

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

FORM 3

AMENDED REPORT

<b>APPLICATION FOR PERMIT TO DRILL</b>						<b>1. WELL NAME and NUMBER</b> Cactus Park 8-23-36-24				
<b>2. TYPE OF WORK</b> DRILL NEW WELL <input checked="" type="checkbox"/> REENTER P&A WELL <input type="checkbox"/> DEEPEN WELL <input type="checkbox"/>						<b>3. FIELD OR WILDCAT</b> WILDCAT				
<b>4. TYPE OF WELL</b> Gas Well Coalbed Methane Well: NO						<b>5. UNIT or COMMUNITIZATION AGREEMENT NAME</b>				
<b>6. NAME OF OPERATOR</b> SUMMIT OPERATING, LLC						<b>7. OPERATOR PHONE</b> 801-657-5780				
<b>8. ADDRESS OF OPERATOR</b> 1245 Brickyard Road, Suite 210, Salt Lake City, UT, 84106						<b>9. OPERATOR E-MAIL</b> david@summitcorp.net				
<b>10. MINERAL LEASE NUMBER (FEDERAL, INDIAN, OR STATE)</b> Dalton et. al.			<b>11. MINERAL OWNERSHIP</b> FEDERAL <input type="checkbox"/> INDIAN <input type="checkbox"/> STATE <input type="checkbox"/> FEE <input checked="" type="checkbox"/>			<b>12. SURFACE OWNERSHIP</b> FEDERAL <input type="checkbox"/> INDIAN <input type="checkbox"/> STATE <input type="checkbox"/> FEE <input checked="" type="checkbox"/>				
<b>13. NAME OF SURFACE OWNER (if box 12 = 'fee')</b> Wagon Rod Ranch, LLC (Charlie Tracy, Representative)						<b>14. SURFACE OWNER PHONE (if box 12 = 'fee')</b> 435-587-2314				
<b>15. ADDRESS OF SURFACE OWNER (if box 12 = 'fee')</b> 748 Wagon Rod Lane, Monticello, UT 84535						<b>16. SURFACE OWNER E-MAIL (if box 12 = 'fee')</b>				
<b>17. INDIAN ALLOTTEE OR TRIBE NAME (if box 12 = 'INDIAN')</b>			<b>18. INTEND TO COMMINGLE PRODUCTION FROM MULTIPLE FORMATIONS</b> YES <input type="checkbox"/> (Submit Commingling Application) NO <input checked="" type="checkbox"/>			<b>19. SLANT</b> VERTICAL <input checked="" type="checkbox"/> DIRECTIONAL <input type="checkbox"/> HORIZONTAL <input type="checkbox"/>				
<b>20. LOCATION OF WELL</b>		<b>FOOTAGES</b>		<b>QTR-QTR</b>	<b>SECTION</b>	<b>TOWNSHIP</b>	<b>RANGE</b>	<b>MERIDIAN</b>		
LOCATION AT SURFACE		1874 FNL 974 FEL		SENE	23	36.0 S	24.0 E	S		
Top of Uppermost Producing Zone		1874 FNL 974 FEL		SENE	23	36.0 S	24.0 E	S		
At Total Depth		1874 FNL 974 FEL		SENE	23	36.0 S	24.0 E	S		
<b>21. COUNTY</b> SAN JUAN			<b>22. DISTANCE TO NEAREST LEASE LINE (Feet)</b> 647			<b>23. NUMBER OF ACRES IN DRILLING UNIT</b> 40				
<b>27. ELEVATION - GROUND LEVEL</b> 5211			<b>25. DISTANCE TO NEAREST WELL IN SAME POOL (Applied For Drilling or Completed)</b> 5670			<b>26. PROPOSED DEPTH</b> MD: 4100 TVD: 4100				
<b>28. BOND NUMBER</b> NZS633487			<b>29. SOURCE OF DRILLING WATER / WATER RIGHTS APPROVAL NUMBER IF APPLICABLE</b> Surface Owner (09-262), City of Monticello							
<b>Hole, Casing, and Cement Information</b>										
<b>String</b>	<b>Hole Size</b>	<b>Casing Size</b>	<b>Length</b>	<b>Weight</b>	<b>Grade &amp; Thread</b>	<b>Max Mud Wt.</b>	<b>Cement</b>	<b>Sacks</b>	<b>Yield</b>	<b>Weight</b>
COND	17.5	13.375	0 - 40	48.0	H-40 ST&C	8.4	Unknown	50	1.15	15.8
SURF	11	8.625	0 - 1080	24.0	J-55 ST&C	9.0	35/65 Poz	160	2.09	12.3
							50/50 Poz	110	1.3	13.5
PROD	7.875	5.5	0 - 4100	17.0	J-55 LT&C	9.3	35/65 Poz	240	2.08	12.3
							50/50 Poz	100	1.3	13.5
<b>ATTACHMENTS</b>										
<b>VERIFY THE FOLLOWING ARE ATTACHED IN ACCORDANCE WITH THE UTAH OIL AND GAS CONSERVATION GENERAL RULES</b>										
<input checked="" type="checkbox"/> WELL PLAT OR MAP PREPARED BY LICENSED SURVEYOR OR ENGINEER					<input checked="" type="checkbox"/> COMPLETE DRILLING PLAN					
<input checked="" type="checkbox"/> AFFIDAVIT OF STATUS OF SURFACE OWNER AGREEMENT (IF FEE SURFACE)					<input type="checkbox"/> FORM 5. IF OPERATOR IS OTHER THAN THE LEASE OWNER					
<input type="checkbox"/> DIRECTIONAL SURVEY PLAN (IF DIRECTIONALLY OR HORIZONTALLY DRILLED)					<input checked="" type="checkbox"/> TOPOGRAPHICAL MAP					
<b>NAME</b> Ellis Peterson				<b>TITLE</b> Sr Petroleum Engineer				<b>PHONE</b> 801 657-5780		
<b>SIGNATURE</b>				<b>DATE</b> 06/03/2014				<b>EMAIL</b> ellis@summitcorp.net		
<b>API NUMBER ASSIGNED</b> 43037500670000				<b>APPROVAL</b>   Permit Manager						

# SUMMIT OPERATING, LLC

1245 Brickyard Road, Suite 210 • Salt Lake City, Utah 84106  
Phone: 801-657-5780 • Fax: 801-657-5781

## APD DRILLING PLAN

### Cactus Park 8-23-36-24

SE/4 NE/4 Section 23, Township 36 South, Range 24 East, S.L.B.&M.  
San Juan County, Utah

Lease/Surface: Fee/Fee

#### Plan Summary:

This exploratory well will be drilled as a vertical bore hole in accordance with the following drilling plan. It will be drilled to a depth of 4100' to test the Honaker Trail formation.

The planned location is as follows:

Surface Hole Location: 1874' FNL, 974' FEL, Section 23, T36S, R24E, S.L.B.&M.

Bottom Hole Location: Same as surface hole location

Conductor casing will be set at approximately 40 feet and cemented to surface. An 11" hole will be drilled to 1080' where 8-5/8" surface casing will be set and cemented to surface. After setting surface casing, a 7-7/8" hole will be drilled to 4100'. The well will be logged and 5-1/2" production casing will be set and cemented at TD or as required based on the presence of potentially commercial gas bearing intervals. If none of the perspective formations appear commercial, the well will be plugged for abandonment as directed by the Utah Division of Oil, Gas and Mining.

Drilling activities at this well are expected to commence as early as August 1, 2014 if necessary regulatory approvals are attained.

Summit Operating, LLC  
 APD Drilling Program  
 Cactus Park 8-23-36-24

**Well Name:** Cactus Park 8-23-36-24  
**Surface Location:** 1874' FNL, 974' FEL, SE/4 NE/4 Section 23, T36S, R24E, S.L.B.& M.  
 San Juan County, Utah  
**TD Bottom-Hole Location:** 1874' FNL, 974' FEL, SE/4 NE/4 Section 23, T36S, R24E, S.L.B.& M.  
 San Juan County, Utah  
**Elevations:** 5211' (Est. Graded Elevation) 5221' (Est. KB)

### I. Geology:

Tops of important geologic markers and anticipated water, oil, gas, and mineral content are as follows:

<b>Formation</b>	<b>TVD Interval (KB)</b>	<b>MD Interval (KB)</b>	<b>Contents</b>	<b>Pressure Gradient</b>
Entrada	10' - 198'	10' - 198'	W	0.34 psi/ft
Navajo	198' - 1068'	198' - 1068'	W	0.38 psi/ft
Chinle	1068' - 1686'	1068' - 1686'		
Shinarump	1686' - 1786'	1686' - 1786'		
Moenkopi	1786' - 2116'	1786' - 2116'		
Hermosa	2116' - 3704'	2116' - 3704'		
Honaker Trail	3704' - 4100'	3704' - 4100'	G/W	0.45 psi/ft
Horsehead S.S.	3904' - 3924'	3904' - 3924'	G/W	0.45 psi/ft
Total Depth	4100'	4100'		

### II. Well Control:

No well control equipment is required for drilling hole for surface casing. Surface casing is being set through sandstone formations that based on records from nearby water wells are known to be under pressured and to contain fresh water. The surface casing is being set at the base of the fresh water bearing strata and before penetrating any potentially over-pressured formations so drilling fluids as proposed provide adequate well control. Fluid diversion at surface will be with a bell nipple and mud lines.

A 3M BOP system will be in place and tested prior to drilling out the surface casing shoe. A schematic diagram of the BOPE, including BOP diagram and choke manifold, is attached.

A. The BOPE will as a minimum include the following:

#### Wellhead Equipment (3M minimum):

<b>BOPE Item</b>	<b>Flange Size and Rating</b>
Annular Preventer	11" 3M
Double Ram (Pipe - top, Blind - bottom)	11" 3M
Drilling Spool w/ 2 side outlets (one 3" min. and one 2" min.)	11" 3M x 11 3M
Casing Head (9-5/8" SOW w/ two 2" LPO's)	11" 3M

#### Auxiliary Equipment (3M minimum):

<b>BOPE Item</b>
Choke Line (3" minimum) with 2 valves
Kill Line (2" minimum) with two valves and one check valve
2 Chokes with one remotely controlled at a location readily accessible to the driller
Upper and lower kelly cock valves with handles available
Safety valves to fit all drill string connections in use
Inside BOP or float sub
Pressure gauge on choke manifold
Fill-up line above the uppermost preventer
Wear bushing in casing head

Note: All BOPE connections subjected to well pressures will be flanged, welded, or clamped.

- B. **Choke manifold** will be functionally equipped and sized at a minimum as shown on the attached diagram. All chokes will be straight lines, or use tee blocks or be targeted with running tees if there are turns, and all choke lines will be anchored. All valves (except chokes) in the kill line choke manifold and choke line will be full opening and allow straight through flow. Pressure gauges will be designed for drilling fluid service.
- C. **System accumulator** will have sufficient capacity to open the hydraulically-controlled gate valve and close all rams plus the annular preventer (3 ram system will have added 50 percent safety factor to compensate for any fluid loss in the control system or preventers) and retain a minimum pressure of 200 psi above pre-charge on the closing manifold without use of the closing unit pumps. The fluid reservoir capacity shall be double the usable fluid volume of the accumulator system capacity and the fluid level of the reservoir shall be maintained at the manufacturer's recommendations. The accumulator will have two (2) independent power sources available to close the preventers. Nitrogen bottles may be one of those sources, and if so, will have charge maintained per manufacturer's specifications.
- D. **Accumulator pre-charge pressure test** will be conducted prior to connecting the closing unit to the BOP stack and at least once every 6 months. The accumulator pressure will be corrected if the measured precharge pressure is found to be above or below the maximum or minimum specified limits. Only nitrogen gas will be used to precharge.
- E. **Power for the closing unit pumps** will be available to the unit at all times so that the pumps will automatically start when the closing valve manifold pressure has decreased to the pre-set level.
- F. **Accumulator pump capacity** will be such that, with the accumulator system isolated from service, the pumps will be capable of opening the hydraulically-operated gate valve (if so equipped), plus closing the annular preventer on the smallest size drill pipe to be used within 2 minutes, and retaining a minimum of 200 psi above the specified accumulator pre-charge pressure.
- G. **Locking devices**, either manual (i.e., hand wheels) or automatic, will be installed on the ram type preventers. A valve will be installed in the closing line as close as possible to the annular preventer to act as a locking device. This valve shall be maintained in the open position and shall be closed only when the power source for the accumulator system is inoperative.
- H. **Remote controls** will be readily accessible to the driller and will be capable of both opening and closing all preventers. Master controls shall be at the accumulator and shall be capable of opening and closing all preventers and the choke line valve.
- I. **Well control equipment testing** will be performed using clear water when the equipment is initially installed, whenever any seal subject to test pressure is broken, following related repairs, and as a minimum, every 30-day interval. The tests will apply to all related well control equipment.

Ram type preventers and associated equipment will be isolated and tested to 3000 psi. The annular preventer will be tested to 1500 psi. Pressure shall be maintained for at least 10 minutes or until requirements of test are met, whichever is longer, for all tests. A casing head valve will be open below the test plug during testing of the BOP stack. Valves will be tested from the working pressure side with all down-stream valves open. Kill line valves will be tested with the check valve held open or the ball removed.

Pipe and blind rams will be activated each trip, but not more than once a day. The annular preventers will be functionally operated at least weekly. A pit level drill will be conducted weekly for each crew. All BOPE drills and tests will be recorded in the IADC driller's log.

Summit Operating, LLC  
 APD Drilling Program  
 Cactus Park 8-23-36-24

### III. Casing and Cementing:

#### A. Casing Program (all new casing):

<u>Hole Size</u>	<u>Casing Size</u>	<u>Weight</u>	<u>Grade</u>	<u>Connection</u>	<u>Coupling Diameter</u>	<u>Setting Depth</u>
17.50"	13.375"+	48.0	H-40	STC	14.375"	0' - 40' GL
11.00"	8.625"	24.0	J-55	STC	9.625"	0' - 1080' KB
7.875"	5.500"	17.0	J-55	LTC	6.050"	0' - 4100' KB

	<u>Surface</u>	<u>Production</u>
Casing O. D. (in)	8.625	5.500
Casing Grade	J-55	J-55
Weight of Pipe (lbs/ft)	24.0	17.0
Connection	STC	LTC
Top Setting Depth - MD (ft)	0	0
Top Setting Depth - TVD (ft)	0	0
Bottom Setting Depth - MD (ft)	1080	4100
Bottom Setting Depth - TVD (ft)	1080	4100
Maximum Mud Weight - Inside (ppg)	9.0	9.0
Maximum Mud Weight - Outside (ppg)	9.0	9.0
Design Cement Top - TVD (ft)	0	1000
Design Cement Top - MD (ft)	0	1000
Max. Hydrostatic Inside w/ Dry Outside (psi)	505	1919
Casing Burst Rating (psi)	2950	5320
<b>Burst Safety Factor (1.10 Minimum)</b>	<b>5.84</b>	<b>2.77</b>
Max. Hydrostatic Outside w/ Dry Inside (psi)	505	1919
Collapse Rating	1370	4910
<b>Collapse Safety Factor (1.125 Minimum)</b>	<b>2.71</b>	<b>2.56</b>
Casing Weight in Air 1000 lbs	26	70
Body Yield 1000 lbs	381	273
Joint Strength 1000 lbs	244	247
<b>Tension Safety Factor (1.70 Minimum)</b>	<b>9.38</b>	<b>3.53</b>

Casing having same or greater burst, collapse, and tension rating may be substituted for any of the planned casing sizes depending on availability and actual conditions.

Summit Operating, LLC  
 APD Drilling Program  
 Cactus Park 8-23-36-24

#### B. Cementing Program

<u>Casing Size</u>	<u>Cement Slurry</u>	<u>Quantity (sks)</u>	<u>Density (ppg)</u>	<u>Yield (ft<sup>3</sup>/sk)</u>
13.375"	Lead: Ready-mix or neat Class G	50	15.8	1.15
8.625"	Lead: Light Poz:Premium (35:65:8)	160	12.30	2.09
	Tail: Poz:Premium (50:50:2)	110	13.50	1.30
5.500"	Lead: Light Poz:Premium (35:65:8)	240	12.30	2.08
	Tail: Poz:Premium (50:50:2)	100	13.50	1.30

**Surface Casing:** 8-5/8" surface casing will be cemented from setting depth (1080') to surface and topped out with premium cement if necessary. Slurry volume for cementing surface casing will be gauge hole volume plus 60%. Surface casing hardware will include a guide shoe, float collar, top plug, and a minimum of one centralizer per joint on the bottom three (3) casing joints. Water or other preflush fluid pumped ahead of the slurry will separate cement from the drilling fluids.

**Production Casing:** 5-1/2" production casing will be run and cemented in one stage from a setting depth of 4100' to 1000'. A minimum of 20 percent silica will be added to the cement slurry if bottom-hole temperature exceeds 230 °F. Slurry volumes will be based on callipered hole size plus 15% excess. Hardware will include a guide shoe, float collar, top plug, and centralizers as needed across pay zones. The lead cement will be an extended Poz:Premium cement to cover from 3500' to 1000', and the tail cement will be 50:50 Poz:Premium cement to cover from 4100' to 3500'. Water and preflush fluid pumped ahead of the slurry will separate cement from the drilling fluids.

UDOGM will be notified at least twenty-four hours prior to running and cementing the surface and production casing strings.

Actual cement slurries for all casing will be based on final service company recommendations.

The size, weight, grade, type of thread, number of joints, and footage of all casing run will be recorded in the driller's log. The amount and type of all cement pumped will be recorded in the driller's log.

Adequate time will be allowed before drilling out for the cement at the casing shoe to achieve a minimum 500-psi compressive strength.

All casing strings will be tested to 1500 psi before drilling out and if pressure declines by more than 10 percent in 30 minutes, corrective action will be taken.

A pressure integrity test of the casing shoe will be performed before drilling more than 20 feet of new hole below each casing string to a minimum of the mud weight equivalent anticipated for controlling the pore pressure to the next casing depth or at total depth of the well.

#### IV. Mud Program:

<u>Depth</u>	<u>Mud Weight (ppg)</u>	<u>Mud Type</u>	<u>Viscosity</u>	<u>Fluid Loss</u>
0 - 1080'	8.3 - 9.0	Water/Spud Mud	26 - 30	N/C
1080' - 3600'	8.4 - 8.8	Water/LSND	27 - 45	N/C
3600' - 4100'	8.8 - 9.3	LSND/Lightly Dispersed	34 - 45	6 - 10 cc

A. After mudding up, slow pump rates will be taken daily and recorded in the driller's log.

- B. Visual mud monitoring equipment will be in place to detect volume changes indicating loss or gain of circulating fluid volume.
- C. Abnormal pressures are not anticipated. In the event such pressures are to be anticipated, electronic/mechanical mud monitoring equipment will be in place and include as a minimum, pit volume totalizer (PVT), stroke counter, and flow sensor.
- D. A mud test will be performed every 24 hours after mudding up to determine, as applicable: density, viscosity, gel strength, filtrate, and pH.
- E. A 10M BOPE system is not required for conditions on this well and use of the trip tank is not anticipated.
- F. Gas detecting equipment will be installed in the mud return system, and hydrocarbon gas shall be monitored for pore pressure changes.
- G. The need to vent combustible or noncombustible gas is not expected. If needed, a flare system designed to gather and burn all gas will be available. The flare line discharge will be located more than 100 feet from the well head and it will be positioned downwind of the prevailing wind direction. The flare line will have straight lines unless turns are targeted with running tees and it will be anchored. The flare system will have an effective method for ignition.
- H. Abnormal pressure is not expected. If abnormal pressure is to be anticipated, a mud-gas separator (gas buster) will be installed and operable beginning at a point at least 500 feet above any anticipated hydrocarbon zone of interest.

**V. Evaluation:**

- A. Mud Log: A mud logging unit will be in operation from surface casing depth to TD. Samples will be caught, cleaned, bagged, and marked as required.
- B. Drill Stem Tests: No DST's are expected.
- C. Coring: No whole cores are planned. Rotary side-wall cores may be taken at select intervals in conjunction with open-hole logging operations.
- D. Wireline Logs: Wireline logs will be run as hole conditions allow from total depth to surface casing to assist in determining lithology and potential for hydrocarbon recovery. The logging tools will at a minimum survey resistivity, gamma radiation, and sonic velocity.

**VI. Expected Bottom-Hole Pressure and Abnormal Conditions:**

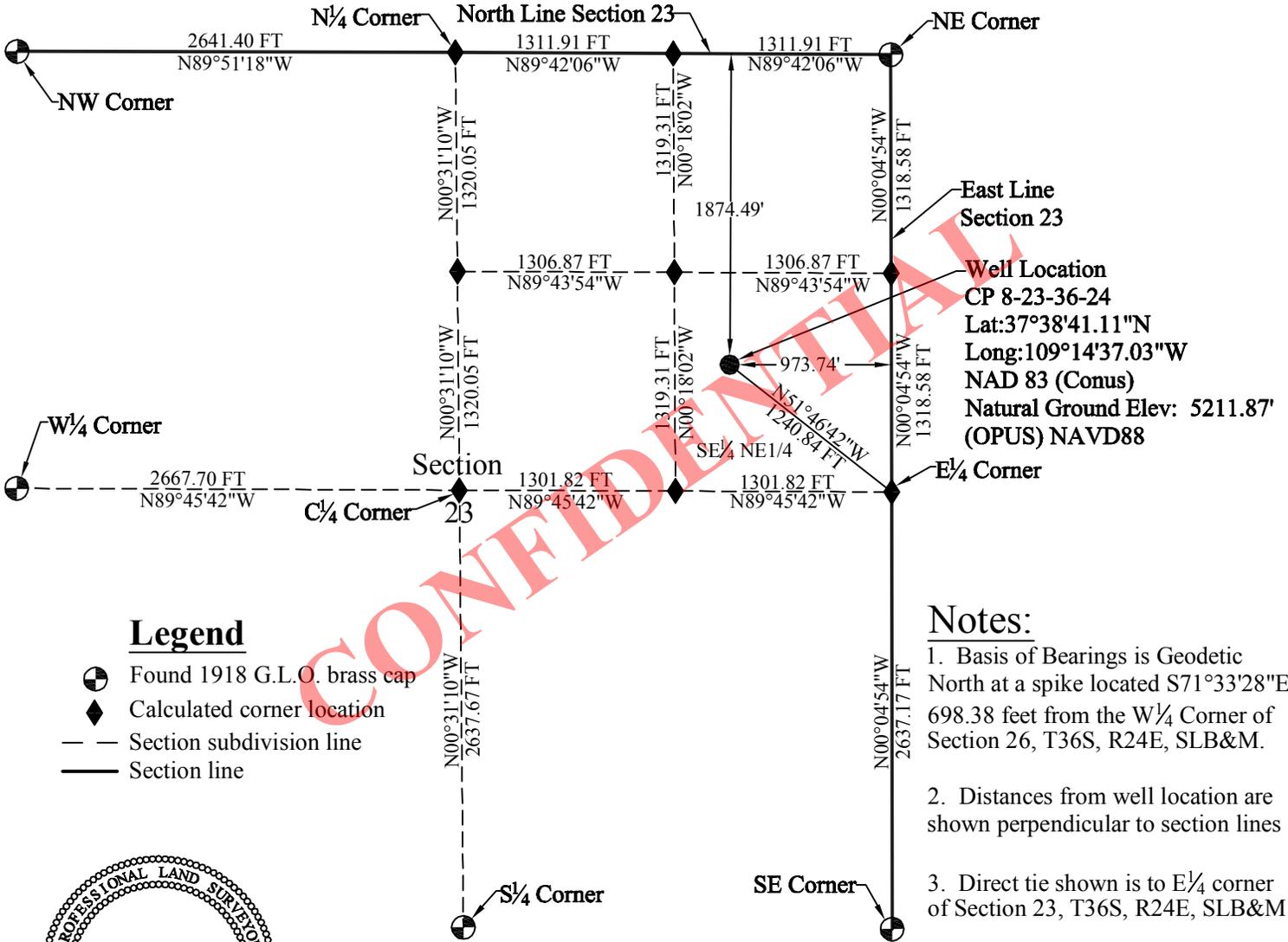
- A. Hydrogen Sulfide: Hydrogen Sulfide (H<sub>2</sub>S) gas has not been present in other wells in this area and is therefore not expected to be present in this well.
- B. Pressure: No significantly abnormal pressures are expected to be encountered based on data from offset wells. The pressure gradient for formations below surface casing in this well is expected to be approximately 0.45 psi/ft.
- C. Temperature: No abnormally high temperatures are expected. Bottom-hole temperature is expected to be approximately 120 °F.

End

# Well Site Location - Cactus Park 8-23-36-24

## Summit Operating, LLC

Within the SE $\frac{1}{4}$  NE $\frac{1}{4}$  of Section 23, T36S, R24E, SLB&M  
San Juan County, Utah



### Legend

- Found 1918 G.L.O. brass cap
- Calculated corner location
- Section subdivision line
- Section line

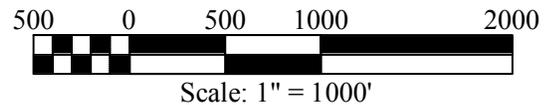
### Notes:

1. Basis of Bearings is Geodetic North at a spike located S71°33'28"E 698.38 feet from the W $\frac{1}{4}$  Corner of Section 26, T36S, R24E, SLB&M.
2. Distances from well location are shown perpendicular to section lines
3. Direct tie shown is to E $\frac{1}{4}$  corner of Section 23, T36S, R24E, SLB&M



### Surveyor's Certificate

I Brad D. Bunker, Professional Utah Land Surveyor, Number 4769309, hold a license in accordance with Title 58, Chapter 22, Professional Engineers and Land Surveyors Licensing Act as prescribed by the laws of the State of Utah. This survey has been completed under my direction for the well site shown hereon. I hereby certify all descriptions and measurements are correct.



Well Site Survey for <b>Summit Operating, LLC</b> Within the SE $\frac{1}{4}$ NE $\frac{1}{4}$ of Section 23, T36S, R24E, SLB&M San Juan County, Utah	<b>Bunker Engineering</b> 965 S. South Creek Rd, Monticello, UT 84535 P.O. Box 432, Monticello, UT 84535 (435) 459-9152	Survey Reference No. BE591a	Drawn by: B.D. Bunker
		Drawing Name: Well Site Location	Scale: 1" = 1000' Sheet 2 of 4

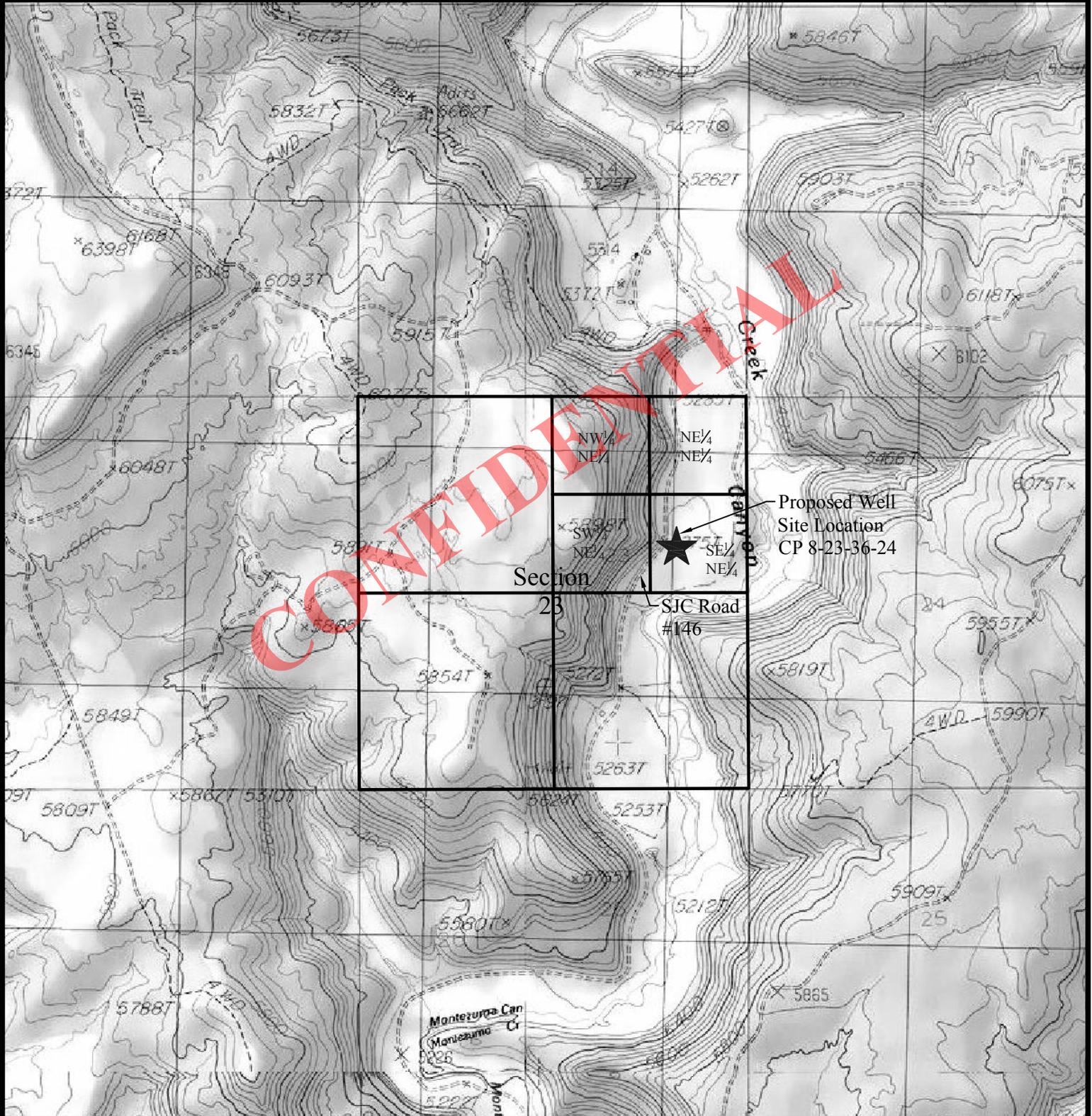
# Vicinity Map - Cactus Park 8-23-36-24

## Summit Operating, LLC

Within the SE $\frac{1}{4}$  NE $\frac{1}{4}$  of Section 23, T36S, R24E, SLB&M  
San Juan County, Utah



Source: USGS Quad Maps  
"Horsehead Point" & "Devil Mesa"



Well Site Survey for  
**Summit Operating, LLC**  
Within the SE $\frac{1}{4}$  NE $\frac{1}{4}$  of Section 23, T36S, R24E, SLB&M  
San Juan County, Utah

**Bunker Engineering**  
965 S. South Creek Rd, Monticello, UT 84535  
P.O. Box 432, Monticello, UT 84535  
(435) 459-9152

Survey Reference  
No. BE591a

Drawing Name:  
Vicinity Map

Drawn by:  
B.D. Bunker

Scale:  
Not to Scale

Sheet 1 of 4

## SUMMIT OPERATING, LLC

1245 E. Brickyard Road, #210  
Salt Lake City, UT 84106  
Phone: (801) 657-5780 · Fax (801) 277-0905

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Larry R. Williams  
Land Manager/Corporate Counsel  
Mobile (801) 573-2110  
Larry@SummitCorp.Net

May 30, 2014

### AFFIDAVIT OF EXISTENCE SURFACE USE AGREEMENT

Cactus Park 8-23-36-24 Well  
Township 36 South, Range 24 East, SLM  
Section 23: SENE  
San Juan County, Utah

TO WHOM IT MAY CONCERN:

I am the Land Manager for Summit Operating, LLC and responsible for the Company's contracts. Summit Operating, LLC has entered into and has a valid Surface Use Agreement with the owner of the surface of the lands upon which the above-captioned well will be drilled.

Sincerely,

  
Larry R. Williams  
Land Manager /  
Corporate Counsel

# SUMMIT OPERATING, LLC

1245 Brickyard Road, Suite 210 • Salt Lake City, Utah 84106  
Phone: 801-657-5780 • Fax: 801-657-5781

## APD SURFACE USE PLAN

**Cactus Park 8-23-36-24  
SE-NE, Section 23, T36S, R24E  
San Juan County, Utah**

**Mineral Lease: Fee  
Surface Owner: Wagon Rod Ranch**

### Operator Contact Information:

Ellis Peterson  
Summit Operating, LLC  
1245 Brickyard Road, Suite 210  
Salt Lake City, Utah 84106

### Driving Directions to Well Site:

From intersection of Highways 491 and 191 in Monticello, Utah

Go south and southwest for 5 miles on Highway 191. Turn left (east) on Montezuma Canyon Road (CR 146) and continue east and south for approximately 17 miles to the well site on east side of road.

or

Go south and southwest for 12 miles on Highway 191. Turn left (southeast) on Alkali Point Road (CR 204) and continue southerly for 13.5 miles. Turn left and go east on Deadman Canyon Road (CR 2381) for about 2.5 miles and then go north and east for another 1.6 miles to Montezuma Canyon Road (CR 146). Turn left (north) on Montezuma Canyon Road (CR 146) and continue northerly approximately 7.7 miles to the well site on east side of road.

From intersection of Main Street and Highway 191 in Blanding, Utah

Go north and northeast for 9 miles on North Grayson Parkway (Highway 191). Turn right (southeast) on Alkali Point Road (CR 204) and continue southerly for 13.5 miles. Turn left and go east on Deadman Canyon Road (CR 2381) for about 2.5 miles and then go north and east for another 1.6 miles to Montezuma Canyon Road (CR 146). Turn left (north) on Montezuma Canyon Road (CR 146) and continue northerly approximately 7.7 miles to the well site on east side of road.

### Access:

Existing roads will be used for access to this well and a short access spur will be constructed to connect the well site to the existing Montezuma Canyon Road (San Juan County Road 146).

Summit Operating, LLC  
APD Surface Use Plan  
Cactus Park 8-23-36-24

San Juan County Road Department will be contacted as needed concerning the use of or construction affecting the County roads. Surface disturbance and access will be limited to the approved location and access road. The access spur will be constructed as necessary to allow safe access during drilling and completion operations.

**Surface and Mineral Ownership:**

The surface at the drill site is owned by Wagon Rod Ranch represented by Charlie Tracy of Monticello, Utah (435-587-2314). Minerals are owned by various members of the Dalton family who are descendents of the original Wagon Rod Ranch owner.

**Staking and Onsite Inspection:**

All surveying and staking was completed in April, 2014 and all maps and drawings reflecting the survey are being submitted with the APD package. A pre-drilling onsite inspection of the location will be conducted with representatives of UDOGM, Summit Operating, and Wagon Rod Ranch following submission of the APD package to UDOGM.

**Wellsite Layout:**

See attached drawings for depictions of the well pad, reserve pit, access onto pad, cross-section, cut and fill, and soil piles.

**Water Supply:**

Water for drilling and completion purposes will be purchased from the Wagon Rod Ranch. The water will be pumped from existing water wells under Water Right Number 09-262. Any other water used will be municipal water transported by truck from Monticello. The City of Monticello which has multiple water sources and rights (09-777, 09-881, 09-1029, 09-1278, 09-2190, 09-2009, 09-2136, et al) which are commingled.

**Construction Materials:**

All construction material for the location and access road will be borrow material accumulated during construction at the site or fill material acquired from the surface owner. Any additional required road gravel or pit lining material will be obtained from other private resources.

Top soil from the construction site will be stock piled for use during eventual reclamation on the north side of the drilling pad as shown on an attached plat. Excess spoils from the reserve pit and drilling pad construction will be stored either on the north side of the drilling pad or alternatively placed just east of the reserve pit.

**Waste Handling:**

A reserve pit will be constructed in cut as illustrated on the attached plats and cross-sections. This reserve pit will be lined with a minimum 12-mil liner and used to store water for drilling. It will also be used to hold non-flammable materials such as drill cuttings, salt, drilling fluids, stimulation and completion fluids, and chemicals. A fence surrounding three sides of the pit will be in place during drilling and completion operations, after which a fourth side will be added to enclose the pit. Produced water will be confined to the reserve pit or a temporary storage tank for a period of not more than 90 days after initial production. All produced water will be hauled to a commercial disposal site.

All trash will be contained in a trash cage and hauled away to an approved disposal site as necessary.

**Ancillary Facilities:**

The only planned ancillary facilities will be temporary trailers, garbage containers, and portable toilets which will be located on the pad site through drilling and completion operations.

**Production Facility:**

Final plans are not yet developed regarding production facilities. If the well is a producer, production facilities including two or three 400-Bbl tanks, a 3-phase separator, and a housed gas meter will be installed. If preferred by the surface owner and allowed by the appropriate regulatory agencies, this well may be produced to an offsite production facility serving one or more other wells. The flow line from the wellhead will be buried on the well location but otherwise left on surface where it will not hinder access or pose unacceptable safety concerns.

**Reclamation:**

The reserve pit will be closed after materials in the pit have sufficiently dried. To permanently close the pit, the sides of the pit liner will be cut and folded over the pit contents and then buried with the native material originally dug to create the pit. The pit will be closed within 12 months following drilling and completion of the well. If necessary to allow timely closure of the pit, pit fluids will be pumped off and properly disposed and the remaining pit contents may be treated with solidifier.

If the well should prove unproductive or upon final abandonment, all disturbed areas will be subject to final reclamation. Final reclamation will include the following:

- Removal of gravel or stone that may have been hauled in to surface the road or pad
- Reserving any topsoil that was spread during interim reclamation
- Recontouring all disturbed areas to the original contour or a contour that blends with the surrounding topography
- Spreading reserved topsoil over all disturbed areas
- Seeding all disturbed areas with a seed mix acceptable to the surface owner

**Cultural Resources:**

This well will be located on fee surface in a cultivated field. There are no plans to conduct a cultural resource inventory. In the unlikely event that cultural resources are encountered during construction activities, work will be suspended pending evaluation of the discovery and permission to proceed by proper authority.

**Paleontological Resources:**

No paleontological survey is required or planned.

End

# SUMMIT OPERATING, LLC

1245 Brickyard Road, Suite 210 • Salt Lake City, Utah 84106  
Phone: 801-657-5780 • Fax: 801-657-5781

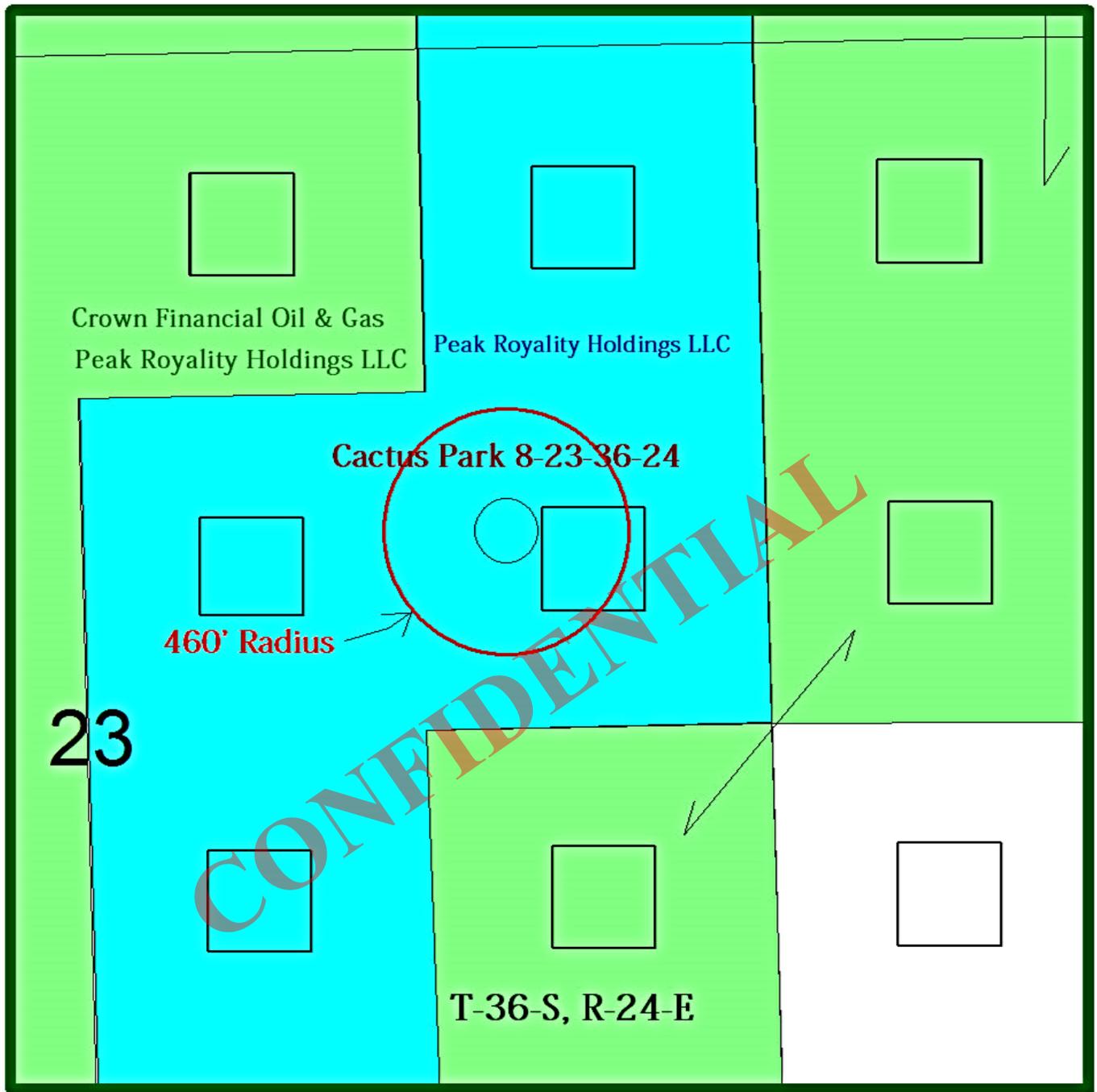
## Application for Exception to Location and Siting of Wells

### **Cactus Park 8-23-36-24 SE-NE, Section 23, T36S, R24E San Juan County, Utah**

An application for permit to drill the Cactus Park 8-23-36-24 well has been submitted by Summit Operating, LLC and it is requested that an exception to the locating and siting requirements of R649-3-2 be granted for this well.

- 1.1 Please accept this document and accompanying attachments as the written application requesting the exception location.
- 1.2 Please see the attached letter from the only owner as defined under R649-1-1 that is within a 460-foot radius of the proposed well location. This relevant owner is a company affiliated with the applicant and gives consent for the exception well location.
- 1.3 The board has issued no order establishing oil or gas well drilling units for this location.
3. This request for exception location is being made to allow the subject well to be located in a topographic acceptable site away from Montezuma Creek, minimize surface disturbance, and conform to subsurface geology interpretation.
  - 3.1 The accompanying plat shows the location where a well could be drilled in compliance to R649-3-2. The compliant locations are depicted on the plat as 400' x 400' squares in the centers of quarter-quarter tracts.
  - 3.2 The requested location for drilling the subject well is shown on the provided plat. It is shown on the plat as a circle surrounded by the red 460-foot radius circle.
  - 3.3 Locations where wells could be drilled in compliance with R649-3-2, directly or diagonally offsetting the proposed exception location, are shown on the plat. No wells have been drilled or are planned to be drilled on these locations.
  - 3.4 The names of owners within a 460-foot radius of the proposed well location are included on the attached plat.

This application was prepared and submitted by: Ellis Peterson  
Senior Petroleum Engineer  
Summit Operating, LLC



**Scale 1" = 750**

**Summit Operating LLC**

**Cactus Park #8-23-36-24**

**San Juan County, Utah**

## PEAK ROYALTY HOLDINGS, LLC

1245 E. Brickyard Road, #210

Salt Lake City, UT 84106

Phone: (801) 657-5780 · Fax (801) 277-0905

---

Larry R. Williams  
Land Manager/Corporate Counsel  
Mobile (801) 573-2110  
Larry@SummitCorp.Net

July 8, 2014

To whom it may concern:

Re: Exception to Location and Siting of Wells  
Cactus Park 8-23-36-24  
Township 36 South, Range 24 East, SLM  
Section 14: SENE  
San Juan County, Utah

Peak Royalty Holdings, LLC, as an owner within a 460-foot radius of the proposed Cactus Park 8-23-36-24 well, does hereby provide written consent for the well to be located as an exception to the requirements of R649-3-2.

Sincerely,  
Peak Royalty Holdings, LLC

  
Larry R Williams  
Land Manager /  
Corporate Counsel

RECEIVED: July 09, 2014

# SUMMIT OPERATING, LLC

1245 Brickyard Road, Suite 210 • Salt Lake City, Utah 84106  
Phone: 801-657-5780 • Fax: 801-657-5781

## Application for Determination of Wildcat Status

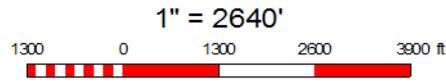
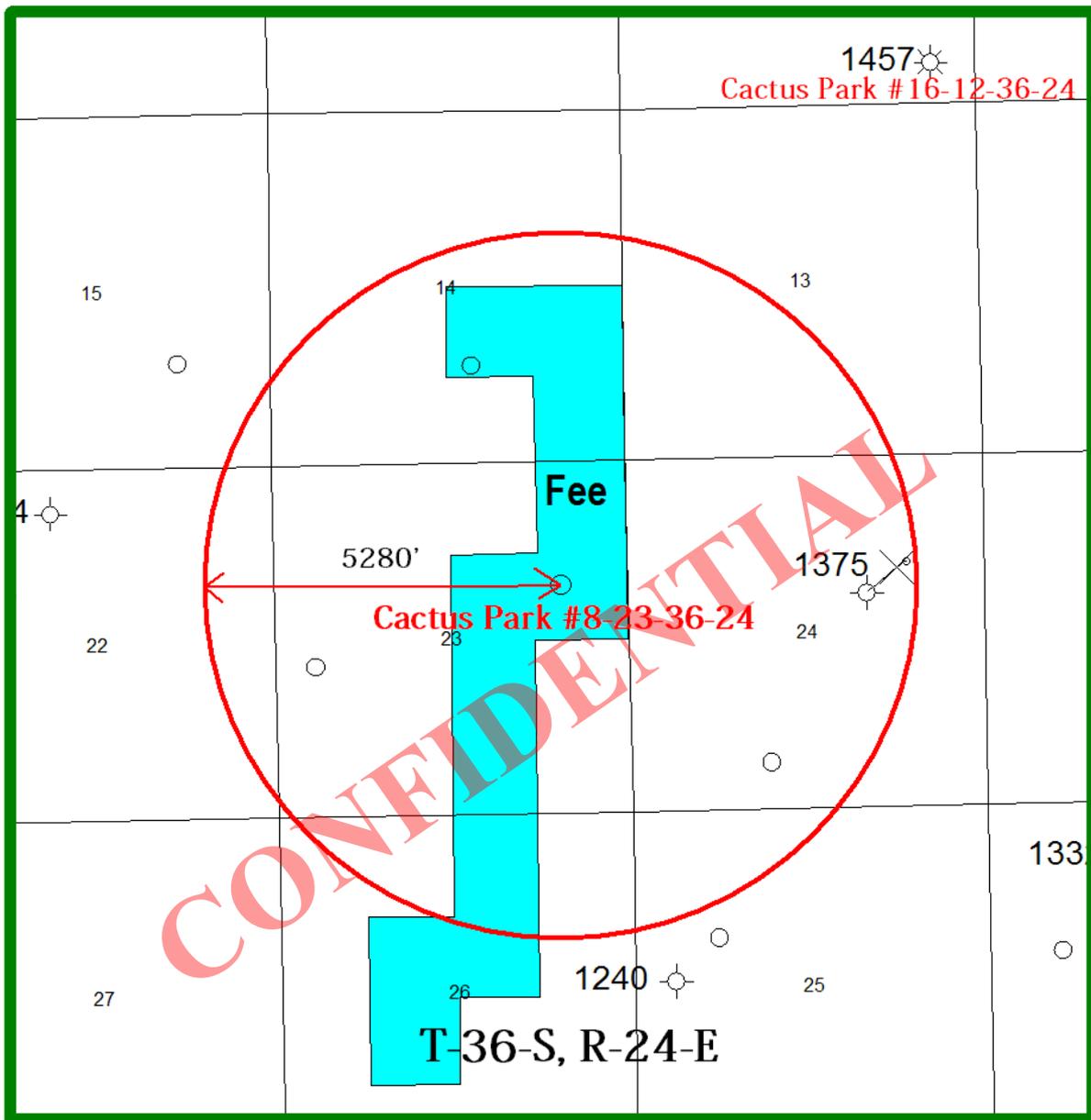
### **Cactus Park 8-23-36-24 SE-NE, Section 23, T36S, R24E San Juan County, Utah**

Summit Operating, LLC hereby requests per R646-3-35 that the proposed Cactus Park 8-23-36-24 well be designated as a wildcat well for the purposes of qualifying for severance tax exemption under Section 59-5-102(5)(b). This application is being filed prior to drilling with the application for permit to drill the subject well.

The following is provided in support of this application:

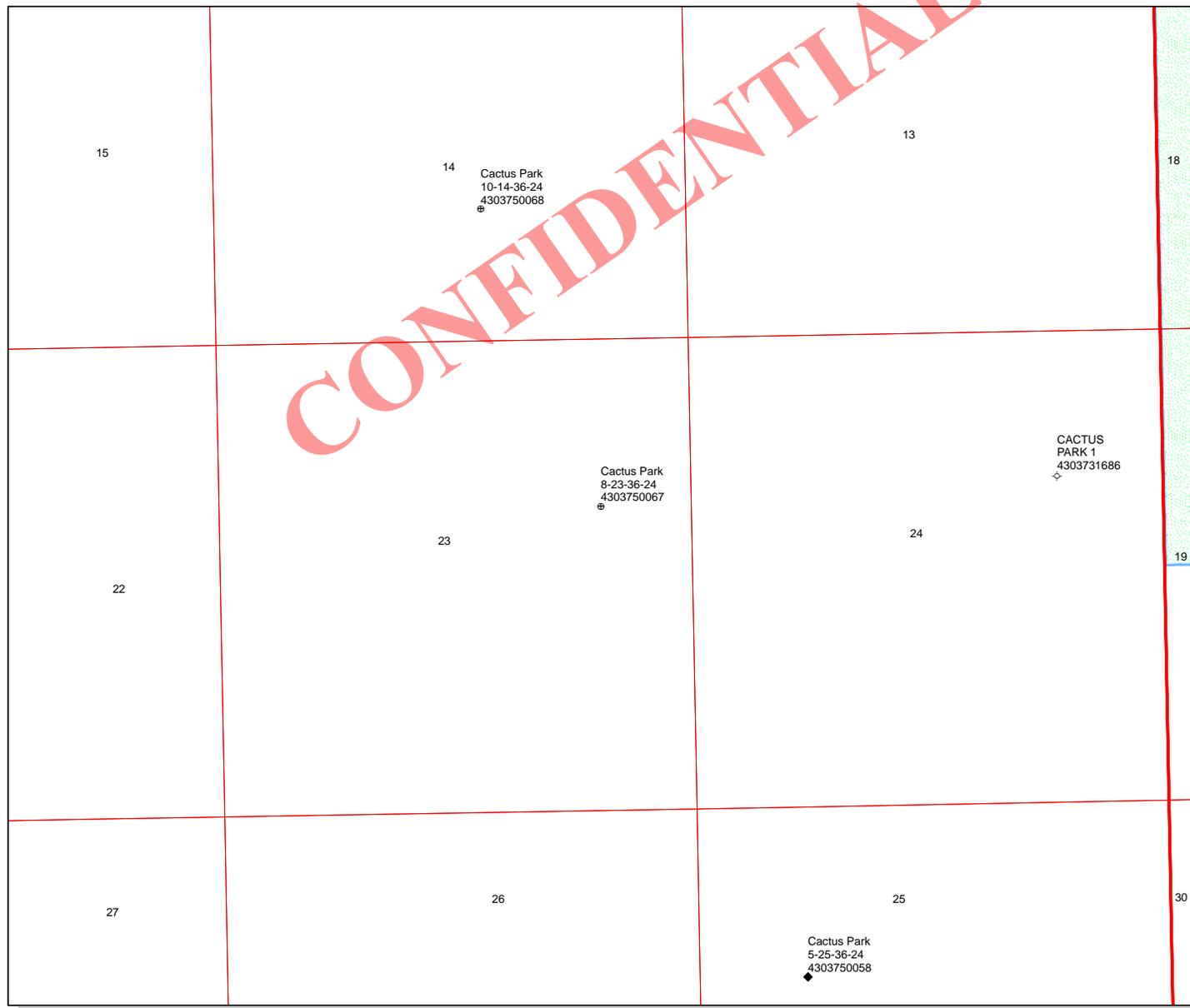
1. A plat map showing the location of the planned well relative to other wells within a one-mile radius of the wellsite is included herewith. There are no wells that produce or have produced within a one-mile radius of this proposed well.
2. Gas bearing sandstone reservoirs within the Hermosa Honaker Trail Formation are being targeted for production in this well but specific strata capable of producing in the designated area unknown.
3. Stratigraphic cross sections through this proposed wildcat well cannot be prepared until after the well is drilled and therefore are not included with this application.
4. The proposed well is not in a known geologic structure.
5. No bottom-hole pressure information is available in the designated area.
6. No other information is deemed relevant by the applicant at this time.

This application was prepared and submitted by: Ellis Peterson  
Senior Petroleum Engineer  
Summit Operating, LLC



**Summit Operating LLC**  
**1 Mile Radius Circle Plat**  
**Cactus Park #8-23-36-24**  
**San Juan County, Utah**

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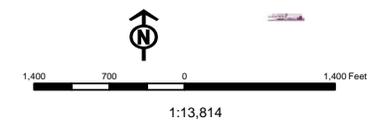


**API Number: 4303750067**  
**Well Name: Cactus Park 8-23-36-24**

Township: T36.0S Range: R24.0E Section: 23 Meridian: S  
 Operator: SUMMIT OPERATING, LLC

Map Prepared: 6/6/2014  
 Map Produced by Diana Mason

Wells Query		Units	
Status		STATUS	
◆	APD - Approved Permit	▨	ACTIVE
○	DRL - Spudded (Drilling Commenced)	▨	EXPLORATORY
↗	GIW - Gas Injection	▨	GAS STORAGE
★	GS - Gas Storage	▨	NF PP OIL
⊕	LOC - New Location	▨	NF SECONDARY
⊖	OPS - Operation Suspended	▨	PI OIL
⊗	PA - Plugged Abandoned	▨	PP GAS
⊙	PGW - Producing Gas Well	▨	PP GEOTHERML
⊚	POW - Producing Oil Well	▨	PP OIL
⊛	SGW - Shut-in Gas Well	▨	SECONDARY
⊜	SOW - Shut-in Oil Well	▨	TERMINATED
⊝	TA - Temp. Abandoned	Fields	
○	TW - Test Well	STATUS	
⊞	WDW - Water Disposal	▨	Unknown
⊟	WW - Water Injection Well	▨	ABANDONED
●	WSW - Water Supply Well	▨	ACTIVE
		▨	COMBINED
		▨	INACTIVE
		▨	STORAGE
		▨	TERMINATED



Well Name	SUMMIT OPERATING, LLC Cactus Park 8-23-36-24 43037500670000			
String	COND	SURF	PROD	
Casing Size(")	13.375	8.625	5.500	
Setting Depth (TVD)	40	1110	4100	
Previous Shoe Setting Depth (TVD)	0	40	1110	
Max Mud Weight (ppg)	8.4	9.0	9.0	
BOPE Proposed (psi)	0	0	3000	
Casing Internal Yield (psi)	1000	2950	5320	
Operators Max Anticipated Pressure (psi)	1919		9.0	

Calculations	COND String	13.375	"
Max BHP (psi)	.052*Setting Depth*MW=	17	
			BOPE Adequate For Drilling And Setting Casing at Depth?
MASP (Gas) (psi)	Max BHP-(0.12*Setting Depth)=	12	NO
MASP (Gas/Mud) (psi)	Max BHP-(0.22*Setting Depth)=	8	NO
			*Can Full Expected Pressure Be Held At Previous Shoe?
Pressure At Previous Shoe	Max BHP-.22*(Setting Depth - Previous Shoe Depth)=	8	NO
Required Casing/BOPE Test Pressure=		0	psi
*Max Pressure Allowed @ Previous Casing Shoe=		0	psi *Assumes 1psi/ft frac gradient

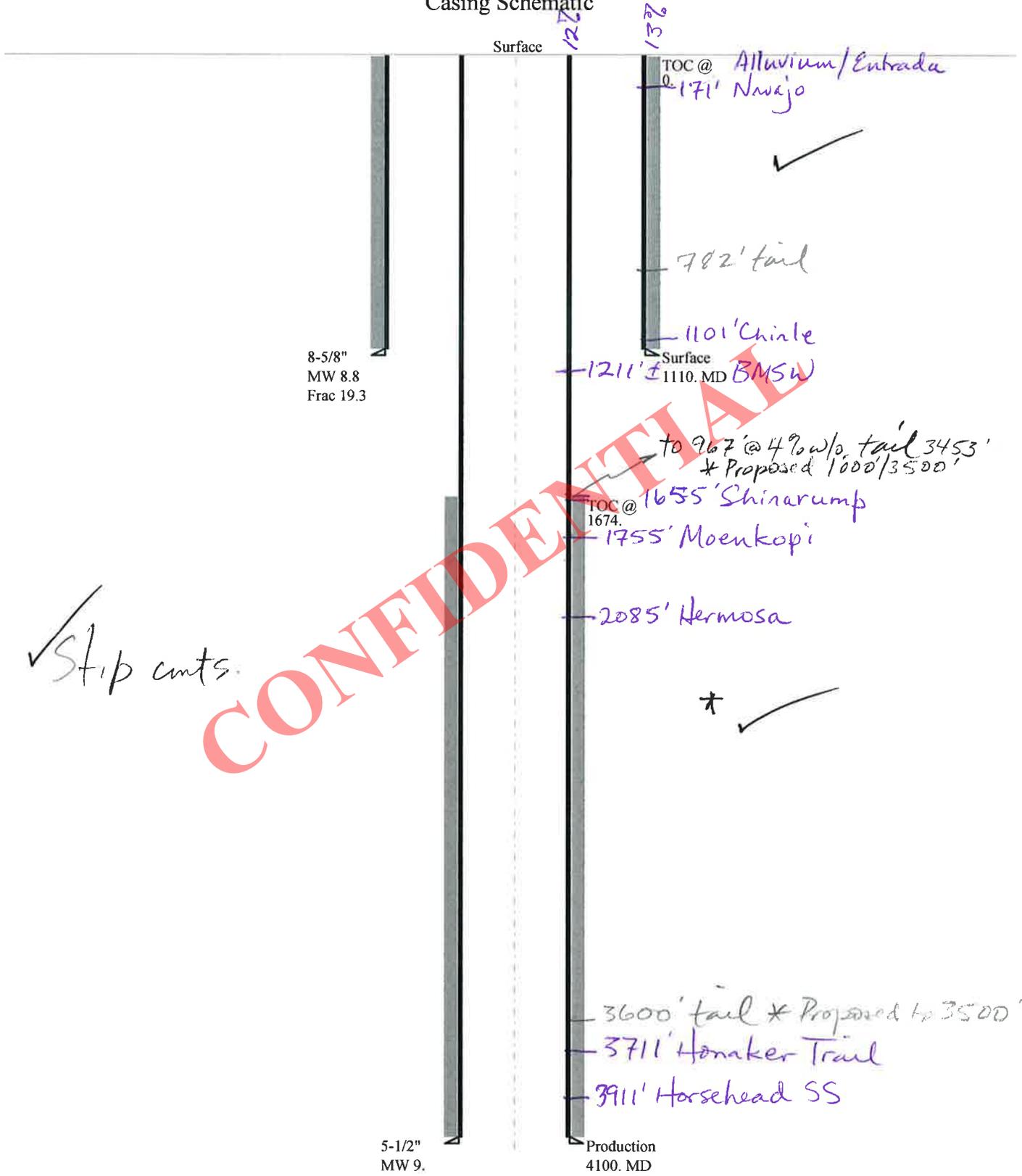
Calculations	SURF String	8.625	"
Max BHP (psi)	.052*Setting Depth*MW=	519	
			BOPE Adequate For Drilling And Setting Casing at Depth?
MASP (Gas) (psi)	Max BHP-(0.12*Setting Depth)=	386	NO
MASP (Gas/Mud) (psi)	Max BHP-(0.22*Setting Depth)=	275	NO No expected pressure
			*Can Full Expected Pressure Be Held At Previous Shoe?
Pressure At Previous Shoe	Max BHP-.22*(Setting Depth - Previous Shoe Depth)=	284	NO
Required Casing/BOPE Test Pressure=		1110	psi
*Max Pressure Allowed @ Previous Casing Shoe=		40	psi *Assumes 1psi/ft frac gradient

Calculations	PROD String	5.500	"
Max BHP (psi)	.052*Setting Depth*MW=	1919	
			BOPE Adequate For Drilling And Setting Casing at Depth?
MASP (Gas) (psi)	Max BHP-(0.12*Setting Depth)=	1427	YES 3M BOP, annular preventer, two ram preventers, choke
MASP (Gas/Mud) (psi)	Max BHP-(0.22*Setting Depth)=	1017	YES manifold
			*Can Full Expected Pressure Be Held At Previous Shoe?
Pressure At Previous Shoe	Max BHP-.22*(Setting Depth - Previous Shoe Depth)=	1261	NO OK
Required Casing/BOPE Test Pressure=		3000	psi
*Max Pressure Allowed @ Previous Casing Shoe=		1110	psi *Assumes 1psi/ft frac gradient

Calculations	String		"
Max BHP (psi)	.052*Setting Depth*MW=		
			BOPE Adequate For Drilling And Setting Casing at Depth?
MASP (Gas) (psi)	Max BHP-(0.12*Setting Depth)=		NO
MASP (Gas/Mud) (psi)	Max BHP-(0.22*Setting Depth)=		NO
			*Can Full Expected Pressure Be Held At Previous Shoe?
Pressure At Previous Shoe	Max BHP-.22*(Setting Depth - Previous Shoe Depth)=		NO
Required Casing/BOPE Test Pressure=			psi
*Max Pressure Allowed @ Previous Casing Shoe=			psi *Assumes 1psi/ft frac gradient

# 43037500670000 Cactus Park 8-23-36-24

## Casing Schematic



**CONFIDENTIAL**

✓ Stip cmts.

Well name:	<b>43037500670000 Cactus Park 8-23-36-24</b>	
Operator:	<b>SOUTHWESTERN ENERGY PROD CO</b>	
String type:	Surface	Project ID: 43-037-50067
Location:	UINTAH COUNTY	

**Design parameters:**

**Collapse**

Mud weight: 8.800 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: 74 °F  
Bottom hole temperature: 90 °F  
Temperature gradient: 1.40 °F/100ft  
Minimum section length: 100 ft

Cement top: Surface

**Burst**

Max anticipated surface pressure: 977 psi  
Internal gradient: 0.120 psi/ft  
Calculated BHP 1,110 psi  
  
Annular backup: 1.00 ppg

**Tension:**

8 Round STC: 1.80 (J)  
8 Round LTC: 1.70 (J)  
Buttress: 1.60 (J)  
Premium: 1.50 (J)  
Body yield: 1.50 (B)

Tension is based on buoyed weight.  
Neutral point: 963 ft

**Non-directional string.**

**Re subsequent strings:**

Next setting depth: 4,100 ft  
Next mud weight: 9.000 ppg  
Next setting BHP: 1,917 psi  
Fracture mud wt: 19.250 ppg  
Fracture depth: 1,110 ft  
Injection pressure: 1,110 psi

Run Seq	Segment Length (ft)	Size (in)	Nominal Weight (lbs/ft)	Grade	End Finish	True Vert Depth (ft)	Measured Depth (ft)	Drift Diameter (in)	Est. Cost (\$)
1	1110	8.625	24.00	J-55	ST&C	1110	1110	7.972	5714
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	507	1370	2.700	1052	2950	2.80	23.1	244	10.55 J

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

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

Date: July 23, 2014  
Salt Lake City, Utah

**Remarks:**

Collapse is based on a vertical depth of 1110 ft, a mud weight of 8.8 ppg. The casing is considered to be evacuated for collapse purposes. Collapse strength is based on the Westcott, Dunlop & Kemler method of biaxial correction for tension.

Burst strength is not adjusted for tension.

Well name:	<b>43037500670000 Cactus Park 8-23-36-24</b>	
Operator:	<b>SOUTHWESTERN ENERGY PROD CO</b>	
String type:	Production	Project ID: 43-037-50067
Location:	UINTAH COUNTY	

**Design parameters:**

**Collapse**

Mud weight: 9.000 ppg  
Design is based on evacuated pipe.

**Minimum design factors:**

**Collapse:**

Design factor 1.125

**Environment:**

H2S considered? No  
Surface temperature: 74 °F  
Bottom hole temperature: 131 °F  
Temperature gradient: 1.40 °F/100ft  
Minimum section length: 1,000 ft

**Burst:**

Design factor 1.00

Cement top: 1,674 ft

**Burst**

Max anticipated surface pressure: 1,015 psi  
Internal gradient: 0.220 psi/ft  
Calculated BHP 1,917 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: 1.60 (B)

**Non-directional string.**

Tension is based on air weight.  
Neutral point: 3,540 ft

Run Seq	Segment Length (ft)	Size (in)	Nominal Weight (lbs/ft)	Grade	End Finish	True Vert Depth (ft)	Measured Depth (ft)	Drift Diameter (in)	Est. Cost (\$)
1	4100	5.5	17.00	J-55	ST&C	4100	4100	4.767	14937
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	1917	4910	2.561	1917	5320	2.78	69.7	229	3.29 J

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

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

Date: July 23, 2014  
Salt Lake City, Utah

**Remarks:**

Collapse is based on a vertical depth of 4100 ft, a mud weight of 9 ppg. The casing is considered to be evacuated for collapse purposes. Collapse strength is based on the Westcott, Dunlop & Kemler method of biaxial correction for tension.

Burst strength is not adjusted for tension.

# ON-SITE PREDRILL EVALUATION

## Utah Division of Oil, Gas and Mining

**Operator** SUMMIT OPERATING, LLC  
**Well Name** Cactus Park 8-23-36-24  
**API Number** 43037500670000      **APD No** 9802      **Field/Unit** WILDCAT  
**Location:**  
**1/4,1/4** SENE      **Sec** 23      **Tw** 36.0S      **Rng** 24.0E      1874 FNL 974 FEL  
**GPS Coord**  
**(UTM)**      **Surface Owner** Wagon Rod Ranch, LLC (Charlie Tracy, Representative)

### Participants

Bart Kettle-DOGM, Monty Dalton-surface/minerals, Charlie Tracy-surface, Ellis Peterson-Summit Operating, LLC, Chris Pell-Summit Operating, LLC, Larry Williams-Summit Operating, LLC.

### Regional/Local Setting & Topography

The proposed project is located ~16 miles south of Monticello in San Juan County Utah. Locally the proposed project located in the bottom of Montezuma Canyon on the edge of agriculture lands used to grow hay and pasture. Regionally the project area is within the Colorado Plateau in the Four corners area on what is commonly referred to as the Canyon Lands Region. The Four Corners area is known for its Native American ruins and culture. The Canyon Lands Region is distinguished by its broad mesas cut by spectacular sandstone and shale canyons. Climate in this region tends to be arid, with a sparsely vegetated landscape prone to erosion. Topography rises sharply to the west reaching elevations in excess of 11,000 atop the Abajo Mountains. Montane forest, high elevation grass/forb and mountain browse communities dominate vegetation. To the east a series of mesas rise to the Rico Mountains in western Colorado. Vegetation is a mixture of salt desert scrub, Pinion/Juniper and montane forest. Precipitation at the project site is considered a 10-12" zone. Drainage flows into Montezuma Creek within a 1/4 mile and onto the San Juan River 45 miles away.

### Surface Use Plan

#### **Current Surface Use**

Agricultural  
Grazing  
Wildlife Habitat

<b>New Road Miles</b>	<b>Well Pad</b>	<b>Src Const Material</b>	<b>Surface Formation</b>
0.1	<b>Width</b> 200 <b>Length</b> 300	Onsite	ALLU

#### **Ancillary Facilities** N

Produced fluids shall not be disposed of in the reserve pit as described under Waste Handling in APD.

**Waste Management Plan Adequate?** N

### Environmental Parameters

#### **Affected Floodplains and/or Wetlands** Y

Historic flood plain for Montezuma Creek. Site is currently flood irrigated as a hay field.

**Flora / Fauna**

Flora-Hay field

Trees: None

Shrubs: Black greasewood along fence line

Grass: Intermediate wheat grass, smooth brome, cheat grass, annual wheat grass, thick spike wheat grass.

Forbs: Alfalfa, red stem filaree, Russian thistle, aster spp., morning glory, tumble mustard.

Fauna: Rocky mountain elk, mule deer, mountain lion, black bear, coyote, kit fox, gray fox, badger, cotton tail rabbit, black tailed jack rabbit, spotted skunk and Rio Grand turkeys.

Host of small rodents and reptiles possible such as: woodrat spp, kangaroo rat spp., deer mouse, pinion mouse, rock squirrel, and antelope squirrel.. Seasonal use by migrating birds such as sage sparrow, cassin finch, house finch, pinion jay, white crowned sparrow, gray crowned rosy finch, blue gray knat catcher, Bewick's wren, black throated sparrow, black capped chickadee, Brewers sparrow, bushtit, western kingbird, chipping sparrow, common nighthawk, Coppers hawk, sharp shin hawk, red tailed hawk, ruff legged hawk, golden eagle, bald eagle turkey vulture, Downey wood pecker, juniper titmouse, northern shrike, mountain bluebird, mourning dove, pine siskin, sage thrasher, western blue bird, and western meadow lark.

**Soil Type and Characteristics**

Suwanee silt loam-reddish brown fine textured loams with moderate organic materials noted.

**Erosion Issues Y**

Soils prone to wind erosion once disturbed.

**Sedimentation Issues N**

Surrounding hay field is likely to capture sedimentation, preventing significant sedimentation into Montezuma Creek

**Site Stability Issues Y**

Selected site straddles an irrigation ditch on the edge of a hay field. Irrigation ditch will require re-routing and well pad will require 24" berms to be maintained until interim reclamation is completed.

**Drainage Diverson Required? Y**

Irrigation water shall be diverted around well pad.

**Berm Required? Y**

24" berms shall be constructed around well pad in addition to berms constructed around all pits, tanks, equipment or vessels holding fluids.

**Erosion Sedimentation Control Required? Y**

Top soils shall be seeded immediately following well pad construction.

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

**Reserve Pit**

**Site-Specific Factors**

**Distance to Groundwater (feet)**

**Site Ranking**

**20**

<b>Distance to Surface Water (feet)</b>		20	
<b>Dist. Nearest Municipal Well (ft)</b>	500 to 1320	10	
<b>Distance to Other Wells (feet)</b>	>1320	0	
<b>Native Soil Type</b>	Mod permeability	10	
<b>Fluid Type</b>	TDS>5000 and	10	
<b>Drill Cuttings</b>	Normal Rock	0	
<b>Annual Precipitation (inches)</b>	10 to 20	5	
<b>Affected Populations</b>			
<b>Presence Nearby Utility Conduits</b>	Not Present	0	
<b>Final Score</b>		75	1 Sensitivity Level

### Characteristics / Requirements

As proposed a 70'x130x12' reserve pit will be built. Given that the proposed project site is within agriculture lands, shallow ground water is known to occur within 70' of surface, and the site may serve as a recharge point for the Entrada sandstone the following requirements shall apply to reserve pit:

- 1.) Reserve pit shall be used to contain fresh water used for drilling, drilling mud and drilling cuttings.
- 2.) No volume of produced water or frac flow back fluids should be allowed into reserve pit.
- 3.) Reserve pit shall be sampled immediately following drilling rig reaching TD for TDS of fluids.
- 4.) Within 21 days of drilling rig reaching TD solids contained by pit shall be sampled for Electrical Conductivity (EC), Sodium Absorption Ration (SAR), Exchangeable sodium percentage (ESP) and Total Petroleum Hydrocarbon (TPH).
- 5.) Within 45 days a Plan of Action for management of reserve pit contents shall be submitted to the Division for review.

**Closed Loop Mud Required? N Liner Required? Y Liner Thickness 20 Pit Underlayment Required? N**

### Other Observations / Comments

San Juan County road encroachment will be necessary for Montezuma Canyon Road-SJC Road 146.

Culvert sufficient to handle irrigation water flows will be required for ditch crossing. It appears 24" culverts have been used in other locations. Culvert should be long enough to allow truck traffic to make 90 degree turn off of SJC Road 146 onto access road.

Irrigation ditch realignment will be required for tail waters and irrigation water. Ditch realignment shall meet surface owner requirements. Ditch realignment will be required to catch tail water on the northern portions of the well pad. Ditch realignment on the southern portions of the well pad will be required to distribute irrigation water.

Management of produced fluids/gas is proposed to utilize a central battery. Facilities remaining at the proposed project site include a well head, flow line, anchors and a surfaced road to the

well. Central production facilities are proposed on surface owned by Wagon Rod Ranch 1000' south of proposed project site adjacent to SJC Road 146 on the west side.

Water used for drilling program will be purchased from Wagon Rod Ranch. Water will be pumped from shallow water well and placed in 3" poly line for transport to project site.

Well pad shall be bermed with a minimum of 24" berms that shall be maintained at all times. All tanks, vessels, pits or other items containing fluids on location shall have 24" berms constructed and maintained around them at all times.

**Bart Kettle**  
**Evaluator**

**7/1/2014**  
**Date / Time**

**CONFIDENTIAL**

**Application for Permit to Drill  
Statement of Basis  
Utah Division of Oil, Gas and Mining**

APD No	API WellNo	Status	Well Type	Surf Owner	CBM
9802	43037500670000	LOCKED	GW	P	No
<b>Operator</b>	SUMMIT OPERATING, LLC		<b>Surface Owner-APD</b>	Wagon Rod Ranch, LLC (Charlie Tracy, Representative)	
<b>Well Name</b>	Cactus Park 8-23-36-24		<b>Unit</b>		
<b>Field</b>	WILDCAT		<b>Type of Work</b>	DRILL	
<b>Location</b>	SENE 23 36S 24E S 1874 FNL 974 FEL (UTM) 654945E 4167855N		GPS Coord		

**Geologic Statement of Basis**

Summit Operating, LLC proposes to drill the well to a total depth of 4,100' and plans to set surface casing from 0'-1,110'. The surface string will be drilled using a water based mud/spud mud. Within a one-mile radius there are four underground water rights; the water wells range from 46' to 275' deep, with water as shallow as 39' below the ground surface. The base of the moderately saline groundwater is approximately 1,211' below the ground surface, based on DNR Technical Publication #94. Several units of the Glen Canyon Group, particularly the Navajo Sandstone, are present within the subsurface; these strata are likely to contain useable groundwater and are within the interval to be protected by the surface casing string. The surface casing will need to be set in the top of the Chinle Formation and the operator should be aware of the likelihood of these and other units being water saturated and to respond to protecting these zones by extending the surface casing as necessary. Proposed surface casing and cement should adequately isolate any shallow zones containing water.

Ammon McDonald  
APD Evaluator

7/14/2014  
Date / Time

**Surface Statement of Basis**

Surface Evaluation completed July 1, 2014. In attendance: Bart Kettle-DOGM, Monty Dalton-surface/minerals, Charlie Tracy-surface, Ellis Peterson-Summit Operating, LLC, Chris Pell-Summit Operating, LLC, Larry Williams-Summit Operating, LLC.

As proposed well will be drilled using a reserve pit and a water based mud drilling system. Proposed project site is located within agriculture fields used to produce hay and pasture as part of a beef cow/calf operation. Soils at the project site are deep loams. Known fresh water aquifers exist within 70' of surface and project site may function as a recharge site for shallow aquifers. Record of multiple fresh water wells within close proximity of the project area exist. Montezuma Creek is located within 850' and proposed project site is seasonally flood irrigated with up to 12" of standing water possible at chosen site. As such the proposed project site is ranked as a Level I Sensitivity site under guidance from the Environmental Handbook.

All E&P materials, including drill cuttings, shall be contained in steel tanks or an approved pit containing a synthetic liner until it can be demonstrated such materials meet DOGM stands for abandonment: Electrical Conductivity  
Suitable soils shall be salvaged for interim reclamation. Top soil and rock should be kept

separate in construction. Soils containing rock fragments should not be salvaged.

San Juan County road encroachment permit shall be secured for Montezuma Canyon Road-SJC Road 146. Culvert sufficient to handle irrigation water flows will be required for irrigation ditch crossing. Culvert should be long enough to allow truck traffic to make 90 degree turn off of SJC Road 146 onto access road.

Irrigation ditch realignment will be required for tail waters and irrigation water. Ditch realignment shall meet surface owner requirements. Ditch realignment will be required to catch tail water on the northern portions of the well pad and distribute supply irrigation water on the southern portions of the well pad.

Well pad shall be bermed with a minimum of 24" berms that shall be maintained at all times. All tanks, vessels, pits or other items containing fluids on location shall be placed on 20 mil synthetic liner and surrounded by 24" berms maintained at all times.

Reserve pit approval is for fresh water used for drilling, drilling mud and drilling cuttings. Reserve pit is not authorized to contain produced water or frac flow back fluids. Reserve pit contents shall be sampled following drilling activity to assure contents do not present a threat to shallow fresh water resources or surrounding soil fertility.

Wagon Rod Ranch has expressed desire that all vehicle and foot traffic remain precisely on approved access road and well pad. Property owned by Wagon Rod Ranch should not be explored, handled, used or otherwise visited by employees of Summit Operating LLC, service providers and contractors. Signs should be posted at the intersection of SJC Road 146 and project access road relaying Wagon Rod Ranch's wishes.

Bart Kettle  
**Onsite Evaluator**

7/1/2014  
**Date / Time**

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

<b>Category</b>	<b>Condition</b>
Pits	Reserve pit shall be used to contain only fresh water used for drilling, drilling mud and drilling cuttings.
Pits	A synthetic liner with a minimum thickness of 20 mils shall be properly installed and maintained in the reserve pit.
Pits	No volume of produced water or frac flow back fluids should be allowed into reserve pit.
Pits	Reserve pit contents shall be removed from project site and disposed of in an authorized disposal facility within 60 days following completion of drilling.
Surface	Culvert shall be installed at irrigation ditch crossings sufficient to handle irrigation water flows and according to San Juan County Roads department specifications.
Surface	All E&P materials, including drill cuttings, shall be contained in steel tanks or an approved pit.
Surface	Suitable top soil shall be salvaged.
Surface	Interim reclamation shall be completed within 12 months following well pad construction.
Surface	The well site shall be bermed with a minimum of 24" berms to prevent fluids from entering or leaving the pad.
Surface	Fresh water shall be applied to access road and well pad to control dust.
Surface	Tanks containing fuel, chemicals or produced fluids shall be bermed and placed on a 20 mil string reinforced geomembrane.

## WORKSHEET APPLICATION FOR PERMIT TO DRILL

APD RECEIVED: 6/3/2014

API NO. ASSIGNED: 43037500670000

WELL NAME: Cactus Park 8-23-36-24

OPERATOR: SUMMIT OPERATING, LLC (N2315)

PHONE NUMBER: 801 657-5780

CONTACT: Ellis Peterson

PROPOSED LOCATION: SENE 23 360S 240E

Permit Tech Review: 

SURFACE: 1874 FNL 0974 FEL

Engineering Review: 

BOTTOM: 1874 FNL 0974 FEL

Geology Review: 

COUNTY: SAN JUAN

LATITUDE: 37.64479

LONGITUDE: -109.24370

UTM SURF EASTINGS: 654945.00

NORTHINGS: 4167855.00

FIELD NAME: WILDCAT

LEASE TYPE: 4 - Fee

LEASE NUMBER: Dalton et. al.

PROPOSED PRODUCING FORMATION(S): HONAKER TRAIL

SURFACE OWNER: 4 - Fee

COALBED METHANE: NO

## RECEIVED AND/OR REVIEWED:

- PLAT
- Bond: STATE - NZS633487
- Potash
- Oil Shale 190-5
- Oil Shale 190-3
- Oil Shale 190-13
- Water Permit: Surface Owner (09-262), City of Monticello
- RDCC Review:
- Fee Surface Agreement
- Intent to Commingle

Commingling Approved

## LOCATION AND SITING:

- R649-2-3.
- Unit:
- R649-3-2. General
- R649-3-3. Exception
- Drilling Unit
- Board Cause No: R649-3-3
- Effective Date:
- Siting:
- R649-3-11. Directional Drill

Comments: Presite Completed

Stipulations: 1 - Exception Location - dmason  
 5 - Statement of Basis - bhill  
 12 - Cement Volume (3) - hmacdonald  
 21 - RDCC - dmason  
 23 - Spacing - dmason  
 25 - Surface Casing - hmacdonald  
 27 - Other - ddoucet

RECEIVED: July 30, 2014



GARY R. HERBERT  
*Governor*

SPENCER J. COX  
*Lieutenant Governor*

## State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER  
*Executive Director*

Division of Oil, Gas and Mining

JOHN R. HAZA  
*Division Director*

### Permit To Drill

\*\*\*\*\*

**Well Name:** Cactus Park 8-23-36-24  
**API Well Number:** 43037500670000  
**Lease Number:** Dalton et. al.  
**Surface Owner:** FEE (PRIVATE)  
**Approval Date:** 7/30/2014

**Issued to:**

SUMMIT OPERATING, LLC, 1245 Brickyard Road, Suite 210, Salt Lake City, UT 84106

**Authority:**

Pursuant to Utah Code Ann. 40-6-1 et seq., and Utah Administrative Code R649-3-1 et seq., the Utah Division of Oil, Gas and Mining issues conditions of approval, and permit to drill the listed well. This permit is issued in accordance with the requirements of R649-3-3. The expected producing formation or pool is the HONAKER TRAIL Formation(s), completion into any other zones will require filing a Sundry Notice (Form 9). Completion and commingling of more than one pool will require approval in accordance with R649-3-22.

**Duration:**

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

**Exception Location:**

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

**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.

**Conditions of Approval:**

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. (See attached)

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.

Compliance with the Conditions of Approval/Application for Permit to Drill outlined in the Statement of Basis (copy attached).

Cement volume for the 5 1/2 production string shall be determined from actual hole diameter in order to place lead cement from the pipe setting depth back to 1000' MD and tail cement to 3500' as indicated in the submitted drilling plan.

Surface casing shall be cemented to the surface.

Based on the submitted information, the Division has determined the subject well is planned to be drilled into an unknown area for all formations. Therefore, should the well be productive, the well should qualify for the severance tax exemption under Section 59-5-102(5)(b) for wildcat wells. Upon final completion, the operator should apply to the division for a final determination. This preliminary determination was made in accordance with Oil and Gas General Conservation Rule R649-3-35.

**Additional Approvals:**

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

- Any changes to the approved drilling plan - contact Dustin Doucet
- Significant plug back of the well - contact Dustin Doucet
- Plug and abandonment of the well - contact Dustin Doucet

**Notification Requirements:**

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

- Within 24 hours following the spudding of the well - contact Carol Daniels  
OR  
submit an electronic sundry notice (pre-registration required) via the Utah Oil & Gas website  
at <http://oilgas.ogm.utah.gov>
- 24 hours prior to testing blowout prevention equipment - contact Dan Jarvis
- 24 hours prior to cementing or testing casing - contact Dan Jarvis
- Within 24 hours of making any emergency changes to the approved drilling program  
- contact Dustin Doucet
- 24 hours prior to commencing operations to plug and abandon the well - contact Dan Jarvis

**Contact Information:**

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

- Carol Daniels 801-538-5284 - office
- Dustin Doucet 801-538-5281 - office

- Dan Jarvis                   801-733-0983 - after office hours  
                                     801-538-5338 - office  
                                     801-231-8956 - after office hours

**Reporting Requirements:**

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

- Entity Action Form (Form 6) - due within 5 days of spudding the well
- Monthly Status Report (Form 9) - due by 5th day of the following calendar month
- Requests to Change Plans (Form 9) - due prior to implementation
- Written Notice of Emergency Changes (Form 9) - due within 5 days
- Notice of Operations Suspension or Resumption (Form 9) - due prior to implementation
- Report of Water Encountered (Form 7) - due within 30 days after completion
- Well Completion Report (Form 8) - due within 30 days after completion or plugging

**Approved By:**

A handwritten signature in black ink, appearing to read "John Rogers", written over a faint rectangular stamp.

For John Rogers  
Associate Director, Oil & Gas

STATE OF UTAH DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS, AND MINING		FORM 9	
<b>SUNDRY NOTICES AND REPORTS ON WELLS</b>  Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.		<b>5. LEASE DESIGNATION AND SERIAL NUMBER:</b> Dalton et. al.	
		<b>6. IF INDIAN, ALLOTTEE OR TRIBE NAME:</b>	
<b>1. TYPE OF WELL</b> Gas Well		<b>7. UNIT or CA AGREEMENT NAME:</b>	
<b>2. NAME OF OPERATOR:</b> SUMMIT OPERATING, LLC		<b>8. WELL NAME and NUMBER:</b> Cactus Park 8-23-36-24	
<b>3. ADDRESS OF OPERATOR:</b> 1245 Brickyard Road, Suite 210 , Salt Lake City, UT, 84106		<b>9. API NUMBER:</b> 43037500670000	
<b>PHONE NUMBER:</b> 801-657-5780 Ext		<b>9. FIELD and POOL or WILDCAT:</b> WILDCAT	
<b>4. LOCATION OF WELL</b> <b>FOOTAGES AT SURFACE:</b> 1874 FNL 0974 FEL <b>QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN:</b> Qtr/Qtr: SENE Section: 23 Township: 36.0S Range: 24.0E Meridian: S		<b>COUNTY:</b> SAN JUAN	
		<b>STATE:</b> 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 Approximate date work will start:  <input type="checkbox"/> SUBSEQUENT REPORT Date of Work Completion:  <input checked="" type="checkbox"/> SPUD REPORT Date of Spud: 9/22/2014  <input type="checkbox"/> DRILLING REPORT Report Date:	<input type="checkbox"/> ACIDIZE  <input type="checkbox"/> CHANGE TO PREVIOUS PLANS  <input type="checkbox"/> CHANGE WELL STATUS  <input type="checkbox"/> DEEPEN  <input type="checkbox"/> OPERATOR CHANGE  <input type="checkbox"/> PRODUCTION START OR RESUME  <input type="checkbox"/> REPERFORATE CURRENT FORMATION  <input type="checkbox"/> TUBING REPAIR  <input type="checkbox"/> WATER SHUTOFF  <input type="checkbox"/> WILDCAT WELL DETERMINATION	<input type="checkbox"/> ALTER CASING  <input type="checkbox"/> CHANGE TUBING  <input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS  <input type="checkbox"/> FRACTURE TREAT  <input type="checkbox"/> PLUG AND ABANDON  <input type="checkbox"/> RECLAMATION OF WELL SITE  <input type="checkbox"/> SIDETRACK TO REPAIR WELL  <input type="checkbox"/> VENT OR FLARE  <input type="checkbox"/> SI TA STATUS EXTENSION  <input type="checkbox"/> OTHER	<input type="checkbox"/> CASING REPAIR  <input type="checkbox"/> CHANGE WELL NAME  <input type="checkbox"/> CONVERT WELL TYPE  <input type="checkbox"/> NEW CONSTRUCTION  <input type="checkbox"/> PLUG BACK  <input type="checkbox"/> RECOMPLETE DIFFERENT FORMATION  <input type="checkbox"/> TEMPORARY ABANDON  <input type="checkbox"/> WATER DISPOSAL  <input type="checkbox"/> APD EXTENSION  OTHER: <input style="width: 100px;" type="text"/>
12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.			
The Cactus Park 8-23-36-24 well was spud by Pete Martin Drilling on September 22, 2014 and 14-inch conductor pipe was cemented in 20-inch hole at a depth of 40 feet.			
<b>Accepted by the Utah Division of Oil, Gas and Mining FOR RECORD ONLY September 23, 2014</b>			
<b>NAME (PLEASE PRINT)</b> Ellis Peterson		<b>PHONE NUMBER</b> 801 657-5780	<b>TITLE</b> Sr Petroleum Engineer
<b>SIGNATURE</b> N/A		<b>DATE</b> 9/23/2014	

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

**ENTITY ACTION FORM**

Operator: Summit Operating, LLC Operator Account Number: N 2315  
 Address: 10447 South Jordan Gateway  
city South Jordan  
state UT zip 84095 Phone Number: (801) 657-5780

**Well 1**

API Number	Well Name		QQ	Sec	Twp	Rng	County
4303750067	Cactus Park 8-23-36-24		SENE	23	36	24	San Juan
Action Code	Current Entity Number	New Entity Number	Spud Date		Entity Assignment Effective Date		
A			9/22/2014				
<b>Comments:</b> Spud							

**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		
<b>Comments:</b>							

**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		
<b>Comments:</b>							

**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)

Ellis Peterson

Name (Please Print)



Signature

Senior Petroleum Engineer

9/23/2014

Title

Date



<b>STATE OF UTAH</b> DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS, AND MINING		<b>FORM 9</b>
<b>SUNDRY NOTICES AND REPORTS ON WELLS</b>  Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.		<b>5. LEASE DESIGNATION AND SERIAL NUMBER:</b> Dalton et. al.
		<b>6. IF INDIAN, ALLOTTEE OR TRIBE NAME:</b>
<b>1. TYPE OF WELL</b> Gas Well		<b>7. UNIT or CA AGREEMENT NAME:</b>
<b>2. NAME OF OPERATOR:</b> SUMMIT OPERATING, LLC		<b>8. WELL NAME and NUMBER:</b> Cactus Park 8-23-36-24
<b>3. ADDRESS OF OPERATOR:</b> 1245 Brickyard Road, Suite 210, Salt Lake City, UT, 84106		<b>9. API NUMBER:</b> 43037500670000
<b>4. LOCATION OF WELL</b> <b>FOOTAGES AT SURFACE:</b> 1874 FNL 0974 FEL <b>QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN:</b> Qtr/Qtr: SENE Section: 23 Township: 36.0S Range: 24.0E Meridian: S		<b>9. FIELD and POOL or WILDCAT:</b> WILDCAT
		<b>COUNTY:</b> SAN JUAN
		<b>STATE:</b> 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 Approximate date work will start:	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> CASING REPAIR
<input type="checkbox"/> SUBSEQUENT REPORT Date of Work Completion:	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> CHANGE WELL NAME
<input type="checkbox"/> SPUD REPORT Date of Spud:	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> CONVERT WELL TYPE
<input checked="" type="checkbox"/> DRILLING REPORT Report Date: 10/7/2014	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> NEW CONSTRUCTION
	<input type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> PLUG BACK
	<input type="checkbox"/> PRODUCTION START OR RESUME	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input type="checkbox"/> RECOMPLETE DIFFERENT FORMATION
	<input type="checkbox"/> REPERFORATE CURRENT FORMATION	<input type="checkbox"/> SIDETRACK TO REPAIR WELL	<input type="checkbox"/> TEMPORARY ABANDON
	<input type="checkbox"/> TUBING REPAIR	<input type="checkbox"/> VENT OR FLARE	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> WATER SHUTOFF	<input type="checkbox"/> SI TA STATUS EXTENSION	<input type="checkbox"/> APD EXTENSION
	<input type="checkbox"/> WILDCAT WELL DETERMINATION	<input type="checkbox"/> OTHER	OTHER: <input style="width: 100px;" type="text"/>

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

A 20" hole was drilled to 40' and 14" conductor was set and cemented from 40' to surface. D& J Drilling Rig #1 moved in and started drilling operations on 9/27/2014. A 12-1/4" hole was drilled to 1080' and 8-5/8", 24#, J-55 casing was set at 1014' (Base of Navajo) and cemented to surface. Casing head and BOPE equipment was installed and pressure tested. A 7-7/8" hole was drilled to 4095'. Open-hole logs were run from TD to surface casing. The drill string was laid down and 5-1/2", 17#, J-55 production casing was run to 4086'. Production casing was cemented from TD to surface and casing slips were set with 10k over string weight. Drilling rig was released on 10/6/2014. Well is currently waiting on completion.

**Accepted by the  
Utah Division of  
Oil, Gas and Mining  
FOR RECORD ONLY  
October 09, 2014**

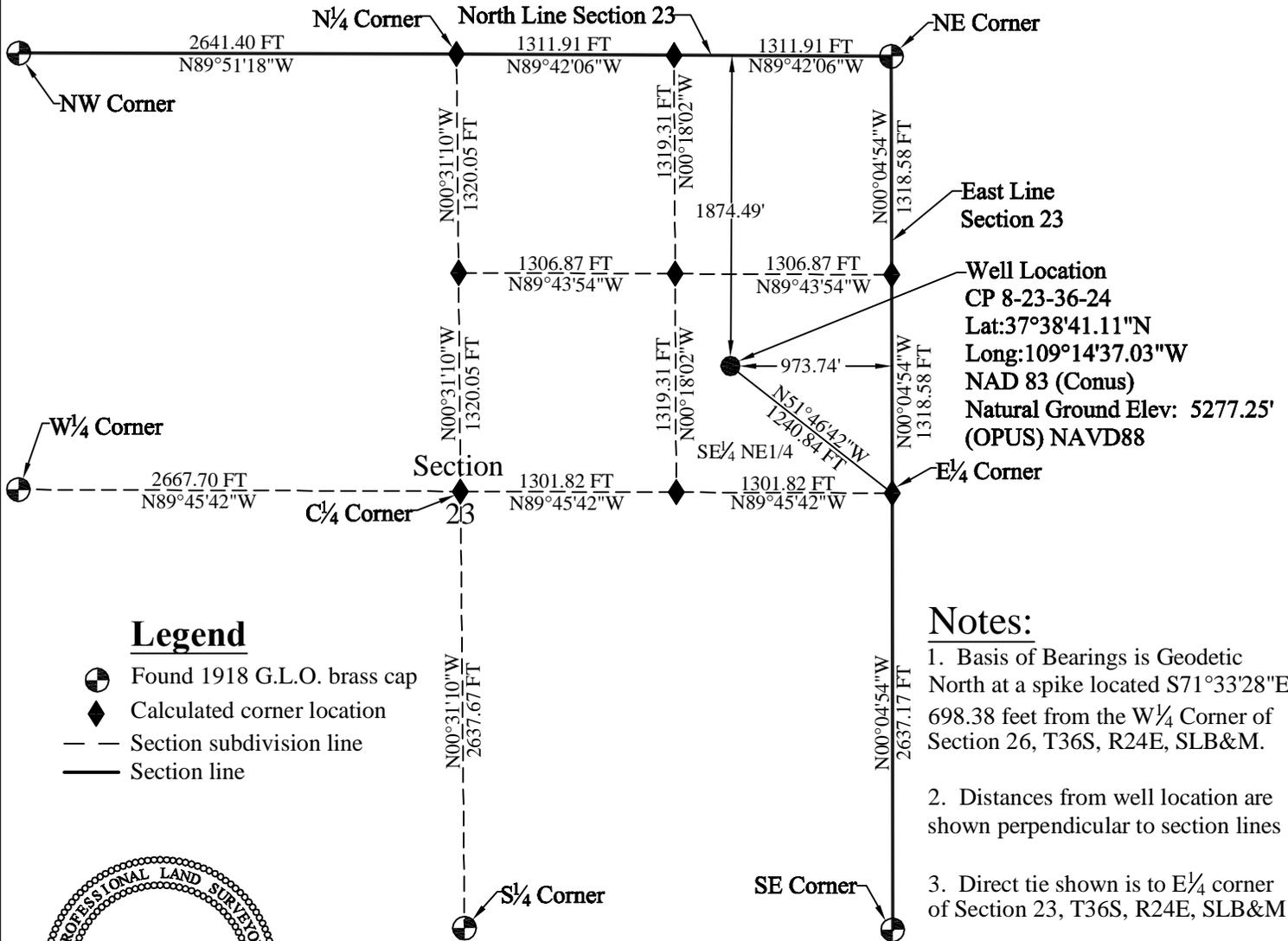
<b>NAME (PLEASE PRINT)</b> Ellis Peterson	<b>PHONE NUMBER</b> 801 657-5780	<b>TITLE</b> Sr Petroleum Engineer
<b>SIGNATURE</b> N/A	<b>DATE</b> 10/8/2014	

STATE OF UTAH DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS, AND MINING		FORM 9
<b>SUNDRY NOTICES AND REPORTS ON WELLS</b>  Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.		<b>5. LEASE DESIGNATION AND SERIAL NUMBER:</b> Dalton et. al.
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<b>1. TYPE OF WELL</b> Gas Well		<b>7. UNIT or CA AGREEMENT NAME:</b>
<b>2. NAME OF OPERATOR:</b> SUMMIT OPERATING, LLC		<b>8. WELL NAME and NUMBER:</b> Cactus Park 8-23-36-24
<b>3. ADDRESS OF OPERATOR:</b> 1245 Brickyard Road, Suite 210 , Salt Lake City, UT, 84106		<b>9. API NUMBER:</b> 43037500670000
<b>PHONE NUMBER:</b> 801-657-5780 Ext		<b>9. FIELD and POOL or WILDCAT:</b> WILDCAT
<b>4. LOCATION OF WELL</b> <b>FOOTAGES AT SURFACE:</b> 1874 FNL 0974 FEL <b>QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN:</b> Qtr/Qtr: SENE Section: 23 Township: 36.0S Range: 24.0E Meridian: S		<b>COUNTY:</b> SAN JUAN
		<b>STATE:</b> 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 Approximate date work will start:  <input checked="" type="checkbox"/> SUBSEQUENT REPORT Date of Work Completion: 10/8/2014  <input type="checkbox"/> SPUD REPORT Date of Spud:  <input type="checkbox"/> DRILLING REPORT Report Date:	<input type="checkbox"/> ACIDIZE  <input type="checkbox"/> CHANGE TO PREVIOUS PLANS  <input type="checkbox"/> CHANGE WELL STATUS  <input type="checkbox"/> DEEPEN  <input type="checkbox"/> OPERATOR CHANGE  <input type="checkbox"/> PRODUCTION START OR RESUME  <input type="checkbox"/> REPERFORATE CURRENT FORMATION  <input type="checkbox"/> TUBING REPAIR  <input type="checkbox"/> WATER SHUTOFF  <input type="checkbox"/> WILDCAT WELL DETERMINATION	<input type="checkbox"/> ALTER CASING  <input type="checkbox"/> CHANGE TUBING  <input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS  <input type="checkbox"/> FRACTURE TREAT  <input type="checkbox"/> PLUG AND ABANDON  <input type="checkbox"/> RECLAMATION OF WELL SITE  <input type="checkbox"/> SIDETRACK TO REPAIR WELL  <input type="checkbox"/> VENT OR FLARE  <input type="checkbox"/> SI TA STATUS EXTENSION  <input checked="" type="checkbox"/> OTHER
		<input type="checkbox"/> CASING REPAIR  <input type="checkbox"/> CHANGE WELL NAME  <input type="checkbox"/> CONVERT WELL TYPE  <input type="checkbox"/> NEW CONSTRUCTION  <input type="checkbox"/> PLUG BACK  <input type="checkbox"/> RECOMPLETE DIFFERENT FORMATION  <input type="checkbox"/> TEMPORARY ABANDON  <input type="checkbox"/> WATER DISPOSAL  <input type="checkbox"/> APD EXTENSION  OTHER: <input type="text" value="Elevation correction"/>
12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.		
<p>An error was discovered in the surface elevation on the original plat used for well planning and permitting. The corrected ground level elevation is 5277' as shown on the corrected plat enclosed herewith. Therefore the corrected KB elevation is 5294'. The corrected elevations of 5277' GL and 5294' KB should be applied to all previous documentation, including the headers on OH logs.</p>		
<p><b>Accepted by the Utah Division of Oil, Gas and Mining FOR RECORD ONLY October 09, 2014</b></p>		
<b>NAME (PLEASE PRINT)</b> Chris Pell	<b>PHONE NUMBER</b> 801 556-0353	<b>TITLE</b> Operations Engineer
<b>SIGNATURE</b> N/A	<b>DATE</b> 10/9/2014	

# Well Site Location - Cactus Park 8-23-36-24

## Summit Operating, LLC

Within the SE $\frac{1}{4}$  NE $\frac{1}{4}$  of Section 23, T36S, R24E, SLB&M  
San Juan County, Utah

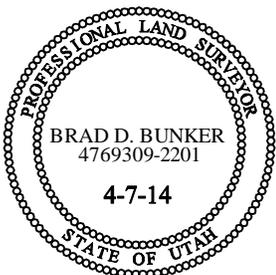


### Legend

- Found 1918 G.L.O. brass cap
- Calculated corner location
- Section subdivision line
- Section line

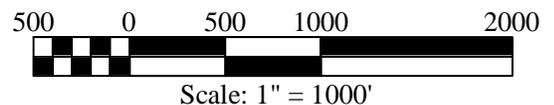
### Notes:

1. Basis of Bearings is Geodetic North at a spike located S71°33'28"E 698.38 feet from the W $\frac{1}{4}$  Corner of Section 26, T36S, R24E, SLB&M.
2. Distances from well location are shown perpendicular to section lines
3. Direct tie shown is to E $\frac{1}{4}$  corner of Section 23, T36S, R24E, SLB&M



### Surveyor's Certificate

I Brad D. Bunker, Professional Utah Land Surveyor, Number 4769309, hold a license in accordance with Title 58, Chapter 22, Professional Engineers and Land Surveyors Licensing Act as prescribed by the laws of the State of Utah. This survey has been completed under my direction for the well site shown hereon. I hereby certify all descriptions and measurements are correct.



Well Site Survey for <b>Summit Operating, LLC</b> Within the SE $\frac{1}{4}$ NE $\frac{1}{4}$ of Section 23, T36S, R24E, SLB&M San Juan County, Utah	<b>Bunker Engineering</b> 965 S. South Creek Rd, Monticello, UT 84535 P.O. Box 432, Monticello, UT 84535 (435) 459-9152	<u>Survey Reference</u> No. BE591a	Drawn by: B.D. Bunker
		<u>Drawing Name:</u> Well Site Location	Scale: 1" = 1000' Sheet 2 of 5

STATE OF UTAH DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS, AND MINING		FORM 9
<b>SUNDRY NOTICES AND REPORTS ON WELLS</b>  Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.		<b>5. LEASE DESIGNATION AND SERIAL NUMBER:</b> Dalton et. al.
		<b>6. IF INDIAN, ALLOTTEE OR TRIBE NAME:</b>
		<b>7. UNIT or CA AGREEMENT NAME:</b>
<b>1. TYPE OF WELL</b> Gas Well	<b>8. WELL NAME and NUMBER:</b> Cactus Park 8-23-36-24	
<b>2. NAME OF OPERATOR:</b> SUMMIT OPERATING, LLC		<b>9. API NUMBER:</b> 43037500670000
<b>3. ADDRESS OF OPERATOR:</b> 1245 Brickyard Road, Suite 210 , Salt Lake City, UT, 84106	<b>PHONE NUMBER:</b> 801-657-5780 Ext	<b>9. FIELD and POOL or WILDCAT:</b> WILDCAT
<b>4. LOCATION OF WELL</b> <b>FOOTAGES AT SURFACE:</b> 1874 FNL 0974 FEL <b>QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN:</b> Qtr/Qtr: SENE Section: 23 Township: 36.0S Range: 24.0E Meridian: S		<b>COUNTY:</b> SAN JUAN
		<b>STATE:</b> 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 Approximate date work will start:  <input type="checkbox"/> SUBSEQUENT REPORT Date of Work Completion:  <input type="checkbox"/> SPUD REPORT Date of Spud:  <input checked="" type="checkbox"/> DRILLING REPORT Report Date: 10/14/2014	<input type="checkbox"/> ACIDIZE  <input type="checkbox"/> CHANGE TO PREVIOUS PLANS  <input type="checkbox"/> CHANGE WELL STATUS  <input type="checkbox"/> DEEPEN  <input type="checkbox"/> OPERATOR CHANGE  <input type="checkbox"/> PRODUCTION START OR RESUME  <input type="checkbox"/> REPERFORATE CURRENT FORMATION  <input type="checkbox"/> TUBING REPAIR  <input type="checkbox"/> WATER SHUTOFF  <input type="checkbox"/> WILDCAT WELL DETERMINATION	
	<input type="checkbox"/> ALTER CASING  <input type="checkbox"/> CHANGE TUBING  <input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS  <input type="checkbox"/> FRACTURE TREAT  <input type="checkbox"/> PLUG AND ABANDON  <input type="checkbox"/> RECLAMATION OF WELL SITE  <input type="checkbox"/> SIDETRACK TO REPAIR WELL  <input type="checkbox"/> VENT OR FLARE  <input type="checkbox"/> SI TA STATUS EXTENSION  <input type="checkbox"/> OTHER	
	<input type="checkbox"/> CASING REPAIR  <input type="checkbox"/> CHANGE WELL NAME  <input type="checkbox"/> CONVERT WELL TYPE  <input type="checkbox"/> NEW CONSTRUCTION  <input type="checkbox"/> PLUG BACK  <input type="checkbox"/> RECOMPLETE DIFFERENT FORMATION  <input type="checkbox"/> TEMPORARY ABANDON  <input type="checkbox"/> WATER DISPOSAL  <input type="checkbox"/> APD EXTENSION  OTHER: <input style="width: 100px;" type="text"/>	
12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.		
<p>The captioned well was drilled as a vertical hole. The deviation survey record as provided by the drilling contractor is attached herewith.</p> <div style="text-align: right; margin-top: 20px;"> <p><b>Accepted by the Utah Division of Oil, Gas and Mining</b></p> <p><b>FOR RECORD ONLY</b></p> <p>October 22, 2014</p> </div>		
<b>NAME (PLEASE PRINT)</b> Chris Pell	<b>PHONE NUMBER</b> 801 556-0353	<b>TITLE</b> Operations Engineer
<b>SIGNATURE</b> N/A	<b>DATE</b> 10/21/2014	

RECEIVED OCT 20 2014

D & J DRILLING, LLC  
P. O. BOX 49  
FARMINGTON, NM 87499



ORIGINAL

DATE: 10/14/14

TO: SUMMIT OPERATING L.L.C.  
10447 SOUTH JORDAN GATEWAY  
SOUTH JORDAN, UT 84095

ATTN: MR. ELLIS PETERSON

THIS LETTER IS TO CERTIFY THAT D & J DRILLING, DID RUN DEVIATION SURVEYS AT THE LISTED DEPTH ON YOUR CACTUS RANCH #8-23-36-24, IN SEC23-T36S-R24E, IN SAN JUAN COUNTY, UTAH. API WELL NUMBER - 43-037-50067

DEPTH	DEGREE DEVIATION
200'	1/4
444'	1 1/2
683'	3/4
960'	3/4
1500'	1
1973'	1 1/4
2505'	5
3008'	1/2
3441'	1/2
4024'	1 1/4

TO THE BEST OF MY KNOWLEDGE, I SWEAR THIS INFORMATION TO BE TRUE.

STATE OF NEW MEXICO  
COUNTY OF SAN JUAN

*L. Nanette Rahm*  
\_\_\_\_\_  
NOTARY PUBLIC, L. NANETTE RAHM

SINCERELY,

*Clarence D. Keenom*  
\_\_\_\_\_  
OWNER- CLARENCE D. KEENOM



STATE OF UTAH DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS, AND MINING		FORM 9	
<b>SUNDRY NOTICES AND REPORTS ON WELLS</b>  Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.		<b>5. LEASE DESIGNATION AND SERIAL NUMBER:</b> Dalton et. al.	
		<b>6. IF INDIAN, ALLOTTEE OR TRIBE NAME:</b>	
<b>1. TYPE OF WELL</b> Gas Well		<b>7. UNIT or CA AGREEMENT NAME:</b>	
<b>2. NAME OF OPERATOR:</b> SUMMIT OPERATING, LLC		<b>8. WELL NAME and NUMBER:</b> Cactus Park 8-23-36-24	
<b>3. ADDRESS OF OPERATOR:</b> 1245 Brickyard Road, Suite 210, Salt Lake City, UT, 84106		<b>9. API NUMBER:</b> 43037500670000	
<b>PHONE NUMBER:</b> 801-657-5780 Ext		<b>9. FIELD and POOL or WILDCAT:</b> WILDCAT	
<b>4. LOCATION OF WELL</b> <b>FOOTAGES AT SURFACE:</b> 1874 FNL 0974 FEL <b>QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN:</b> Qtr/Qtr: SENE Section: 23 Township: 36.0S Range: 24.0E Meridian: S		<b>COUNTY:</b> SAN JUAN	
		<b>STATE:</b> 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 Approximate date work will start:  <input type="checkbox"/> SUBSEQUENT REPORT Date of Work Completion:  <input type="checkbox"/> SPUD REPORT Date of Spud:  <input checked="" type="checkbox"/> DRILLING REPORT Report Date: 11/3/2014	<input type="checkbox"/> ACIDIZE  <input type="checkbox"/> CHANGE TO PREVIOUS PLANS  <input type="checkbox"/> CHANGE WELL STATUS  <input type="checkbox"/> DEEPEN  <input type="checkbox"/> OPERATOR CHANGE  <input type="checkbox"/> PRODUCTION START OR RESUME  <input type="checkbox"/> REPERFORATE CURRENT FORMATION  <input type="checkbox"/> TUBING REPAIR  <input type="checkbox"/> WATER SHUTOFF  <input type="checkbox"/> WILDCAT WELL DETERMINATION	<input type="checkbox"/> ALTER CASING  <input type="checkbox"/> CHANGE TUBING  <input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS  <input type="checkbox"/> FRACTURE TREAT  <input type="checkbox"/> PLUG AND ABANDON  <input type="checkbox"/> RECLAMATION OF WELL SITE  <input type="checkbox"/> SIDETRACK TO REPAIR WELL  <input type="checkbox"/> VENT OR FLARE  <input type="checkbox"/> SI TA STATUS EXTENSION  <input type="checkbox"/> OTHER	<input type="checkbox"/> CASING REPAIR  <input type="checkbox"/> CHANGE WELL NAME  <input type="checkbox"/> CONVERT WELL TYPE  <input type="checkbox"/> NEW CONSTRUCTION  <input type="checkbox"/> PLUG BACK  <input type="checkbox"/> RECOMPLETE DIFFERENT FORMATION  <input type="checkbox"/> TEMPORARY ABANDON  <input type="checkbox"/> WATER DISPOSAL  <input type="checkbox"/> APD EXTENSION  OTHER: <input style="width: 100px;" type="text"/>
12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.			
<p>Moved in a completion rig with pump and tank. NU BOP. Ran a 4-3/4" bit and 5-1/2" casing scraper to PBTD and circulated hole full of 4% KCl equivalent completion fluid. Ran a CBL-GR log from wireline PTD of 4028' KB to surface. Top of cement is at surface. RIH with tubing and swabbed fluid level in casing down to 1000'. POOH with tubing. Perforated Honaker Trail Formation at 3982' – 3990' with 48 holes. Positioned and detonated a 2-3/8" GasGun. RIH with and landed 2-3/8" tubing at 3976' KB. ND BOP and NU wellhead. Swabbed well to establish gas flow and flowed well for 24 hours on 16/64" choke with final tubing pressure of 270 psi and casing pressure of 360 psi. Moved out completion rig. Shut well in until pressure and flow testing can be conducted to determine pipeline requirements.</p>			
<b>NAME (PLEASE PRINT)</b> Ellis Peterson		<b>PHONE NUMBER</b> 801 657-5780	<b>TITLE</b> Sr Petroleum Engineer
<b>SIGNATURE</b> N/A		<b>DATE</b> 11/3/2014	

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

AMENDED REPORT  FORM 8  
(highlight changes)

<b>WELL COMPLETION OR RECOMPLETION REPORT AND LOG</b>		5. LEASE DESIGNATION AND SERIAL NUMBER:
1a. TYPE OF WELL: OIL WELL <input type="checkbox"/> GAS WELL <input type="checkbox"/> DRY <input type="checkbox"/> OTHER _____		6. IF INDIAN, ALLOTTEE OR TRIBE NAME
b. TYPE OF WORK: NEW WELL <input type="checkbox"/> HORIZ. LATS. <input type="checkbox"/> DEEP-EN <input type="checkbox"/> RE-ENTRY <input type="checkbox"/> DIFF. RESVR. <input type="checkbox"/> OTHER _____		7. UNIT or CA AGREEMENT NAME
2. NAME OF OPERATOR:		8. WELL NAME and NUMBER:
3. ADDRESS OF OPERATOR: CITY _____ STATE _____ ZIP _____ PHONE NUMBER: _____		9. API NUMBER:
4. LOCATION OF WELL (FOOTAGES) AT SURFACE:  AT TOP PRODUCING INTERVAL REPORTED BELOW:  AT TOTAL DEPTH:		10 FIELD AND POOL, OR WILDCAT
		11. QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN:
		12. COUNTY _____ 13. STATE <b>UTAH</b>

14. DATE SPUDDED:	15. DATE T.D. REACHED:	16. DATE COMPLETED: _____ ABANDONED <input type="checkbox"/> READY TO PRODUCE <input type="checkbox"/>	17. ELEVATIONS (DF, RKB, RT, GL):
18. TOTAL DEPTH: MD _____ TVD _____	19. PLUG BACK T.D.: MD _____ TVD _____	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)		23. WAS WELL CORED? NO <input type="checkbox"/> YES <input type="checkbox"/> (Submit analysis) WAS DST RUN? NO <input type="checkbox"/> YES <input type="checkbox"/> (Submit report) DIRECTIONAL SURVEY? NO <input type="checkbox"/> YES <input type="checkbox"/> (Submit copy)	

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

HOLE SIZE	SIZE/GRADE	WEIGHT (#/ft.)	TOP (MD)	BOTTOM (MD)	STAGE CEMENTER DEPTH	CEMENT TYPE & NO. OF SACKS	SLURRY VOLUME (BBL)	CEMENT TOP **	AMOUNT PULLED

**25. TUBING RECORD**

SIZE	DEPTH SET (MD)	PACKER SET (MD)	SIZE	DEPTH SET (MD)	PACKER SET (MD)	SIZE	DEPTH SET (MD)	PACKER SET (MD)

26. PRODUCING INTERVALS					27. PERFORATION RECORD				
FORMATION NAME	TOP (MD)	BOTTOM (MD)	TOP (TVD)	BOTTOM (TVD)	INTERVAL (Top/Bot - MD)	SIZE	NO. HOLES	PERFORATION STATUS	
(A)								Open <input type="checkbox"/>	Squeezed <input type="checkbox"/>
(B)								Open <input type="checkbox"/>	Squeezed <input type="checkbox"/>
(C)								Open <input type="checkbox"/>	Squeezed <input type="checkbox"/>
(D)								Open <input type="checkbox"/>	Squeezed <input type="checkbox"/>

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

WAS WELL HYDRAULICALLY FRACTURED? YES  NO  IF YES -- DATE FRACTURED: \_\_\_\_\_

DEPTH INTERVAL	AMOUNT AND TYPE OF MATERIAL

29. ENCLOSED ATTACHMENTS:	30. WELL STATUS:
<input type="checkbox"/> ELECTRICAL/MECHANICAL LOGS <input type="checkbox"/> GEOLOGIC REPORT <input type="checkbox"/> DST REPORT <input type="checkbox"/> DIRECTIONAL SURVEY <input type="checkbox"/> SUNDRY NOTICE FOR PLUGGING AND CEMENT VERIFICATION <input type="checkbox"/> CORE ANALYSIS <input type="checkbox"/> OTHER: _____	

**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)

**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) \_\_\_\_\_ TITLE \_\_\_\_\_  
 SIGNATURE Chris R. Pell \_\_\_\_\_ DATE \_\_\_\_\_

This report must be submitted within 30 days of

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

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

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

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

Phone: 801-538-5340

Fax: 801-359-3940

# Schlumberger

## Routine Core Analysis Report

**Prepared for: Summit Operating, LLC**

Formation: Honaker Trail/Cutler

Well: Cactus Park 8-23-36-24

Basin: Paradox Basin

Location: San Juan County, Utah

Schlumberger Confidential

Prepared by:

Schlumberger Reservoir Laboratories  
6350 W. Sam Houston Parkway N, Suite 200  
Houston, Texas 77041, USA  
(713) 482-0700

Date: Oct 24 2014

Project No: 811195

Client: Summit Operating, LLC  
 Well: Cactus Park 8-23-36-24  
 Project No: 811195

Formation: Honaker Trail/Cutler  
 Location: San Juan County, Utah  
 Basin: Paradox Basin



## Quality Assurance Process

Schlumberger is committed to providing unsurpassed services in reservoir sampling and analyses while maintaining high standards of safety and quality. Our objective is to deliver the most accurate and reliable sampling processes and fluid and rock property measurements available in the industry. This objective requires persistent innovation and ongoing development of state-of-the-art technologies and equipment.

A rigorous quality assurance program, continuous employee training and enforcement of strict safety standards maintain our compliance with quality, health, safety, and environment (QHSE) requirements. Proactive integration of QHSE objectives and management goals at every level supports the communication and implementation of QHSE policies and standards. Schlumberger requires that qualified engineering technologists perform all laboratory measurements according to specified analytical procedures designed for obtaining accurate and reliable data.

The lab-generated data undergo the following five levels of quality checks to establish the integrity of the reported results.

- a) Establish quality of measurement during data generation.
- b) Lab supervisor and manager confirm the overall quality of the generated data.
- c) Project manager reviews and processes generated data and generates reports.
- d) Technical advisors confirm consistency of reported data.
- e) Project manager finalizes reports.

Hence, the completion of each project requires that a qualified and experienced team of engineers perform a variety of independent reviews of all technical data to confirm the consistency and accuracy of the report as per pre-established quality checklists designed for each operation and based on the level of complexity. All property measurements and calculation procedures are maintained in company archives for a period of one year. This information is available for review by clients upon request.

The file and laboratory records information is listed below to provide access reference to all records related to this project. For any questions, please do not hesitate to contact the undersigned project manager.

File No.: 811195

### Laboratory Procedures

Micah Alexander  
 Routine Core Analysis Supervisor

### Reviewed by

X	Leslie Zhang	Project Manager
X	Debbie Steele	Project Manager

### Project Management

Meghan Armbruster  
 Project Engineer

Client: Summit Operating, LLC  
Well: Cactus Park 8-23-36-24  
Project No: 811195

Formation: Honaker Trail/Cutler  
Location: San Juan County, Utah  
Basin: Paradox Basin



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Client: Summit Operating, LLC  
Well: Cactus Park 8-23-36-24  
Project No: 811195

Formation: Honaker Trail/Cutler  
Location: San Juan County, Utah  
Basin: Paradox Basin



## Routine Core Analysis Summary

Thirteen sidewall plugs were received from Summit Operating's Cactus Park 8-23-36-24 well, located in the Paradox basin in San Juan County, Utah, at Schlumberger Reservoir Laboratory in Houston, Texas. The sidewall plugs target the Honaker Trail and Cutler formations. Of the thirteen sidewall plugs, plug 11 with a depth of 3736.0 feet was broken into five 0.25 inch discs.

All of the sidewall plugs were Dean-Stark extracted for fluid saturation and were dried in convection oven at 116 degC until the weights stabilized. Afterwards, they were kept in a desiccator when not being tested.

Air permeability and porosity were measured using a CoreTest AP-608 based on the unsteady-state pulse decay method at a confining pressure of 800 psi. Grain volumes were measured using helium expansion at ambient conditions based on Boyle's Law. Bulk volume was calculated by the summation of pore volume and grain volume. Porosity was determined from the calculated bulk volume.

Quality control checks are performed every fifth sample. Grain density is checked with a quartz based Berea plug with a grain density of 2.65 g/cc. The check plug is run every fifth sample. The AP-608 has a set of test plugs supplied by CoreTest. The appropriate size plug is run daily prior to starting client plug measurements. Permeability is checked using a stainless steel check plug of known permeability similar to the client plug permeability. Every fifth client plug is re-run to check repeatability.

The routine core properties are summarized in Table 1. The permeability-porosity relationship is shown in Figure 1.

Client: Summit Operating, LLC  
 Well: Cactus Park 8-23-36-24  
 Project No: 811195

Formation: Honaker Trail/Cutler  
 Location: San Juan County, Utah  
 Basin: Paradox Basin



**Table 1. Routine Core Analysis Summary**

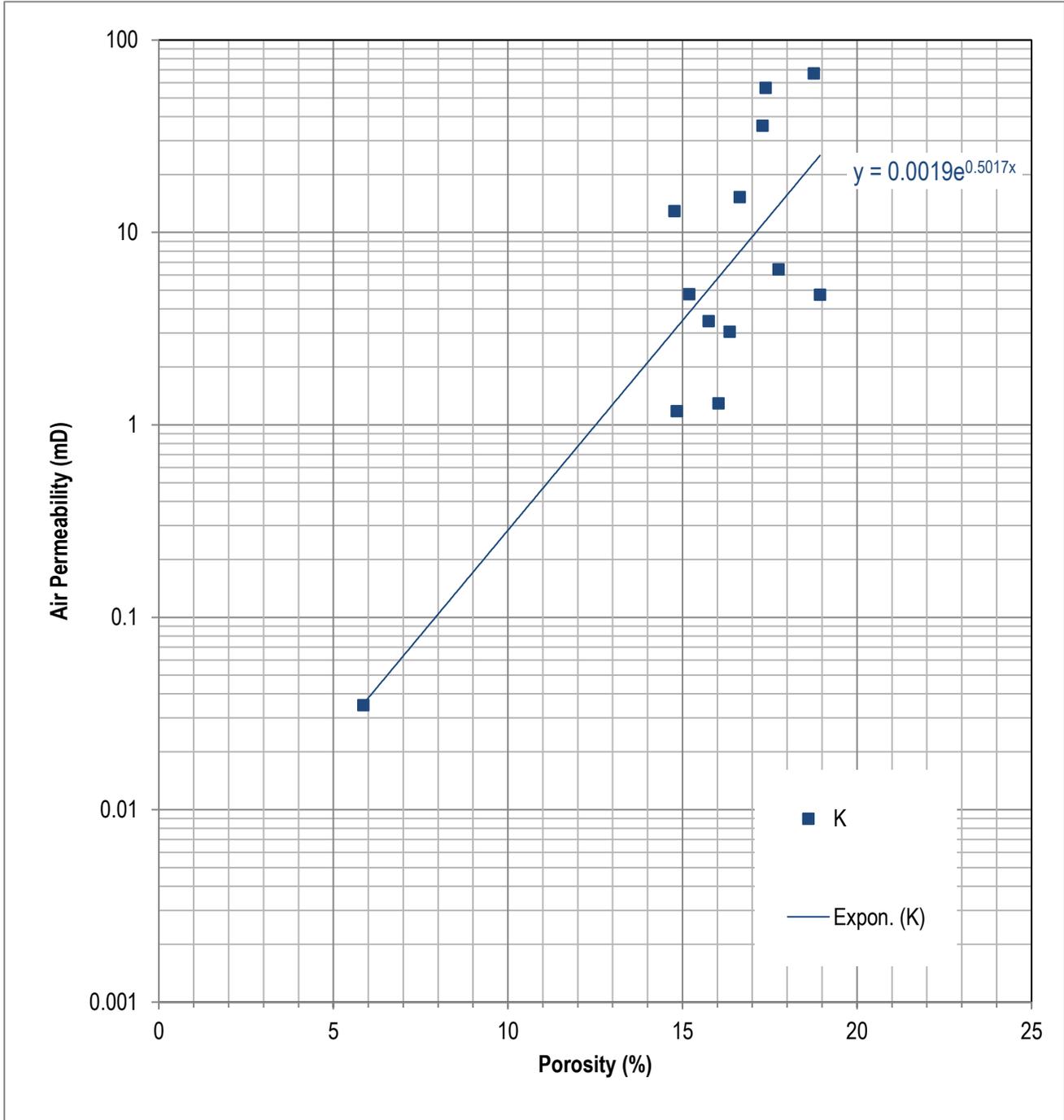
Sample ID	Depth (ft)	Length (cm)	Diameter (cm)	Grain Density (g/cm <sup>3</sup> )	Helium Porosity (%)	Air Permeability (mD)	Klinkenberg Permeability (mD)	Saturation	
								Oil (% PV)	Water (% PV)
13	3674.0	3.428	3.794	2.75	17.8	6.42	5.85	76.3	14.5
12	3675.0	3.018	3.797	2.63	17.3	35.9	34.3	60.2	25.4
11	3736.0	3.212	3.802	2.64	18.9	4.75	4.28	48.2	27.8
10	3737.0	3.873	3.800	2.64	16.0	1.29	1.08	78.7	14.2
9	3836.0	3.296	3.798	2.63	17.4	56.3	54.3	56.2	23.1
8	3837.0	3.118	3.796	2.63	18.8	67.1	64.8	48.3	30.2
7	3983.0	4.091	3.791	2.66	5.9	0.035	0.008	48.1	37.1
6	3984.0	3.851	3.796	2.66	14.8	1.18	0.708	58.5	23.2
5	3985.0	3.620	3.801	2.65	15.8	3.47	3.07	50.0	30.9
4	3986.0	2.993	3.805	2.64	16.6	15.2	14.3	68.9	17.7
3	3987.0	3.470	3.800	2.64	14.8	12.9	12.0	59.6	17.2
2	3988.0	3.019	3.701	2.64	15.2	4.78	4.30	58.0	20.3
1	3989.0	3.188	3.790	2.65	16.4	3.05	2.69	69.2	17.0

Client: Summit Operating, LLC  
Well: Cactus Park 8-23-36-24  
Project No: 811195

Formation: Honaker Trail/Cutler  
Location: San Juan County, Utah  
Basin: Paradox Basin



Figure 1. Permeability v. Porosity Cross Plot



<b>STATE OF UTAH</b> DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS, AND MINING	<b>FORM 9</b>
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<b>3. ADDRESS OF OPERATOR:</b> 1245 Brickyard Road, Suite 210 , Salt Lake City, UT, 84106	<b>PHONE NUMBER:</b> 801-657-5780 Ext
<b>4. LOCATION OF WELL</b> <b>FOOTAGES AT SURFACE:</b> 1874 FNL 0974 FEL <b>QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN:</b> Qtr/Qtr: SENE Section: 23 Township: 36.0S Range: 24.0E Meridian: S	<b>9. FIELD and POOL or WILDCAT:</b> WILDCAT
	<b>COUNTY:</b> SAN JUAN
	<b>STATE:</b> UTAH

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

TYPE OF SUBMISSION	TYPE OF ACTION		
<input checked="" type="checkbox"/> <b>NOTICE OF INTENT</b> Approximate date work will start: 4/22/2015	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> CASING REPAIR
<input type="checkbox"/> <b>SUBSEQUENT REPORT</b> Date of Work Completion:	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> CHANGE WELL NAME
<input type="checkbox"/> <b>SPUD REPORT</b> Date of Spud:	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> CONVERT WELL TYPE
<input type="checkbox"/> <b>DRILLING REPORT</b> Report Date:	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> NEW CONSTRUCTION
	<input type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> PLUG BACK
	<input type="checkbox"/> PRODUCTION START OR RESUME	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input type="checkbox"/> RECOMPLETE DIFFERENT FORMATION
	<input type="checkbox"/> REPERFORATE CURRENT FORMATION	<input type="checkbox"/> SIDETRACK TO REPAIR WELL	<input type="checkbox"/> TEMPORARY ABANDON
	<input type="checkbox"/> TUBING REPAIR	<input type="checkbox"/> VENT OR FLARE	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> WATER SHUTOFF	<input type="checkbox"/> SI TA STATUS EXTENSION	<input type="checkbox"/> APD EXTENSION
	<input type="checkbox"/> WILDCAT WELL DETERMINATION	<input checked="" type="checkbox"/> OTHER	OTHER: <input type="text" value="Reclaim Reserve Pit"/>

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

Permission is hereby requested to reclaim the reserve pit contents at this well as follows: 1) Remove pit liner from empty side of pit; 2) Move all pit contents (estimated 200 CY) to other side of pit and remove remaining pit liner; 3) Dig additional pit area as needed for dilution material; 4) Mix pit contents and native pit fill to 13:1 dilution, back fill pit with diluted mixture, and compact fill; and 5) Cover the back filled mixture with three feet of uncontaminated soil. The entire drilling pad location except for a bermed immediately surrounding the well will then be restored to its original state and replanted with a land owner approved seed mix. Diluting the pit contents with 13 volumes of adjacent soil will reduce the salt concentration and all other acceptability parameters to below appropriate limits.

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

**Date:** May 21, 2015  
**By:** 

**Please Review Attached Conditions of Approval**

<b>NAME (PLEASE PRINT)</b> Ellis Peterson	<b>PHONE NUMBER</b> 801 657-5780	<b>TITLE</b> Sr Petroleum Engineer
<b>SIGNATURE</b> N/A	<b>DATE</b> 4/15/2015	



**The Utah Division of Oil, Gas, and Mining**

- State of Utah
- Department of Natural Resources

**Electronic Permitting System - Sundry Notices**

**Sundry Conditions of Approval Well Number 43037500670000**

**The entire liner needs to be removed from the pit and disposed of in a proper manner.**

Chris Pell  
Golden State Operating, LLC  
10447 S Jordan Gateway  
South Jordan, UT 84095  
TEL: (801) 441-3082

RE: Cactus Park 8-23-36-24

Dear Chris Pell:

Lab Set ID: 1503289

American West Analytical Laboratories received 2 sample(s) on 3/17/2015 for the analyses presented in the following report.

American West Analytical Laboratories (AWAL) is accredited by The National Environmental Laboratory Accreditation Program (NELAP) in Utah and Texas; and is state accredited in Colorado, Idaho, New Mexico, and Missouri.

All analyses were performed in accordance to the NELAP protocols unless noted otherwise. Accreditation scope documents are available upon request. If you have any questions or concerns regarding this report please feel free to call.

The abbreviation "Surr" found in organic reports indicates a surrogate compound that is intentionally added by the laboratory to determine sample injection, extraction, and/or purging efficiency. The "Reporting Limit" found on the report is equivalent to the practical quantitation limit (PQL). This is the minimum concentration that can be reported by the method referenced and the sample matrix. The reporting limit must not be confused with any regulatory limit. Analytical results are reported to three significant figures for quality control and calculation purposes.

Thank You,

Approved by: \_\_\_\_\_  
Laboratory Director or designee

**INORGANIC ANALYTICAL REPORT**

**Client:** Golden State Operating, LLC **Contact:** Chris Pell  
**Project:** Cactus Park 8-23-36-24  
**Lab Sample ID:** 1503289-001  
**Client Sample ID:** CP 8-23-36-24 Reserve Pit  
**Collection Date:** 3/17/2015 830h  
**Received Date:** 3/17/2015 1420h

**Analytical Results****TOTAL METALS**

<b>Compound</b>	<b>Units</b>	<b>Date Prepared</b>	<b>Date Analyzed</b>	<b>Method Used</b>	<b>Reporting Limit</b>	<b>Analytical Result</b>	<b>Qual</b>
Calcium	mg/kg-dry	3/17/2015 1614h	3/26/2015 1223h	SW6010C	2,410	<b>66,400</b>	
Magnesium	mg/kg-dry	3/17/2015 1614h	3/26/2015 1223h	SW6010C	2,410	<b>13,800</b>	
Potassium	mg/kg-dry	3/17/2015 1614h	3/18/2015 811h	SW6010C	241	<b>5,760</b>	
Sodium	mg/kg-dry	3/17/2015 1614h	3/26/2015 1223h	SW6010C	2,410	<b>14,600</b>	

**INORGANIC ANALYTICAL REPORT**

**Client:** Golden State Operating, LLC **Contact:** Chris Pell  
**Project:** Cactus Park 8-23-36-24  
**Lab Sample ID:** 1503289-002  
**Client Sample ID:** Wagon Rod Topsoil  
**Collection Date:** 3/17/2015 830h  
**Received Date:** 3/17/2015 1420h

**Analytical Results****TOTAL METALS**

<b>Compound</b>	<b>Units</b>	<b>Date Prepared</b>	<b>Date Analyzed</b>	<b>Method Used</b>	<b>Reporting Limit</b>	<b>Analytical Result</b>	<b>Qual</b>
Calcium	mg/kg-dry	3/17/2015 1614h	3/26/2015 1225h	SW6010C	1,230	<b>18,300</b>	
Magnesium	mg/kg-dry	3/17/2015 1614h	3/18/2015 813h	SW6010C	123	<b>6,150</b>	
Potassium	mg/kg-dry	3/17/2015 1614h	3/26/2015 1225h	SW6010C	1,230	<b>5,770</b>	
Sodium	mg/kg-dry	3/17/2015 1614h	3/26/2015 2037h	SW6010C	123	<b>246</b>	

**INORGANIC ANALYTICAL REPORT**

**Client:** Golden State Operating, LLC **Contact:** Chris Pell  
**Project:** Cactus Park 8-23-36-24  
**Lab Sample ID:** 1503289-001  
**Client Sample ID:** CP 8-23-36-24 Reserve Pit  
**Collection Date:** 3/17/2015 830h  
**Received Date:** 3/17/2015 1420h

**Analytical Results**

Compound	Units	Date Prepared	Date Analyzed	Method Used	Reporting Limit	Analytical Result	Qual
Bicarbonate (as CaCO <sub>3</sub> )	mg/kg-dry		3/18/2015 700h	SM2320B	23.8	<b>85.1</b>	
Carbonate (as CaCO <sub>3</sub> )	mg/kg-dry		3/18/2015 700h	SM2320B	23.8	<b>128</b>	
Chloride	mg/kg-dry		3/23/2015 1419h	SW9251	1,190	<b>9,150</b>	
Conductivity	µmhos/cm		3/18/2015 617h	SW9050A	10.0	<b>17,100</b>	&
ESP			3/29/2015	Calc.	-10	<b>16</b>	
Nitrate/Nitrite (as N)	mg/kg-dry		3/27/2015 1733h	E353.2	0.0238	< 0.0238	&
pH @ 25° C	pH Units		3/17/2015 1823h	SW9045D	1.00	<b>10.4</b>	
SGT-HEM/Non-Polar Material	mg/kg-dry		3/24/2015 1400h	E1664B-SGTMod.	357	<b>380</b>	
Sodium Adsorption Ratio			3/29/2015 1229h	Calc.	0.0100	<b>13.4</b>	
Sulfate	mg/kg-dry		3/19/2015 642h	SM4500-SO4-E	594	<b>2,610</b>	&

& - Analysis is performed on a 1:1 DI water extract for soils.

**INORGANIC ANALYTICAL REPORT**

**Client:** Golden State Operating, LLC **Contact:** Chris Pell  
**Project:** Cactus Park 8-23-36-24  
**Lab Sample ID:** 1503289-002  
**Client Sample ID:** Wagon Rod Topsoil  
**Collection Date:** 3/17/2015 830h  
**Received Date:** 3/17/2015 1420h

**Analytical Results**

Compound	Units	Date Prepared	Date Analyzed	Method Used	Reporting Limit	Analytical Result	Qual
Bicarbonate (as CaCO <sub>3</sub> )	mg/kg-dry		3/18/2015 700h	SM2320B	11.5	<b>87.8</b>	
Carbonate (as CaCO <sub>3</sub> )	mg/kg-dry		3/18/2015 700h	SM2320B	11.5	< 11.5	
Chloride	mg/kg-dry		3/23/2015 1400h	SW9251	5.77	<b>94.3</b>	<sup>1</sup>
Conductivity	µmhos/cm		3/18/2015 617h	SW9050A	10.0	<b>848</b>	&
ESP			3/29/2015	Calc.	-10	<b>-0.68</b>	
Nitrate/Nitrite (as N)	mg/kg-dry		3/27/2015 1740h	E353.2	0.115	<b>0.986</b>	&
pH @ 25° C	pH Units		3/17/2015 1823h	SW9045D	1.00	<b>8.33</b>	
Sodium Adsorption Ratio			3/29/2015 1229h	Calc.	0.0100	<b>0.401</b>	
Sulfate	mg/kg-dry		3/19/2015 642h	SM4500-SO4-E	5.77	<b>21.2</b>	&

& - Analysis is performed on a 1:1 DI water extract for soils.

<sup>1</sup> - Matrix spike recovery indicates matrix interference. The method is in control as indicated by the LCS.

**QC SUMMARY REPORT****Client:** Golden State Operating, LLC**Contact:** Chris Pell**Lab Set ID:** 1503289**Dept:** ME**Project:** Cactus Park 8-23-36-24**QC Type:** LCS

Analyte	Result	Units	Method	MDL	Reporting Limit	Amount Spiked	Spike Ref. Amount	%REC	Limits	RPD Ref. Amt	% RPD	RPD Limit	Qual
<b>Lab Sample ID:</b> LCS-36087	Date Analyzed:	03/18/2015	757h										
Test Code: 6010C-S	Date Prepared:	03/17/2015	1614h										
Calcium	1,040	mg/kg	SW6010C	2.37	100	1,000	0	104	80 - 120				
Magnesium	1,010	mg/kg	SW6010C	10.5	100	1,000	0	101	80 - 120				
Potassium	1,010	mg/kg	SW6010C	20.3	100	1,000	0	101	80 - 120				
<b>Lab Sample ID:</b> LCS-36087	Date Analyzed:	03/26/2015	1215h										
Test Code: 6010C-S	Date Prepared:	03/17/2015	1614h										
Sodium	1,020	mg/kg	SW6010C	7.71	100	1,000	0	102	80 - 120				

**QC SUMMARY REPORT****Client:** Golden State Operating, LLC**Contact:** Chris Pell**Lab Set ID:** 1503289**Dept:** ME**Project:** Cactus Park 8-23-36-24**QC Type:** MBLK

Analyte	Result	Units	Method	MDL	Reporting Limit	Amount Spiked	Spike Ref. Amount	%REC	Limits	RPD Ref. Amt	% RPD	RPD Limit	Qual
<b>Lab Sample ID:</b> MB-36087	Date Analyzed:	03/18/2015	755h										
Test Code: 6010C-S	Date Prepared:	03/17/2015	1614h										
Calcium	< 100	mg/kg	SW6010C	2.37	100								
Magnesium	< 100	mg/kg	SW6010C	10.5	100								
Potassium	< 100	mg/kg	SW6010C	20.3	100								
<b>Lab Sample ID:</b> MB-36087	Date Analyzed:	03/26/2015	1213h										
Test Code: 6010C-S	Date Prepared:	03/17/2015	1614h										
Sodium	< 100	mg/kg	SW6010C	7.71	100								

**QC SUMMARY REPORT****Client:** Golden State Operating, LLC**Contact:** Chris Pell**Lab Set ID:** 1503289**Dept:** ME**Project:** Cactus Park 8-23-36-24**QC Type:** MS

Analyte	Result	Units	Method	MDL	Reporting Limit	Amount Spiked	Spike Ref. Amount	%REC	Limits	RPD Ref. Amt	% RPD	RPD Limit	Qual
<b>Lab Sample ID:</b> 1503279-001AMS	Date Analyzed:	03/18/2015	805h										
Test Code:	6010C-S	Date Prepared:	03/17/2015	1614h									
Calcium	62,000	mg/kg-dry	SW6010C	2.67	112	1,125	68700	-594	75 - 125				3
Magnesium	14,500	mg/kg-dry	SW6010C	11.8	112	1,125	13200	117	75 - 125				
Potassium	8,260	mg/kg-dry	SW6010C	22.8	112	1,125	7180	95.8	75 - 125				
<b>Lab Sample ID:</b> 1503279-001AMS	Date Analyzed:	03/26/2015	1219h										
Test Code:	6010C-S	Date Prepared:	03/17/2015	1614h									
Sodium	3,250	mg/kg-dry	SW6010C	173	2,250	1,125	2000	111	75 - 125				

<sup>3</sup> - Matrix spike recoveries and/or high RPDs indicate suspected sample non-homogeneity. The method is in control as indicated by the LCS.

**QC SUMMARY REPORT****Client:** Golden State Operating, LLC**Contact:** Chris Pell**Lab Set ID:** 1503289**Dept:** ME**Project:** Cactus Park 8-23-36-24**QC Type:** MSD

Analyte	Result	Units	Method	MDL	Reporting Limit	Amount Spiked	Spike Ref. Amount	%REC	Limits	RPD Ref. Amt	% RPD	RPD Limit	Qual
<b>Lab Sample ID:</b> 1503279-001AMSD	Date Analyzed:	03/18/2015	807h										
Test Code: 6010C-S	Date Prepared:	03/17/2015	1614h										
Calcium	67,500	mg/kg-dry	SW6010C	2.68	113	1,130	68700	-113	75 - 125	62000	8.35	20	<sup>3</sup>
Magnesium	14,900	mg/kg-dry	SW6010C	11.9	113	1,130	13200	157	75 - 125	14500	3.11	20	<sup>3</sup>
Potassium	8,580	mg/kg-dry	SW6010C	22.9	113	1,130	7180	124	75 - 125	8260	3.86	20	
<b>Lab Sample ID:</b> 1503279-001AMSD	Date Analyzed:	03/26/2015	1221h										
Test Code: 6010C-S	Date Prepared:	03/17/2015	1614h										
Sodium	3,060	mg/kg-dry	SW6010C	174	2,260	1,130	2000	93.6	75 - 125	3250	5.92	20	

<sup>3</sup> - Matrix spike recoveries and/or high RPDs indicate suspected sample non-homogeneity. The method is in control as indicated by the LCS.

**QC SUMMARY REPORT****Client:** Golden State Operating, LLC**Contact:** Chris Pell**Lab Set ID:** 1503289**Dept:** WC**Project:** Cactus Park 8-23-36-24**QC Type:** DUP

Analyte	Result	Units	Method	MDL	Reporting Limit	Amount Spiked	Spike Ref. Amount	%REC	Limits	RPD Ref. Amt	% RPD	RPD Limit	Qual
<b>Lab Sample ID:</b> 1501346-001A DUP Test Code: CL-S-9251	Date Analyzed:	03/23/2015	1412h										
Chloride	263	mg/kg	SW9251	1.54	50.0					262	0.164	20	
<b>Lab Sample ID:</b> 1503289-001ADUP Test Code: COND-S-9050A	Date Analyzed:	03/18/2015	617h										
Conductivity	17,100	µmhos/cm	SW9050A	0.436	10.0					17100	0.175	10	
<b>Lab Sample ID:</b> 1503289-001ADUP Test Code: PH-9045D	Date Analyzed:	03/17/2015	1823h										
pH @ 25° C	10.4	pH Units	SW9045D	1.00	1.00					10.4	0.385	10	

**QC SUMMARY REPORT****Client:** Golden State Operating, LLC**Contact:** Chris Pell**Lab Set ID:** 1503289**Dept:** WC**Project:** Cactus Park 8-23-36-24**QC Type:** LCS

Analyte	Result	Units	Method	MDL	Reporting Limit	Amount Spiked	Spike Ref. Amount	%REC	Limits	RPD Ref. Amt	% RPD	RPD Limit	Qual
<b>Lab Sample ID:</b> LCS-R76661	Date Analyzed: 03/18/2015 700h												
Test Code: ALK-S-2320B													
Alkalinity (as CaCO3)	51,000	mg/kg	SM2320B	1.86	10.0	50,000	0	102	90 - 110				
<b>Lab Sample ID:</b> LCS-R76818	Date Analyzed: 03/23/2015 1356h												
Test Code: CL-S-9251													
Chloride	24.0	mg/kg	SW9251	0.154	5.00	25.00	0	96.0	85 - 115				
<b>Lab Sample ID:</b> LCS-R76659	Date Analyzed: 03/18/2015 617h												
Test Code: COND-S-9050A													
Conductivity	996	µmhos/cm	SW9050A	0.436	10.0	1,000	0	99.6	98 - 102				
<b>Lab Sample ID:</b> LCS NO3-R77032	Date Analyzed: 03/27/2015 1732h												
Test Code: NO2/NO3-S-353.2													
Nitrate/Nitrite (as N)	1.05	mg/kg	E353.2	0.00833	0.0100	1.000	0	105	90 - 110				
<b>Lab Sample ID:</b> LCS-R76896	Date Analyzed: 03/24/2015 1400h												
Test Code: OGF-S-1664B-SGT													
SGT-HEM/Non-Polar Material	1,020	mg/kg	E1664B-SGTMod.	54.6	150	1,000	0	102	64 - 132				
<b>Lab Sample ID:</b> LCS-R76645	Date Analyzed: 03/17/2015 1823h												
Test Code: PH-9045D													
pH @ 25° C	8.90	pH Units	SW9045D	1.00	1.00	9.000	0	98.9	98 - 102				
<b>Lab Sample ID:</b> LCS-R76710	Date Analyzed: 03/19/2015 642h												
Test Code: SO4-S-4500SO4													
Sulfate	965	mg/kg	SM4500-SO4-E	85.3	167	1,000	0	96.5	90 - 110				

**QC SUMMARY REPORT****Client:** Golden State Operating, LLC**Contact:** Chris Pell**Lab Set ID:** 1503289**Dept:** WC**Project:** Cactus Park 8-23-36-24**QC Type:** MBLK

Analyte	Result	Units	Method	MDL	Reporting Limit	Amount Spiked	Spike Ref. Amount	%REC	Limits	RPD Ref. Amt	% RPD	RPD Limit	Qual
<b>Lab Sample ID:</b> MB-R76661	Date Analyzed:	03/18/2015 700h											
Test Code:	ALK-S-2320B												
Bicarbonate (as CaCO3)	< 10.0	mg/kg	SM2320B	1.86	10.0								
Carbonate (as CaCO3)	< 10.0	mg/kg	SM2320B	1.86	10.0								
<b>Lab Sample ID:</b> MB-R76818	Date Analyzed:	03/23/2015 1355h											
Test Code:	CL-S-9251												
Chloride	< 5.00	mg/kg	SW9251	0.154	5.00								
<b>Lab Sample ID:</b> MB-R76659	Date Analyzed:	03/18/2015 617h											
Test Code:	COND-S-9050A												
Conductivity	< 10.0	µmhos/cm	SW9050A	0.436	10.0								
<b>Lab Sample ID:</b> MB-R77032	Date Analyzed:	03/27/2015 1729h											
Test Code:	NO2/NO3-S-353.2												
Nitrate/Nitrite (as N)	< 0.0100	mg/kg	E353.2	0.00833	0.0100								
<b>Lab Sample ID:</b> MB-R76896	Date Analyzed:	03/24/2015 1400h											
Test Code:	OGF-S-1664B-SGT												
SGT-HEM/Non-Polar Material	< 150	mg/kg	E1664B-SGTMod.	54.6	150								
<b>Lab Sample ID:</b> MB-R76710	Date Analyzed:	03/19/2015 642h											
Test Code:	SO4-S-4500SO4												
Sulfate	< 5.00	mg/kg	SM4500-SO4-E	2.56	5.00								

**QC SUMMARY REPORT****Client:** Golden State Operating, LLC**Contact:** Chris Pell**Lab Set ID:** 1503289**Dept:** WC**Project:** Cactus Park 8-23-36-24**QC Type:** MS

Analyte	Result	Units	Method	MDL	Reporting Limit	Amount Spiked	Spike Ref. Amount	%REC	Limits	RPD Ref. Amt	% RPD	RPD Limit	Qual
<b>Lab Sample ID:</b> 1503289-001AMS <b>Test Code:</b> ALK-S-2320B	Date Analyzed: 03/18/2015 700h												
Alkalinity (as CaCO3)	1,400	mg/kg-dry	SM2320B	4.42	23.8	1,189	213	100	80 - 120				
<b>Lab Sample ID:</b> 1503289-002AMS <b>Test Code:</b> CL-S-9251	Date Analyzed: 03/23/2015 1401h												
Chloride	100	mg/kg-dry	SW9251	0.178	5.77	11.54	94.3	53.0	80 - 120				<sup>1</sup>
<b>Lab Sample ID:</b> 1503289-001AMS NO3 <b>Test Code:</b> NO2/NO3-S-353.2	Date Analyzed: 03/27/2015 1737h												
Nitrate/Nitrite (as N)	25.3	mg/kg-dry	E353.2	0.198	0.238	23.77	0	106	80 - 120				
<b>Lab Sample ID:</b> 1503289-001AMS <b>Test Code:</b> OGF-S-1664B-SGT	Date Analyzed: 03/24/2015 1400h												
SGT-HEM/Non-Polar Material	2,380	mg/kg-dry	E1664B-SGTMod.	130	357	2,377	380	84.1	64 - 132				
<b>Lab Sample ID:</b> 1503289-001AMS <b>Test Code:</b> SO4-S-4500SO4	Date Analyzed: 03/19/2015 642h												
Sulfate	5,010	mg/kg-dry	SM4500-SO4-E	304	594	2,377	2610	101	80 - 120				

<sup>1</sup> - Matrix spike recovery indicates matrix interference. The method is in control as indicated by the LCS.

**QC SUMMARY REPORT****Client:** Golden State Operating, LLC**Contact:** Chris Pell**Lab Set ID:** 1503289**Dept:** WC**Project:** Cactus Park 8-23-36-24**QC Type:** MSD

Analyte	Result	Units	Method	MDL	Reporting Limit	Amount Spiked	Spike Ref. Amount	%REC	Limits	RPD Ref. Amt	% RPD	RPD Limit	Qual
<b>Lab Sample ID:</b> 1503289-001AMSD Test Code: ALK-S-2320B	Date Analyzed:	03/18/2015 700h											
Alkalinity (as CaCO3)	1,430	mg/kg-dry	SM2320B	4.42	23.8	1,189	213	102	80 - 120	1400	1.51	10	
<b>Lab Sample ID:</b> 1503289-002AMSD Test Code: CL-S-9251	Date Analyzed:	03/23/2015 1402h											
Chloride	102	mg/kg-dry	SW9251	0.178	5.77	11.54	94.3	66.7	80 - 120	100	1.56	20	<sup>1</sup>
<b>Lab Sample ID:</b> 1503289-001AMSD NO3 Test Code: NO2/NO3-S-353.2	Date Analyzed:	03/27/2015 1738h											
Nitrate/Nitrite (as N)	24.4	mg/kg-dry	E353.2	0.198	0.238	23.77	0	102	80 - 120	25.3	3.83	20	
<b>Lab Sample ID:</b> 1503289-001AMSD Test Code: OGF-S-1664B-SGT	Date Analyzed:	03/24/2015 1400h											
SGT-HEM/Non-Polar Material	1,990	mg/kg-dry	E1664B-SGTMod.	130	357	2,377	380	67.6	64 - 132	2380	18.0	34	
<b>Lab Sample ID:</b> 1503289-001AMSD Test Code: SO4-S-4500SO4	Date Analyzed:	03/19/2015 642h											
Sulfate	4,930	mg/kg-dry	SM4500-SO4-E	304	594	2,377	2610	97.7	80 - 120	5010	1.67	20	

<sup>1</sup> - Matrix spike recovery indicates matrix interference. The method is in control as indicated by the LCS.

# American West Analytical Laboratories

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## WORK ORDER Summary

Work Order: **1503289** Page 1 of 1

**Client:** Golden State Operating, LLC

Due Date: 3/31/2015

**Client ID:** GOL100

**Contact:** Chris Pell

**Project:** Cactus Park 8-23-36-24

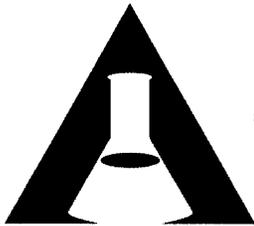
**QC Level:** II

WO Type: Standard

**Comments:** QC 2. Three jars per sample; WC shares with Metals & TRPH;

DB

Sample ID	Client Sample ID	Collected Date	Received Date	Test Code	Matrix	Sel	Storage				
1503289-001A	CP 8-23-36-24 Reserve Pit	3/17/2015 0830h	3/17/2015 1420h	3051A-ICPMS-PR	Soil	<input type="checkbox"/>	df - wc / share	3			
				6010C-S		<input checked="" type="checkbox"/>	df - wc / share				
				<i>4 SEL Analytes: CA MG K NA</i>							
				ALK-S-2320B		<input checked="" type="checkbox"/>	df - wc / share				
				<i>2 SEL Analytes: ALKB ALKC</i>							
				CL-S-9251		<input type="checkbox"/>	df - wc / share				
				COND-S-9050A		<input type="checkbox"/>	df - wc / share				
				ESP		<input type="checkbox"/>	df - wc / share				
				NO2/NO3-S-353.2		<input type="checkbox"/>	df - wc / share				
				OGF-S-1664B-SGT		<input type="checkbox"/>	df - wc / share				
				PH-9045D		<input type="checkbox"/>	df - wc / share				
				PMOIST		<input type="checkbox"/>	df - wc / share				
				SAR-S		<input type="checkbox"/>	df - wc / share				
SO4-S-4500SO4		<input type="checkbox"/>	df - wc / share								
SOIL-PR		<input type="checkbox"/>	df - wc / share								
1503289-002A	Wagon Rod Topsoil	3/17/2015 0830h	3/17/2015 1420h	3051A-ICPMS-PR	Soil	<input type="checkbox"/>	df - wc / share	3			
				6010C-S		<input checked="" type="checkbox"/>	df - wc / share				
				<i>4 SEL Analytes: CA MG K NA</i>							
				ALK-S-2320B		<input checked="" type="checkbox"/>	df - wc / share				
				<i>2 SEL Analytes: ALKB ALKC</i>							
				CL-S-9251		<input type="checkbox"/>	df - wc / share				
				COND-S-9050A		<input type="checkbox"/>	df - wc / share				
				ESP		<input type="checkbox"/>	df - wc / share				
				NO2/NO3-S-353.2		<input type="checkbox"/>	df - wc / share				
				PH-9045D		<input type="checkbox"/>	df - wc / share				
				PMOIST		<input type="checkbox"/>	df - wc / share				
				SAR-S		<input type="checkbox"/>	df - wc / share				
				SO4-S-4500SO4		<input type="checkbox"/>	df - wc / share				
SOIL-PR		<input type="checkbox"/>	df - wc / share								



**AMERICAN WEST  
ANALYTICAL LABORATORIES**

3440 S. 700 W. SALT LAKE CITY, UT 84119  
 PHONE # (801) 263-8686 TOLL FREE # (888) 263-8686  
 FAX # (801) 263-8687 EMAIL AWAL@AWAL-LABS.COM

WWW.AWAL-LABS.COM

**CHAIN OF CUSTODY**

ALL ANALYSIS WILL BE CONDUCTED USING NELAP ACCREDITED METHODS AND ALL DATA WILL BE REPORTED USING AWAL'S STANDARD ANALYTE LISTS AND REPORTING LIMITS (PQL) UNLESS SPECIFICALLY REQUESTED OTHERWISE ON THIS CHAIN OF CUSTODY AND/OR ATTACHED DOCUMENTATION.

1503289  
 AWAL LAB SAMPLE SET #  
 PAGE OF

QC LEVEL:		TURN AROUND TIME:					UNLESS OTHER ARRANGEMENTS HAVE BEEN MADE, SIGNED REPORTS WILL BE EMAILED BY 5:00 PM ON THE DAY THEY ARE DUE.		DUE DATE:				
1	2	2+	3	3+	1	2	3	4	5	(STND)			
1	2	3	4	5	6	7	8	9	10	11	12	LABORATORY USE ONLY	
												SAMPLES WERE:	
REPORT DOWN TO THE MDL <input type="checkbox"/> INCLUDE EDD: <input type="checkbox"/> LAB FILTER FOR: <input type="checkbox"/> FIELD FILTERED FOR:												1 SHIPPED OR HAND DELIVERED 2 AMBIENT OR CHILLED 3 TEMPERATURE 5.4 °C 4 RECEIVED BROKEN/LEAKING (IMPROPERLY SEALED) 5 PROPERLY PRESERVED 6 RECEIVED WITHIN HOLDING TIMES	
FOR COMPLIANCE WITH: <input type="checkbox"/> NELAP <input type="checkbox"/> RCRA <input type="checkbox"/> CWA <input type="checkbox"/> SDWA <input type="checkbox"/> ELAP / A2LA <input type="checkbox"/> NLLAP <input type="checkbox"/> NON-COMPLIANCE <input type="checkbox"/> OTHER:												KNOWN HAZARDS & SAMPLE COMMENTS	
# OF CONTAINERS SAMPLE MATRIX SAR ESP 1:1 Soil: DI Water Extraction PH Conductivity Major Cations (Na, K, Ca, Mg) Major Anions (Calc, Bicarb, Cl, SO <sub>4</sub> , NO <sub>3</sub> ) TRPH												DISCREPANCIES BETWEEN SAMPLE LABELS AND COC RECORDS	

CLIENT: Summit Operating, LLC  
 ADDRESS: 10447 South Jordan Gateway  
South Jordan, UT 84095  
 CONTACT: Chris Pell  
 PHONE #: 801-441-3082 CELL #: 801-556-0353  
 EMAIL: chris@thesummitcompanies.com  
 PROJECT NAME: Cactus Park 8-23-36-24  
 PROJECT #:  
 PO #:  
 SAMPLER NAME: Chris Pell

	SAMPLE ID:	DATE SAMPLED	TIME SAMPLED	# OF CONTAINERS	SAMPLE MATRIX	SAR	ESP	1:1 Soil: DI Water Extraction	PH	Conductivity	Major Cations (Na, K, Ca, Mg)	Major Anions (Calc, Bicarb, Cl, SO <sub>4</sub> , NO <sub>3</sub> )	TRPH
1	CP 8-23-36-24 Reserve Pit	3/17/15	0830	3	soil	X	X	X	X	X	X	X	X
2	Wagon Red Topsoil			3	soil	X	X	X	X	X	X	X	
3													
4													
5													
6													
7													
8													
9													
10													
11													
12													

RELINQUISHED BY: <u>Chris Pell</u> SIGNATURE	DATE: <u>3/17/15</u> TIME: <u>1420</u>	RECEIVED BY: <u>Denise Bruun</u> SIGNATURE	DATE: <u>3/17/15</u> TIME: <u>1420</u>	SPECIAL INSTRUCTIONS:
PRINT NAME: <u>Chris Pell</u>	DATE:	PRINT NAME: <u>Denise Bruun</u>	DATE:	
RELINQUISHED BY: SIGNATURE	DATE:	RECEIVED BY: SIGNATURE	DATE:	
PRINT NAME:	DATE:	PRINT NAME:	DATE:	
RELINQUISHED BY: SIGNATURE	DATE:	RECEIVED BY: SIGNATURE	DATE:	

<b>STATE OF UTAH</b> DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS, AND MINING	<b>FORM 9</b>
<b>SUNDRY NOTICES AND REPORTS ON WELLS</b>  Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.	5. LEASE DESIGNATION AND SERIAL NUMBER: Dalton et. al.
1. TYPE OF WELL Gas Well	6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
2. NAME OF OPERATOR: SUMMIT OPERATING, LLC	7. UNIT or CA AGREEMENT NAME:
3. ADDRESS OF OPERATOR: 531 East 770 North , Orem, UT, 84097	8. WELL NAME and NUMBER: Cactus Park 8-23-36-24
4. LOCATION OF WELL FOOTAGES AT SURFACE: 1874 FNL 0974 FEL QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: Qtr/Qtr: SENE Section: 23 Township: 36.0S Range: 24.0E Meridian: S	9. API NUMBER: 43037500670000
9. FIELD and POOL or WILDCAT: WILDCAT	COUNTY: SAN JUAN
9. PHONE NUMBER: 801-657-5780 Ext	STATE: UTAH

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

TYPE OF SUBMISSION	TYPE OF ACTION		
<input checked="" type="checkbox"/> NOTICE OF INTENT Approximate date work will start: 11/1/2015	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> CASING REPAIR
<input type="checkbox"/> SUBSEQUENT REPORT Date of Work Completion:	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> CHANGE WELL NAME
<input type="checkbox"/> SPUD REPORT Date of Spud:	<input checked="" type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> CONVERT WELL TYPE
<input type="checkbox"/> DRILLING REPORT Report Date:	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> NEW CONSTRUCTION
	<input type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> PLUG BACK
	<input type="checkbox"/> PRODUCTION START OR RESUME	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input type="checkbox"/> RECOMPLETE DIFFERENT FORMATION
	<input type="checkbox"/> REPERFORATE CURRENT FORMATION	<input type="checkbox"/> SIDETRACK TO REPAIR WELL	<input type="checkbox"/> TEMPORARY ABANDON
	<input type="checkbox"/> TUBING REPAIR	<input type="checkbox"/> VENT OR FLARE	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> WATER SHUTOFF	<input type="checkbox"/> SI TA STATUS EXTENSION	<input type="checkbox"/> APD EXTENSION
	<input type="checkbox"/> WILDCAT WELL DETERMINATION	<input type="checkbox"/> OTHER	OTHER: <input style="width: 100px;" type="text"/>

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

The Cactus Park 8-23-36-24 remains shut in pending installation of production facilities and flowline to transport gas to sales. Approximately 3.9 miles of new gas flowline needs to be installed to transport the gas. Applications for right-of-way were submitted in May, 2014 to install the gas flowline adjacent to a county road that crosses BLM, State, and fee lands. Pipeline right-of-way approval, installation of production facilities, and commencement of production from the subject well is expected in June, 2016. Well integrity poses no significant risk. New production casing with burst rating over 300% of current BHP (1561 psi) was cemented to surface and pressure tested with water to 1680 psi. The casing has not been exposed to wear or corrosive fluids since installation.

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

Date: December 15, 2015  
 By: *Derek Duff*

Please Review Attached Conditions of Approval

NAME (PLEASE PRINT) Ellis Peterson	PHONE NUMBER 801 657-5781	TITLE Sr Petroleum Engineer
SIGNATURE N/A	DATE 11/5/2015	



**The Utah Division of Oil, Gas, and Mining**

- State of Utah
- Department of Natural Resources

**Electronic Permitting System - Sundry Notices**

**Sundry Conditions of Approval Well Number 43037500670000**

**Approval granted through August 1, 2016.**

<b>STATE OF UTAH</b> DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS, AND MINING	<b>FORM 9</b>
<b>SUNDRY NOTICES AND REPORTS ON WELLS</b>  Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.	5. LEASE DESIGNATION AND SERIAL NUMBER: Dalton et. al.
1. TYPE OF WELL Gas Well	6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
2. NAME OF OPERATOR: SUMMIT OPERATING, LLC	7. UNIT or CA AGREEMENT NAME:
3. ADDRESS OF OPERATOR: 531 East 770 North , Orem, UT, 84097	8. WELL NAME and NUMBER: Cactus Park 8-23-36-24
4. LOCATION OF WELL FOOTAGES AT SURFACE: 1874 FNL 0974 FEL QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: Qtr/Qtr: SENE Section: 23 Township: 36.0S Range: 24.0E Meridian: S	9. API NUMBER: 43037500670000
9. FIELD and POOL or WILDCAT: WILDCAT	COUNTY: SAN JUAN
STATE: UTAH	

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

TYPE OF SUBMISSION	TYPE OF ACTION		
<input checked="" type="checkbox"/> NOTICE OF INTENT Approximate date work will start: 9/15/2017	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> CASING REPAIR
<input type="checkbox"/> SUBSEQUENT REPORT Date of Work Completion:	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> CHANGE WELL NAME
<input type="checkbox"/> SPUD REPORT Date of Spud:	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> CONVERT WELL TYPE
<input type="checkbox"/> DRILLING REPORT Report Date:	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> NEW CONSTRUCTION
	<input type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> PLUG BACK
	<input type="checkbox"/> PRODUCTION START OR RESUME	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input type="checkbox"/> RECOMPLETE DIFFERENT FORMATION
	<input type="checkbox"/> REPERFORATE CURRENT FORMATION	<input type="checkbox"/> SIDETRACK TO REPAIR WELL	<input type="checkbox"/> TEMPORARY ABANDON
	<input type="checkbox"/> TUBING REPAIR	<input type="checkbox"/> VENT OR FLARE	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> WATER SHUTOFF	<input checked="" type="checkbox"/> SI TA STATUS EXTENSION	<input type="checkbox"/> APD EXTENSION
	<input type="checkbox"/> WILDCAT WELL DETERMINATION	<input type="checkbox"/> OTHER	OTHER: <input style="width: 100px;" type="text"/>

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

This well remains shut in pending installation of production facilities and flowline to connect to a gathering system and functioning gas processing facility. It will remain shut in until there is a market for the gas to be produced. Lisbon Gas Plant was only facility available to process gas from this well and it was shut down indefinitely during October 2016. BLM has never provided right-of-way approval for the pipeline needed to connect this well to the Lisbon Plant gathering system, and they are not expected to act on that right-of-way until there is a market for gas from this well. There is no significant well integrity risk because the static shut-in pressure is much less than the pressure rating of casing and wellhead. The production casing was tested to a pressure exceeding maximum reservoir pressure upon completion and it has not been exposed to wear or corrosive fluids since installation.

REQUEST DENIED  
 Utah Division of  
 Oil, Gas and Mining

Date: January 09, 2017

By: *Derek Quist*

Please Review Attached Conditions of Approval

NAME (PLEASE PRINT) Ellis Peterson	PHONE NUMBER 801 657-5780	TITLE Sr Petroleum Engineer
SIGNATURE N/A	DATE 11/7/2016	



**The Utah Division of Oil, Gas, and Mining**

- State of Utah
- Department of Natural Resources

**Electronic Permitting System - Sundry Notices**

**Sundry Conditions of Approval Well Number 43037500670000**

**Did not meet the requirements of R649-3-36. No showing of integrity or that the well did not pose a risk to health, safety or environment.**