

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

AMENDED REPORT
(highlight changes)

APPLICATION FOR PERMIT TO DRILL			5. MINERAL LEASE NO: ML 47968	6. SURFACE: State
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: CrownQuest Operating, LLC			9. WELL NAME and NUMBER: Anteater State 1-21	
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' FSL x 660' FWL 669157X 37.801974 AT PROPOSED PRODUCING ZONE: same 41853784 -109.078688			11. QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NWNE 21 34S 26E SWSW	
14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE: 10 miles east of Monticello			12. COUNTY: San Juan	13. STATE: UTAH
15. DISTANCE TO NEAREST PROPERTY OR LEASE LINE (FEET) 660'	16. NUMBER OF ACRES IN LEASE: 2460.92	17. NUMBER OF ACRES ASSIGNED TO THIS WELL: 160		
18. DISTANCE TO NEAREST WELL (DRILLING, COMPLETED, OR APPLIED FOR) ON THIS LEASE (FEET) 6863'	19. PROPOSED DEPTH: 5,920	20. BOND DESCRIPTION: RLB 0007554		
21. ELEVATIONS (SHOW WHETHER DF, RT, GR, ETC.): 6806' GL	22. APPROXIMATE DATE WORK WILL START: 2/1/2008	23. ESTIMATED DURATION: 60 days		

24. PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	CASING SIZE, GRADE, AND WEIGHT PER FOOT	SETTING DEPTH	CEMENT TYPE, QUANTITY, YIELD, AND SLURRY WEIGHT
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	2,200	65/35 Poz, 550 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	5,920	25/75 Poz, 575 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. Griffee TITLE Operations Manager
SIGNATURE  DATE 8/24/2007

(This space for State use only)

API NUMBER ASSIGNED: 43037-31867

APPROVAL:

RECEIVED
AUG 31 2007
DIV. OF OIL, GAS & MINING

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

FORM 3

AMENDED REPORT
(highlight changes)

APPLICATION FOR PERMIT TO DRILL			5. MINERAL LEASE NO: ML 47968	6. SURFACE: State Fee FREE
1A. TYPE OF WORK: DRILL <input checked="" type="checkbox"/> REENTER <input type="checkbox"/> DEEPEN <input type="checkbox"/>	7. IF INDIAN, ALLOTTEE OR TRIBE NAME:		8. UNIT or CA AGREEMENT NAME:	
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| <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 8/24/2007

(This space for State use only)

API NUMBER ASSIGNED: 43037-31867

APPROVAL:

RECEIVED
AUG 31 2007
DIV. OF OIL, GAS & MINING

Application for Permit to Drill

Statement of Basis

Utah Division of Oil, Gas and Mining

11/13/2007

Page 1

APD No	API WellNo	Status	Well Type	Surf Ownr	CBM
535	43-037-31867-00-00		GW	S	No
Operator	CROWNQUEST OPERATING, LLC	Surface Owner-APD			
Well Name	ANTEATER ST 1-21	Unit			
Field	UNDESIGNATED	Type of Work			
Location	SWSW 21 34S 26E S 660 FSL 660 FWL GPS Coord (UTM) 669151E 4185378N				

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. Two underground sources of water have been filed on within a mile. 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 base of the Cutler 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 (DOGGM), Ed Bonner-Trust Lands Administration (SITLA), Kyle Beagley-Division of Wildlife Resources (DWR), Donal Key-CrownQuest Operating, LLC. Site revisited on October 22, 2007 by Bart Kettle-DOGGM and Bill Richardson-surface owner.

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.

UTAH WELL LOCATION PLAT

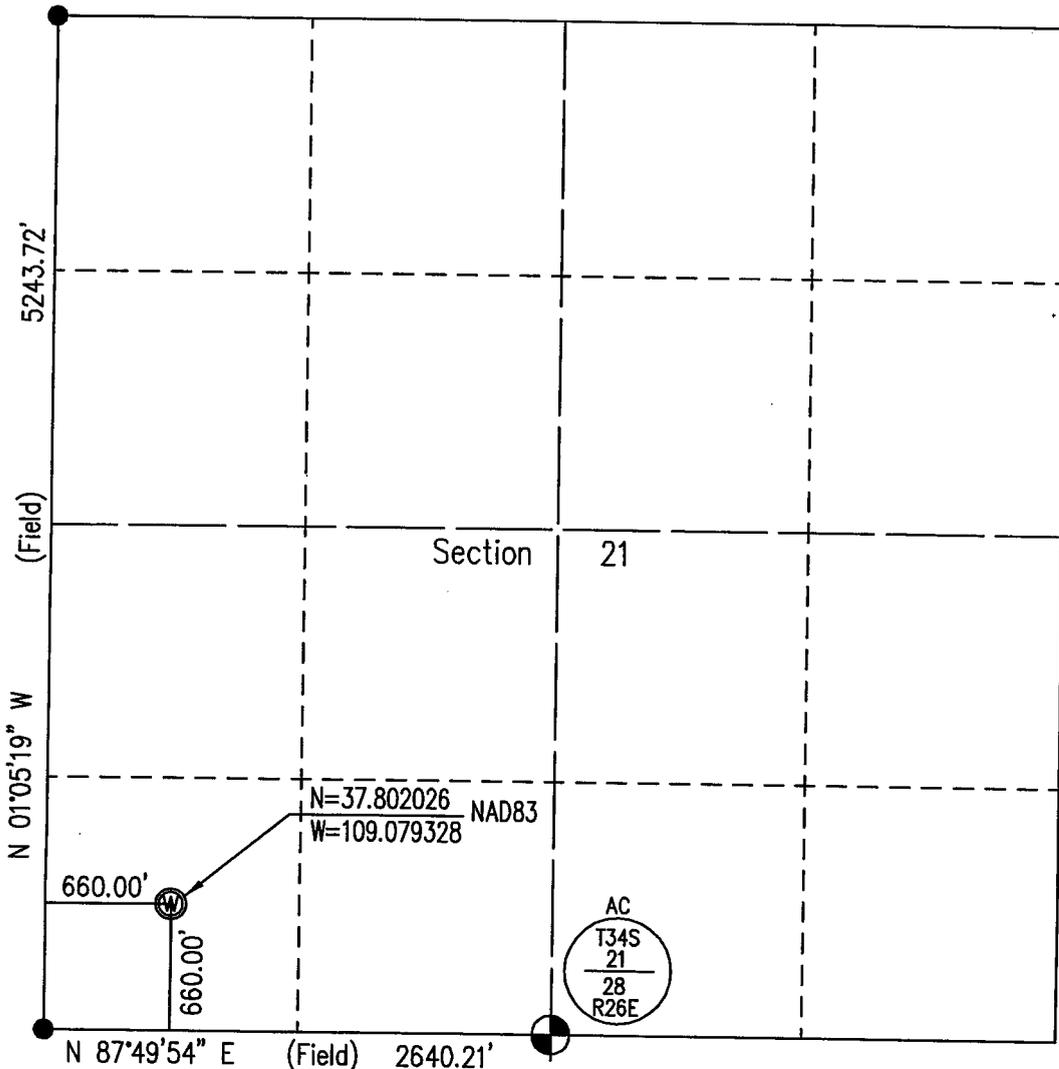
OPERATOR Crown Quest Operating
 LEASE Anteater State WELL NO. 1-21
 SECTION 21 TOWNSHIP 34 South RANGE 26 East Salt Lake, P.M.
 COUNTY San Juan UTAH
 FOOTAGE LOCATION OF WELL: 660.00' FEET FROM THE South LINE and
660.00' FEET FROM THE West LINE and
 GROUND LEVEL ELEVATION: 6806.32'
 SURFACE USE WITHIN 200' RADIUS: No Improvements Within 200'
 BASIS OF BEARING: GPS Data
 BASIS OF ELEVATION: GPS Data - NAD 83 - PODP #4

500' 500'
 1" = 1000'

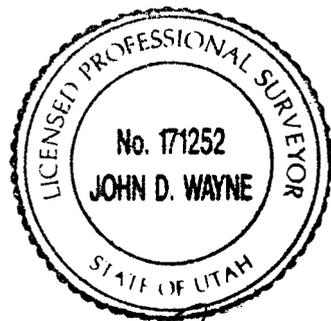


Some information on this plat is based on information taken from previous surveys, record information, or collateral evidence and may not reflect that which may be disclosed by a complete boundary survey. This plat is not to be relied on for the establishment of surface boundaries, fences, buildings,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

- GLO BC
- WELL Location
- STONE Marked
- ALUMINUM CAP
- CALCULATED CORNER



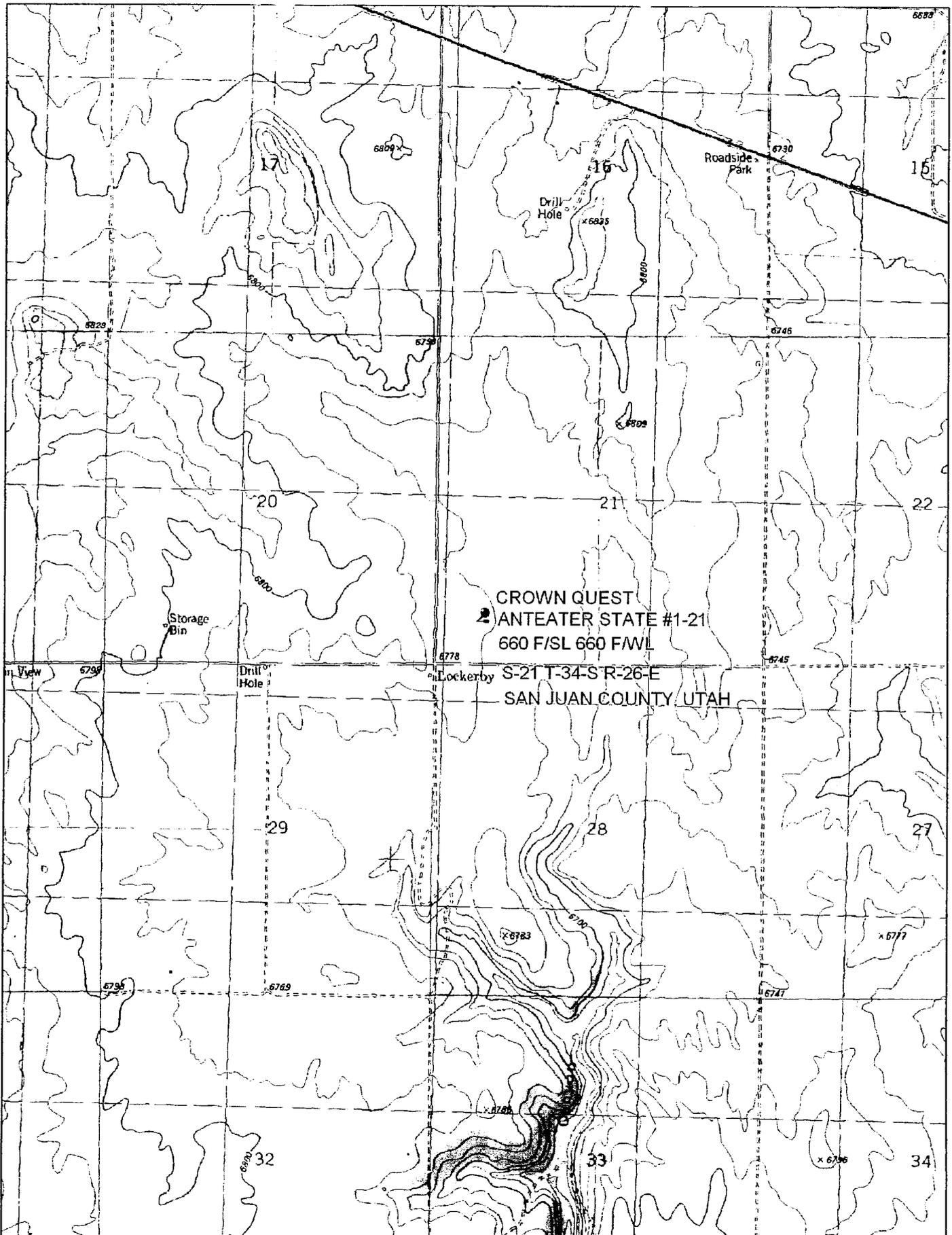
I hereby certify that the proposed well location shown on this plat was prepared from field notes of an actual survey by me or under my supervision, and that the same is true and correct to the best of my knowledge and belief, and that there are no visible improvements within 200 feet of this proposed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



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

JULY 13, 2007
 Date Surveyed:
 AUGUST 20, 2007
 Date Platted:

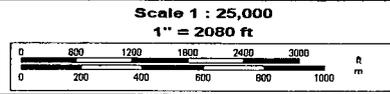
SCALE: 1" = 1000'



CROWN QUEST
 ANTEATER STATE #1-21
 660 F/SL 660 FWL
 S-21 T-34-S R-26-E
 SAN JUAN COUNTY UTAH



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 www.delorme.com



ON-SITE PREDRILL EVALUATION

Utah Division of Oil, Gas and Mining

Operator CROWNQUEST OPERATING, LLC
Well Name ANTEATER ST 1-21
API Number 43-037-31867-0 **APD No** 535 **Field/Unit** UNDESIGNATED
Location: 1/4,1/4 SWSW **Sec** 21 **Tw** 34S **Rng** 26E 660 FSL 660 FWL
GPS Coord (UTM) **Surface Owner**

Participants

Bart Kettle-Division of Oil, Gas and Mining (DOGGM), 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 fields. Project is staked on fee surface owned by Bill Richardson of Eastland. Access to this well will be along existing County maintained roads and approximately 660' of newly constructed road across lands currently held by Mr. Richardson. 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

Miles	Well Pad		Src Const Material	Surface Formation
0.1	Width 250	Length 300	Onsite	DKTA

Ancillary Facilities N

Waste Management Plan Adequate? Y

Environmental Parameters

Affected Floodplains and/or Wetland N

Flora / Fauna

Dry land field in fallow.

Soil Type and Characteristics

Deep orange loams

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

Site-Specific Factors

Site Ranking

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

Final Score 35 1 **Sensitivity Level**

Characteristics / Requirements

Closed Loop Mud Required? N

Liner Required? Y

Liner Thickness 12

Pit Underlayment Required? N

Other Observations / Comments

Proposed project stacked dry land agriculture field. Surface is FEE and incorrectly shown as State in submitted APD. Upon request CrownQuest provided surface ownership information being Bill Richardson of Eastland. Per conversation with Mr. Richardson on 10/22/2007 Surface use agreement has not been signed.

Bart Kettle

9/24/2007

Evaluator

Date / Time

2007-11 CrownQuest Anteafer ST 1-21

Casing Schematic

Surface

157' 188'

BHP surf
0.052(2200)8.4 = 961 psi

13-3/8"
MW 8.4

Gas .12(2200) = 264
961 - 264 = 697 psi, MASP

BOPE 2M to 2200 ✓

Burst 1730
70% 1211 psi

Max P@ cond. shoe

.22(2050) = 451
961 - 451 = 510 psi

test to 500 psi

9-5/8"
MW 8.4
Frac 19.3

TOC @ Burro Canyon
0. Conductor
150. MD

TOC @ 501
to surf w/10% w/o ✓ test @
to surf w/10% w/o

TOC @
666.

1070' Entrada
1235' Navajo

1965' Chinle

Surface
2200. MD

2470' Shinarump

2630' Moenkopi

2975' Cutler

BHP 0.052(5920)9.2 = 2832 psi
anticipate 2599 psi

Gas .12(5920) = 710
2832 - 710 = 2122 psi, MASP

BOPE 3M (from 2200') ✓

Burst 3520
70% 2464 psi

Max P@ surf. shoe

.22(3720) = 818
2832 - 818 = 2014 psi

test to 2000 psi ✓

5-1/2"
MW 9.2

Production
5920. MD

5515' Upper Ismay

5775' Desert Creek

✓ Adequate 0.40 11/2/07

Well name:	2007-11 CrownQuest Anteater ST 1-21	
Operator:	CrownQuest Operating , LLC	Project ID:
String type:	Conductor	43-037-31867
Location:	San Juan County	

Design parameters:

Collapse

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

Burst

Max anticipated surface pressure: 47 psi
 Internal gradient: 0.120 psi/ft
 Calculated BHP 65 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: 132 ft

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

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	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:	2007-11 CrownQuest Anteater ST 1-21		
Operator:	CrownQuest Operating , LLC		
String type:	Surface	Project ID:	43-037-31867
Location:	San Juan County		

Design parameters:

Collapse

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

Burst

Max anticipated surface pressure: 1,936 psi
 Internal gradient: 0.120 psi/ft
 Calculated BHP 2,200 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: 1,927 ft

Environment:

H2S considered? No
 Surface temperature: 75 °F
 Bottom hole temperature: 106 °F
 Temperature gradient: 1.40 °F/100ft
 Minimum section length: 250 ft

Cement top: 501 ft

Non-directional string.

Re subsequent strings:

Next setting depth: 5,920 ft
 Next mud weight: 9.200 ppg
 Next setting BHP: 2,829 psi
 Fracture mud wt: 19.250 ppg
 Fracture depth: 2,200 ft
 Injection pressure: 2,200 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	2200	9.625	36.00	J-55	LT&C	2200	2200	8.796	954.9
Run Seq	Collapse Load (psi)	Collapse Strength (psi)	Collapse Design Factor	Burst Load (psi)	Burst Strength (psi)	Burst Design Factor	Tension Load (Kips)	Tension Strength (Kips)	Tension Design Factor
1	960	2020	2.104	2200	3520	1.60	69	453	6.53 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 2200 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:	2007-11 CrownQuest Anteater ST 1-21		
Operator:	CrownQuest Operating , LLC		Project ID:
String type:	Production		43-037-31867
Location:	San Juan County		

Design parameters:

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

Minimum design factors:

Collapse:
Design factor 1.125

Burst:
Design factor 1.00

Environment:
H2S considered? No
Surface temperature: 75 °F
Bottom hole temperature: 158 °F
Temperature gradient: 1.40 °F/100ft
Minimum section length: 1,500 ft

Cement top: 666 ft

Burst
Max anticipated surface pressure: 1,527 psi
Internal gradient: 0.220 psi/ft
Calculated BHP 2,829 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: 5,094 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	5920	5.5	17.00	P-110	LT&C	5920	5920	4.767	772.7

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	2829	7480	2.644	2829	10640	3.76	87	445	5.14 J

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

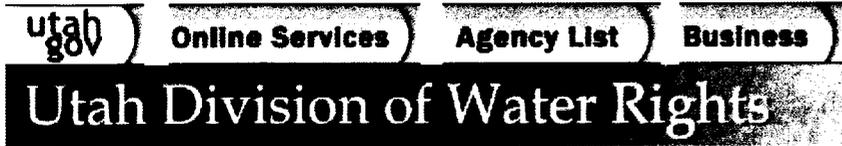
Phone: 801-538-5357
FAX: 801-359-3940

Date: November 16, 2007
Salt Lake City, Utah

Remarks:
Collapse is based on a vertical depth of 5920 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.

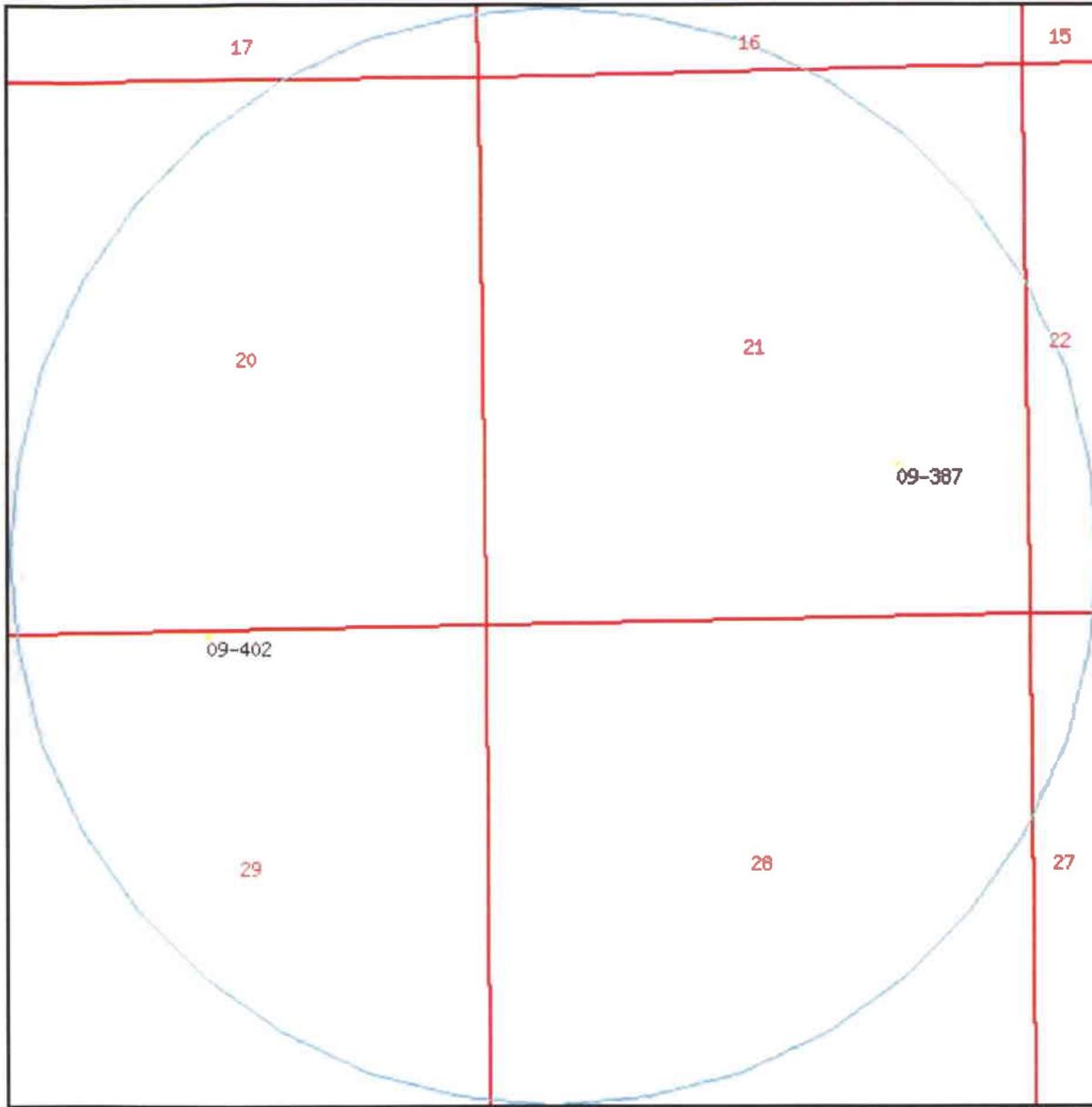
Engineering responsibility for use of this design will be that of the purchaser.



WRPLAT Program Output Listing

Version: 2007.04.13.01 Rundate: 11/08/2007 03:52 PM

Radius search of 5280 feet from a point N660 E660 from the SW corner, section 21, Township 34S, Range 26E, SL b&m Criteria:wrtypes=W,C,E podtypes=S,U,Sp status=U,A,P usetypes=all



Water Rights

WR Number	Diversion Type/Location	Well Log	Status	Priority	Uses	CFS	ACFT	Owner Name
<u>09-387</u>	Underground N1452 W1287 SE 21 34S 26E SL		P	19210901	DS	0.002	0.000	UTAH SCHOOL AND INSTITUTIONAL TRUST LANDS ADMIN. 675 EAST 500 SOUTH, 5TH FLOOR
<u>09-402</u>	Underground S50 W50 N4 29 34S 26E SL	<u>well info</u>	P	19341011	DS	0.018	0.000	STATE OF UTAH BOARD OF WATER RESOURCES 1594 WEST NORTH TEMPLE, STE 310

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

Anteater State @ 1-21
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 East of Eastland Township, Utah.
- c) If necessary, an encroachment permit will be obtained from San Juan County, Utah for use of the existing county road (CR #314). Approximately 2 miles of CR #314 will be used to access the well site.

2) Access Road

- a) Approximately 660' of flat bladed road off CR #314 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.

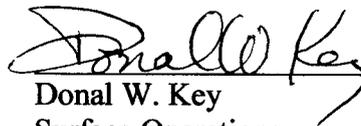
b) Threatened and Endangered Species Concerns: No known concerns.

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 15, 2007.



Donal W. Key
Surface Operations
August 28, 2007

CONTACT LIST

Utah Projects

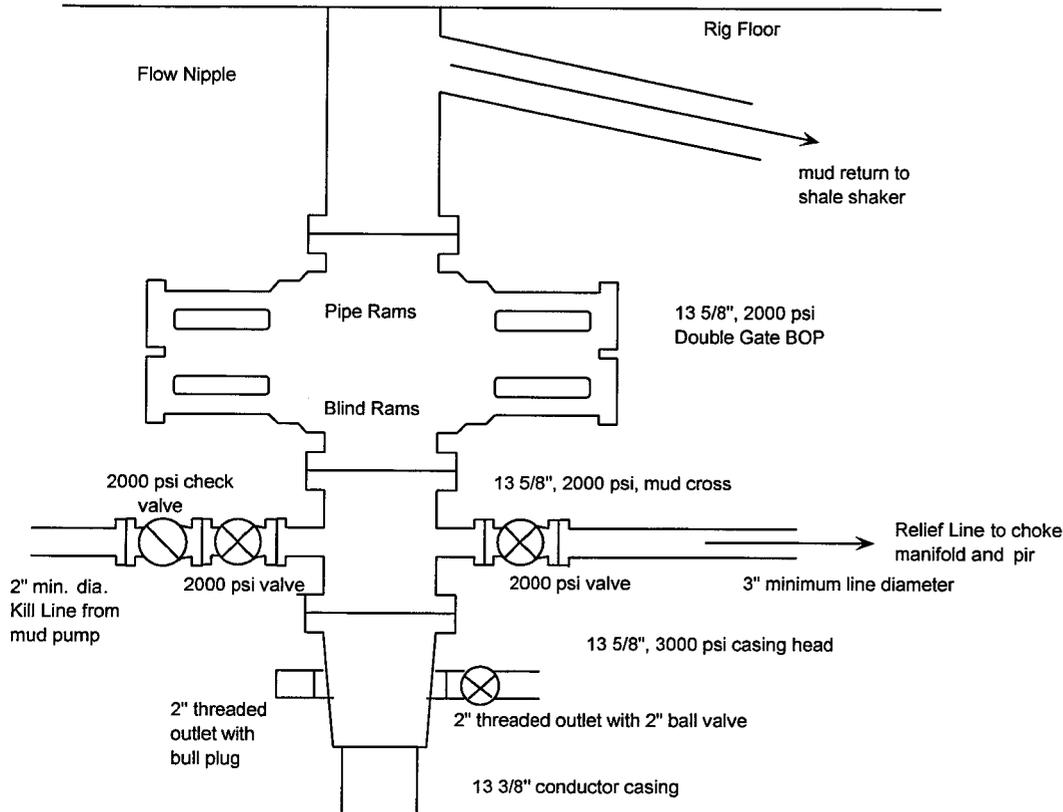
CrownQuest Operating , LLC
303 Veterans Airpark Ln
P.O. Box 53310
Midland, Texas 79710
Tommy Lent, PE, Vice President-Operations & Engineering
432-818-0300

CrownQuest Operating, LLC
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, Surface Operations
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

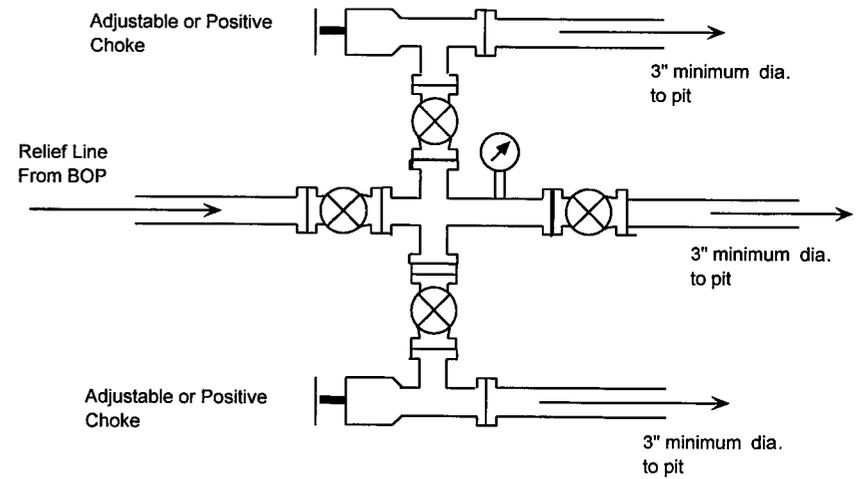
Figure 1

13 5/8", 2000 psi Drilling Rig BOP System - for Surface Hole



BOP Installation from Conductor Casing depth (150') to Intermediate Casing depth (2200').
 13 5/8", 2000 psi double gate BOP equipped with blind and pipe rams. All equipment
 rated at 2000 psi or greater working pressure.

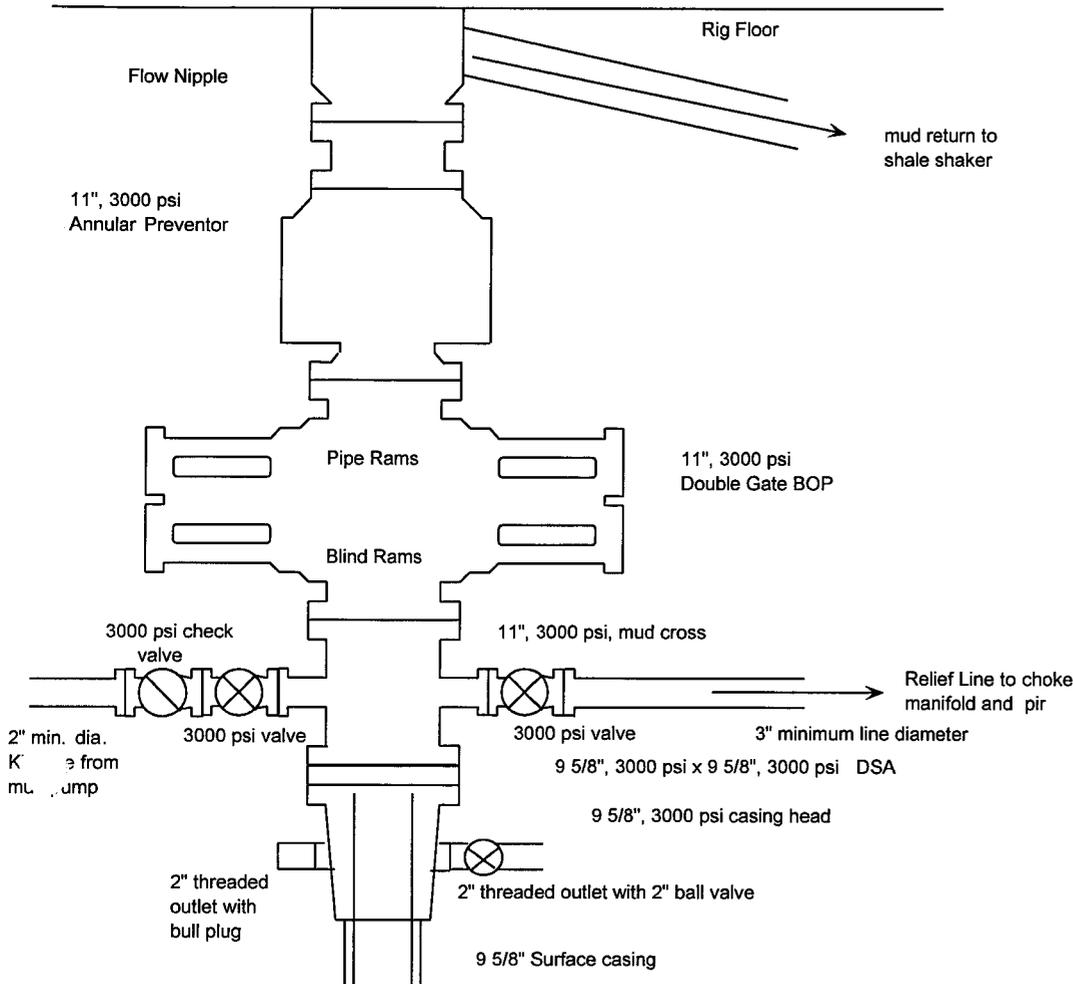
Figure 2



Choke manifold for BOP system shown in Figure 1.
 All equipment to be rated at 2000 psi or greater.

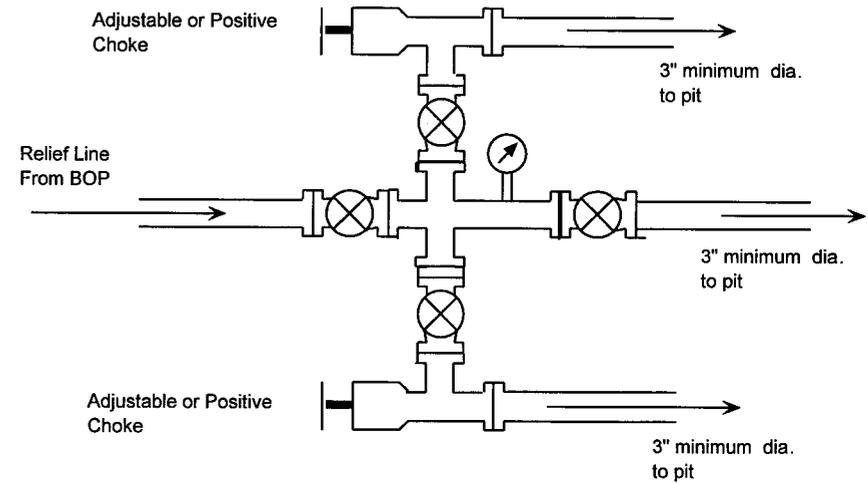
Figure 3

11", 3000 psi Drilling Rig BOP System



BOP Installation from Surface Casing depth (2200') to TD (5920'). 11", 3000 psi double gate BOP equipped with blind and pipe rams, 11" Annular BOP. All equipment rated at 3000 psi or greater working pressure.

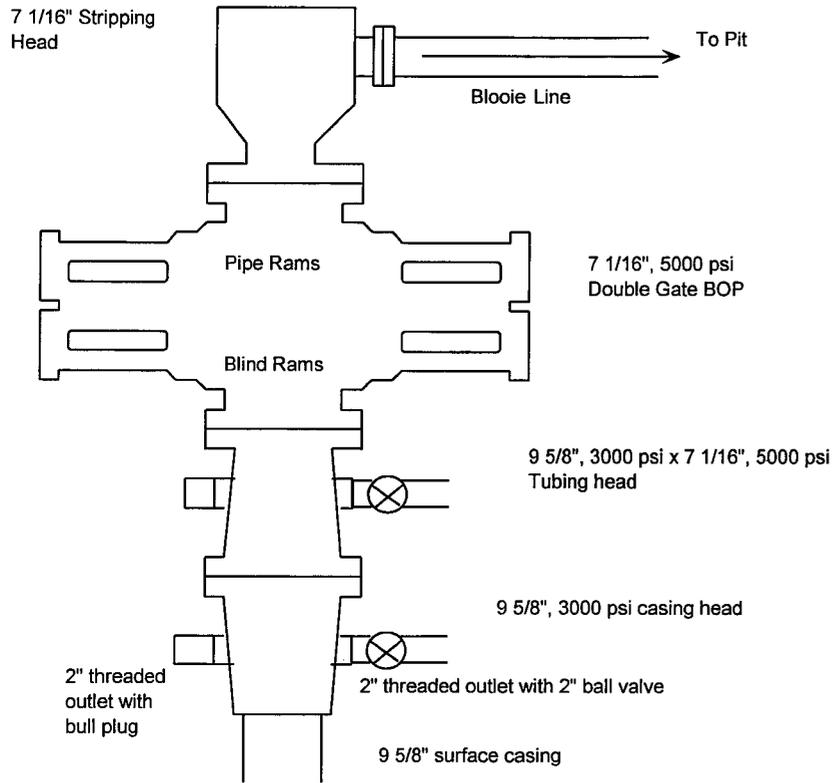
Figure 4



Choke manifold for BOP system shown in Figure 3. All equipment to be rated at 3000 psi or greater.

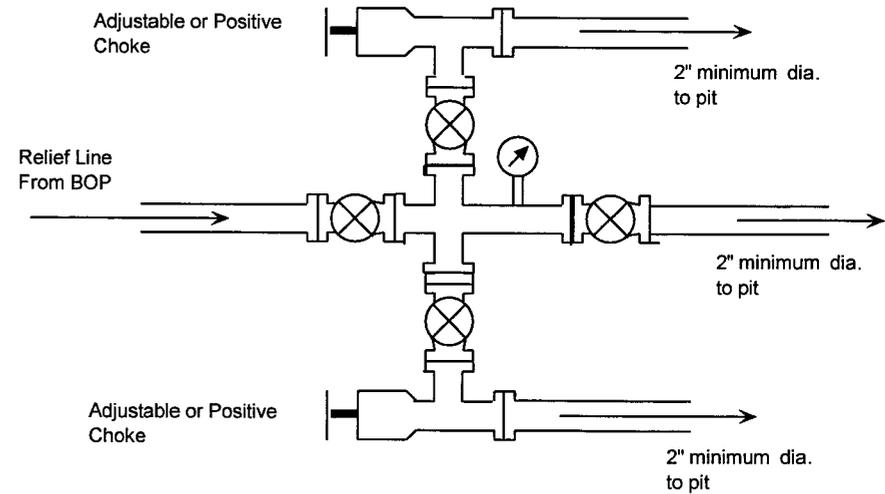
Figure 5

7 1/16", 5000 psi Completion Rig BOP System



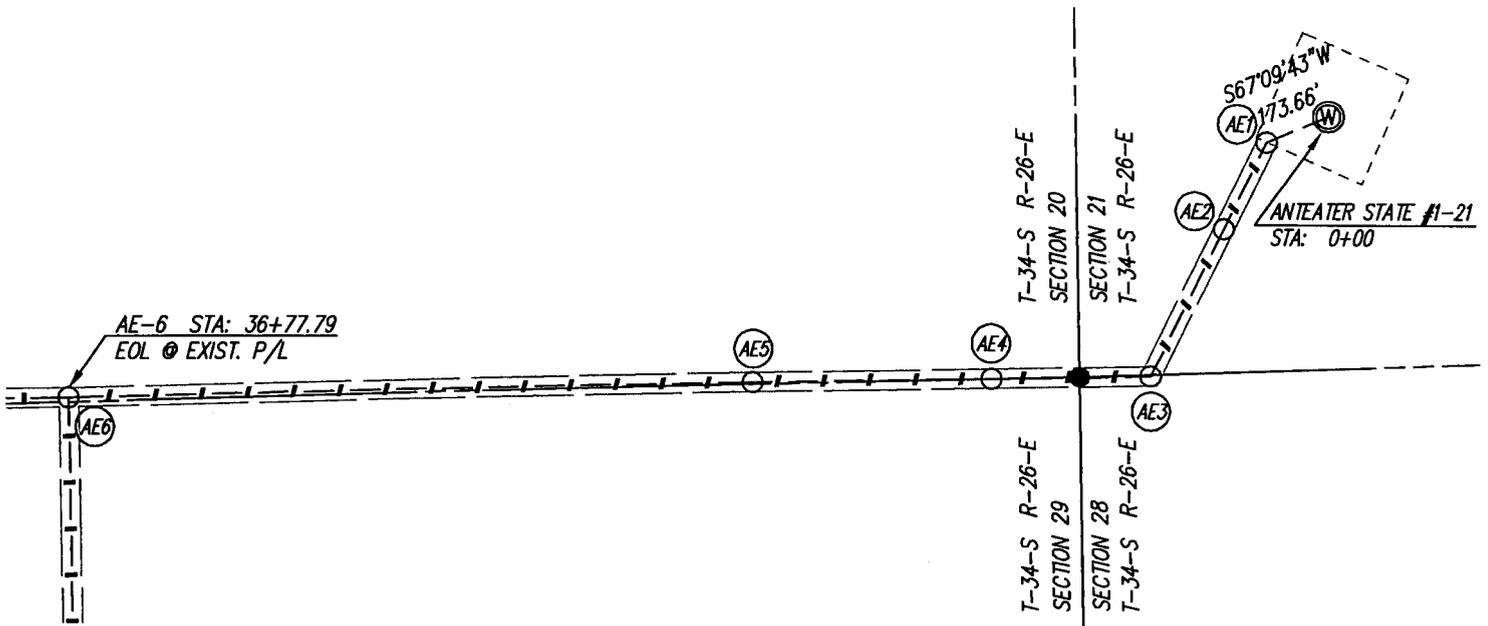
BOP Installation for Completion operations. 7 1/16", 5000 psi double gate BOP equipped with blind and pipe rams. All equipment rated at 5000 psi or greater working pressure.

Figure 6



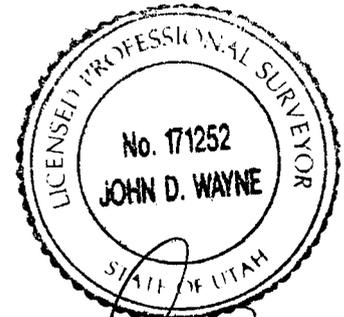
Choke manifold for BOP system shown in Figure 5. All equipment to be rated at 5000 psi or greater.

ANTEATER STATE #1-22
PROPOSED PIPELINE



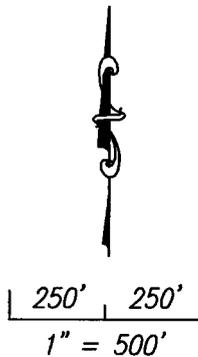
START

	0+00	ANTEATER STATE #1-21	
IN	SW	67 09 43	173.66
AE1	1+73.66	AE-1 @ SOUTHLINE PAD	
IN	SW	26 03 41	251.92
AE2	4+25.58	AE-2	
IN	SW	26 08 08	430.15
AE3	8+55.73	AE-3	
IN	SW	88 32 21	416.13
AE4	12+71.86	AE-4	
IN	SW	88 49 38	623.91
AE5	18+95.77	AE-5	
IN	SW	88 37 15	1782.02
AE6	36+77.79	AE-6 EOL @ EXIST. PIPELINE	



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: 00845FEDERAL21-1D

SEC.	TWP.	RGE.	1/4 SEC.	WIDTH	LENGTH			ACRES	
					FEET	RODS	MILES		
21	34S	26E	59.77	50'	1041.54'	63.12	0.20	1.20	
20	34S	26E	SE1/4	50'	2636.25'	159.77	0.50	3.03	
TOTALS						3677.79'	222.89	0.70	4.23

CROWN QUEST OPERATING
PROPOSED RIGHT-OF-WAY & PIPELINE
ANTEATER STATE #1-21
Sec. 21, T-34-S, R-26-E, S.L.B.M.
Sec. 20, T-34-S, R-26-E, S.L.B.M.
San Juan County, Utah

SCALE: 1"=500' DATE: 08/22/07

**WORKSHEET
APPLICATION FOR PERMIT TO DRILL**

APD RECEIVED: 08/31/2007

API NO. ASSIGNED: 43-037-31867

WELL NAME: ANTEATER ST 1-21
 OPERATOR: CROWNQUEST OPERATING, (N2685)
 CONTACT: ROBERT GRIFFEE

PHONE NUMBER: 505-325-5750

PROPOSED LOCATION:

SWSW 21 340S 260E
 SURFACE: 0660 FSL 0660 FWL
 BOTTOM: 0660 FSL 0660 FWL
 COUNTY: SAN JUAN
 LATITUDE: 37.80198 LONGITUDE: -109.0787
 UTM SURF EASTINGS: 669151 NORTHINGS: 4185378
 FIELD NAME: WILDCAT (1)

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

LEASE TYPE: 3 - State
 LEASE NUMBER: ML 47968
 SURFACE OWNER: ~~State~~ FEE

PROPOSED FORMATION: DSCR
 COALBED METHANE WELL? NO

RECEIVED AND/OR REVIEWED:

- Plat
- Bond: Fed[] Ind[] Sta[] Fee[]
(No. RLB0007554)
- Potash (Y/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)
- 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 Presite (09-24-07)

STIPULATIONS:

- 1- Spacing Strip*
- 2- STATEMENT OF BASIS*
- 3- Surface Log 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



OIL, GAS & MINING



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

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

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

1. State Agency Oil, Gas and Mining 1594 West North Temple, Suite 1210 Salt Lake City, UT 84114-5801	2. Approximate date project will start: Upon Approval or September 25, 2007
3. Title of proposed action: Application for Permit to Drill	
4. Description of Project: CrownQuest Operating, LLC proposes to drill the Anteater State 1-21 well (wildcat) on State lease ML-47968, 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.	
5. Location and detailed map of land affected (site location map required, electronic GIS map preferred) (include UTM coordinates where possible) (indicate county) 660' FSL 660' FWL, SW/4 SW/4, Section 21, Township 34 South, Range 26 East, San Juan County, Utah	
6. Possible significant impacts likely to occur: Surface impacts include up to five acres of surface disturbance during the drilling and completion phase (estimated for five weeks duration). If oil and gas in commercial quantities is discovered, the location will be reclaimed back to a net disturbance of between one and two acres – not including road, pipeline, or utility infrastructure. If no oil or gas is discovered, the location will be completely reclaimed.	
7. Identify local government affected a. Has the government been contacted? No. b. When? c. What was the response? d. If no response, how is the local government(s) likely to be impacted?	
8. For acquisitions of land or interests in land by DWR or State Parks please identify state representative and state senator for the project area. Name and phone number of state representative, state senator near project site, if applicable: a. Has the representative and senator been contacted? N/A	
9. Areawide clearinghouse(s) receiving state action: (to be sent out by agency in block 1) Southeastern Utah Association of Governments	
10. For further information, contact: Diana Mason Phone: (801) 538-5312	11. Signature and title of authorized officer  Gil Hunt, Associate Director Date: September 11, 2007

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.

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. **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.

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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.

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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.

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vegetative or synthetic cover or windbreaks. A copy of the rules may be found at 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.

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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.

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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.

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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.

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Robert Clark
Division of Air Quality
801-536-4435

CROWNQUEST

CROWNQUEST OPERATING, LLC

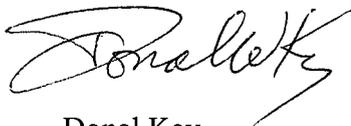
Date: 10/05/07

Dear Mr. Billy J. Richardson:

Enclosed is a copy of the Surface Use Plan, plat and map submitted to the State of Utah, Oil, Gas and Mining Department as part of the CrownQuest Operating, LLC Application for a Permit to Drill the Anteater State #1-21 in Section 21, T34S, R26E. The State requires our company to make serious attempt to secure a surface agreement from the surface owner. The Agreement must include the rate of payment for any surface damages which may be associated with the drilling and or production of the well. You should have in hand, from CrownQuest , a Surface Agreement document. In my phone conversation with you earlier this week you said you wanted up to \$10,000 per acre or 5% of the production of the well. This letter is to inform you that neither of these options is acceptable to CrownQuest. CrownQuest has made, what it considers to be, a reasonable offer, as well as, a reasonable attempt to secure a Surface Agreement. Having been unsuccessful in its attempt, CrownQuest is left with no option but to report to the State Oil, Gas and Mining Department that no agreement can be reached. We are asking the State to grant the APD based upon their guidelines. A copy of this letter is being forwarded to the State.

If you have any questions or wish to discuss this issue, please contact Donal Key at:
CrownQuest Operating, LLC
P. O. Box 2221
Farmington, NM 87499
Phone: 505-716-2543
Email: donalkey@msn.com

Sincerely,



Donal Key
Surface Operations

RECEIVED

OCT 12 2007

DIV. OF OIL, GAS & MINING

October 15, 2007

Mr. & Mrs. Billy J. Richardson
HC 63, Box 52
Monticello, UT 84535

Re: Anteater State #1-21
Section 21, T-34-S, R-26-E
San Juan County, Utah

Dear Mr & Mrs. Richardson:

This letter, when accepted by you will confirm the agreement between yourself and CrownQuest Operating, LLC ("CrownQuest") concerning the use of the above captioned surface for drilling purposes under the following terms:

1. CrownQuest will pay you \$3,500.00 per acre as surface damages for the drilling pad, pits and tank battery located on the drilling pad.
2. CrownQuest will pay you ~~\$16.50~~ ^{21.50 BPR DWR} per rod for any new roads built to the well location.
3. In the event of production, CrownQuest shall fence the production facilities. In addition, it will install a cattle guard and locked gate at the entrance of the lands from the county road. If requested by you, any pit will be enclosed with a barbed wire or similar fence sufficient to turn livestock.
4. CrownQuest will pay ~~\$16.50~~ ^{21.50 BPR DWR} per rod for any buried pipeline laid that is not within or adjacent to the road right of way. All pipelines will be buried a minimum of 3 feet below the surface.
5. In the event CrownQuest drills a water well on the lands, you shall have the right to takeover said well after CrownQuest has discontinued its use at your sole cost and expense. It is understood however, that in the event you takeover the well, CrownQuest shall have the continuing right to use the well from time to time for its drilling and/or production operations for a period of five (5) years from the date the well is drilled.
6. CrownQuest agrees, upon completion of any operation, to clean up the premises and remove all debris and equipment which CrownQuest has placed on the lands except for equipment needed for the operation of producing wells, which shall be removed within six (6) months after a well permanently ceases to produce.
7. All buried pipelines and pits used in connection with drilling operations shall be constructed in such a manner that when the drilling operations are completed, the topsoil can be restored to the surface.

RECEIVED

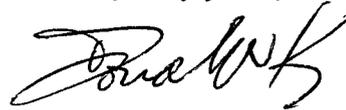
OCT 31 2007

DIV. OF OIL, GAS & MINING

8. CrownQuest shall make a reasonable effort to insure that no hunting will be conducted on the lands by CrownQuest personnel or its agents, contractors and subcontractors.
9. The damage rates referred to herein shall apply only to the roads and pad for this well and are not intended to cover any future operations.

Please signify your acceptance of this agreement by signing in the space provided below and returning a copy of this letter agreement.

Very truly yours,



Donal W. Key

AGREED TO AND ACCEPTED
this 25 day of October, 2007


Billy J. Richardson

Billy J. Richardson


Merle B. Richardson

Merle B. Richardson

CROWNQUEST

CROWNQUEST OPERATING, LLC

Date: 10/26/07

To Whom It May Concern:

Re: Anteater State # 1-21
Section 21, T34S, R26E
San Juan County, Utah

This letter is to certify CrownQuest Operating, LLC has in hand a signed Surface Agreement from Mr. & Mrs. Billy J. Richardson, HC 63, Box 52, Monticello, UT 84535 . Mr. & Mrs. Richardson are the surface owners 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. & Mrs. Richardson.

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. Ph: 505-716-2543.

Sincerely,



Donal Key
Surface Operations

RECEIVED
OCT 31 2007
DIV. OF OIL, GAS & MINING



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: Anteater State 1-21 Well, 660' FSL, 660' FWL, SW SW, Sec. 21, 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 43-037-31867.

Sincerely,

Gil Hunt
Associate Director

pab
Enclosures

cc: San Juan County Assessor
SITLA



Operator: CrownQuest Operating, LLC
Well Name & Number Anteater State 1-21
API Number: 43-037-31867
Lease: ML 47968

Location: SW SW Sec. 21 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.

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

FORM 3

CONFIDENTIAL

AMENDED REPORT
(if right changes)

APPLICATION FOR PERMIT TO DRILL		5. MINERAL LEASE NO: ML 47968	6. SURFACE: Fee
1A. TYPE OF WORK: DRILL <input checked="" type="checkbox"/> REENTER <input type="checkbox"/> DEEPEN <input type="checkbox"/>		7. IF INDIAN, ALLOTTEE OR TRIBE NAME:	
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: CrownQuest Operating, LLC		9. WELL NAME and NUMBER: Anteater State 1-21	
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' FSL x 660' FWL AT PROPOSED PRODUCING ZONE: same		11. QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: <i>SWSW</i> NWNE 21 34S 26E	
14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE: 10 miles east of Monticello		12. COUNTY: San Juan	13. STATE: UTAH
15. DISTANCE TO NEAREST PROPERTY OR LEASE LINE (FEET) 660'	16. NUMBER OF ACRES IN LEASE: 2460.92	17. NUMBER OF ACRES ASSIGNED TO THIS WELL: 160	
18. DISTANCE TO NEAREST WELL (DRILLING, COMPLETED, OR APPLIED FOR) ON THIS LEASE (FEET) 6863'	19. PROPOSED DEPTH: 5,920	20. BOND DESCRIPTION: RLB 0007554	
21. ELEVATIONS (SHOW WHETHER DF, RT, GR, ETC.): 6806' GL	22. APPROXIMATE DATE WORK WILL START: 2/1/2008	23. ESTIMATED DURATION: 60 days	

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	2,200	65/35 Poz, 550 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	5,920	25/75 Poz, 575 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. Griffie TITLE Operations Manager
SIGNATURE *Robert R. Griffie* DATE 8/24/2007

(This space for State use only)

Approved by the
Utah Division of
Oil, Gas and Mining

API NUMBER ASSIGNED: 43-037-31867

APPROVAL:

Date: 11-21-07
By: *[Signature]*

UTAH WELL LOCATION PLAT

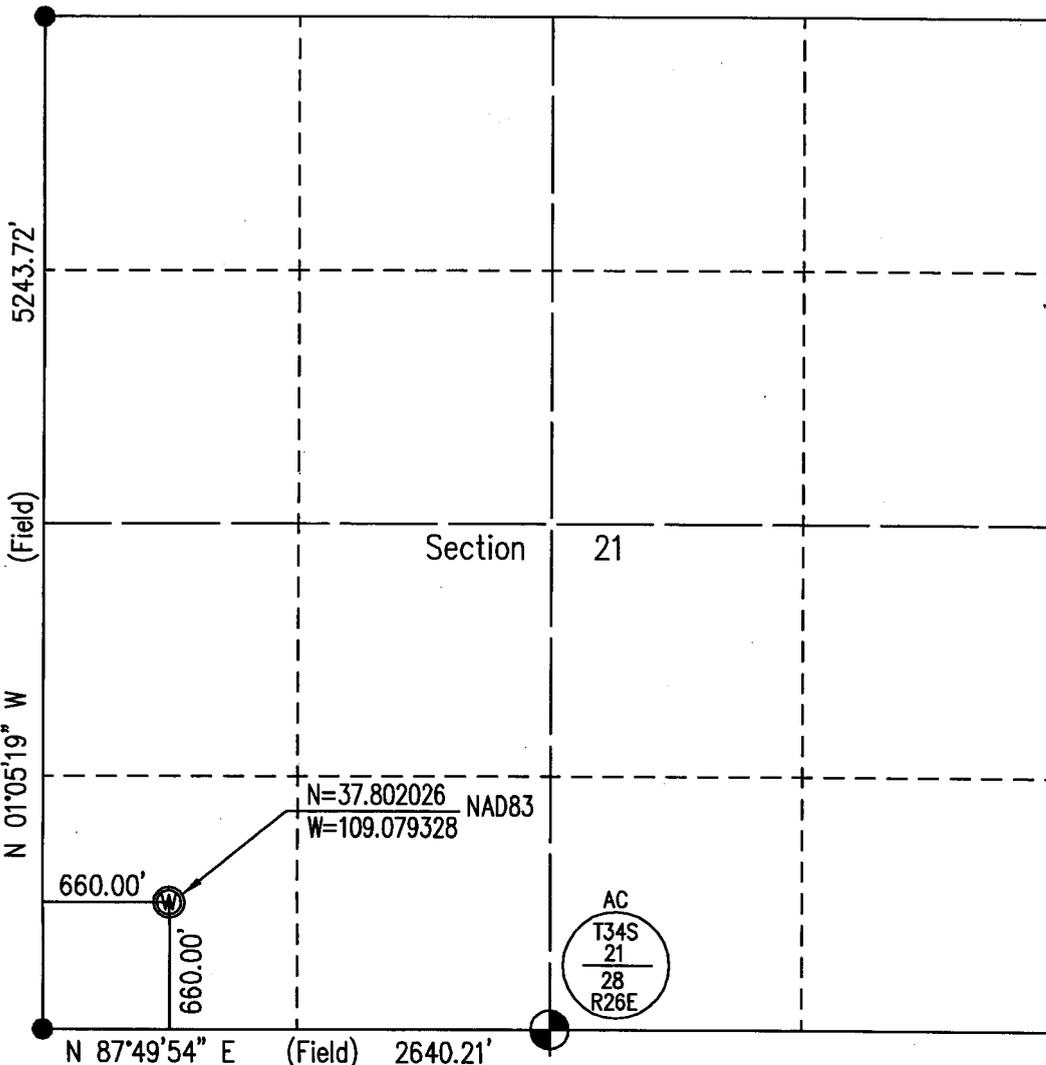
OPERATOR Crown Quest Operating
 LEASE Anteater State WELL NO. 1-21
 SECTION 21 TOWNSHIP 34 South RANGE 26 East Salt Lake, P.M.
 COUNTY San Juan UTAH
 FOOTAGE LOCATION OF WELL: 660.00' FEET FROM THE South LINE and
660.00' FEET FROM THE West LINE and
 GROUND LEVEL ELEVATION: 6806.32'
 SURFACE USE WITHIN 200' RADIUS: No Improvements Within 200'
 BASIS OF BEARING: GPS Data
 BASIS OF ELEVATION: GPS Data - NAD 83 - PODP #4



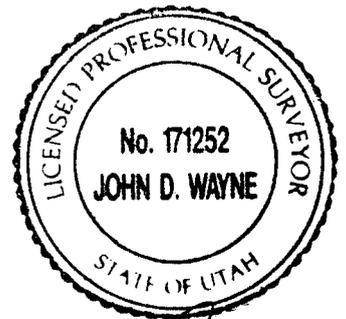
500' 500'
 1" = 1000'

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
- STONE Marked
- ALUMINUM CAP
- CALCULATED CORNER



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

JULY 13, 2007

Date Surveyed:

AUGUST 20, 2007

Date Platted:

SCALE: 1" = 1000'

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Drilling Plan

Well Name: Anteater State 1-21

Surface Location: 660' FSL x 660' FWL, Section 21, T34S, R26E
San Juan County, Utah

Target Formation: Pennsylvanian

Elevation: 6806' GL

Geology:

Formation	Top	Probable Content
Morrison	Surface	
Entrada Ss	1070'	potential fresh water
Navajo Ss	1235'	potential fresh water
Chinle Fm	1965'	vari-color shale
Shinarump Ss	2470'	gas/water
Moenkopi Fm	2630'	brn-red sltst/sh
Cutler (top of Permian)	2975'	prpl crs ss/sh; potential fresh water
Honaker Trail (top of Penn)	4330'	ls; potential gas, brine
Upper Ismay	5515'	gas/oil/brine
Desert Creek	5775'	gas/oil/brine
TD	5920'	

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' – 2200'	fresh water/gel	8.4 ppg	n/a	no control
2200' – 5920'	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' – 2200'	12 1/4"	9 5/8"	36 ppf	J-55	LTC
Production					
0' – 5920'	7 7/8"	5 1/2"	17 ppf	P110	LTC

Tubing Program: 0 – 5800', 2 3/8", 4.7 ppf, J55, EUE

BOPE and Wellhead Specifications and Testing:

For drilling operations from conductor casing shoe to 2200': 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 (5920'): 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 1st joint and one at 88'. Cement to surface with 250 sks class 'G' with 1/4 #/sk celloflake and 2% CaCl₂ (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 550 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% CaCl₂ (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

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575 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 2482 psi at 5515', 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 2482 psi
 - Desert Creek 2599 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. Griffiee
Operations Manager
Date: 8/24/07

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

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FORM 9

DEC 31 2007

<p>SUNDRY NOTICES AND REPORTS ON WELLS</p> <p>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.</p>		<p>LEASE DESIGNATION AND SERIAL NUMBER: ML 47968</p> <p>LANDMAN, ALLOTTEE OR TRIBE NAME:</p>
<p>1. TYPE OF WELL: OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER _____</p>		<p>7. UNIT or CA AGREEMENT NAME:</p>
<p>2. NAME OF OPERATOR: CrownQuest Operating, LLC</p>		<p>8. WELL NAME and NUMBER: Anteater State 1-21</p>
<p>3. ADDRESS OF OPERATOR: PO Box 2221 CITY Farmington STATE NM ZIP 87401</p>		<p>9. API NUMBER: 43-037-31867</p>
<p>4. LOCATION OF WELL FOOTAGES AT SURFACE: 660' FSL x 660' FWL</p>		<p>10. FIELD AND POOL, OR WILDCAT: Wildcat</p>
<p>QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: SWSW 21 34S 26E</p>		<p>COUNTY: San Juan</p> <p>STATE: UTAH</p>

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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>12/27/2007</u>	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> REPERFORATE CURRENT FORMATION
	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> SIDETRACK TO REPAIR WELL
<input type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion: _____	<input type="checkbox"/> CASING REPAIR	<input type="checkbox"/> NEW CONSTRUCTION	<input type="checkbox"/> TEMPORARILY ABANDON
	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> TUBING REPAIR
	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> VENT OR FLARE
	<input type="checkbox"/> CHANGE WELL NAME	<input type="checkbox"/> PLUG BACK	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> PRODUCTION (START/RESUME)	<input type="checkbox"/> WATER SHUT-OFF
	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input checked="" type="checkbox"/> OTHER: <u>Change BOP configuration</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, LLC requests changing the BOP to be utilized for drilling the 12 1/4" surface hole from 150' to 2200' to a diverter system. The diverter system will consist of a 3000 psi hydril and flow line to the shale shaker.

COPY SENT TO OPERATOR
Date: 1-7-2008
Initials: RR

NAME (PLEASE PRINT) Robert R. Griffie TITLE Operations Manager
SIGNATURE [Signature] DATE 12/27/2007

(This space for State use only)

APPROVED BY THE STATE
OF UTAH DIVISION OF
OIL, GAS, AND MINING
DATE: 1/3/2008
BY: [Signature] (See Instructions on Reverse Side)

DIVISION OF OIL, GAS AND MINING

SPUDDING INFORMATION

Name of Company: CROWNQUEST OPERATING, LLC

Well Name: ANTEATER ST 1-21

Api No: 43-037-31867 Lease Type: STATE LEASE

Section 21 Township 34S Range 26E County SAN JUAN

Drilling Contractor ACME DRILLING RIG # RATHOLE

SPUDDED:

Date 01/05/08

Time _____

How DRY

Drilling will Commence: _____

Reported by ANTHONY YARBOROUGH

Telephone # (505) 486-1526

Date 01/07/08 Signed CHD

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

ENTITY ACTION FORM

Operator: CrownQuest Operating, LLC
Address: P.O. BOX 2221
city FARMINGTON
state NM zip 87499

Operator Account Number: N2685
N-3140

Phone Number: (505) 325-5750

Well 1

API Number	Well Name		QQ	Sec	Twp	Rng.	County
4303731867	Anteater State 1-21		SWSW	21	34S	26E	San Juan
Action Code	Current Entity Number	New Entity Number	Spud Date		Entity Assignment Effective Date		
A	99999	16595	1/5/2008		1/17/08		
Comments: <u>DSCR</u>							CONFIDENTIAL

Well 2

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

Well 3

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

ACTION CODES:

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

Rhonda Padilla

Name (Please Print)

Rhonda Padilla

Signature

Administrative Assistant

Title

1-17-08

Date

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JAN 17 2008

DIV. OF OIL, GAS & MINING

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

5. LEASE DESIGNATION AND SERIAL NUMBER:
ML 47968

SUNDRY NOTICES AND REPORTS ON WELLS

6. IF INDIAN, ALLOTTEE OR TRIBE NAME:

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.

7. UNIT or CA AGREEMENT NAME:

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

8. WELL NAME and NUMBER:
Anteater State 1-21

2. NAME OF OPERATOR:
CrownQuest Operating, LLC

9. API NUMBER:
4303731867

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' FSL x 660' FWL**

COUNTY: **San Juan**

QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: **SWSW 21 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: 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, LLC. has performed the following operations:

- 1/6/2008 - Spudded the 16" conductor hole
- 1/8/2008 - Ran 74' of 13-3/8 & bulk cemented w/ 5 cubic yards to surface
- 1/15/2008 - Spudded 12.25" hole

NAME (PLEASE PRINT) **Luke Dunn**

TITLE **Engineer**

SIGNATURE 

DATE **1/16/2008**

(This space for State use only)

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JAN 22 2008
DIV. OF OIL, GAS & MINING

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

5. LEASE DESIGNATION AND SERIAL NUMBER:
ML 47968

SUNDRY NOTICES AND REPORTS ON WELLS

6. IF INDIAN, ALLOTTEE OR TRIBE NAME:

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.

7. UNIT or CA AGREEMENT NAME:

1. TYPE OF WELL OIL WELL GAS WELL OTHER _____

8. WELL NAME and NUMBER:
Anteater State 1-21

2. NAME OF OPERATOR:
Crownquest Operating

9. API NUMBER:
4303731867

3. ADDRESS OF OPERATOR:
PO 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 FSL x 660 FWL
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: SWSW 21 34S 26E

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 checked="" type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: <u>2/1/2008</u>	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> REPERFORATE CURRENT FORMATION
<input type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion:	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> SIDETRACK TO REPAIR WELL
	<input type="checkbox"/> CASING REPAIR	<input type="checkbox"/> NEW CONSTRUCTION	<input type="checkbox"/> TEMPORARILY ABANDON
	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> TUBING REPAIR
	<input type="checkbox"/> CHANGE TUBING	<input checked="" type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> VENT OR 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.

Proposed Plugging Procedure:

1. RIH w/ drill pipe & tag fish (estimated top of fish is 1690')
2. Spot 100' CI G 15.6 ppg cement plug from top of fish (± 100 SK)
3. Spot 100' CI G 15.6 ppg cement plug from 1100-1000' over the Entrada SS (± 100 SK) Tag
4. Spot 100' CL G 15.6 ppg cement plug from 100' to surface (± 100 SK)

COPY SENT TO OPERATOR

Date: 2-4-2008

Initials: KS

RECEIVED

NAME (PLEASE PRINT) Luke Dunn
SIGNATURE *[Signature]*

TITLE Engineer
DATE 2/1/2008

FEB 01 2008

DIV. OF OIL, GAS & MINING

(This space for State use only)

APPROVED BY THE STATE
OF UTAH DIVISION OF
OIL, GAS, AND MINING
DATE: 2/1/08
BY: *[Signature]*

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

FORM 9

SUNDRY NOTICES AND REPORTS ON WELLS		5. LEASE DESIGNATION AND SERIAL NUMBER: ML 47968
		6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
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.		7. UNIT or CA AGREEMENT NAME:
1. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER _____	8. WELL NAME and NUMBER: Anteater State 1-21	
2. NAME OF OPERATOR: CrownQuest Operating, LLC		9. API NUMBER: 4303731867
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' FSL x 660' FWL		COUNTY: San Juan
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: SWSW 21 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: 2/2/2008	<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 operations</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, LLC is performing re-entry operations on the above referenced well. A summary report of these operations is attached covering operations performed from 1/18/08 through 2/2/08.

RECEIVED
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NAME (PLEASE PRINT) Luke Dann	TITLE Engineer
SIGNATURE 	DATE 2/4/2008

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PROPRIETARY-CONFIDENTIAL

Inteater State # 1-21
San Juan Co., UT
API #4303731867

CONFIDENTIAL

CrownQuest Operating, LLC.

1/18/2008

Drilling from 500' to 515'. Fabricate plate to hold conductor, remove diverter BOP. POOH w/conductor csg. Notified Bart Kettle and Dustin Dorcett with the State of Utah of our situation and received verbal approval to remove diverter BOP and conductor casing and continue drilling 12 1/4" surface hole to 2100' without them.

1/19/2008

Drilled from 515' - 711'.

1/20/2008

Drilled from 711' - 1035'. Survey: 3/4° @ 765'. Junk under valve in pump #1. Dump pit & build mud volume. Bit jet plugged, attempted to unplug bit & lines. TOOH to DC's, remove ice plug from suction line & return to drilling.

1/21/2008

Drilled from 1035' - 1390'. Survey: 1° @ 1018'. Lost circ @ 1390', build volume & mix LCM @ report time.

1/22/2008

Drilled from 1390' - 1422'. Mix 2 pits 45-50 vis mud w/40% LCM, pumped down annulus to regain circ. Circ & cond mud. Rotate & reciprocate DP w/mixing mud-no drag. Drilled 32' in 3 rotating hrs. Unable to unplug bit. POH, jets plugged w/LCM, change bit. TIH.

1/23/2008

Drilled from 1422' - 1620'. Survey: 1° @ 1426'.

1/24/2008

Drilled from 1620' - 1942'. Broke circ, pipe stuck @ 1902', circ & work stuck pipe. Drlg rate decreased from 30 FPH to 8 FPH @ 1914'. Survey: 1/2° @ 1902'.

1/25/2008

Working stuck pipe @ 1902'. Pumped 80 bbls H2O, worked pipe. Spotted 75 bbls diesel & pipe lax, PU surf jars. Pump 1 bbl every .5 hrs, work surf jars for 18 hrs with no movement.

1/26/2008

Current Depth: 1,942'. RU WL service, free pt drill string. Stuck between 1710' - 1728' (top 8" DC), backed off. TIH w/fishing tools, PU kelly, break circ, wash top of fish. Set back kelly & screw into fish, jar on fish, jars quit. Backed off fish. Circ & cond mud.

1/27/2008

Current Depth: 1,942'. Clean pits, circ & cond mud. Screw into fish. Circ btms up f/bit, fish not plugged, backed off. TOH w/4-1/2" DP, 6 6" DC's, LD jars & accelerator. Cut 90' drlg line.

1/28/2008

Current Depth: 1,942'. PU jars, TIH w/fishing assembly, EODP @ 1549'. Spot San-Jel coil tbg & N2, jet well down w/N2 to 700', rec approx 100 bbls. RD San-Jel & PU 4 jts DP, tag fish @ 1665', LD 1 jt, EODP @ 1644'. RU San-Jel, jet well w/N2 to 700' & rec approx 210 bbls mud from well.

1/29/2008

Current Depth: 1,942'. Continue to jet well with N2 & 1-1/4" coil tbg; jar on fish with no movement. Load hole w/mud & circ btms up. PU 4 jts 11-3/4" washpipe, TIH & tag @ 678'. PU kelly, wash from 678'-759', circ btms up. POH w/washpipe.

1/30/2008

Current Depth: 1,942'. Break circ, ream bridges & tight hole from 647'-1431', tight @ 773'-805', 1089'-1120', & 1342'-1431'. Lost partial returns @ 1431', could see mud 10' downhole. Lost approx 50 bbls mud, bld vol & mix LCM, rotate DP constantly, reciprocate every 15 min

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1/31/2008

Current Depth: 1,942'. TIH w/5 stds of DP, try to break circ, plugged pit. POH & unplug bit. TIH & ream from 1431' - 1657', condition mud w/reaming. POH w/DP & DC's. LD 12-1/4" reamers & bit. TIH w/11-3/4" washpipe.

2/01/2008

Current Depth: 1,942'. Tag @ 1405', lost circ, POH w/washpipe dragging 70-80K. TIH w/4-1/2" open-ended DP, break circ. PU 12 jts DP, RU Superior & spot 138 sx CI "G" cmt w/2% CaCl. LD 17 jts 4-1/2" DP, spot 138 sx CI "G" cmt w/2% CaCl from 1100'. WOC.

2/02/2008

Current Depth: 1,942'. TIH w/15 stds DP, tag cmt @ 958'. LD 30 jts 4-1/2" DP, cmt from 105' to surface w/282 sx CI "G" w/2% CaCl, 15.5 ppg. LD 3 jts 4-1/2" DP. Clean pits & RD BearCat #2.

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

AMENDED REPORT [] FORM 8
(highlight changes)

5. LEASE DESIGNATION AND SERIAL NUMBER:
ML 47968

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

7. UNIT or CA AGREEMENT NAME

8. WELL NAME and NUMBER:
Anteater State 1-21

9. API NUMBER:
4303731867

10. FIELD AND POOL, OR WLDGAT
Wildcat

11. QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN:
SWSW 21 34S 26E

12. COUNTY
San Juan

13. STATE
UTAH

WELL COMPLETION OR RECOMPLETION REPORT AND LOG

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

b. TYPE OF WORK: NEW WELL [x] 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' FSL x 660' FWL
AT TOP PRODUCING INTERVAL REPORTED BELOW: Same as at surface
AT TOTAL DEPTH: 1945'

14. DATE SPURRED: 1/6/2008
15. DATE T.D. REACHED: 1/24/2008
16. DATE COMPLETED: 2/2/2008
ABANDONED [x] READY TO PRODUCE []

17. ELEVATIONS (DF, RKB, RT, GL): 6808 GL

18. TOTAL DEPTH: MD 1,945 TVD 1,945
19. PLUG BACK T.D.: MD 0 TVD 0

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)
None

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

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

Table with columns: HOLE SIZE, SIZE/GRADE, WEIGHT (#/L), TOP (MD), BOTTOM (MD), STAGE CEMENTER DEPTH, CEMENT TYPE & NO. OF SACKS, SLURRY VOLUME (BBL), CEMENT TOP **, AMOUNT PULLED. Row 1: 17.5", 13-3/8 H-40, 48, 0, 74, 0, RM 114, 24, Surf, 74.

25. TUBING RECORD

Table with columns: SIZE, DEPTH SET (MD), PACKER SET (MD), SIZE, DEPTH SET (MO), PACKER SET (MD), SIZE, DEPTH SET (MD), PACKER SET (MD)

26. PRODUCING INTERVALS

Table with columns: FORMATION NAME, TOP (MD), BOTTOM (MD), TOP (TVD), BOTTOM (TVD). Rows (A) through (D).

27. PERFORATION RECORD

Table with columns: INTERVAL (Top/Bot - MD), SIZE, NO. HOLES, PERFORATION STATUS. Rows (A) through (D).

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

Table with columns: DEPTH INTERVAL, AMOUNT AND TYPE OF MATERIAL

29. ENCLOSED ATTACHMENTS:

- [] ELECTRICAL/MECHANICAL LOGS
[] GEOLOGIC REPORT
[] DST REPORT
[] DIRECTIONAL SURVEY
[x] SUNDRY NOTICE FOR PLUGGING AND CEMENT VERIFICATION
[] CORE ANALYSIS
[] OTHER:

30. WELL STATUS:

31. INITIAL PRODUCTION

INTERVAL A (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 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.)

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.

34. FORMATION (Log) MARKERS:

Formation	Top (MD)	Bottom (MD)	Descriptions, Contents, etc.	Name	Top (Measured Depth)
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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 *Luke Dunn* DATE 2/4/2008

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 Phone: 801-538-5340
 1594 West North Temple, Suite 1210
 Box 145801 Fax: 801-359-3940
 Salt Lake City, Utah 84114-5801

PROPRIETARY-CONFIDENTIAL

CONFIDENTIAL

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

FORM 9

5. LEASE DESIGNATION AND SERIAL NUMBER:
ML 47968

6. IF INDIAN, ALLOTTEE OR TRIBE NAME:

7. UNIT or CA AGREEMENT NAME:

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.

8. WELL NAME and NUMBER:
Anteater State 1-21

9. API NUMBER:
4303731867

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' FSL x 660' FWL COUNTY: San Juan
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: SWSW 21 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 checked="" 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: 2/2/2008	<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.

2/01/2008

Tag @ 1405', lost circ, POH w/washpipe dragging 70-80K. TIH w/4-1/2" open-ended DP, break circ. PU 12 jts DP, RU Superior & spot 138 sx CI "G" cmt w/2% CaCl at 1405'. Spot 138 sx CI "G" cmt w/2% CaCl from 1100'. WOC.

2/02/2008

TIH w/15 stds DP, tag cmt @ 958'. LD 30 jts 4-1/2" DP, cmt from 105' to surface w/282 sx CI "G" w/2% CaCl, 15.5 ppg. LD 3 jts 4-1/2" DP. Clean pits & RD BearCat #2.

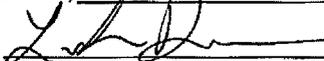
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DIV. OF OIL GAS & MINING

NAME (PLEASE PRINT) Luke Dunn

TITLE Engineer

SIGNATURE 

DATE 2/4/2008

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

SUNDRY NOTICES AND REPORTS ON WELLS

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6. LEASE DESIGNATION AND SERIAL NUMBER: ML 47968
8. IF INDIAN, ALLOTTEE OR TRIBE NAME:
7. UNIT or CA AGREEMENT NAME:
8. WELL NAME and NUMBER: Anteater State 1-21X
9. API NUMBER: 4303731867
10. FIELD AND POOL, OR WILDCAT: Wildcat

1. TYPE OF WELL OIL WELL [] GAS WELL [X] OTHER []

2. NAME OF OPERATOR: Crownquest Operating

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' FSL x 660' FWL COUNTY: San Juan QTRQTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: SWSW 21 34S 26E STATE: UTAH

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

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

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.
2/1/2008 Set 1st plug 1665 to 1565 w/ 138 sks class 'G'. Set second plug 1105 to 958 w/ 138 sks class 'G' WOC.
2/2/2008 Tag cement on 2nd plug at 958'. Set 3rd plug 105' to surface w/ 282 sks class 'G'

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DIV. OF OIL, GAS & MINING

NAME (PLEASE PRINT) Luke Dunn TITLE Engineer
SIGNATURE [Signature] DATE 2/4/2008

(This space for State use only)

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

SUNDRY NOTICES AND REPORTS ON WELLS

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1. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER _____		5. LEASE DESIGNATION AND SERIAL NUMBER: ML 47968
2. NAME OF OPERATOR: CrownQuest Operating, LLC		6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
3. ADDRESS OF OPERATOR: P. O. Box 2221 CITY Farmington STATE NM ZIP 87499		7. UNIT or CA AGREEMENT NAME:
4. LOCATION OF WELL FOOTAGES AT SURFACE: 660' FSL x 660' FWL COUNTY: San Juan		8. WELL NAME and NUMBER: Anteater State 1-21
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: SWSW 21 34S 26E STATE: UTAH		9. API NUMBER: 4303731867
		10. FIELD AND POOL, OR WILDCAT: Wildcat
		PHONE NUMBER: (505) 325-5750

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TYPE OF SUBMISSION	TYPE OF ACTION		
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	<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>Re-entry operations</u>
	<input type="checkbox"/> CONVERT WELL TYPE	<input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION	

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CrownQuest Operating, LLC is performing re-entry operations on the above referenced well. A summary report of these operations is attached covering operations performed from 1/18/08 through 1/30/08.

NAME (PLEASE PRINT) <u>Luke Dunn</u>	TITLE <u>Engineer</u>
SIGNATURE 	DATE <u>1/31/2008</u>

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Anteater State # 1-21

San Juan Co., UT

API #4303731867

CrownQuest Operating, LLC.

1/18/2008

Drilling from 500' to 515'. Fabricate plate to hold conductor, remove diverter BOP. POOH w/conductor csg. Notified Bart Kettle and Dustin Dorcett with the State of Utah of our situation and received verbal approval to remove diverter BOP and conductor casing and continue drilling 12 1/4" surface hole to 2100' without them.

1/19/2008

Drilled from 515' – 711'.

1/20/2008

Drilled from 711' – 1035'. Survey: 3/4° @ 765'. Junk under valve in pump #1. Dump pit & build mud volume. Bit jet plugged, attempted to unplug bit & lines. TOOH to DC's, remove ice plug from suction line & return to drilling.

1/21/2008

Drilled from 1035' – 1390'. Survey: 1° @ 1018'. Lost circ @ 1390', build volume & mix LCM @ report time.

1/22/2008

Drilled from 1390' – 1422'. Mix 2 pits 45-50 vis mud w/40% LCM, pumped down annulus to regain circ. Circ & cond mud. Rotate & reciprocate DP w/mixing mud-no drag. Drilled 32' in 3 rotating hrs. Unable to unplug bit. POH, jets plugged w/LCM, change bit. TIH.

1/23/2008

Drilled from 1422' – 1620'. Survey: 1° @ 1426'.

1/24/2008

Drilled from 1620' - 1942'. Broke circ, pipe stuck @ 1902', circ & work stuck pipe. Drlg rate decreased from 30 FPH to 8 FPH @ 1914'. Survey: 1/2° @ 1902'.

1/25/2008

Working stuck pipe @ 1902'. Pumped 80 bbls H2O, worked pipe. Spotted 75 bbls diesel & pipe lax, PU surf jars. Pump 1 bbl every .5 hrs, work surf jars for 18 hrs with no movement.

1/26/2008

Current Depth: 1,942'. RU WL service, free pt drill string. Stuck between 1710' - 1728' (top 8" DC), backed off. TIH w/fishing tools, PU kelly, break circ, wash top of fish. Set back kelly & screw into fish, jar on fish, jars quit. Backed off fish. Circ & cond mud.

1/27/2008

Current Depth: 1,942'. Clean pits, circ & cond mud. Screw into fish. Circ btms up f/bit, fish not plugged, backed off. TOH w/4-1/2" DP, 6 6" DC's, LD jars & accelerator. Cut 90' drlg line.

1/28/2008

Current Depth: 1,942'. PU jars, TIH w/fishing assembly, EODP @ 1549'. Spot San-Jel coil tbg & N2, jet well down w/N2 to 700', rec approx 100 bbls. RD San-Jel & PU 4 jts DP, tag fish @ 1665', LD 1 jt, EODP @ 1644'. RU San-Jel, jet well w/N2 to 700' & rec approx 210 bbls mud from well.

1/29/2008

Current Depth: 1,942'. Continue to jet well with N2 & 1-1/4" coil tbg; jar on fish with no movement. Load hole w/mud & circ btms up. PU 4 jts 11-3/4" washpipe, TIH & tag @ 678'. PU kelly, wash from 678'-759', circ btms up. POH w/washpipe.

1/30/2008

Current Depth: 1,942'. Break circ, ream bridges & tight hole from 647'-1431', tight @ 773'-805', 1089-1120', & 1342'-1431'. Lost partial returns @ 1431', could see mud 10' downhole. Lost approx 50 bbls mud, bld vol & mix LCM, rotate DP constantly, reciprocate every 15 min