCATION OF WELL FOOTAGES AT SURFACE: <b>660' FNL x 1980' FEL</b>		COUNTY: <b>San Juan</b>
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: <b>NWNE 32 34S 26E</b>		STATE: <b>UTAH</b>

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

TYPE OF SUBMISSION	TYPE OF ACTION		
<input type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate)  Approximate date work will start: _____	<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"/> 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 checked="" type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only)  Date of work completion: <b>11/18/2008</b>	<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>Operations Report</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.

CrownQuest Operating has performed the attached work on the Chanticleer State 1-32 during the time period of 08/28/2008 through 11/18/2008.

NAME (PLEASE PRINT) <u>Rhonda Padilla</u>	TITLE <u>Production/ Regulatory Analyst</u>
SIGNATURE <u><i>Rhonda Padilla</i></u>	DATE <u>11/21/2008</u>

(This space for State use only)

**RECEIVED**  
**NOV 26 2008**

DIV. OF OIL, GAS & MINING

**Chanticleer State # 1-32**  
**San Juan Co., UT**  
**CrownQuest Operating, LLC**  
API #4303731866

Aug 28, 2008

Road rig and equip/ f/ Explorer St. 1-16 to Chanticleer St. 1-32, MIRU, secure loc., SD 8/29 thru 9/1, will resume operations on 9/2.

Sep 2, 2008

PJSM. Csg press 810#, Tbg presss 200#. BD to tank, ND tree, NU BOPE, RU floor, pull tbg hanger & PU singles. TIH, tag BP @ 5641', J-off BP, TOO H w/ 2 3/8" tbg. RU perforate w/ 3-1/8" HSC gun, .36 dia holes w/4 spf at following intervals: 5524'-5530', 5540'-5544' total of 40 holes. RD. MU 5.5" packer and TIH to 5608', set packer and test plug to 1500# 15 min., bleed off press. PU to 4772' above perms, secure well, SDFN.

Sep 3, 2008

SITP=620#, SICP=540#. BD to FB tank. TIH to 5479' & set packer. RU Frac Tech, PJSM, tst lines 6000#, st BD w/ 5 bbls 3% kcl 3 bpm, broke @ 2100#, back to 1900#. Pump 66 bbls 20% Hcl @ 3 bpm 2100 psi, pump 29 bbls 20% Hcl 5 bpm @ 3000 psi, flush w/ 28 bbls 3% kcl 5 bpm @ 3000 psi. ISDP=1580#, 5 min=1385#, 10 min=1315#, 15 min=1315 psi, ATP=2550#, MTP=3150#, AIR=3.9 bpm, MIR=5.2 bpm. SI for 1.75 hrs, check press on well, 0 psi on tbg, open tbg to FB tank, no flow. RU to swab, made 4 swab runs, fluid level @ 700', 900', 1000', 1000', well flowing to tank, call for FB crew to watch well over night, starting fluid level on tank 1'9", FB crew watch well overnight.

Sep 4, 2008

PJSM. Well was SI @ 10:00 last night due to no flow. SITP=500#, SICP=750#. BD tbg to FB tank, starting fluid level in tank 2'9". Start swabbing, starting fluid level @ 700', made 25 swab runs, ending fluid level 4600'. Total fluid swabbed today = 34 bbls, total fluid recovered = 74 bbls, fluid left to recover = 54 bbls, secure well, SDFN.

Sep 5, 2008

PJSM. SICP=700#, SITP=1200#. Open tbg and flow to tank, 09:00 still flowing gas w/ light water, notify engineer. Continue to flow, 12:00 SI tbg for .5 hr, built to 400#, notify engineer. Put tbg to sales line, holding 225# press, 160 mcf/day. Watch for 1 hr, notify engineer, tbg press 240#, flow rate 180 mcf/day, watch for 1 hr, notify engineer, leave well on sales, notify relief pumper well is selling gas, secure loc., SDFW.

Sep 8, 2008

PJSM. SICP=950#. Packer in hole, flowing up tbg to sales w/flow press 141#, flow rate 90 mcf/day. Notify engineer & wait on orders. BD csg to FB tank, kill tbg, rel packer and TOO H. MU retrv head. TIH to 5641', rel. BP, TOO H, secure well, SDFN (will set CBP and perf in morning, TIH w/ packer and swab).

Sep 9, 2008

PJSM. RU WL. PJSM. SICP=820#. Lubricate plug in hole, set CBP @ 4950', perf 4779'- 4784', 4838'- 4843' w/3-1/8" HSC guns, 23 grm chg, 35" penetration, .42 dia holes, 4 spf, total of 40 holes. POOH, guns were dry. RD WL, TIH w/148 jts 2-3/8" 4.7# J-55 eue tbg, 1.78" SN 1 jt off bottom, & Weatherford 5.5" Arrowset packer. Set packer @ 5714'. RU to swab, unable to GIH w/ swab aasy, SI tbg .5 hr, tbg press built to 800#. Blow tbg to FB tank for .5 hr, unable to GIH w/ swab assy, flow well to sales, after 1 hr flowing press 160#, flow rate 292 mcf/day. Opened choke up all the way, flow 1 hr, leave well open to sales, SDFN.

Sep 10, 2008

PJSM. Well flowing to sales, flowing press 141 psi, flow rate 190 mcf/day. Wait on orders, wait on Teffteller, Teffteller on loc. RU, run press survey w/ well flowing @ following intervals: 0', 1000', 2000', 3000', 4000', 4200', 4400', 4600', 4800', RD Teffteller, well flowing to sales, SDFN.

Sep 11, 2008

PJSM. Flowing to sales, flowing press 151 psi, flow rate 156 mcf/day. SIW for 3 hrs, 1 hr SI=700 psi, 2 hr SI=750 psi, 3 hr SI=790 psi, 3.5 hr SI=790 psi, 4 hr SI=790 psi, 4.5 hr SI=790 psi. Open well to sales overnight, flow press 149 psi, flow rate 150 mcf/day, SDFN.

Sep 12, 2008

PJSM. Well flowing to sales, 149 psi, flow rate 120 mcf/day. RU, PJSM, test lines 6000#, pump 9.5 bbls acetic acid and follow w/ 2 bbls 3% kcl @ 2 bpm, 0 psi, displ w/ 15,600 scf/N2 @ 5000/min @ 2750#, putting half the acid into form. SD and let acid soak 15 min, press 1630#, pump 185,000 scf/N2 @ 5000/min 2468#. ISIP=2339#, 5 min.=1650#, 10 min.=1491#, 15 min.=1411#, (never saw any breaks). SIT. RD Superior. RU flow back line, opened well to FB tank on 1/2" choke @ 800#, flow well overnight.

Sep 13, 2008

Monitored the well over night opening is with 800 psi and it fell to less than 50 psi by morning. It never made any fluid over night. We shut it in at 07:00 this morning and will swab it in on Monday

Sep 15, 2008

PJSM. SITP=800#, SICP=0. Open tbg to FB tank, blew down to 0, rel pkr & TOOH. TIH w/ notched collar and SN 1 jt up, land 2-3/8" 4.7# J-55 eue tbg as follows top down w/ KB corr: 150 jts, 1.78" SN @ 4775', 1 jt, cplg @ 4808'. ND BOPE, NU tree. RU & swab as follows:

Run #1 - csg press=0, fluid level 4000';

Run #2 - fluid level 4100', csg press 150#;

Run #3 - fluid level 4300', csg press 175#;

Run #4 - didn't see fluid level, csg press 150# flowed for 1/2 hour, run #5 - didn't see fluid level, csg press 0;

Run #6 - no fluid, csg press 0, light gas flow; &

Run #7 - no fluid, csg press 0, secure well, SDFN

Sep 16, 2008

PJSM, SITP=840#, SICP=910#, open tbg to FB tank. SI tbg to tank and open to sales line and monitor. Flow rate down to 75mcf/day. Open to tank and start swabbing, no fluid level, flows light gas after each run, csg doesn't build any press. ND tree, NU BOPE, TOOH LD 2 3/8" tbg, ND BOPE, NU frac valve, RDMO, rel. rig to Ant Eater 1-21X.

Sep 22, 2008

MIRU WS. WO frac 'y', arrived at 2 PM. Pressure tested lines to 8000 psi. Frac'd with 65k lbs 20/40 (including 16k lbs 20/40 resin coat) in 60Q slick water N2 foam. Average rate - 21 bpm at 1850 psi. Maximum sand concentration - 2 ppg ( 20/40 resin coat). All designed fluid volume and sand was pumped. Near screen out on flush with maximum pressure of 5800 psi. ISIP - 5460 psi.

Sep 23, 2008

Swab reports

9/22/08 @ 10 pm 10/64" ck, Csg 3520# - opened well on choke, 15 bw

9/23/08 beginning csg 900#, well flowing to flowback tank, changed ck @ 1 pm to 12/64 to try & unload fluid, ending csg 400#, 336 MCF, 96 BW 24-hr, total BW 111

Sep 24, 2008

R/U B&R Tag fill at 4550' Perfs @4779-4843, Plug @ 4950'.

Swab reports

9/24/08 beginning csg 300#, 12/64" ck, 252 MCF, 3 BW

Flow through 6 am 24 BW, total BW 135

Sep 26, 2008

Spot in rig and equip, unable to RU due to high winds and lightning. RU FB tank, pump and pit. 17:00 wind and lightning still hadn't died down, secure loc, SDFW. (260 jts 2 3/8" 4.7# J-55 eue tbg delivered to loc.)

Sep 29, 2008

PJSM, RU, SICP=250#. BD to tank, ND frac valve. NU BOPE, tally and PU 2 3/8" 4.7# J-55 tbg and TIH w/ 4 3/4" bit to 4398'. RU air to stand pipe and FB tank to mud-cross, RU power swivel, est. circ. w/ air and unload water off. Well started bringing heavy sand, cut out 2" iron coming off mud-cross. SIW. RU 2" FB iron w/ 14/64 choke, open to tank @ 18:30, 840 psi, flow back crew on loc. Rel rig crew, flow well over night.

Sep 30, 2008

Well flowed over night, press on

9/29 – 20:00=600#, 21:00=500#, 22:00=450#, 23:00=350#, 24:00=300#,

9/30 – 01:00=200#, 02:00=150#, 03:00 to 05:00=100#, 06:00=150#, 07:00=100#

Crew on loc. Rel FB hands, install 60/64" choke. RU line off other side of mud-cross. PU singles w/ power swivel and TIH. Tag fill 10' out, jt #151 @ 4771', est. circ. w/ 12 bph mist, c/o to CBP @ 4911', (fluid recovered f/ well = 90 bbls), bypass mist, dry up tbg, bypass air. LD 2 jts, RD power swivel. TOOH w/ 4 3/4" bit, TIH w/ 2 3/8" cplg, 1 jt, 1.78" SN, 149 jts, EOT @ 4750', secure well, SDFN.

Oct 1, 2008

PJSM, SITP=400#, SICP=500#. BD to FB tank, kill tbg w/ 10 bbls prod water. TIH, had 4' of fill, PU to 4750'.

RU B&R WL. RIT w/ gauge ring, unable to go through SN. POOH, RD B&R, PU 5 jts tbg and TIH, SN @ 4876' (33' below bottom perf), run tracer log across perfs (4779'-4843'). POOH, RD B&R, LD 5 jts, land 2 3/8" 4.7# J-55 eue tbg as follows top down w/ kb corr: 149 jts, 1.78" SN @ 4721', 1 jt, w/ cplg @ 4754', (HT perfs 4779'-4843'), ND BOPE, NU tree, pump air down tbg and unload water up csg, open well back up tbg, died off, recovered 30 bbls water, secure well, SDFN.

Date	Hrs off	MCFD	Tbg Pres	Csg Pres	BOPD	BWPD
10/3/08		121	800	850		
10/4/08		146	800	850		41.75
10/5/08		203	145	550		45.09
10/6/08		25	145	550		
10/7/08		227	120	900		19.205
10/8/08		103	340	900		15.585
10/9/08		228	140	900		18.955
10/10/08		216	130	940	6.2625	40.915
10/11/08		195	120	820	0.0334	45.09
10/12/08		21	380	800	3.7241	
10/13/08		205	140	740	13.36	129.3
10/14/08		222	170	480	11.69	58.45
10/15/08		238	145	450	10.855	67.635
10/16/08		236	150	460	7.9325	51.77
10/17/08		246	140	420	0.4175	54.275
10/18/08		271	140	380	0.835	53.44
10/19/08		268	145	375	5.845	50.3175
10/20/08		257	140	425		51.56
10/21/08		247	160	360		44.6725
10/22/08	19	58			SI for PBU Test	
10/23/08	24				SI for PBU Test	
10/24/08	24				SI for PBU Test	
10/25/08	24				SI for PBU Test	
10/26/08	24				SI for PBU Test	
10/27/08	24				SI for PBU Test	
10/28/08	24				SI for PBU Test	
10/29/08	5	518	400	520		10.02
10/30/08		404	380	550		30.06
10/31/08		267	400	520		
11/1/08		240	400	550		
11/2/08		199	340	550		41.75
11/3/08		246	120	425		55.945
11/4/08		238	110	360		55.945

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11/5/08	227	140	325	48.43
11/6/08	262	130	300	50.1
11/7/08	244	120	300	45.09
11/8/08	241	110	300	49.88
11/9/08	238	110	300	40.08
11/10/08	235	110	300	43.3775
11/11/08	232	120	300	36.9275
11/12/08	226	110	300	31.73
11/13/08	222	125	325	22.335
11/14/08	227	130	275	30.895
11/15/08	228	110	275	40.705
11/16/08	225	120	250	36.74
11/17/08	225	120	250	34.86
11/18/08	224	125	255	0 29.225

<b>STATE OF UTAH</b> DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS, AND MINING	<b>FORM 9</b>
<b>5. LEASE DESIGNATION AND SERIAL NUMBER:</b> ML 48562	
<b>6. IF INDIAN, ALLOTTEE OR TRIBE NAME:</b>	
<b>7. UNIT or CA AGREEMENT NAME:</b>	
<b>8. WELL NAME and NUMBER:</b> CHANTICLEER ST 1-32	
<b>9. API NUMBER:</b> 43037318660000	
<b>9. FIELD and POOL or WILDCAT:</b> HORSEHEAD POINT	
<b>COUNTY:</b> SAN JUAN	
<b>STATE:</b> UTAH	

**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.

<b>1. TYPE OF WELL</b> Gas Well	
<b>2. NAME OF OPERATOR:</b> CROWNQUEST OPERATING, LLC	
<b>3. ADDRESS OF OPERATOR:</b> 303 Veterans Airpark Ln Ste 5100 , Midland, TX, 79705	<b>PHONE NUMBER:</b> 432 818-0300 Ext
<b>4. LOCATION OF WELL</b> <b>FOOTAGES AT SURFACE:</b> 0660 FNL 1980 FEL <b>QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN:</b> Qtr/Qtr: NWNE Section: 32 Township: 34.0S Range: 26.0E Meridian: S	

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

TYPE OF SUBMISSION	TYPE OF ACTION		
<input checked="" type="checkbox"/> <b>NOTICE OF INTENT</b> Approximate date work will start: 11/21/2016	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> CASING REPAIR
<input type="checkbox"/> <b>SUBSEQUENT REPORT</b> 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"/> <b>SPUD REPORT</b> Date of Spud:	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> CONVERT WELL TYPE
<input type="checkbox"/> <b>DRILLING REPORT</b> 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 type="checkbox"/> APD EXTENSION
	<input type="checkbox"/> WILDCAT WELL DETERMINATION	<input checked="" 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.

Well is back on production as of November 21, 2016.

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

**FOR RECORD ONLY**

December 23, 2016

<b>NAME (PLEASE PRINT)</b> Jeremy Divine	<b>PHONE NUMBER</b> 432 557-6778	<b>TITLE</b> Foreman
<b>SIGNATURE</b> N/A	<b>DATE</b> 12/13/2016	