

FILE NOTATIONS

Entered in NID file _____
 Entered on CR Sheet _____
 Location Map Pinned _____
 Card Indexed _____
 IWR for State or Fee Land _____

Checked by Chief _____
 Copy NID to Field Office _____
 Approval Letter _____
 Disapproval Letter _____

COMPLETION DATA:

Date Well Completed 4/26/49
 OW WW _____ TA _____
 GW _____ OS _____ PA _____

Location Inspected _____
 Bond released _____
 State of Fee Land _____

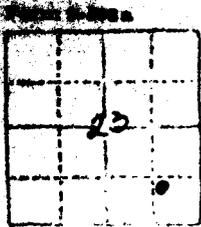
LOGS FILED

Driller's Log _____

Elec. Logs (No.) _____

E _____ I _____ E-I _____ GR _____ GR-N _____ Miers _____

Lat. _____ Mi-L _____ Sonic _____ Others _____



PATENTED LAND
SURFACE PLANS

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
CONSERVATION BRANCH

Section 23

T. 5 S.

R. 22 E.

S. L. Mer.

INDIVIDUAL WELL RECORD

Reference No. 17

State Utah
 County Uintah
 Field Ashley Valley
 District Salt Lake City
 Subdivision NW Cor. SE $\frac{1}{4}$ SE $\frac{1}{4}$ Sec. 23
 Location 230 feet from N. S. line and 350 feet from E. W. line of SE $\frac{1}{4}$ SE $\frac{1}{4}$ Sec.
 Drilling approved _____, 19____ Well elevation 4858 feet.
 Drilling commenced March 22, 1949 Total depth 4208' feet.
 Drilling ceased April 26, 1949 Initial production 600 Bbls.
 Completed for production April 26, 1949 Gravity A. P. I. 32°
 Abandonment approved _____, 19____ Initial R. P. _____

Geologic formations		Productive horizons		
Surface	Lowest tested	Name	Depths	Contents
Mancos Shale	Weber	Weber	<u>4205-4208'</u>	Oil

WELL STATUS

YEAR	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.
1949			Drg	POW								

REMARKS: Approx. 200' 10-3/4" cc w/150 sax

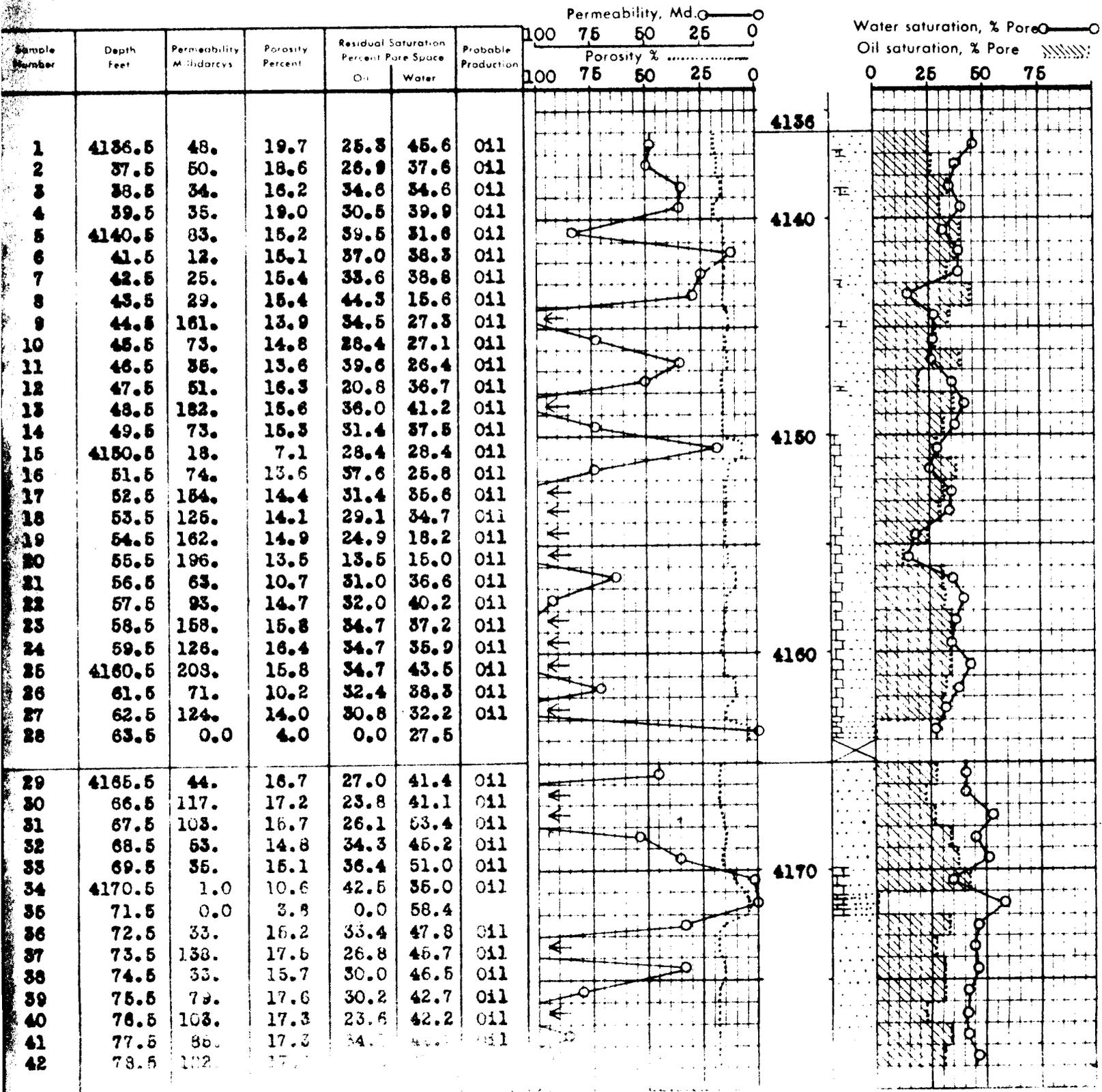
Traps to Casper 4-1-49

See replacement sheet

Reservoir Engineering Laboratories

CORE ANALYSIS REPORT

Company GRAIN & GRIFFITH OIL COMPANY Location SE SE 25 - S8 - 22E File V - 2
 Well HALL #3 Elevation 4867' DF. Engineers GP:MP:WJ
 Field ASHLEY VALLEY Type Core DIAMOND CORE IN WATER BASE MUD
 County UINTAH State UTAH Remarks CORE #1 (4136'-4165') CORE #2 (4165'-4205') TD.



Engineering Laboratories

CORE ANALYSIS REPORT

GRIFFITH OIL COMPANY

VALLEY

State **UTAH**

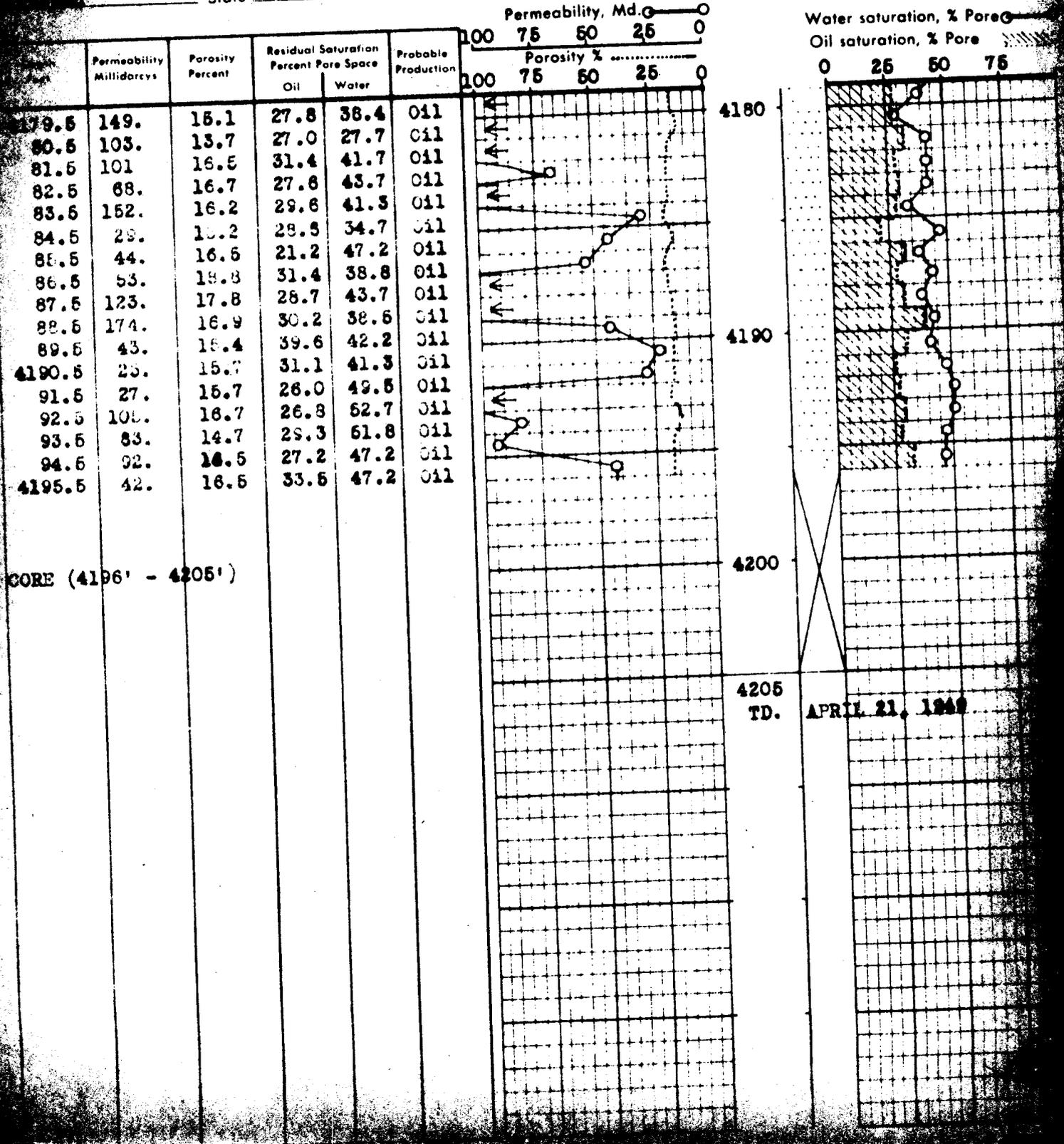
Location **SE SE 23 - 53 - 22E**

File **Y - 2**

Elevation **4867' DP.** Engineers _____

Type Core **DIAMOND CORE IN WATER BASE MUD**

Remarks **CORE #2 (4165'-4205') TD.**



Reservoir Engineering Laboratories

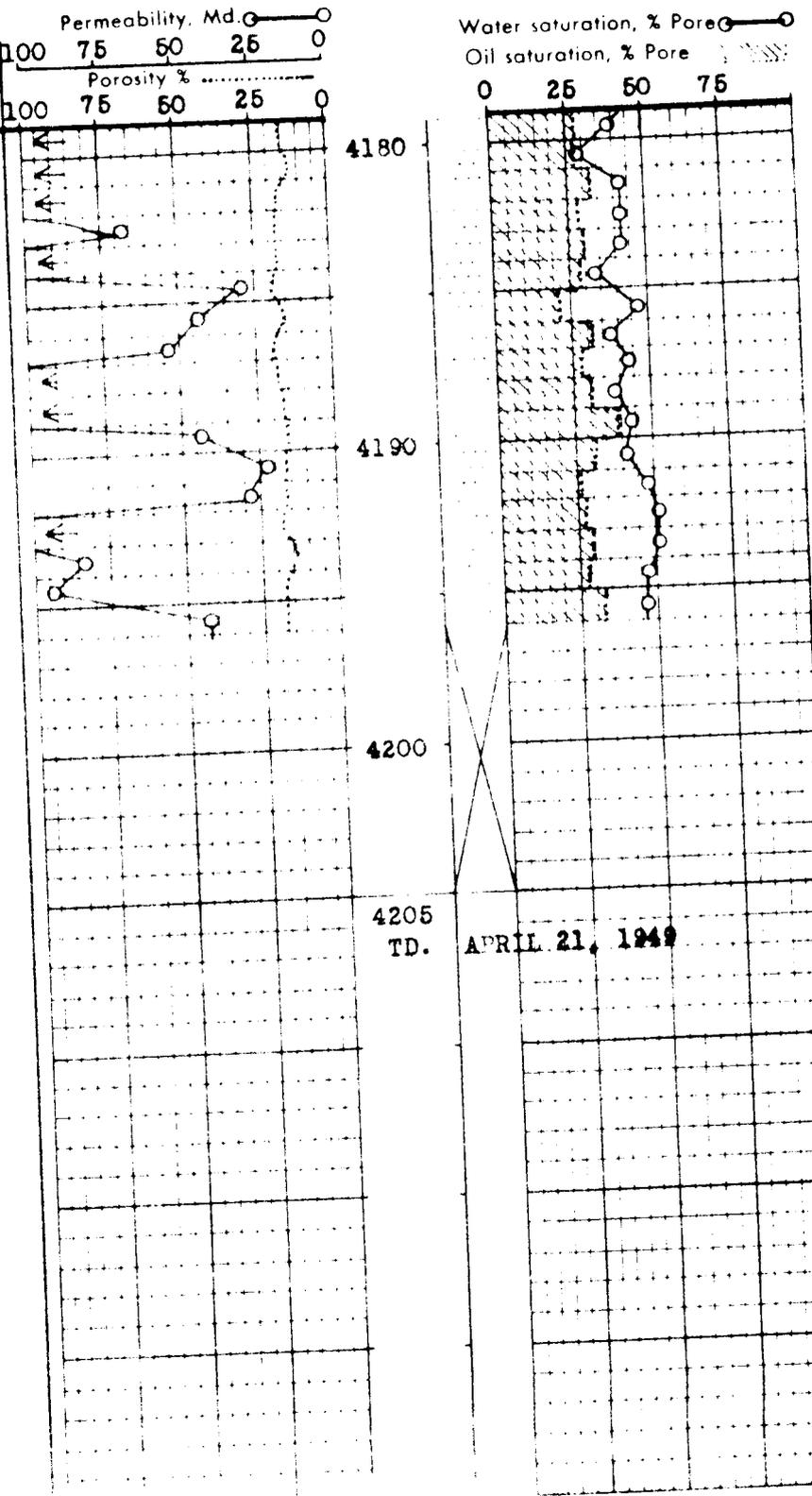
CORE ANALYSIS REPORT

Company CRAIN & GRIFFITH OIL COMPANY
 Well HALL #3
 Field ASHLEY VALLEY
 County UINTAH State UTAH

Location SE SE 23 - 5S - 22E File V - 2
 Elevation 4867' DF. Engineers _____
 Type Core DIAMOND CORE IN WATER BASE MUD
 Remarks CORE #2 (4185'-4205') TD.

Sample Number	Depth Feet	Permeability Millidarcys	Porosity Percent	Residual Saturation Percent Pore Space		Probable Production
				Oil	Water	
43	4179.5	149.	15.1	27.8	38.4	Oil
44	80.5	103.	13.7	27.0	27.7	Oil
45	81.5	101	15.5	31.4	41.7	Oil
46	82.5	89.	16.7	27.6	43.7	Oil
47	83.5	152.	16.2	25.6	41.3	Oil
48	84.5	25.	17.2	25.5	34.7	Oil
49	85.5	44.	16.6	21.2	47.2	Oil
50	86.5	53.	18.5	31.4	38.8	Oil
51	87.5	123.	17.8	25.7	43.7	Oil
52	88.5	174.	16.9	35.2	38.5	Oil
53	89.5	43.	18.4	35.6	42.2	Oil
54	4190.5	25.	15.7	31.1	41.3	Oil
55	91.5	27.	15.7	26.0	45.5	Oil
56	92.5	107.	16.7	26.3	52.7	Oil
57	93.5	53.	14.7	25.3	51.8	Oil
58	94.5	52.	16.5	27.2	47.2	Oil
59	4195.5	42.	16.5	33.5	47.2	Oil

LOST CORE (4186' - 4205')



4205 TD. APRIL 21, 1949

15593

Thomas Hall #3 Sec 23, T53, R22E @ Hubly 4/26/89

L N

○ well head

□ centrifugal
meter

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

5. LEASE DESIGNATION AND SERIAL NO.

Fee

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

7. UNIT AGREEMENT NAME

8. FARM OR LEASE NAME

Thomas E. Hall

9. WELL NO.

3

10. FIELD AND POOL, OR WILDCAT

Ashley Field (Webr)

11. SEC., T., R., M., OR BLK. AND SUBST OR AREA

23 22E 05S

12. COUNTY OR PARISH 13. STATE

Uintah

Utah

SUNDRY NOTICES AND REPORTS ON WELLS

(Do not use this form for proposals to drill or to deepen or plug back to a different reservoir. Use "APPLICATION FOR PERMIT—" for such proposals.)

1. OIL WELL GAS WELL OTHER

2. NAME OF OPERATOR

R. Lacy, Inc.

3. ADDRESS OF OPERATOR

P. O. Box 2146, Longview, Texas 75606

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements. See also space 17 below.)
At surface

14. PERMIT NO.

4304715593

15. ELEVATIONS (Show whether OP, ST, GR, etc.)

16. Check Appropriate Box To Indicate Nature of Notice, Report, or Other Data

NOTICE OF INTENTION TO:

TEST WATER SHUT-OFF

PULL OR ALTER CASING

FRACTURE TREAT

MULTIPLE COMPLETE

SHOOT OR ACIDIZE

ABANDON*

REPAIR WELL

CHANGE PLANS

(Other)

SUBSEQUENT REPORT OF:

WATER SHUT-OFF

REPAIRING WELL

FRACTURE TREATMENT

ALTERING CASING

SHOOTING OR ACIDIZING

ABANDONMENT*

(Other)

Change of Operator

(NOTE: Report results of multiple completion on Well Completion or Recompletion Report and Log form.)

17. DESCRIBE PROPOSED OR COMPLETED OPERATIONS (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)

R. Lacy, Inc. sold this well to McKenzie Petroleum Company effective May 1, 1989.

18. I hereby certify that the foregoing is true and correct

SIGNED Edward B. Titcher

TITLE Engineer

DATE 5-17-89

(This space for Federal or State office use)

APPROVED BY _____

TITLE _____

DATE _____

CONDITIONS OF APPROVAL, IF ANY:

STATE OF UTAH
DIVISION OF OIL, GAS AND MINING

SUNDRY NOTICES AND REPORTS ON WELLS (Do not use this form for proposals to drill or to deepen or plug back to a different reservoir. Use "APPLICATION FOR PERMIT—" for such proposals.)		3. LEASE DESIGNATION & SERIAL NO. Fee Lands	
		6. IF INDIAN, ALLOTTEE OR TRIBE NAME Fee Lands	
1. OIL WELL <input checked="" type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER <input type="checkbox"/>		7. UNIT AGREEMENT NAME N/A	
2. NAME OF OPERATOR McKenzie Petroleum Company		8. FARM OR LEASE NAME Hall	
3. ADDRESS OF OPERATOR 1625 Broadway, Suite 2580, Denver, CO 80202		9. WELL NO. #3, #4, #1, #2 and #5S	
4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements. See also space 17 below.) At surface See below At proposed prod. zone Same		10. FIELD AND POOL, OR WILDCAT Ashley Valley Field	
		11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA Section 23-T5S-R22E	
14. API NO. See below	15. ELEVATIONS (Show whether DF, RT, GR, etc.) See below	12. COUNTY Uintah	13. STATE Utah

RECEIVED

JUL 03 1989
DIVISION OF
OIL, GAS & MINING

18. Check Appropriate Box To Indicate Nature of Notice, Report or Other Data

NOTICE OF INTENTION TO:		SUBSEQUENT REPORT OF:	
TEST WATER SHUT-OFF <input type="checkbox"/>	PULL OR ALTER CASING <input type="checkbox"/>	WATER SHUT-OFF <input type="checkbox"/>	REPAIRING WELL <input type="checkbox"/>
FRACTURE TREAT <input type="checkbox"/>	MULTIPLE COMPLETE <input type="checkbox"/>	FRACTURE TREATMENT <input type="checkbox"/>	ALTERING CASING <input type="checkbox"/>
SHOOT OR ACIDIZE <input type="checkbox"/>	ABANDON <input type="checkbox"/>	SHOOTING OR ACIDIZING <input type="checkbox"/>	ABANDONMENT* <input type="checkbox"/>
REPAIR WELL <input type="checkbox"/>	CHANGE PLANS <input type="checkbox"/>	(Other) <u>Change of Operator</u> <input checked="" type="checkbox"/>	
(Other) <input type="checkbox"/>		(Note: Report results of multiple completion on Well Completion or Recompletion Report and Log form.)	
APPROX. DATE WORK WILL START _____		DATE OF COMPLETION _____	

17. DESCRIBE PROPOSED OR COMPLETED OPERATIONS (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)

McKenzie Petroleum Company purchased the interest of * Must be accompanied by a cement verification report. R. Lacy, Inc. in the wells listed below, effective January 1, 1989. Please change your records to show McKenzie as Operator. A copy of our Bond is attached, for your review.

Well Name	API Number	Entity	Location	Footages	Elevation
THOMAS E. HALL #3	4304715593	00615 05S 22E 23		330' FNL 330' FWL X	4823' KB
THOMAS E. HALL #4	4304715594	00615 05S 22E 23		445' FEL 349' FSL	4859' KB
THOMAS HALL FEE 1	4304715591	00620 05S 22E 23		1650' FNL 3630' FWL	4877' DF
THOMAS HALL FEE 2	4304715592	00620 05S 22E 23		3301' FSL 2310' FWL	4897' DF
THOMAS E. HALL #5S	4304715595	00620 05S 22E 23		480' FNL 450' FEL	4901' KB

18. I hereby certify that the foregoing is true and correct

SIGNED Howard W. Dennis TITLE Vice President DATE June 29, 1989

(This space for Federal or State office use)

APPROVED BY _____ TITLE _____ DATE _____

CONDITIONS OF APPROVAL, IF ANY: _____

STATE OF UTAH
DIVISION OF OIL, GAS AND MINING

5. LEASE DESIGNATION & SERIAL NO.

SUNDRY NOTICES AND REPORTS ON WELLS

(Do not use this form for proposals to drill or to deepen or plug back to a different reservoir. Use "APPLICATION FOR PERMIT—" for such proposals.)

6. IF INDIAN ALLOTTEE OR TRIBE NAME

7. PERMIT AGREEMENT NAME

1. OIL WELL GAS WELL OTHER

JUN 15 1990

2. NAME OF OPERATOR

8. FARM OR LEASE NAME

McKenzie Petroleum Company

T.E. Hall

3. ADDRESS OF OPERATOR

9. WELL NO.

1625 Broadway, Suite 2580, Denver, Co. 80202

#3

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements. See also space 17 below.)

10. FIELD AND POOL, OR WILDCAT

At surface 330' FNL, 330' FWL NW $\frac{1}{4}$ SE $\frac{1}{4}$ SE $\frac{1}{4}$ Sec. 23-T5S-R22E

Ashley Valley

At proposed prod. zone Same

11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA

Sec. 23-T5S-R22E

14. API NO. Entity #
4304715593 00615

15. ELEVATIONS (Show whether DF, RT, GR, etc.)
4823' KB

12. COUNTY
Uintah

13. STATE
Utah

16. Check Appropriate Box To Indicate Nature of Notice, Report or Other Data

NOTICE OF INTENTION TO:

SUBSEQUENT REPORT OF:

TEST WATER SHUT-OFF PULL OR ALTER CASING
 FRACTURE TREAT MULTIPLE COMPLETE
 SHOOT OR ACIDIZE ABANDON
 REPAIR WELL CHANGE PLANS
 (Other)

WATER SHUT-OFF REPAIRING WELL
 FRACTURE TREATMENT ALTERING CASING
 SHOOTING OR ACIDIZING ABANDONMENT*
 (Other)

(Note: Report results of multiple completion on Well Completion or Recompletion Report and Log form.)

APPROX. DATE WORK WILL START 12-7-89

DATE OF COMPLETION

17. DESCRIBE PROPOSED OR COMPLETED OPERATIONS (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)

* Must be accompanied by a cement verification report.

Replace Reda pump and equipment (if necessary).

OIL AND GAS	
DRN	RJF
JRB	GLH
DTS	SLS
1 -	MICROFILM
2 -	FILE

18. I hereby certify that the foregoing is true and correct

SIGNED Sam Cady

TITLE Technician

DATE 6-13-90

(This space for Federal or State office use)

APPROVED BY _____

TITLE _____

DATE _____

CONDITIONS OF APPROVAL, IF ANY:

See Instructions On Reverse Side

STATE OF UTAH
DIVISION OF OIL, GAS AND MINING

SUNDRY NOTICES AND REPORTS ON WELLS

(Do not use this form for proposals to drill or to deepen or plug back in a different reservoir. Use "APPLICATION FOR PERMIT—" for such proposals.)

		5. LEASE DESIGNATION & SERIAL NO. -	
		6. IF INDIAN, ALLOTTEE OR TRIBE NAME -	
1. OIL WELL <input checked="" type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER <input type="checkbox"/>		7. JOINT AGREEMENT NAME -	
2. NAME OF OPERATOR McKenzie Petroleum Company		8. FARM OR LEASE NAME T.E. Hall	
3. ADDRESS OF OPERATOR 1625 Broadway, Suite 2580, Denver, Co. 80202		9. WELL NO. #3	
4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements. See also space 17 below.) At surface 330' FNL, 330' FWL NW 1/4 SE 1/4 Sec. 23-T5S-R22E At proposed prod. zone Same		10. FIELD AND POOL, OR WILDCAT Ashley Valley	
		11. SEC., T., R., M. OR BLK. AND SURVEY OR AREA Sec. 23-T5S-R22E	
14. API NO. 4304715593	Entity # 00615	15. ELEVATIONS (Show whether DF, RT, GR, etc.) 4823' KB	12. COUNTY Uintah
		13. STATE Utah	

JUN 15 1990

OIL AND GAS MINING

16. Check Appropriate Box To Indicate Nature of Notice, Report or Other Data

NOTICE OF INTENTION TO:

TEST WATER SHUT-OFF <input type="checkbox"/>	PULL OR ALTER CASING <input type="checkbox"/>
FRACTURE TREAT <input type="checkbox"/>	MULTIPLE COMPLETE <input type="checkbox"/>
SHOOT OR ACIDIZE <input type="checkbox"/>	ABANDON <input type="checkbox"/>
REPAIR WELL <input type="checkbox"/>	CHANGE PLANS <input type="checkbox"/>
(Other) <input type="checkbox"/>	

SUBSEQUENT REPORT OF:

WATER SHUT-OFF <input type="checkbox"/>	REPAIRING WELL <input checked="" type="checkbox"/>
FRACTURE TREATMENT <input type="checkbox"/>	ALTERING CASING <input type="checkbox"/>
SHOOTING OR ACIDIZING <input type="checkbox"/>	ABANDONMENT* <input type="checkbox"/>
(Other) <input type="checkbox"/>	

(Note: Report results of multiple completion on Well Completion or Recompletion Report and Log form.)

APPROX. DATE WORK WILL START _____

DATE OF COMPLETION 12-29-89

17. DESCRIBE PROPOSED OR COMPLETED OPERATIONS (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)

See Attached.

* Must be accompanied by a cement verification report.

OIL AND GAS	
DRN	RJF
JRB	GLH
DTS	SLS
1- MICROFILM <input checked="" type="checkbox"/>	
2- FILE <input type="checkbox"/>	

18. I hereby certify that the foregoing is true and correct

SIGNED Sam Cook TITLE Technician DATE 6-13-90

(This space for Federal or State office use)

APPROVED BY _____ TITLE _____ DATE _____

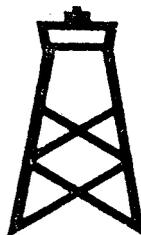
CONDITIONS OF APPROVAL, IF ANY:

See Instructions On Reverse Side

McKenzie Methane Corporation
T.E. Hall #3
Workover Report

- 12/7/89 Move J.W. Gibson Well Service unit out and rig up on T.E. Hall #3. Remove wellhead, rig up T & N Spoolers. Pull tubing and Reda cable out of well to Reda pump equip. Found Reda motor burned out, laid down Reda pump. Motor & Protector Reda cable checked out okay. Re-ran tubing back in well and hooked up wellhead. Let well flow, release rig to rig down and move out. Ordered new Centerlift motor pump and protector to be built. Equipment laid down: pump ser. # 2IT4622022, motor ser. # 519-419606, protector ser. # 3FBTE09909.
- 12/11/89 Loaded Reda equipment from our warehouse and hauled to Casper to be traded in to Centrillift. Reda pump ser.# 54-373727, protector ser. # 3FT4I35926, motor Ser. # 1DT4J36353.
- 12/12/89 Picked up new Centrillift Equipment at their shop in Casper. Pump ser. # 01G58815, motor ser. # 21K42756, seal ser. # 31G46716, flat cable ser. # 61G36594. Return to Vernal.
- 12/14/89 Move JW Gibson Well Service unit out and rig up on T.E. Hall #3. Remove wellhead and pull tubing out of well. Pick up new Centrillift equipment, rig up T & N Spooler and ran tubing and Reda equipment back in well and hang off. Rig up wellhead and let well flow. Could not get enough voltage out of present transformers, only 830 volts and we need 1300 volts. Could not start new equipment to pumping. Checking on getting new transformers. Released workover rig and T & N Spoolers.
- 12/29/89 Received new transformers from Weaver Electric in Denver. Hung new transformers, hooked up control panel and leads. Down well and started well to pumping at 6:00 p.m. All equipment checked out and well pumping okay.

Landed tubing at 1005.13' Top of pump is set at 1018.23', bottom of pump is set at 1030.43'.



McKenzie Production Company

July 10, 1990

RECEIVED
JUL 16 1990

DIVISION OF
OIL, GAS & MINING

State of Utah
Department of Natural Resources
Oil & Gas Mining
355 W. N. Temple, Ste. 350
Salt Lake City, Utah 84180

RE: Operator Name Change

Gentlemen:

Enclosed are Sundry Notices for operator name change and address change. This name change is a change in name only and not an actual change of operator. Changes in our personnel have resulted in moving the production/regulatory from our office in Denver to the "home office" located in Houston.

All future correspondence should be forwarded to the Houston Office located at the following address:

7880 San Felipe Rd., Suite 100
Houston, Texas 77063

If you have any questions or need any additional information concerning this change, please do not hesitate to call our Houston Office at area code 713/783 4300. Thank you for your cooperation and assistance with this change.

Sincerely,

Brenda

Brenda Mabry

:BJM

Encl.

Division of Oil, Gas and Mining
OPERATOR CHANGE WORKSHEET

Routing:

1- HCR	<i>Jep</i>
2- DPT	<i>TS</i>
3- VLC	
4- RJF	
5- RWM	
6- LCR	<i>Jep</i>

Attach all documentation received by the division regarding this change.
 Initial each listed item when completed. Write N/A if item is not applicable.

- Change of Operator (well sold) Designation of Agent
 Designation of Operator Operator Name Change Only

The operator of the well(s) listed below has changed (EFFECTIVE DATE: 6-1-90)

TO (new operator) <u>MCKENZIE PRODUCTION COMPANY</u>	FROM (former operator) <u>MCKENZIE PETROLEUM COMPANY</u>
(address) <u>7880 SAN FELIPE RD, #100</u>	(address) <u>7880 SAN FELIPE RD, #100</u>
<u>HOUSTON, TX 77063</u>	<u>HOUSTON, TX 77063</u>
phone <u>(713) 783-4300</u>	phone <u>(713) 783-4300</u>
account no. <u>N0095</u>	account no. <u>N0090</u>

Well(s) (attach additional page if needed):

Name: <u>THOMAS E. HALL #3 WEBR</u>	API: <u>4304715593</u>	Entity: <u>00615</u>	Sec <u>23</u>	Twp <u>5S</u>	Rng <u>22E</u>	Lease Type: <u>FEE</u>
Name: THOMAS E. HALL #4 WEBR	API: <u>4304715594</u>	Entity: <u>00615</u>	Sec <u>23</u>	Twp <u>5S</u>	Rng <u>22E</u>	Lease Type: <u>FEE</u>
Name: <u>THOMAS HALL FEE 1 WEBR</u>	API: <u>4304715591</u>	Entity: <u>00620</u>	Sec <u>23</u>	Twp <u>5S</u>	Rng <u>22E</u>	Lease Type: <u>FEE</u>
Name: <u>THOMAS HALL FEE 2 WEBR</u>	API: <u>4304715592</u>	Entity: <u>00620</u>	Sec <u>23</u>	Twp <u>5S</u>	Rng <u>22E</u>	Lease Type: <u>FEE</u>
Name: <u>THOMAS E. HALL #5S ENRD</u>	API: <u>4304715595</u>	Entity: <u>00620</u>	Sec <u>23</u>	Twp <u>5S</u>	Rng <u>22E</u>	Lease Type: <u>FEE</u>
Name: <u>RAINBOW UNIT 2A GRY</u>	API: <u>4304715806</u>	Entity: <u>01350</u>	Sec <u>18</u>	Twp <u>11S</u>	Rng <u>24E</u>	Lease Type: <u>U-0529</u>
Name: <u>RAINBOW UNIT #4 WSTC</u>	API: <u>4304715807</u>	Entity: <u>01355</u>	Sec <u>1</u>	Twp <u>11S</u>	Rng <u>23E</u>	Lease Type: <u>U-01766</u>

CONTINUED--

OPERATOR CHANGE DOCUMENTATION

- Jep 1. (Rule R615-8-10) Sundry or other legal documentation has been received from former operator (Attach to this form).
- N/A 2. (Rule R615-8-10) Sundry or other legal documentation has been received from new operator (Attach to this form). (*Name change only*)
- N/A 3. The Department of Commerce has been contacted if the new operator above is not currently operating any wells in Utah. Is company registered with the state? (yes/no) If yes, show company file number: .
- Jep 4. (For Indian and Federal Wells ONLY) The BLM has been contacted regarding this change (attach Telephone Documentation Form to this report). Make note of BLM status in comments section of this form. Management review of **Federal and Indian** well operator changes should take place prior to completion of steps 5 through 9 below.
- Jep 5. Changes have been entered in the Oil and Gas Information System (Wang/IBM) for each well listed above.
- Jep 6. Cardex file has been updated for each well listed above.
- Jep 7. Well file labels have been updated for each well listed above.
- Jep 8. Changes have been included on the monthly "Operator, Address, and Account Changes" memo for distribution to State Lands and the Tax Commission.
- Jep 9. A folder has been set up for the Operator Change file, and a copy of this page has been placed there for reference during routing and processing of the original documents.

ENTITY REVIEW

- 1. (Rule R615-8-7) Entity assignments have been reviewed for all wells listed above. Were entity changes made? (yes/no) NO (If entity assignments were changed, attach copies of Form 6, Entity Action Form).
- 2. State Lands and the Tax Commission have been notified through normal procedures of entity changes.

BOND VERIFICATION (Fee wells only) * See Comments below (will put copy in suspense & follow-up)

- 1. (Rule R615-3-1) The new operator of any fee lease well listed above has furnished a proper bond.
- 2. A copy of this form has been placed in the new and former operators' bond files.
- 3. The former operator has requested a release of liability from their bond (yes/no) NO. Today's date July 25, 1990. If yes, division response was made by letter dated _____ 19__.

LEASE INTEREST OWNER NOTIFICATION RESPONSIBILITY

- 1. (Rule R615-2-10) The former operator/lessee of any fee lease well listed above has been notified by letter dated _____ 19__, of their responsibility to notify any person with an interest in such lease of the change of operator. Documentation of such notification has been requested.
- 2. Copies of documents have been sent to State Lands for changes involving State leases.

MICROFILMING

- 1. All attachments to this form have been microfilmed. Date: August 7 1990.

FILED

- 1. Copies of all attachments to this form have been filed in each well file.
- 2. The original of this form and the original attachments have been filed in the Operator Change file.

COMMENTS

7-23-90 Btm/Bears Paperwork should go through State office first, then to them. Will call! (Have not received as of yet)

7-23-90 McKenzie Prod. Co. / Brenda Mabry will send IDIOC "Rider" adding McKenzie Prod. Co. to original bond. (They are operating under both names)

Division of Oil, Gas and Mining
OPERATOR CHANGE WORKSHEET

Routing:

1-
2-
3-
4-
5-
6-

Attach all documentation received by the division regarding this change.
 Initial each listed item when completed. Write N/A if item is not applicable.

- Change of Operator (well sold) Designation of Agent
 Designation of Operator Operator Name Change Only

The operator of the well(s) listed below has changed (EFFECTIVE DATE: 6-1-90)

TO (new operator) MCKENZIE PRODUCTION COMPANY FROM (former operator) MCKENZIE PETROLEUM COMPANY
 (address) CONTINUED-- (address) _____

 phone () _____ phone () _____
 account no. N account no. N

Well(s) (attach additional page if needed):

Name: RAINBOW UNIT #1 <u>GERV</u> API: 4304715805	Entity: <u>02010</u>	Sec <u>8</u> Twp <u>11S</u> Rng <u>24E</u>	Lease Type: <u>U-017403</u>
Name: ROCKHOUSE UNIT #3 <u>MVED</u> API: 4304715810	Entity: <u>10876</u>	Sec <u>11</u> Twp <u>11S</u> Rng <u>23E</u>	Lease Type: <u>U-0778</u>
Name: _____ API: <u>"WSTC" PA</u>	Entity: <u>02025</u>	Sec _____ Twp _____ Rng _____	Lease Type: <u>"</u>
Name: ROCKHOUSE UNIT #4 <u>WSTC</u> API: 4304715811	Entity: <u>02025</u>	Sec <u>9</u> Twp <u>11S</u> Rng <u>23E</u>	Lease Type: <u>U-0779</u>
Name: ROCKHOUSE UNIT #44-14 <u>WSTC</u> API: 4304731806	Entity: <u>02025</u>	Sec <u>14</u> Twp <u>11S</u> Rng <u>23E</u>	Lease Type: <u>U-0779</u>
Name: ROCKHOUSE UNIT #1 <u>MVED</u> API: 4304715809	Entity: <u>10876</u>	Sec <u>10</u> Twp <u>11S</u> Rng <u>23E</u>	Lease Type: <u>U-0779</u>
Name: ROCKHOUSE UNIT #5-A <u>WSTC</u> API: 4304715812	Entity: <u>02025</u>	Sec <u>13</u> Twp <u>11S</u> Rng <u>23E</u>	Lease Type: <u>U-0779</u>

MVED P.A.

CONTINUED--

OPERATOR CHANGE DOCUMENTATION

1. (Rule R615-8-10) Sundry or other legal documentation has been received from former operator (Attach to this form).
2. (Rule R615-8-10) Sundry or other legal documentation has been received from new operator (Attach to this form).
3. The Department of Commerce has been contacted if the new operator above is not currently operating any wells in Utah. Is company registered with the state? (yes/no) _____ If yes, show company file number: _____.
4. (For Indian and Federal Wells ONLY) The BLM has been contacted regarding this change (attach Telephone Documentation Form to this report). Make note of BLM status in comments section of this form. Management review of **Federal and Indian** well operator changes should take place prior to completion of steps 5 through 9 below.
5. Changes have been entered in the Oil and Gas Information System (Wang/IBM) for each well listed above.
6. Cardex file has been updated for each well listed above.
7. Well file labels have been updated for each well listed above.
8. Changes have been included on the monthly "Operator, Address, and Account Changes" memo for distribution to State Lands and the Tax Commission.
9. A folder has been set up for the Operator Change file, and a copy of this page has been placed there for reference during routing and processing of the original documents.

Routing:

1-
2-
3-
4-
5-
6-

Attach all documentation received by the division regarding this change.
 Initial each listed item when completed. Write N/A if item is not applicable.

- Change of Operator (well sold) Designation of Agent
 Designation of Operator Operator Name Change Only

The operator of the well(s) listed below has changed (EFFECTIVE DATE: 6-1-90)

TO (new operator) MCKENZIE PRODUCTION COMPANY FROM (former operator) MCKENZIE PETROLEUM COMPANY
 (address) CONTINUED-- (address) _____

 phone () _____ phone () _____
 account no. N account no. N

Well(s) (attach additional page if needed):

Name: ROCKHOUSE UNIT #8 WSTC API: 4304715815 Entity: 02025 Sec 23 Twp 11S Rng 23E Lease Type: U-0780
 Name: _____ API: _____ Entity: _____ Sec _____ Twp _____ Rng _____ Lease Type: _____
 Name: _____ API: _____ Entity: _____ Sec _____ Twp _____ Rng _____ Lease Type: _____
 Name: _____ API: _____ Entity: _____ Sec _____ Twp _____ Rng _____ Lease Type: _____
 Name: _____ API: _____ Entity: _____ Sec _____ Twp _____ Rng _____ Lease Type: _____
 Name: _____ API: _____ Entity: _____ Sec _____ Twp _____ Rng _____ Lease Type: _____
 Name: _____ API: _____ Entity: _____ Sec _____ Twp _____ Rng _____ Lease Type: _____

OPERATOR CHANGE DOCUMENTATION

1. (Rule R615-8-10) Sundry or other legal documentation has been received from former operator (Attach to this form).
2. (Rule R615-8-10) Sundry or other legal documentation has been received from new operator (Attach to this form).
3. The Department of Commerce has been contacted if the new operator above is not currently operating any wells in Utah. Is company registered with the state? (yes/no) ____ If yes, show company file number: _____.
4. (For Indian and Federal Wells ONLY) The BLM has been contacted regarding this change (attach Telephone Documentation Form to this report). Make note of BLM status in comments section of this form. Management review of Federal and Indian well operator changes should take place prior to completion of steps 5 through 9 below.
5. Changes have been entered in the Oil and Gas Information System (Wang/IBM) for each well listed above.
6. Cardex file has been updated for each well listed above.
7. Well file labels have been updated for each well listed above.
8. Changes have been included on the monthly "Operator, Address, and Account Changes" memo for distribution to State Lands and the Tax Commission.
9. A folder has been set up for the Operator Change file, and a copy of this page has been placed there for reference during routing and processing of the original documents.

IRREVOCABLE STANDBY LETTER OF CREDIT 10384

MAY 12, 1989

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING
3 TRIAD CENTER #350
355 W. N. TEMPLE
SALT LAKE CITY, UTAH 84180-1203

GENTLEMEN:

WE HEREBY ESTABLISH OUR IRREVOCABLE STANDBY LETTER OF CREDIT IN FAVOR OF THE DIRECTOR OF THE DIVISION OF OIL, GAS AND MINING OF THE STATE OF UTAH FOR THE ACCOUNT OF MCKENZIE PETROLEUM COMPANY, 5847 SAN FELIPE ROAD, SUITE 4300, HOUSTON, TEXAS 77057 FOR THE AGGREGATE AMOUNT OF U S DOLLARS EIGHTY THOUSAND AND NO/100) (\$80,000.00) AVAILABLE BY YOUR DRAFTS AT SIGHT ON THE DEPOSIT INSURANCE BRIDGE BANK, N.A. WHEN DRAWN IN ACCORDANCE WITH THE TERMS AND ACCOMPANIED BY THE DOCUMENTS LISTED UNDER PART C BELOW:

A. THIS LETTER OF CREDIT IS ISSUED BECAUSE THE OPERATOR IS OR WILL BE ENGAGED IN DRILLING, REDRILLING, DEEPENING, REPAIRING, OPERATING AND PLUGGING AND ABANDONMENT A WELL OR WELLS AND RESTORING THE WELL SITE OR SITES IN THE STATE OF UTAH FOR THE PURPOSES OF OIL OR GAS PRODUCTION AND/OR THE INJECTION AND DISPOSAL OF FLUIDS IN CONNECTION THEREWITH FOR THE FOLLOWING DESCRIBED LAND OR WELL:

----- BLANKET BOND: TO COVER ALL WELLS DRILLED IN THE STATE OF UTAH:
----- INDIVIDUAL BOND: WELL NO.-----
SECTION-----TOWNSHIP-----RANGE-----
-----COUNTY, UTAH

B. THIS LETTER OF CREDIT IS SPECIALLY ISSUED AT THE REQUEST OF THE OPERATOR AS GUARANTY THAT THIS FUND WILL BE AVAILABLE DURING THE TIME THAT THE WELLS REFERENCED ABOVE ARE ACTIVE. WE ARE NOT A PARTY TO NOR BOUND BY, THE TERMS OF ANY AGREEMENT BETWEEN YOU AND THE OPERATOR OUT OF WHICH THIS LETTER OF CREDIT MAY ARISE.

C. DRAFTS DRAWN UNDER THIS LETTER OF CREDIT MUST BE ACCOMPANIED BY AN AFFIDAVIT FROM THE DIRECTOR OF THE DIVISION OF OIL, GAS AND MINING STATING THAT:

1. ANY WELL SUBJECT TO THE LETTER OF CREDIT IS DEEMED NECESSARY FOR PLUGGING AND ABANDONMENT AND THE OPERATOR HAS NOT FULFILLED SUCH OBLIGATION UNDER THE OIL AND GAS CONSERVATION GENERAL RULES OF THE STATE OF UTAH.
2. THE DRAFT IS IN THE ESTIMATED COST OF PLUGGING EACH WELL SUBJECT TO THE LETTER OF CREDIT UP TO THE AGGREGATE AMOUNT OF THE LETTER OF CREDIT.

WE WILL BE ENTITLED TO RELY UPON THE STATEMENTS CONTAINED IN THE AFFIDAVIT AND WILL HAVE NO OBLIGATION TO INDEPENDENTLY VERIFY ANY STATEMENTS CONTAINED THEREIN.

DATE: 05/18/90

F E E L E A S E S B Y O P E R A T O R

PAGE: 17

ACCT NUM	COMPANY NAME	WELL NAME	TOWN SHIP	RANGE	SEC	Q-Q	STATUS	API NUMBER	PROD ZONE
N9523	LINMAR PETROLEUM COM	ELLSWORTH #2-9B4	S020	W040	9	NESW	POW	4301331138	WSTC
		CHRISTENSEN #3-4B4	S020	W040	4	SWSE	POW	4301331142	WSTC
		CHASEL-HACKFORD 2-10-A1E	S010	E010	10	SESE	POW	4304731421	GR-WS
		CHASEL-HACKFORD #2-10A1E	S010	E010	10	SESE	TA	4304731421	WSTC
		MOON 1-23Z1	N010	W010	23	NESW	POW	4304731479	WSTC
N0580	LOMAX EXPLORATION CO	NEIGHBORHOOD HOUSE #6-6	S050	W040	6	SENE	PA	4301330981	
		LITTAUER FOUNDATION #1	S050	E020	4	NWSW	LA	4304731382	
N0590	LUFF EXPLORATION COM	MCCONKIE COMM FEE #1	S060	E210	27	NWSE	PA	4304720282	UNTA
		MCCONKIE #2	S070	E210	5	NENW	PA	4304730071	
N0600	MAPCO OIL & GAS COMP	DENNIE RALPHS #1-5	S010	W030	5	SWNE	PA	4301330165	GRRV
		DENNIE RALPHS #1-5	S010	W030	5	SWNE	PA	4301330165	WSTC
		DENNIE RALPHS #1-6	S010	W030	6	SWNE	PA	4301330166	WSTC
		FISHER #1-12	S010	W040	12	NWNE	PA	4301330279	WSTC
		FISHER #1-12	S010	W040	12	NWNE	PA	4301330279	GRRV
N6950	MAPP EXPLORATION	FROST #1-18	S340	E250	18	SENE	PA	4303730761	
		REDD #2-18	S340	E250	18	NESE	PA	4303730771	
		MAPP 1-17	S340	E250	17	NWNW	PA	4303730773	
N9675	MASTER PET & DEVEL C	VANOVER FEE #2	S210	E230	24	SENE	SGW	4301931105	MRSN
		FRAZIER 15-1	S210	E230	15	SWNE	SOW	4301931189	MR-SW
		FRAZIER #15-2	S210	E230	15	SWNE	LA	4301931198	
PO294	MAYO-UTAH OIL CO	MAYO-UTAH OIL CO #1	S040	E210	22	SWNW	PA	4304720386	
N0090	MCKENZIE PETROLEUM C	THOMAS HALL FEE 1	S050	E220	23	SESW	POW	4304715591	WEBR
		THOMAS HALL FEE 2	S050	E220	23	SESW	POW	4304715592	WEBR
		THOMAS E. HALL #3	S050	E220	23	SESE	POW	4304715593	WEBR
		THOMAS E. HALL #4	S050	E220	23	SESE	POW	4304715594	WEBR
		THOMAS E. HALL #5S	S050	E220	23	SESW	POW	4304715595	ENRD
N2450	MEZO, J.D.	J.D. STATE #1	S210	E230	25	NWNE	LA	4301930245	
		VANOVER #2	S210	E230	24	SWNW	PA	4301930247	
		J.D.M. VANOVER #3	S210	E240	19	SWNW	PA	4301930400	
PO629	MICH-WISC PIPELINE C	WEBER COAL COMPANY 13-3	N020	E050	3	NWSW	PA	4304330024	
PO547	MIDWAY PETROLEUM CO	FEE #3	S410	W120	13	NWSW	PA	4305310326	
N2590	MILAGRO ENERGY RESOU	MILLER CREEK CHERITTA #2	S150	E100	22	NENW	LA	4300730064	
		CHIARETTA #3	S150	E100	22	NENE	PA	4300730077	FRSD
PO584	MILLER & TAYLOR	FEE #3	S410	W120	23	NWNE	PA	4305310730	
PO116	MINTON, JOSEPH A	SNOW-FEE #1	S190	E080	9	SENE	PA	4301510731	
		WILBERG-FEE #1	S180	E080	12	SENE	PA	4301510732	
		WILBERG FEE #1-X	S180	E080	12	SENE	PA	4301510733	
PO295	MIRACLE & WOOSTER DR	L D S #1	S040	E210	36	SESW	PA	4304710734	
N3790	MOBIL OIL CORPORATIO	GREGORY ET AL FEE #1	N030	E160	21	SWSW	PA	4304310743	
PO020	MOHAWK PETROLEUM CO	FEE #1	S410	W120	23	NWNW	PA	4305320474	
N0660	MONCRIEF OIL	ROWLEY #2-1	S040	W060	2	SENE	PA	4301330467	WSTC
		PENDER #8-1	S040	W060	8	NENE	PA	4301330471	WSTC
PO601	MONTGOMERY & JEFFRIE	FEE #1	S430	W120	0		PA	4305320518	
PO400	MOORE, JOHN W	HANSON FEE #1	S210	E230	24	SENE	PA	4301920287	
		VANOVER FEE #1	S210	E230	24	SENE	PA	4301930012	
N0680	MOUNTAIN FUEL SUPPLY	SUNNYSIDE UNIT #1	S150	E130	17	NWSE	PA	4300730012	
		HUNTINGTON CANYON FEE #1	S170	E080	8	SENE	PA	4301530002	

Division of Oil, Gas and Mining
OPERATOR CHANGE WORKSHEET

Routing:

1-LEC 7-PL	✓
2-LWP 8-SJ	✓
3-DW 9-FILE	✓
4-VLC	✓
5-RJF	✓
6-LWP	✓

Attach all documentation received by the division regarding this change.
 Initial each listed item when completed. Write N/A if item is not applicable.

- Change of Operator (well sold) Designation of Agent
 Designation of Operator Operator Name Change Only

The operator of the well(s) listed below has changed (EFFECTIVE DATE: 7-1-94)

TO (new operator)	UNITED UTILITIES CORPORATION FROM (former operator)	MCKENZIE PRODUCTION CO
(address)	7670 WOODWAY STE 340	(address) 7500 SAN FELIPE STE 400
	HOUSTON TX 77063	HOUSTON TX 77063
	JOHN LAPAGUA, PRES.	MICHAEL MCKENZIE, PRES.
	phone (713) 782-9093	phone (713) 780-9311
	account no. N 6360 (9-26-94)	account no. N 0095

Well(s) (attach additional page if needed):

Name:	THOMAS E HALL #3/WEBR	API:	43-047-15593	Entity:	615	Sec	23	Twp	5S	Rng	22E	Lease	Type:	FEE
Name:	THOMAS E HALL #4/WEBR	API:	43-047-15594	Entity:	615	Sec	23	Twp	5S	Rng	22E	Lease	Type:	FEE
Name:	THOMAS HALL FEE 1/WEBR	API:	43-047-15591	Entity:	620	Sec	23	Twp	5S	Rng	22E	Lease	Type:	FEE
Name:	THOMAS HALL FEE 2/WEBR	API:	43-047-15592	Entity:	620	Sec	23	Twp	5S	Rng	22E	Lease	Type:	FEE
Name:	THOMAS E HALL #5S/ENRD	API:	43-047-15595	Entity:	620	Sec	23	Twp	5S	Rng	22E	Lease	Type:	FEE
Name:		API:		Entity:		Sec		Twp		Rng		Lease	Type:	
Name:		API:		Entity:		Sec		Twp		Rng		Lease	Type:	

OPERATOR CHANGE DOCUMENTATION

1. (Rule R615-8-10) Sundry or other legal documentation has been received from former operator (Attach to this form). *(Rec'd 9-15-94)*
2. (Rule R615-8-10) Sundry or other legal documentation has been received from new operator (Attach to this form). *(Rec'd 9-15-94)*
3. The Department of Commerce has been contacted if the new operator above is not currently operating any wells in Utah. Is company registered with the state? *(yes/no)* yes If yes, show company file number: #167527. *(9-26-94 Letter Mailed) (9-27-94)*
- N/A 4. (For Indian and Federal Wells ONLY) The BLM has been contacted regarding this change (attach Telephone Documentation Form to this report). Make note of BLM status in comments section of this form. Management review of Federal and Indian well operator changes should take place prior to completion of steps 5 through 9 below.
5. Changes have been entered in the Oil and Gas Information System (Wang/IBM) for each well listed above. *(1-23-95)*
6. Cardex file has been updated for each well listed above. *1-31-94*
7. Well file labels have been updated for each well listed above. *1-31-94*
8. Changes have been included on the monthly "Operator, Address, and Account Changes" memo for distribution to State Lands and the Tax Commission. *(1-23-95)*
9. A folder has been set up for the Operator Change file, and a copy of this page has been placed there for reference during routing and processing of the original documents.

ENTITY REVIEW

- Yes* 1. (Rule R615-8-7) Entity assignments have been reviewed for all wells listed above. Were entity changes made? (yes/no) no (If entity assignments were changed, attach copies of Form 6, Entity Action Form).
- N/A* 2. State Lands and the Tax Commission have been notified through normal procedures of entity changes.

BOND VERIFICATION (Fee wells only)

- Yes* 1. (Rule R615-3-1) The new operator of any fee lease well listed above has furnished a proper bond. (*Req. 10/94, 11/94, 12/94, 1/95*) * Letter in Progress.
* Upon Compl. of routing.
2. A copy of this form has been placed in the new and former operators' bond files.
- N/A* 3. The former operator has requested a release of liability from their bond (yes/no) _____. Today's date _____ 19____. If yes, division response was made by letter dated _____ 19____. * I.D.L.C. # 10334 (\$0,000) "Bank One" for McKenzie expired 1-31-94.

LEASE INTEREST OWNER NOTIFICATION RESPONSIBILITY

- OT* 1. (Rule R615-2-10) The former operator/lessee of any fee lease well listed above has been notified by letter dated _____ 19____, of their responsibility to notify any person with an interest in such lease of the change of operator. Documentation of such notification has been requested. *Process cancelled*
- N/A* 2. Copies of documents have been sent to State Lands for changes involving State leases.

FILMING

1. All attachments to this form have been microfilmed. Date: February 27 1995.

FILING

- ___ 1. Copies of all attachments to this form have been filed in each well file.
- ___ 2. The original of this form and the original attachments have been filed in the Operator Change file.

COMMENTS

.....

.....

.....

SEP 23 1994

DESIGNATION OF AGENT OR OPERATOR

The undersigned is, on record, the holder of oil and gas lease

LEASE NAME: Ashley Valley

LEASE NUMBER: U-56957

and hereby designates

NAME: United Utilities Corporation

ADDRESS: 7670 Woodway Suite 340 Houston, Texas 77063

as his agent /operator , with full authority to act in his behalf in complying with the terms of the lease and regulations applicable thereto and on whom the Division Director or Authorized Agent may serve written or oral instructions in securing compliance with the Oil and Gas Conservation General Rules and Procedural Rules of the Board of Oil, Gas and Mining of the State of Utah with respect to:

(Describe acreage to which this designation is applicable, and identify each applicable oil and gas well by name and API number. Attach additional pages as needed.)

Well No.	API NO.
T.E.Hall #1	43 047 15591
T.E.Hall #2	43 047 15592
T.E.Hall #3	43 047 15593
T.E.Hall #4	43 047 15594
T.E.Hall #5-S	43 047 15595

The acreage to which this designation applies is listed on attached Exhibit "A".

It is understood that this designation of agent/operator does not relieve the lessee of responsibility for compliance with the terms of the lease and the Oil and Gas Conservation General Rules and Procedural Rules of the Board of Oil, Gas and Mining of the State of Utah. It is also understood that this designation of agent or operator does not constitute an assignment of any interest in the lease.

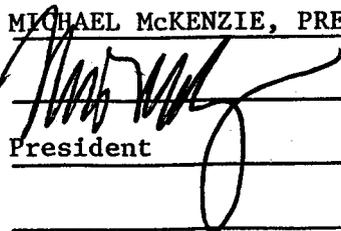
In case of default on the part of the designated agent/operator, the lessee will make full and prompt compliance with all rules, lease terms or orders of the Board of Oil, Gas and Mining of the State of Utah or its authorized representative.

The lessee agrees to promptly notify the Division Director or Authorized Agent of any change in this designation.

Bond to be provided by Letter of Credit

Effective Date of Designation: July 1, 1994

BY: (Name) MICHAEL MCKENZIE, PRESIDENT

(Signature) 

(Title) President

(Phone) _____

OF: (Company) McKENZIE PETROLEUM CO. and/or
McKENZIE PRODUCTION COMPANY

(Address) 7500 San Felipe #400

Houston, Texas 77063

EXHIBIT "A"
Ashley Valley Area
Uintah County, Utah
Lease Number and Description

B.L.M. Lease
Number

Location

U-56957

T5S, R24E, SLM, SEC 25: SW/4NW/4.
SEC 26: S/2NE/4, SE/4NW/4



State of Utah
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

Michael O. Leavitt
Governor
Ted Stewart
Executive Director
James W. Carter
Division Director

355 West North Temple
3 Triad Center, Suite 350
Salt Lake City, Utah 84180-1203
801-538-5340
801-359-3940 (Fax)
801-538-5319 (TDD)

September 26, 1994

Dan Corredor
United Utilities Corporation
7670 Woodway, Suite 340
Houston, Texas 77063

Re: McKenzie Production Company to United Utilities Corporation

Dear Mr. Corredor:

In reviewing the operator change for the referenced companies, it was determined that your company is not currently registered with the Utah Department of Commerce. This letter is written to advise you of your responsibility to register your company with the state prior to conducting business within Utah. This can be accomplished by contacting:

Department of Commerce
Division of Corporations
160 East 300 South
Salt Lake City, Utah 84111
(801) 530-4849

Sincerely,

A handwritten signature in cursive script that reads "Lisha Cordova".

Lisha Cordova
Admin. Analyst

cc: Dept. of Commerce
D.T. Staley
R.J. Firth
Operator File(s)
Correspondence File/ldc



STATE OF UTAH
DIVISION OF OIL, GAS AND MINING
 355 West North Temple, 3 Triad, Suite 350, Salt Lake City, UT 84180-1203

MONTHLY OIL AND GAS PRODUCTION REPORT

OPERATOR NAME AND ADDRESS:

CHRISTINE SEVERNS
 MCKENZIE PRODUCTION CO
 7880 SAN FELIPE #100
 HOUSTON TX 77063

UTAH ACCOUNT NUMBER: N0095

REPORT PERIOD (MONTH/YEAR): 8 / 94

AMENDED REPORT (Highlight Changes)

Well Name API Number Entity Location			Producing Zone	Well Status	Days Oper	Production Volumes		
						OIL(BBL)	GAS(MCF)	WATER(BBL)
THOMAS E. HALL #3 4304715593 00615 05S 22E 23			WEBR		FEE	4208'	\$20,000	
THOMAS E. HALL #4 4304715594 00615 05S 22E 23			WEBR		FEE	4200'	\$20,000	
THOMAS HALL FEE 1 4304715591 00620 05S 22E 23			WEBR		FEE	4122'	\$20,000	Sep. Oper. Chg.
THOMAS HALL FEE 2 4304715592 00620 05S 22E 23			WEBR		FEE	4170'	\$20,000	
THOMAS E. HALL #55 4304715595 00620 05S 22E 23			ENRD		FEE	2055'	\$10,000	
RAINBOW UNIT 2A 4304715806 01350 11S 24E 18			WSTC		U0529	(Rainbow Unit)		
RAINBOW UNIT #4 4304715807 01355 11S 23E 1			WSTC		U01766	A "		
RAINBOW UNIT 1 4304715805 02010 11S 24E 8			WSTC		U017403	"		
ROCKHOUSE UNIT 3 4304715810 02025 11S 23E 11			WSTC		U0778	(Rockhouse Unit)		
ROCKHOUSE UNIT 4 4304715811 02025 11S 23E 9			WSTC		U0779	"		
ROCKHOUSE UNIT #5A 4304715812 02025 11S 23E 13			WSTC		"	"		
ROCKHOUSE UNIT #8 4304715815 02025 11S 23E 23			WSTC		U0780	"		
ROCK HOUSE UNIT #44-14 4304731806 02025 11S 23E 14			WSTC		U0779	"		
TOTALS								

COMMENTS: _____

I hereby certify that this report is true and complete to the best of my knowledge.

Date: _____

Name and Signature: _____

Telephone Number: _____



State of Utah
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

Michael O. Leavitt
Governor

Ted Stewart
Executive Director

James W. Carter
Division Director

355 West North Temple
3 Triad Center, Suite 350
Salt Lake City, Utah 84180-1203
801-538-5340
801-359-3940 (Fax)
801-538-5319 (TDD)

January 30, 1995

CERTIFIED RETURN RECEIPT REQUESTED
P 075 063 391

John Lapagua, President
United Utilities Corporation
7670 Woodway, Suite 340
Houston, Texas 77063

Re: Well Bonding Requirements

Dear Mr. Lapagua:

The Division of Oil, Gas and Mining (the "Division") has received a Designation of Agent or Operator, Form 5, dated July 1, 1994, and Sundry Notices and Reports on Wells, (copies enclosed), whereby McKenzie Production Company, designated United Utilities Corporation as the agent/operator of the Thomas E. Hall #1, #2, #3, #4 and #5S wells located in Section 23, Township 5 South, Range 22 East, Uintah County, Utah.

Pursuant to Utah Admin. R.649-3-1 et seq., Bonding, United Utilities Corporation ("United") as operator of the above referenced wells is required to furnish replacement bond coverage to the Division for the wells. The performance bond is to be a firm commitment in the form of a surety bond, a collateral bond or a combination of these bonding methods. The bond or other good and sufficient surety is to be conditioned for the performance of the duty to plug each well; repair the well if causing waste or pollution, and to maintain and restore the wellsites. Enclosed are copies of Utah Admin. R.649-3-1 et seq., Bonding, and the applicable forms.

Lisha Cordova, Administrative Analyst, has documented several telephone conversations with United personnel, requesting that United effect replacement bond coverage. As of this date, replacement bond coverage has not been received by the Division. Therefore, the Division again requests that United immediately furnish to the Division replacement bond coverage for the above wells.

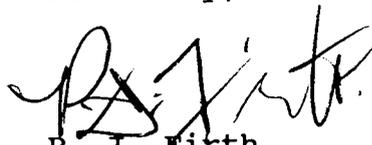


Page 2
United Utilities Corporation
January 30, 1995

In the event that United Utilities Corporation fails to comply with this request within 15 days following receipt of this letter the Division will recommend to the Board of Oil, Gas and Mining ("Board") that United be issued an Order to Show Cause and be required to appear before the Board at its next regularly scheduled hearing.

Should you have any questions regarding this matter, please contact me or Lisha Cordova at (801)538-5340.

Sincerely,



R. J. Firth
Associate Director, Oil & Gas

lec

Enclosure

cc: McKenzie Production Company, w/encl.
James W. Carter, Director
Janice Brown, Secretary to the Board
Thomas A. Mitchell, Assistant Attorney General
Operator File(s)
Correspondence File/ldc

MONTHLY OIL AND GAS PRODUCTION REPORT

OPERATOR NAME AND ADDRESS:

MARGARET HENDERSON
UNITED UTILITIES CORP
804 W DALLAS STE 10
CONROE TX 77301

UTAH ACCOUNT NUMBER: N6360

REPORT PERIOD (MONTH/YEAR): 11 / 98

AMENDED REPORT (Highlight Changes)

Well Name	Producing Zone	Well Status	Days Oper	Production Volumes		
				OIL(BBL)	GAS(MCF)	WATER(BBL)
THOMAS E. HALL #3 4304715593 00615 05S 22E 23	WEBR			fill		
THOMAS E. HALL #4 4304715594 00615 05S 22E 23	WEBR			fill		
THOMAS HALL FEE 1 4304715591 00620 05S 22E 23	WEBR			fill		
THOMAS HALL FEE 2 4304715592 00620 05S 22E 23	WEBR			fill		
THOMAS E. HALL 5S 42715595 00620 05S 22E 23	ENRD			fill		
TOTALS						

REMARKS: _____

I hereby certify that this report is true and complete to the best of my knowledge.

Date: _____

Signature: _____

Telephone Number: _____

MONTHLY OIL AND GAS PRODUCTION REPORT

* Please Correct N+A

N157D

OPERATOR NAME AND ADDRESS:

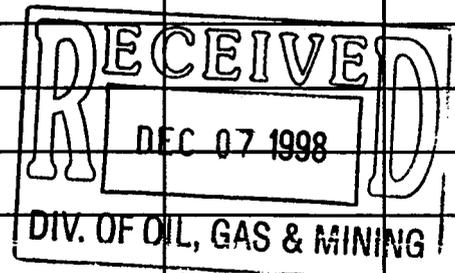
* UTAH ACCOUNT NUMBER: ~~N6360~~

* P&M Petroleum Mgmt - FBO
Attn: Pat Sands
~~MARGARET HENDERSON~~
UNITED UTILITIES CORP
~~804 W DALLAS STE 10 CONROE TX 77301~~ 518 17th St #400
Denver, CO 80202

REPORT PERIOD (MONTH/YEAR): 10 / 98

AMENDED REPORT (Highlight Changes)

Well Name	PI Number	Entity	Location	Producing Zone	Well Status	Days Oper	Production Volumes			
							OIL(BBL)	GAS(MCF)	WATER(BBL)	
THOMAS E. HALL #3	4304715593	00615	055 22E 23	WEBR	SOW					
THOMAS E. HALL #4	4304715594	00615	055 22E 23	WEBR	SOW					
THOMAS HALL FEE 1	4304715591	00620	055 22E 23	WEBR	SOW					
THOMAS HALL FEE 2	4304715592	00620	055 22E 23	WEBR	SOW					
THOMAS E. HALL 5S	4304715595	00620	055 22E 23	ENRD	POW	31	426		186	
TOTALS								426		186



REMARKS:

I hereby certify that this report is true and complete to the best of my knowledge.

Date: Dec 3, 1998

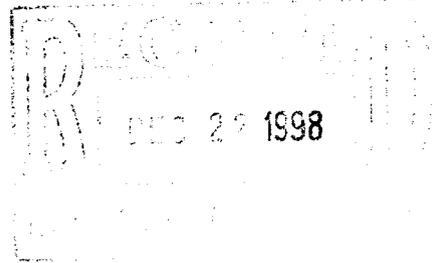
Name and Signature:

Patricia A. Sands *Patricia A. Sands*

Telephone Number: 303 260-7129



**GULF
INSURANCE
GROUP**



December 14, 1998

Ms. Kristen Risbeck
State of Utah
School & Institutional Trust Land Administration
Division of Oil, Gas & Mining
P.O. Box 145801
Salt Lake City, Utah 84114-5801

Re: Bond No. 58 87 88
United Utilities, Inc.
State of Utah
Statewide Plugging Bond
\$80,000.00

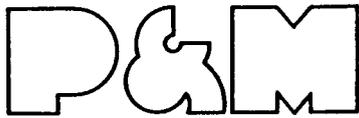
Dear Ms. Risbeck:

Please see the attached Designation of Agent or Operator whereby United Utilities Corp. has designated P&M Petroleum Management as the operator and approved by your office.

If all things are in order, may we receive a written release on our bond as to future liability?

Sincerely,

Kaye Elerson
Sr. Underwriter
Surety Department

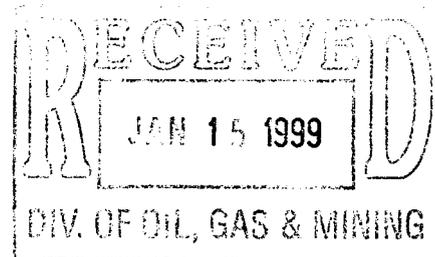


**PETROLEUM
MANAGEMENT, L.L.C.**

518 17TH STREET • SUITE 400 • DENVER, COLORADO 80202 • PHONE (303) 260-7129 • FAX (303) 260-7230

January 12, 1999

Kristen Risbek
Utah Division of Oil, Gas & Mining
1594 West North Temple, #1210
Salt Lake City, UT 84114



Re: Thomas E. Hall leases

Dear Kristen:

Enclosed please find our surety bond #B7982 issued by Underwriters Indemnity Company of Houston, TX. The wells to be charged to this bond are the Thomas E. Hall wells (5) formerly operated by United Utilities, Corp.

Also enclosed are 5 Sundry Notices on the wells per your request.

Please advise if anything further is needed.

Sincerely,

Jerry L. Calley, Controller

Cc: Richard Bate, Esq.

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

SUBMIT TRIPPLICATE*
(Other instructions on reverse side)

SUNDRY NOTICES AND REPORTS ON WELLS

(Do not use this form for proposals to drill or to deepen or plug back to a different reservoir. Use "APPLICATION FOR PERMIT—" for such proposals.)

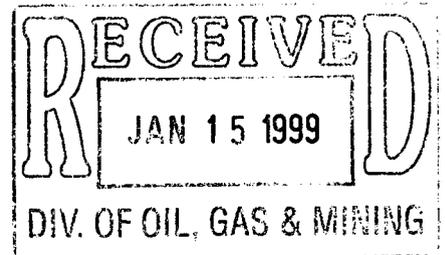
1. OIL WELL <input checked="" type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER <input type="checkbox"/>		5. LEASE DESIGNATION AND SERIAL NO.	
2. NAME OF OPERATOR P & M Petroleum Management, LLC		6. IF INDIAN, ALLOTTEE OR TRIBE NAME	
3. ADDRESS OF OPERATOR 518 17th Street, #400 Denver, CO 80202		7. UNIT AGREEMENT NAME	
4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.* See also space 17 below.) At surface		8. FARM OR LEASE NAME Thomas E. Hall	
14. PERMIT NO. 43-047-15593		9. WELL NO. #3	
15. ELEVATIONS (Show whether DF, RT, OR, etc.)		10. FIELD AND POOL, OR WILDCAT Ashley Valley	
		11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA SE SE Sec 23, T5S R22E	
		12. COUNTY OR PARISH Uintah	13. STATE Utah

16. Check Appropriate Box To Indicate Nature of Notice, Report, or Other Data

NOTICE OF INTENTION TO:		SUBSEQUENT REPORT OF:	
TEST WATER SHUT-OFF <input type="checkbox"/>	FULL OR ALTER CASING <input type="checkbox"/>	WATER SHUT-OFF <input type="checkbox"/>	REPAIRING WELL <input type="checkbox"/>
FRACTURE TREAT <input type="checkbox"/>	MULTIPLE COMPLETE <input type="checkbox"/>	FRACTURE TREATMENT <input type="checkbox"/>	ALTERING CASING <input type="checkbox"/>
SHOOT OR ACIDIZE <input type="checkbox"/>	ABANDON* <input type="checkbox"/>	SHOOTING OR ACIDISING <input type="checkbox"/>	ABANDONMENT* <input type="checkbox"/>
REPAIR WELL <input type="checkbox"/>	CHANGE PLANS <input type="checkbox"/>	(Other) _____	
(Other) _____	Change Operator <input checked="" type="checkbox"/>	(NOTE: Report results of multiple completion on Well Completion or Recompletion Report and Log form.)	

17. DESCRIBE PROPOSED OR COMPLETED OPERATIONS (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)*

Effective 10/16/98, P & M Petroleum Management, LLC has replaced United Utilities, Inc. as contract operator of the above named well. No change has taken place in the ownership of the lease.



18. I hereby certify that the foregoing is true and correct
SIGNED Robert W. Peterson TITLE Member DATE 1/8/99
(This space for Federal or State office use)

APPROVED BY _____ TITLE _____ DATE _____
CONDITIONS OF APPROVAL, IF ANY:



State of Utah
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

Michael O. Leavitt
Governor
Ted Stewart
Executive Director
Lowell P. Braxton
Division Director

1594 West North Temple, Suite 1210
PO Box 145801
Salt Lake City, Utah 84114-5801
801-538-5340
801-359-3940 (Fax)
801-538-7223 (TDD)

January 28, 1999

United Utilities Corporation
Attn: John Lapaglia
804 West Dallas, Ste. 10
Conroe, Texas 77301

Re: Notification of Sale or Transfer of Fee Lease Interest

The Division has received notification of a change of operator from United Utilities Corporation to P&M Petroleum Management, LLC for the following well(s) which are located on a fee lease:

<u>Well Name</u>	<u>Sec.-T.-R.</u>	<u>API Number</u>
Thomas E. Hall 1	23-05S-22E	43-047-15591
Thomas E. Hall 2	23-05S-22E	43-047-15592
Thomas E. Hall 3	23-05S-22E	43-047-15593
Thomas E. Hall 4	23-05S-22E	43-047-15594
Thomas E. Hall 5S	23-05S-22E	43-047-15595

Utah Administrative Rule R649-2-10 states; the owner of a lease shall provide notification to any person with an interest in such lease, when all or part of that interest in the lease is sold or transferred.

This letter is written to advise United Utilities Corporation of its responsibility to notify all individuals with an interest in this lease (royalty interest and working interest) of the change of operator. Please provide written documentation of this notification to:

Utah Royalty Owners Association
Box 1292
Roosevelt, Utah 84066

Page 2
John Lapaglia
Notification of Sale
January 28, 1999

Your assistance in this matter is appreciated.

Sincerely,

A handwritten signature in black ink that reads "Kristen D. Risbeck". The signature is written in a cursive, slightly slanted style.

Kristen D. Risbeck

cc: P&M Petroleum Management, LLC
Utah Royalty Owners Association, Kent Stringham
John R. Baza, Associate Director
Operator File(s)

804 West Dallas, Suite 10
Conroe, Texas 77301



Tel: (409) 588-6420
Fax: (409) 588-4968

Energy Exploration & Production

FAX LETTER & COVER SHEET

TO: Ms. Kristen D. Risbeck
State Of Utah, Department of Natural Resources
Division of Oil, Gas & Mining
1594 West North Temple, Suite 1210
Salt Lake City, Utah 84114

From: John Lapaglia, CEO

Date: February 3, 1999

Pages: 2

RE: Administrative Rule R649-2-10

Dear Kristen,

In reply to your letter dated January 28, 1999, we assumed that since United owned 100% of the working interest in the five wells located at our Ashley Valley Field, no notification was necessary when a change of operatorship occurred.

I now stand to be corrected, and to comply with your request, United will notify the dozen or so ORRI owners of this change, and provide each of them with the name and address of the new operator, and provide such information to former associate Kent Stringham.

The information contained in this facsimile is privileged and confidential information intended for the use of the individual or entity indicated above. Any dissemination, distribution or copy of this communication is strictly prohibited. If you have received this communication in error, please notify us by telephone and return the original message to us via the U.S. Postal Service. Thank you.

On another note, please let me know if our attorney Richard Bate has submitted to you, a change of operator for the two oil wells you had contacted me about some ten days ago.

Please contact me direct at 409-588-6420 or fax me @ 409-588-4968 with your reply, and I do appreciate your patience in this matter.

CC/ P&M Petroleum Mangement, LLC
Richard Bate, Attorney

The information contained in this facsimile is privileged and confidential information intended for the use of the individual or entity indicated above. Any dissemination, distribution or copy of this communication is strictly prohibited. If you have received this communication in error, please notify us by telephone and return the original message to us via the U.S. Postal Service. Thank you.

1-KDR ✓	6-KAS ✓
2-GLH	7-SJ ✓
3-JRB ✓	8-FILE
4-GDW ✓	
5-KDR ✓	

OPERATOR CHANGE WORKSHEET

Attach all documentation received by the division regarding this change.
Initial each listed item when completed. Write N/A if item is not applicable.

- | | |
|--------------------------------------------------------------------|----------------------------------------------------|
| <input checked="" type="checkbox"/> Change of Operator (well sold) | <input type="checkbox"/> Designation of Agent |
| <input type="checkbox"/> Designation of Operator | <input type="checkbox"/> Operator Name Change Only |

The operator of the well(s) listed below has changed, effective: 10-16-98

TO: (new operator)	<u>P&M PETROLEUM MANAGEMENT</u>	FROM: (old operator)	<u>UNITED UTILITIES CORPORATION</u>
(address)	<u>518 17TH STREET STE 400</u>	(address)	<u>804 W DALLAS STE 10</u>
	<u>DENVER, CO 80202</u>		<u>CONROE, TX 77301</u>
	<u>JERRY L. CALLEY</u>		<u>JOHN LAPAGLIA</u>
	Phone: <u>(303) 260-7129</u>		Phone: <u>(409) 588-6420</u>
	Account no. <u>N1570</u>		Account no. <u>N6360</u>

WELL(S) attach additional page if needed:

Name:	<u>THOMAS E. HALL 1 (SOW)</u>	API:	<u>43-047-15591</u>	Entity:	<u>00620</u>	S	<u>23</u>	T	<u>5S</u>	R	<u>22E</u>	Lease:	<u>FEE</u>
Name:	<u>THOMAS E. HALL 2 (SOW)</u>	API:	<u>43-047-15592</u>	Entity:	<u>00620</u>	S	<u>23</u>	T	<u>5S</u>	R	<u>22E</u>	Lease:	<u>FEE</u>
Name:	<u>THOMAS E. HALL 3 (SOW)</u>	API:	<u>43-047-15593</u>	Entity:	<u>00615</u>	S	<u>23</u>	T	<u>5S</u>	R	<u>22E</u>	Lease:	<u>FEE</u>
Name:	<u>THOMAS E. HALL 4 (SOW)</u>	API:	<u>43-047-15594</u>	Entity:	<u>00615</u>	S	<u>23</u>	T	<u>5S</u>	R	<u>22E</u>	Lease:	<u>FEE</u>
Name:	<u>THOMAS E. HALL 5S (POW)</u>	API:	<u>43-047-15595</u>	Entity:	<u>00620</u>	S	<u>23</u>	T	<u>5S</u>	R	<u>22E</u>	Lease:	<u>FEE</u>
Name:	_____	API:	_____	Entity:	_____	S	_____	T	_____	R	_____	Lease:	_____
Name:	_____	API:	_____	Entity:	_____	S	_____	T	_____	R	_____	Lease:	_____

OPERATOR CHANGE DOCUMENTATION

- KDR 1. (r649-8-10) Sundry or other legal documentation has been received from the **FORMER** operator (attach to this form). *(Rec'd 10.23.98)*
- KDR 2. (r649-8-10) Sundry or other legal documentation has been received from the **NEW** operator (Attach to this form). *(Rec'd 1.15.99)*
- N/A 3. The **Department of Commerce** has been contacted if the new operator above is not currently operating any wells in Utah. Is the company registered with the state? (yes/no) ____ If yes, show company file number: _____
- N/A 4. **FOR INDIAN AND FEDERAL WELLS ONLY.** The BLM has been contacted regarding this change. Make note of BLM status in comments section of this form. BLM approval of **Federal** and **Indian** well operator changes should ordinarily take place prior to the division's approval, and before the completion of steps 5 through 9 below.
- KDR 5. Changes have been entered in the **Oil and Gas Information System** (3270) for each well listed above. *(2.25.99)*
- KDR 6. **Cardex** file has been updated for each well listed above. *(2.25.99)*
- KDR 7. Well file labels have been updated for each well listed above. **new filing system*
- KDR 8. Changes have been included on the monthly "Operator, Address, and Account Changes" memo for distribution to Trust Lands, Sovereign Lands, UGS, Tax Commission, etc. *(1.28.99)*
- KDR 9. A folder has been set up for the **Operator Change** file, and a copy of this page has been placed there for reference during routing and processing of the original documents.

ENTITY REVIEW

- 1. (r649-8-7) Entity assignments have been reviewed for all wells listed above. Were entity changes made? (yes/no) no If entity assignments were changed, attach copies of Form 6, Entity Action Form.
- 2. Trust Lands, Sovereign Lands, Tax Commission, etc., have been notified through normal procedures of entity changes.

BOND VERIFICATION - (FEE WELLS ONLY)

- 1. (r649-3-1) The NEW operator of any fee lease well listed above has furnished a proper bond.
 (Bond # B7982 eff 1.11.99)
- 2. A copy of this form has been placed in the new and former operator's bond files.
- 3. The FORMER operator has requested a release of liability from their bond (yes/no) yes, as of today's date 12.14.98. If yes, division response was made to this request by letter dated per letter.

LEASE INTEREST OWNER NOTIFICATION OF RESPONSIBILITY

- 1. Copies of documents have been sent on _____ to _____ at Trust Lands for changes involving State leases, in order to remind that agency of their responsibility to review for proper bonding.
- 2. (r649-2-10) The former operator of any fee lease wells listed above has been contacted and informed by letter dated January 28 19 99, of their responsibility to notify all interest owners of this change.

FILMING

- 1. All attachments to this form have been microfilmed. Today's date: 3.25.99.

FILING

- 1. Copies of all attachments to this form have been filed in each well file.
- 2. The original of this form, and the original attachments are now being filed in the Operator Change file.

COMMENTS

98110LP P3M Petroleum needs Bond. Rec'd Bond 1.15.99 effective 1.11.99.



State of Utah

March 19, 2004

Department of
Natural Resources

Division of
Oil, Gas & Mining

ROBERT L. MORGAN
Executive Director

LOWELL P. BRAXTON
Division Director

CERTIFIED MAIL NO. 7002 0510 0003 8602 6549

Jerry Calley
P&M Petroleum Management
518 17th Street, Suite 230
Denver, Colorado 80202

Re: Extended Shut-in and Temporary Abandoned Well Requirements for Fee or State Leases.

Dear Mr. Calley:

P&M Petroleum Management, as of March 2004, has three (3) Fee Lease Wells (see attachment A) that are currently in non-compliance for extended shut-in or temporary abandonment status. Wells SI/TA beyond twelve (12) consecutive months requires filing a Sundry Notice (R649-3-36-1). Wells with five (5) years non-activity or non-productivity shall be plugged, unless the Division grants approval for extended shut-in time upon a showing of good cause by the operator (R649-3-36-1.3.3). For extended SI/TA consideration the operator shall provide the Utah Division of Oil, Gas & Mining with the following:

1. Reasons for SI/TA of the well (R649-3-36-1.1).
2. The length of time the well is expected to be SI/TA (R649-3-36-1.2), and
3. An explanation and supporting data if necessary, for showing the well has integrity, meaning that the casing, cement, equipment condition, static fluid level, pressure, existence or absence of Underground Sources of Drinking Water and other factors do not make the well a risk to public health and safety or the environment (R649-3-36-1.3).

Page 2
Jerry Calley
March 19, 2004

Submitting the information suggested below may help show well integrity and may help qualify your well for extended SI/TA. **Note: As of July 1, 2003, wells in violation of the SI/TA rule R649-3-36 may be subject to full cost bonding (R649-3-1-4.2, 4.3).**

1. Wellbore diagram, and
2. Copy of recent casing pressure test, and
3. Current pressures on the wellbore (tubing pressure, casing pressure, and casing/casing annuli pressure) showing wellbore has integrity, and
4. Fluid level in the wellbore, and
5. An explanation of how the submitted information proves integrity.

If the required information is not received within 30 days of the date of this notice, further actions may be initiated. If you have any questions concerning this matter, please contact me at (801) 538-5281.

Sincerely,



Dustin K. Doucet
Petroleum Engineer

jc
cc: John Baza
Well File

	Well Name	API	Lease Type	Years Inactive
1	Thomas E Hall 4	43-047-15594	Fee	10 Years 11 Months
2	Thomas E Hall 3	43-047-15593	Fee	9 Years 5 Months
3	Thomas Hall Fee 2	43-047-15592	Fee	5 Years 6 Months

Attachment A

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

5. Lease Designation and Serial Number:
TE HALL

6. If Indian, Allottee or Tribe Name:

7. If Unit or CA/Agreement, Name:

SURMIT IN TRIPLICATE

1. Type of Well
 Oil Well Gas Well Other

8. Well Name and Number
SEE DESCRIPTION

2. Name of Operator
SUMMIT OPERATING, LLC N2315

9. API Number:
SEE DESCRIPTION

3. Address
PO BOX 683909, PARK CITY, UT 84068
Phone Number:
(435) 940-9001

10. Field and Pool, or Wildcat:
ASHLEY VALLEY

4. Location of Well:
T40S R22E SEC 24

County: UINTAH

State: UTAH

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

TYPE OF SUBMISSION	TYPE OF ACTION		
<input checked="" type="checkbox"/> Notice of Intent Approximate date work will start:	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Re-perforate Current Form.
<input type="checkbox"/> Subsequent Report Date of work completion:	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Sidetrack to Repair Well
	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Temp. Abandon
	<input type="checkbox"/> Change to Plans	<input type="checkbox"/> Operator Change	<input type="checkbox"/> Tubing Repair
	<input type="checkbox"/> Change Tubing	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Vent or Flare
	<input type="checkbox"/> Change Well Name	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal
	<input type="checkbox"/> Change Well Status	<input type="checkbox"/> Production (start/resume)	<input type="checkbox"/> Water Shut Off
	<input type="checkbox"/> Commingle Producing Form.	<input type="checkbox"/> Reclamation of Well Site	<input checked="" type="checkbox"/> Other
	<input type="checkbox"/> Convert Well Types	<input type="checkbox"/> Re-complete Different Form	CHANGE OF OPERATOR

12. Describe Proposed or Completed Operation

PLEASE BE ADVISED THAT SUMMIT OPERATING (N2315) IS TAKING OVER OPERATIONS FOR THE FOLLOWING WELLS EFFECTIVE APRIL 1, 2004. PLEASE TRANSFER THE WELLS TO SUMMIT'S STATE BOND. FOR ADDITIONAL INFORMATION, PLEASE CONTACT SUMMIT OPERATING AT THE ABOVE LISTED PHONE NUMBER.

- THOMAS E HALL 3 (43-047-15593)
- THOMAS E HALL 4 (43-047-15594)
- THOMAS E HALL 1 (43-047-15591)
- THOMAS E HALL 2 (43-047-15592)
- THOMAS E HALL 5S (43-047-15595)

P&M PETROLEUM, LLC

N1570

BY:

Jerry Calvey

RECEIVED

APR 06 2004

DIV. OF OIL, GAS & MINING

Name DAVID LILLYWHITE

Title MANAGER

Signature
(This space for State use only)

Date MARCH 22, 2004



State of Utah

Department of
Natural Resources

Division of
Oil, Gas & Mining

ROBERT L. MORGAN
Executive Director

LOWELL P. BRAXTON
Division Director

April 12, 2004

Jerry Calley
P&M Petroleum Management, LLC
518 17th St, Suite 230
Denver, CO 80202

Re: Notification of Sale or Transfer of Fee Lease Interest

Dear Mr. Calley:

The Division has received notification of an operator change from P&M Petroleum Management, LLC to Summit Operating, LLC for the attached list of wells which are located on fee leases.

Utah Administrative Rule R649-2-10 states; the owner of a lease shall provide notification to any person with an interest in such lease, when all or part of that interest in the lease is sold or transferred.

This letter is written to advise P&M Petroleum Management, LLC of its responsibility to notify all individuals with an interest in this lease (royalty interest and working interest) of the change of operator. Please provide written documentation of this notification to:

Utah Royalty Owners Association
Box 1292
Roosevelt, Utah 84066

Your assistance in this matter is appreciated.

Sincerely,

Earlene Russell
Engineering Technician

cc: Utah Royalty Owners Association
John R. Baza, Associate Director

P&M Petroleum Management, LLC
April 12, 2004

ATTACHMENT "A"

<u>Well Name</u>	<u>Sec.-Twp -Rng.</u>			<u>API Number</u>
THOMAS HALL FEE 1	23	050S	220E	4304715591
THOMAS HALL FEE 2	23	050S	220E	4304715592
THOMAS E HALL 3	23	050S	220E	4304715593
THOMAS E HALL 4	23	050S	220E	4304715594
THOMAS E HALL 5S	23	050S	220E	4304715595

6. (R649-9-2)Waste Management Plan has been received on: IN PLACE

7. **Federal and Indian Lease Wells:** The BLM and or the BIA has approved the merger, name change, or operator change for all wells listed on Federal or Indian leases on: BLM n/a BIA n/a

8. **Federal and Indian Units:**
The BLM or BIA has approved the successor of unit operator for wells listed on: n/a

9. **Federal and Indian Communization Agreements ("CA"):**
The BLM or BIA has approved the operator for all wells listed within a CA on: n/a

10. **Underground Injection Control ("UIC")** The Division has approved UIC Form 5, **Transfer of Authority to Inject**, for the enhanced/secondary recovery unit/project for the water disposal well(s) listed on: N/A

DATA ENTRY:

1. Changes entered in the Oil and Gas Database on: 4/12/2004
2. Changes have been entered on the Monthly Operator Change Spread Sheet on: 4/12/2004
3. Bond information entered in RBDMS on: N/A
4. Fee wells attached to bond in RBDMS on: N/A
5. Injection Projects to new operator in RBDMS on: n/a

STATE WELL(S) BOND VERIFICATION:

1. State well(s) covered by Bond Number: n/a

FEDERAL WELL(S) BOND VERIFICATION:

1. Federal well(s) covered by Bond Number: N/A

INDIAN WELL(S) BOND VERIFICATION:

1. Indian well(s) covered by Bond Number: n/a

FEE WELL(S) BOND VERIFICATION:

1. (R649-3-1) The **NEW** operator of any fee well(s) listed covered by Bond Number ZSB800622
2. The **FORMER** operator has requested a release of liability from their bond on: not yet
The Division sent response by letter on: N/A

LEASE INTEREST OWNER NOTIFICATION:

3. (R649-2-10) The **FORMER** operator of the fee wells has been contacted and informed by a letter from the Division of their responsibility to notify all interest owners of this change on: N/A

COMMENTS:



State of Utah

Department of
Natural Resources

ROBERT L. MORGAN
Executive Director

Division of
Oil, Gas & Mining

LOWELL P. BRAXTON
Division Director

OLENE S. WALKER
Governor

GAYLE F. McKEACHNIE
Lieutenant Governor

June 4, 2004

CERTIFIED MAIL NO. 7002 0510 0003 8602 5337

Dave Lillywhite
Summit Operating LLC
P.O. Box 683909
Park City, Utah 84068-3909

Re: Extended Shut-in and Temporary Abandoned Well Requirements for Fee or State Leases.

Dear Mr. Lillywhite:

Summit Operating LLC, as of June 2004, has three (3) Fee Lease Wells (see attachment A) that are currently in non-compliance for extended shut-in or temporary abandonment status. Wells SI/TA beyond twelve (12) consecutive months requires filing a Sundry Notice (R649-3-36-1). Wells with five (5) years non-activity or non-productivity shall be plugged, unless the Division grants approval for extended shut-in time upon a showing of good cause by the operator (649-3-36-1.3.3). For extended SI/TA consideration the operator shall provide the Utah Division of Oil, Gas & Mining with the following:

1. Reasons for SI/TA of the well (R649-3-36-1.1).
2. The length of time the well is expected to be SI/TA (R649-3-36-1.2), and
3. An explanation and supporting data if necessary, for showing the well has integrity, meaning that the casing, cement, equipment condition, static fluid level, pressure, existence or absence of Underground Sources of Drinking Water and other factors do not make the well a risk to public health and safety or the environment (R649-3-36-1.3).

Page 2
June 4, 2004
Dave Lillywhite

Submitting the information suggested below may help show well integrity and may help qualify your well for extended SI/TA. **Note: As of July 1, 2003, wells in violation of the SI/TA rule R649-3-36 may be subject to full cost bonding (R649-3-1-4.2, 4.3).**

1. Wellbore diagram, and
2. Copy of recent casing pressure test, and
3. Current pressures on the wellbore (tubing pressure, casing pressure, and casing/casing annuli pressure) showing wellbore has integrity, and
4. Fluid level in the wellbore, and
5. An explanation of how the submitted information proves integrity.

If the required information is not received within 30 days of the date of this notice, further actions may be initiated. If you have any questions concerning this matter, please contact me at (801) 538-5281.

Sincerely,



Dustin K. Doucet
Petroleum Engineer

jc
cc: John Baza
Well File

55 22E 23

	Well Name	API	Lease Type	Years Inactive
1	Thompson E Hall 4	43-047-15594	Fee	11 Years 1 Months
2	Thompson E Hall 3	43-047-15593	Fee	9 Years 7 Months
3	Thompson Hall Fee 2	43-047-15592	Fee	5 Years 8 Months

Attachment A



State of Utah

Department of
Natural Resources

ROBERT L. MORGAN
Executive Director

Division of
Oil, Gas & Mining

LOWELL P. BRAXTON
Division Director

OLENE S. WALKER
Governor

GAYLE F. McKEACHNIE
Lieutenant Governor

August 24, 2004

CERTIFIED MAIL NO. 7002 0510 0003 8602 6136

Mr. Gregory Schmidt
Diamondback Oil Partners, LLP
C/O Summit Operating, LLC
5990 Kipling Parkway, Ste. 201
Arvada, Colorado 80004

Re: Extended Shut-in and Temporary Abandoned Well Requirements for Fee or State Leases dated June 4, 2004

58 228 23
43047-15593

Dear Mr. Schmidt,

The Division of Oil, Gas and Mining (the "Division") is in receipt of your letter dated August 20, 2004 (received by the Division on 8/23/2004) in regards to the three (3) shut-in wells operated by Summit Operating, LLC (Summit). It is the Division's understanding Summit acquired these properties within the last few months and requires additional time to fully evaluate the economic value of the properties.

Based on the submitted plan of action and the work currently being done on the Thompson Hall Fee 2, the Division grants extended shut-in and temporary abandonment status for the Thompson E Hall 4, Thompson E Hall 3, and Thompson Hall Fee 2 wells through June 5, 2005 allowing adequate time to evaluate the wells and accomplish the proposed work.

For reference, Attachment A lists the wells subject to this request. If you have any questions or need additional assistance in regards to the above matters please contact me at (801) 538-5281.

Sincerely,

Dustin Doucet
Petroleum Engineer

CLD:jc

cc: File
Summit Operating, LLC

	Well Name	API	Lease Type	Years Inactive
1	Thompson E Hall 4	43-047-15594	Fee	11 Years 1 Months
2	Thompson E Hall 3	43-047-15593	Fee	9 Years 7 Months
3	Thompson Hall Fee 2	43-047-15592	Fee	5 Years 8 Months

Attachment A

Division of Oil, Gas and Mining
OPERATOR CHANGE WORKSHEET

ROUTING
1. DJJ
2. CDW

X Change of Operator (Well Sold)

Operator Name Change/Merger

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

9/1/2006

FROM: (Old Operator): N2315-Summit Operating, LLC PO Box 683909 Park City, UT 84068 Phone: 1 (435) 940-9001	TO: (New Operator): N3085-Western Energy Operating, LLC 436 N Conwell St Casper, WY 82601 Phone: 1 (307) 266-1971
CA No.	Unit:

43.047-15593

OPERATOR CHANGES DOCUMENTATION

Enter date after each listed item is completed

1. (R649-8-10) Sundry or legal documentation was received from the **FORMER** operator on: 9/5/2006
2. (R649-8-10) Sundry or legal documentation was received from the **NEW** operator on: 9/5/2006
3. The new company was checked on the **Department of Commerce, Division of Corporations Database** on: 7/13/2006
- 4a. Is the new operator registered in the State of Utah: Yes Business Number: 6268815-0161
- 5a. (R649-9-2)Waste Management Plan has been received on: requested
- 5b. Inspections of LA PA state/fee well sites complete on: n/a
- 5c. Reports current for Production/Disposition & Sundries on: ok
6. **Federal and Indian Lease Wells:** The BLM and or the BIA has approved the merger, name change, or operator change for all wells listed on Federal or Indian leases on: BLM n/a BIA n/a
7. **Federal and Indian Units:**
 The BLM or BIA has approved the successor of unit operator for wells listed on: n/a
8. **Federal and Indian Communization Agreements ("CA"):**
 The BLM or BIA has approved the operator for all wells listed within a CA on: n/a
9. **Underground Injection Control ("UIC")** The Division has approved UIC Form 5, **Transfer of Authority to Inject**, for the enhanced/secondary recovery unit/project for the water disposal well(s) listed on: n/a

DATA ENTRY:

1. Changes entered in the **Oil and Gas Database** on: 9/25/2006
2. Changes have been entered on the **Monthly Operator Change Spread Sheet** on: 9/25/2006
3. Bond information entered in RBDMS on: 9/25/2006
4. Fee/State wells attached to bond in RBDMS on: 9/25/2006

BOND VERIFICATION:

1. Federal well(s) covered by Bond Number: n/a
2. Indian well(s) covered by Bond Number: n/a
- 3a. (R649-3-1) The **NEW** operator of any fee well(s) listed covered by Bond Number F18532
- 3b. The **FORMER** operator has requested a release of liability from their bond on: n/a

LEASE INTEREST OWNER NOTIFICATION:

4. (R649-2-10) The **FORMER** operator of the fee wells has been contacted and informed by a letter from the Division of their responsibility to notify all interest owners of this change on: 9/25/2006

COMMENTS:

.19-491-93

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

FORM 9

SUNDRY NOTICES AND REPORTS ON WELLS		9. LEASE DESIGNATION AND SERIAL NUMBER Thomas E Hall
		6. IF INDIAN, ALLOTTEE OR TRIBE NAME
Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, re-enter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.		7. UNIT or CO-AGREEMENT NAME
1. TYPE OF WELL OIL WELL <input checked="" type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER _____	8. WELL NAME and NUMBER See Description	
2. NAME OF OPERATOR: Western Energy Operating, LLC <i>N3085</i>	9. API NUMBER: Listed	
3. ADDRESS OF OPERATOR 430 N Conwell St CITY Casper STATE WY ZIP 82601	PHONE NUMBER (307) 266-1971	10. FIELD AND POC, OR WILDCAT Ashley Valley
4. LOCATION OF WELL FOOTAGES AT SURFACE: T5S R22E Sec 23		COUNTY Utah
TRACT SECTION, TOWNSHIP, RANGE, MERIDIAN:		STATE UTAH

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA			
TYPE OF SUBMISSION	TYPE OF ACTION		
<input checked="" type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: _____	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> REPERFORATE CURRENT FORMATION
<input type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion: _____	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> SHUTBACK TO REPAIR WELL
	<input type="checkbox"/> CASING REPAIR	<input type="checkbox"/> NEW CONSTRUCTION	<input type="checkbox"/> TEMPORARILY ABANDON
	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input checked="" type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> TUBING REPAIR
	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> VENT OR FLARE
	<input type="checkbox"/> CHANGE WELL NAME	<input type="checkbox"/> PLUG BACK	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> PRODUCTION (START/RESUME)	<input type="checkbox"/> WATER SHUT-OFF
	<input type="checkbox"/> COMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input type="checkbox"/> OTHER: _____
	<input type="checkbox"/> CONVERT WELL TYPE	<input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION	

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

Please be advised that Western Energy Operating, LLC (WEO) (N3085) is taking over operations for the following 7 wells effective September 1, 2006. For additional information, please contact WEO at 303-432-8435 or the above listed number.

- Thomas E Hall Fee 1 (4304715591)
- Thomas E Hall Fee 2 (4304715592)
- Thomas E Hall Fee 3 (4304715593)
- Thomas E Hall Fee 4 (4304715594)
- Thomas E Hall Fee 5 (4304715595)
- Thomas Hall Fee 1 (4304715489)
- Thomas Hall Fee 2 (4304715490)

BOND # F 18532

Summit Operating, LLC (N2316)

David Lillywhite
by David Lillywhite

NAME (PLEASE PRINT) Paul M Hannah	TITLE Operations Manager
SIGNATURE <i>Paul M Hannah</i>	DATE 8/14/2006

(This space for State use only)

(3/2000)

(See Instructions on Reverse Side)

APPROVED 9/25/2006
Earlene Russell
Division of Oil, Gas and Mining
Earlene Russell, Engineering Technician

RECEIVED
SEP 05 2006
DIV. OF OIL, GAS & MINING

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

FORM 9

SUNDRY NOTICES AND REPORTS ON WELLS

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

1. TYPE OF WELL OIL WELL <input checked="" type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER _____		5. LEASE DESIGNATION AND SERIAL NUMBER: Fee Lands
2. NAME OF OPERATOR: Western Energy Operating, LLC		6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
3. ADDRESS OF OPERATOR: 4340 Everett St CITY Wheat Ridge STATE CO ZIP 80033		7. UNIT or CA AGREEMENT NAME:
4. LOCATION OF WELL FOOTAGES AT SURFACE: 330' FNL 330' FWL QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: SESE 23 05S 22E		8. WELL NAME and NUMBER: Thomas E. Hall #3
		9. API NUMBER: 4304715593
		10. FIELD AND POOL, OR WILDCAT: Ashley Valley, Weber
		COUNTY: Uintah
		STATE: UTAH

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

TYPE OF SUBMISSION	TYPE OF ACTION		
<input checked="" type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: <u>3/2/2007</u>	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> REPERFORATE CURRENT FORMATION
	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> SIDETRACK TO REPAIR WELL
<input type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion: _____	<input type="checkbox"/> CASING REPAIR	<input type="checkbox"/> NEW CONSTRUCTION	<input type="checkbox"/> TEMPORARILY ABANDON
	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> TUBING REPAIR
	<input checked="" type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> VENT OR FLARE
	<input type="checkbox"/> CHANGE WELL NAME	<input type="checkbox"/> PLUG BACK	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> PRODUCTION (START/RESUME)	<input type="checkbox"/> WATER SHUT-OFF
	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input type="checkbox"/> OTHER: _____
	<input type="checkbox"/> CONVERT WELL TYPE	<input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION	

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

Proposed workover involves setting a 7" casing packer on 4105' of 2-7/8" EUE tubing with one joint of 2-7/8 tail pipe below the packer. Current 7" casing shoe is located at 4135'.

This well currently has no tubing string and is producing up the casing.

DATE TO OPERATE
3-21-07
Rm

NAME (PLEASE PRINT) <u>Paul m Hannah</u>	TITLE <u>Operations Manager</u>
SIGNATURE <u><i>Paul m Hannah</i></u>	DATE <u>2/22/2007</u>

(This space for State use only)

RECEIVED BY THE STATE
OF UTAH DIVISION OF
OIL, GAS AND MINING
DATE: 3/20/07
BY: *Asst Dir*

RECEIVED
FEB 23 2007
DIV. OF OIL, GAS & MINING

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

FORM 9

SUNDRY NOTICES AND REPORTS ON WELLS

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

5. LEASE DESIGNATION AND SERIAL NUMBER: FEE	
6. IF INDIAN, ALLOTTEE OR TRIBE NAME:	
7. UNIT or CA AGREEMENT NAME: UTU85845X	
8. WELL NAME and NUMBER: THOMAS E. HALL 3 (AVU 9)	
9. API NUMBER: 4304715593	
10. FIELD AND POOL, OR WILDCAT: ASHLEY VALLEY, WEBER	

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

2. NAME OF OPERATOR:
WESTERN ENERGY OPERATING, LLC

3. ADDRESS OF OPERATOR:
439 N CONWELL ST CITY **CASPER** STATE **WY** ZIP **82601** PHONE NUMBER:
(307) 472-0720

4. LOCATION OF WELL:
FOOTAGES AT SURFACE: **990' FSL, 990' FEL** COUNTY: **UINTAH**
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: **SESE 23 5S 22E** STATE: **UTAH**

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

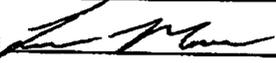
TYPE OF SUBMISSION	TYPE OF ACTION		
<input type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: _____	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> REPERFORATE CURRENT FORMATION
	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> SIDETRACK TO REPAIR WELL
	<input type="checkbox"/> CASING REPAIR	<input type="checkbox"/> NEW CONSTRUCTION	<input checked="" type="checkbox"/> TEMPORARILY ABANDON
	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input type="checkbox"/> OPERATOR CHANGE	<input checked="" type="checkbox"/> TUBING REPAIR
	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> VENT OR FLARE
<input checked="" type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion: 7/30/2008	<input type="checkbox"/> CHANGE WELL NAME	<input type="checkbox"/> PLUG BACK	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> PRODUCTION (START/RESUME)	<input type="checkbox"/> WATER SHUT-OFF
	<input type="checkbox"/> COMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input type="checkbox"/> OTHER: _____
	<input type="checkbox"/> CONVERT WELL TYPE	<input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION	

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

7/24/2008
Tubing leak occurred that resulted in pressure on backside. PRS inspected 2 7/8" tubing while TOOH and found 70 joints of red band tubing. LD red band joints and PU 70 joints of 3 1/2" yellowband tubing. RIH w/ new 7" Arrowset 1-X packer w/ on-off tool w/ 1.87" X-profile in stinger and set @ 4050'. Casing would not hold pressure. TOOH and LD all tubing and packer. Decided to temporarily abandon well to isolate casing leak. Set CIBP's at 4032' and 3450' to ensure gas pressure from the Weber is isolated. There is no tubing in the well.

7/30/2008

NAME (PLEASE PRINT): **LUCAS MOORE** TITLE: **ENGINEER**

SIGNATURE:  DATE: **9/22/2008**

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RECEIVED
SEP 23 2008
DIV. OF OIL, GAS & MINING

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

FORM 9

SUNDRY NOTICES AND REPORTS ON WELLS

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

1. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER _____		5. LEASE DESIGNATION AND SERIAL NUMBER:
2. NAME OF OPERATOR: Western Energy Operating, LLC		6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
3. ADDRESS OF OPERATOR: 439 N Conwell St CITY Casper STATE WY ZIP 82601		7. UNIT or CA AGREEMENT NAME:
PHONE NUMBER: (307) 472-0720		8. WELL NAME and NUMBER:
4. LOCATION OF WELL		9. API NUMBER:
FOOTAGES AT SURFACE:		10. FIELD AND POOL, OR WILDCAT: Ashley Valley, Weber
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN:		

COUNTY:

STATE:

UTAH

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

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

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

Operator is requesting the following well in the Ashley Valley (Park City/Weber) Unit be changed.

API	Current Well Name	New Well Name	1/4 1/4	Sec Twn Rng	Field Num
4304715397	ASHLEY VALLEY 2	AVU 04	NESW	23 050S 220E	545
4304715400	ASHLEY VALLEY 4	AVU 03	NWSW	23 050S 220E	545
4304715401	ASHLEY VALLEY 5	AVU 02	NESE	22 050S 220E	545
4304715403	ASHLEY VALLEY 7	AVU 01	SENW	23 050S 220E	545
4304715489	THOMAS HALL FEE 1	AVU 08	SWSE	23 050S 220E	545
4304715591	THOMAS HALL FEE 1	AVU 07	SESW	23 050S 220E	545
4304715592	THOMAS HALL FEE 2	AVU 11	SESW	23 050S 220E	545
4304715593	THOMAS E HALL 3	AVU 09	SESE	23 050S 220E	545
4304715594	THOMAS E HALL 4	AVU 12	SESE	23 050S 220E	545
4304715682	USA PAN AMERICAN 1	AVU 06	SWSW	23 050S 220E	545
4304715685	USA PAN AMERICAN 4	AVU 05	SESE	22 050S 220E	545
4304715686	USA PAN AMERICAN 5	AVU 10	NENE	26 050S 220E	545

NAME (PLEASE PRINT) <u>Paul m Hannah</u>	TITLE <u>Operations Manager</u>
SIGNATURE	DATE <u>1/11/2010</u>

(This space for State use only)

RECEIVED
JAN 11 2010



Western Energy Operating, LLC

439 North Conwell St
Casper, Wyoming 82601
307-472-0720

FAX

To: Utah Div of Oil, Gas & Mining

Attn: Carol Daniels

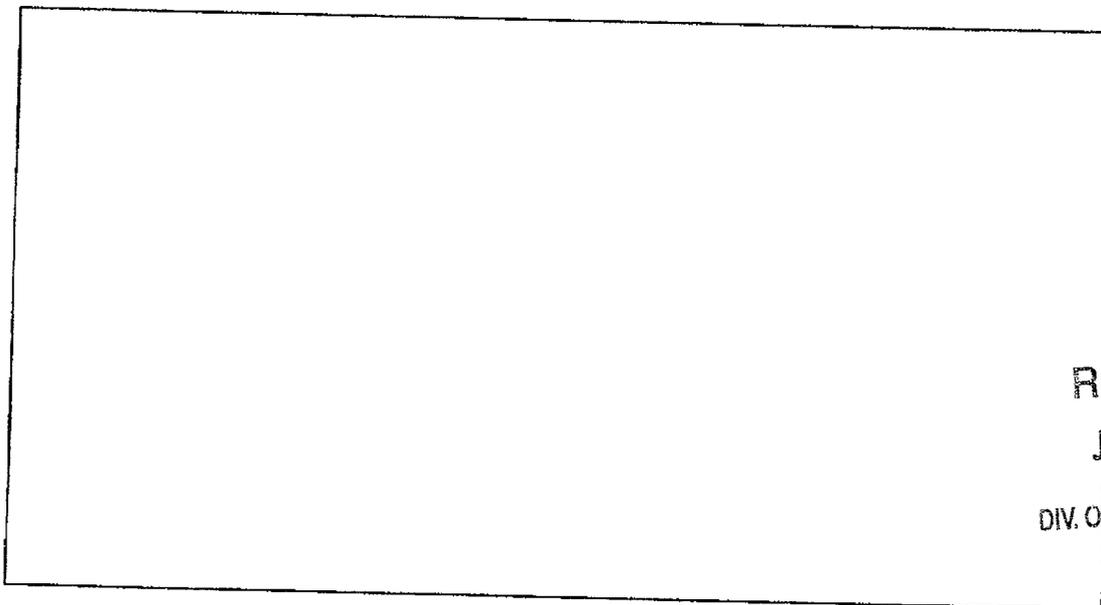
Fax: 801-359-3940

From: Paul Hannah
Western Energy Operating, LLC
Fax: 307-472-0728
Voice: 307-472-0720

Re: _____

Pages (including cover): 2

Comments:



RECEIVED
JAN 11 2010
DIV. OF OIL, GAS & MINING



GARY R. HERBERT
Governor

GREGORY S. BELL
Lieutenant Governor

State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA
Division Director

September 20, 2011

CERTIFIED MAIL NO.: 7011 0110 0001 3568 1465

Mr. Paul Hannah
Western Energy Operating
439 N Conwell St
Casper, WY 82601

43 047 15593
AVU 09
5S 22E 23

Subject: Extended Shut-in and Temporary Abandoned Well Requirements for Fee or State Leases

Dear Mr. Hannah:

As of January 2011, Western Energy Operating has two (2) Fee Lease Wells (see Attachment A) that are currently in non-compliance with the requirements for extended shut-in or temporarily abandoned (SI/TA) status.

Wells SI/TA beyond twelve (12) consecutive months requires filing a Sundry Notice (R649-3-36-1). Wells with five (5) years non-activity or non-productivity shall be plugged, unless the Division grants approval for extended shut-in time upon a showing of good cause by the operator (649-3-36-1.3.3). For extended SI/TA consideration the operator shall provide the Utah Division of Oil, Gas & Mining with the following:

1. Reasons for SI/TA of the well (R649-3-36-1.1).
2. The length of time the well is expected to be SI/TA (R649-3-36-1.2), and
3. An explanation and supporting data if necessary, for showing the well has integrity, meaning that the casing, cement, equipment condition, static fluid level, pressure, existence or absence of Underground Sources of Drinking Water and other factors do not make the well a risk to public health and safety or the environment (R649-3-36-1.3).

Please note that the Divisions preferred method for showing well integrity is by MIT.

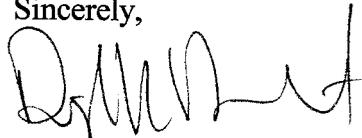
Page 2
Western Energy Operating
September 20, 2011

Submitting the information suggested below may help show well integrity and may help qualify your well for extended SI/TA. **Note: As of July 1, 2003, wells in violation of the SI/TA rule R649-3-36 may be subject to full cost bonding (R649-3-1-4.2, 4.3).**

1. Wellbore diagram, and
2. Copy of recent casing pressure test, and
3. Current pressures on the wellbore (tubing pressure, casing pressure, and casing/casing annuli pressure) showing wellbore has integrity, and
4. Fluid level in the wellbore, and
5. An explanation of how the submitted information proves integrity.

If the required information is not received within 30 days of the date of this notice, further actions may be initiated. If you have any questions concerning this matter, please contact me at (801) 538-5281.

Sincerely,



Dustin K. Doucet
Petroleum Engineer

DKD/JP/js
Enclosure
cc: Compliance File
Well File

N:\O&G Reviewed Docs\ChronFile\PetroleumEngineer\SITA

ATTACHMENT A

	Well Name	API	LEASE	Years Inactive
1	H&T TE HALL 2	43-047-15490	FEE	2 Years 11 Months
→ 2	THOMAS E HALL 3 (AVU 09)	43-047-15593	FEE	2 Years 7 Months

SUNDRY NOTICES AND REPORTS ON WELLS

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

1. TYPE OF WELL OIL WELL <input checked="" type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER _____		5. LEASE DESIGNATION AND SERIAL NUMBER: Fee Lands
2. NAME OF OPERATOR: Western Energy Operating, LLC		6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
3. ADDRESS OF OPERATOR: 439 N Conwell St CITY Casper STATE WY ZIP 82601		7. UNIT or CA AGREEMENT NAME: Ashley Valley Unit
4. LOCATION OF WELL FOOTAGES AT SURFACE: 330' FNL 330' FWL QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: SESE 23 05S 22E		8. WELL NAME and NUMBER: AVU-9
PHONE NUMBER: (307) 472-0720		9. API NUMBER: 4304715593
COUNTY: Uintah		10. FIELD AND POOL, OR WILDCAT: Ashley Valley, Weber/Park City
STATE: UTAH		

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

TYPE OF SUBMISSION	TYPE OF ACTION		
<input checked="" type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: 10/30/2011	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> REPERFORATE CURRENT FORMATION
<input type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion:	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> SIDETRACK TO RPAIR WELL
	<input checked="" type="checkbox"/> CASING REPAIR	<input type="checkbox"/> NEW CONSTRUCTION	<input type="checkbox"/> TEMPORARILY ABANDON
	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> TUBING REPAIR
	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> VENT OR FLARE
	<input type="checkbox"/> CHANGE WELL NAME	<input type="checkbox"/> PLUG BACK	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> PRODUCTION (START/RESUME)	<input type="checkbox"/> WATER SHUT-OFF
	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input type="checkbox"/> OTHER: _____
	<input type="checkbox"/> CONVERT WELL TYPE	<input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION	

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

Proposed workover involves pulling the current tubing string and running a packer to isolate a casing leak and cement squeeze and test. The Unit pay (Park City/Weber formation) is currently isolated by two wireline set bridge plugs set at 4120' and 4095' which will be drilled out. The well will then be completed by with used 2-7/8" EUE tubing set in the open hole section at 4160'. Current 7" casing shoe is located at 4135'. Plans to return this well to production have been delayed by lack of cash flow and rig availability.

Note: Work on this well is pending availability of a qualified workover unit. We have been on the waiting list with several rig companies for over 3 months. Pressure monitoring on the isolated casing confirms the well is not in communication with the Weber.

COPY SENT TO OPERATOR
Date: 11-17-2011
Initials: KS

NAME (PLEASE PRINT) <u>Paul m Hannah</u>	TITLE <u>Operations Manager</u>
SIGNATURE <u><i>Paul m Hannah</i></u>	DATE <u>10/3/2011</u>

(This space for State use only)

APPROVED BY THE STATE OF UTAH DIVISION OF OIL, GAS, AND MINING
DATE: 11/14/2011
BY: *[Signature]*
(See Instructions on Reverse Side)

RECEIVED
OCT 20 2011
DIV. OF OIL, GAS & MINING



GARY R. HERBERT
Governor

GREGORY S. BELL
Lieutenant Governor

State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA
Division Director

January 26, 2012

CERTIFIED MAIL NO.: 7011 0110 0001 3568 1762

Mr. Paul Hannah
Western Energy Operating
439 N Conwell St
Casper, WY 82601

43 047 15593
Thomas E Hall 3 (AVU DT)
55 22E 23

Subject: **Second Notice: Extended Shut-in and Temporary Abandoned Well Requirements for Fee or State Leases**

Dear Mr. Hannah:

As of January 2012, Western Energy Operating (Western Energy) has two (2) Fee Lease Wells (see attachment A) that are currently in non-compliance with the requirements for extended shut-in or temporarily abandoned (SI/TA) status.

The Utah Division of Oil, Gas and Mining (Division) wishes to inform Western Energy that these wells already had notices sent out via certified mail on September 20, 2011. The Division has not received any correspondence from Western Energy concerning these matters nor seen indication of effort being made to move these wells out of non-compliance status.

Wells SI/TA beyond twelve (12) consecutive months requires filing a Sundry Notice (R649-3-36-1). Wells with five (5) years non-activity or non-productivity shall be plugged, unless the Division grants approval for extended shut-in time upon a showing of good cause by the operator (649-3-36-1.3.3). For extended SI/TA consideration the operator shall provide the Utah Division of Oil, Gas & Mining with the following:

1. Reasons for SI/TA of the well (R649-3-36-1.1).
2. The length of time the well is expected to be SI/TA (R649-3-36-1.2), and
3. An explanation and supporting data if necessary, for showing the well has integrity, meaning that the casing, cement, equipment condition, static fluid level, pressure, existence or absence of Underground Sources of Drinking Water and other factors do not make the well a risk to public health and safety or the environment (R649-3-36-1.3).

Please note that the Divisions preferred method for showing well integrity is by MIT.



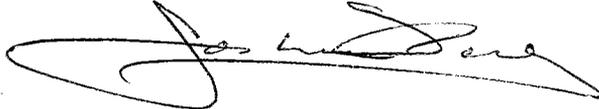
Page 2
Western Energy Operating
January 26, 2012

Submitting the information suggested below may help show well integrity and may help qualify your well for extended SI/TA. **Note: As of July 1, 2003, wells in violation of the SI/TA rule R649-3-36 may be subject to full cost bonding (R649-3-1-4.2, 4.3).**

1. Wellbore diagram, and
2. Copy of recent casing pressure test, and
3. Current pressures on the wellbore (tubing pressure, casing pressure, and casing/casing annuli pressure) showing wellbore has integrity, and
4. Fluid level in the wellbore, and
5. An explanation of how the submitted information proves integrity.

If the required information is not received within 30 days of the date of this notice, further actions may be initiated. If you have any questions concerning this matter, please contact me at (801) 538-5281.

Sincerely,



for: Dustin K. Doucet
Petroleum Engineer

DKD/JP/js
Enclosure
cc: Compliance File
Well File

N:\O&G Reviewed Docs\ChronFile\PetroleumEngineer\SITA

ATTACHMENT A

	Well Name	API	LEASE	Years Inactive
1	H&T TE HALL 2	43-047-15490	FEE	3 Years 11 Months
2	THOMAS E HALL 3 (AVU 09)	43-047-15593	FEE	3 Years 7 Months

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

FORM 9

SUNDRY NOTICES AND REPORTS ON WELLS		5. LEASE DESIGNATION AND SERIAL NUMBER: Ashley Valley Park City Unit
Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.		6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
		7. UNIT OR CA AGREEMENT NAME:
1. TYPE OF WELL OIL WELL <input checked="" type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER _____	8. WELL NAME and NUMBER: AVU-09	
2. NAME OF OPERATOR: Western Energy Operating, LLC		9. API NUMBER: 4304715593
3. ADDRESS OF OPERATOR: 439 N Conwell St CITY Casper STATE WY ZIP 82601	PHONE NUMBER: (307) 472-0720	10. FIELD AND POOL, OR WILDCAT: Ashley Valley, Weber
4. LOCATION OF WELL 1015 FSL 4300 FWL FOOTAGES AT SURFACE: 990' FSL 990' FEL		COUNTY: Unitah
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: 23 5S 22E		STATE: UTAH

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA			
TYPE OF SUBMISSION	TYPE OF ACTION		
<input checked="" type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: 3/5/2012 <input type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion: _____	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> REPERFORATE CURRENT FORMATION
	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> SIDETRACK TO REPAIR WELL
	<input checked="" type="checkbox"/> CASING REPAIR	<input type="checkbox"/> NEW CONSTRUCTION	<input type="checkbox"/> TEMPORARILY ABANDON
	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> TUBING REPAIR
	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> VENT OR FLARE
	<input type="checkbox"/> CHANGE WELL NAME	<input type="checkbox"/> PLUG BACK	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> CHANGE WELL STATUS	<input checked="" type="checkbox"/> PRODUCTION (START/RESUME)	<input type="checkbox"/> WATER SHUT-OFF
	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input type="checkbox"/> OTHER: _____
	<input type="checkbox"/> CONVERT WELL TYPE	<input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION	

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

Attach to this notice, please find supporting documentation and general workover procedure to repair casing, drill out bridge plugs, and return well to production.

COPY SENT TO OPERATOR

Date: 3-13-2012

Initials: KS

NAME (PLEASE PRINT) <u>Paul m Hannah</u>	TITLE <u>Operations Manager</u>
SIGNATURE <u><i>Paul m Hannah</i></u>	DATE _____

(This space for State use only)

APPROVED BY THE STATE
OF UTAH DIVISION OF
OIL, GAS, AND MINING
DATE: 3/6/2012
BY: *D. S. [Signature]*

RECEIVED
MAR 06 2012
DIV. OF OIL, GAS & MINING

(5/2000) (See Instructions on Reverse Side)



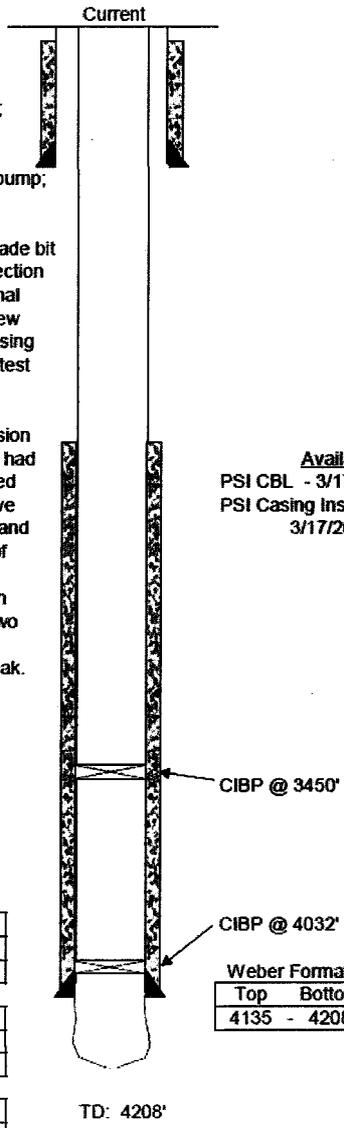
Wellname: AVU#9 (Thomas E. Hall #3)
 Field Name: Ashely Valley
 Location: 990' FSL & 990' FEL, SEC. 23, TWP 5S, RGE. 22E

API#: 43-047-15593
 County: Uintah
 State: Utah

KB: _____
 DF: _____
 GLE: 4858'

Completion Date: 4/26/49

- Apr. 1949: Drilled, cored from 4136'-4205', logged, and completed open hole from 4135'-4208'; IP = 600 bopd
- Dec. 1989: Changed out Reda pump w/ new Centrillift pump; landed new pump at 1030.43'
- Mar. 2007: Replaced wellhead w/ new 3000# head. Made bit and scraper run; ran CBL and Casing Inspection log - pipe looked good deep w/ some external corrosion above 800'; ran new packer on new 2 7/8", 6.5#, J-55 tubing pressure tested casing at various depths - casing held each depth test for 15 minutes
- July 2008: Tubing leak developed from galvanic corrosion between the wire and the tubing; the tubing had gassed out, so the tubing leak overpressured the casing causing it to develop a leak above the top of the cement. Pulled tubing string and laid down. PLS scanned tubing and most of string was badly corroded due to oxygen exposure and galvanic corrosion resulting in most of string being red band tubing. Set two CIBP with wireline trying to isolate leak at 4032' and 3450', but both were set below leak. Left well SI w/ no tubing in hole; suspect the Entrada formation is pressured up with gas from casing leak.



Available Logs:
 PSI CBL - 3/17/07
 PSI Casing Inspection Log - 3/17/2007

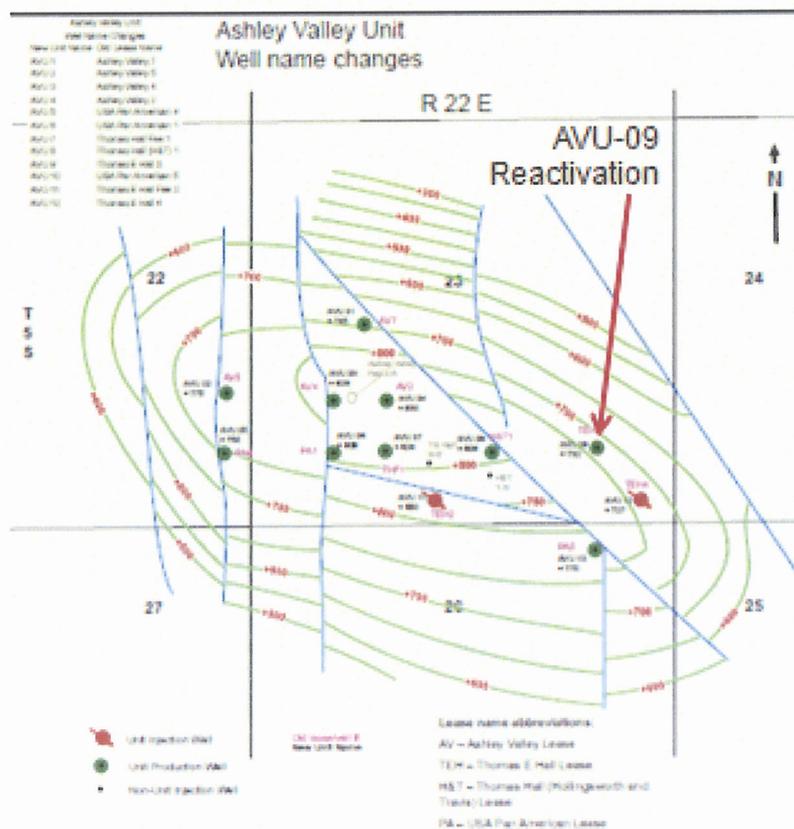
Surface Casing			
Size: 10 3/4"	Weight:	Grade:	
Length: 200	Cement: 150 sx	TOC:	

Production Casing			
Size: 7"	Weight: 20#	Grade:	
Length: 4094'	Cement:	TOC: 3137'	

Tubing			
Size: 2 7/8"	Weight: 6.5#	Grade: J-55	
Thread: 8rd	Type: EUE	Length: 4005'	

Weber Formation Prod. Intervals			
Top	Bottom	Feet	Holes
4135	- 4208	73	OH

AVU-09 well has been idle with CIBP set to control a casing leak since the 3rd quarter 2008. Prior to that it was a significant response well with completion open to the fractured Phosphoria-Park City just above the Weber sands (it has been the only production point from the NE fault block until AVU-12 was returned to flowing production during 2011). Two western offsets (AVU-07 and AVU-08) noted saturation in the Phosphoria which was not completed in AVU-07

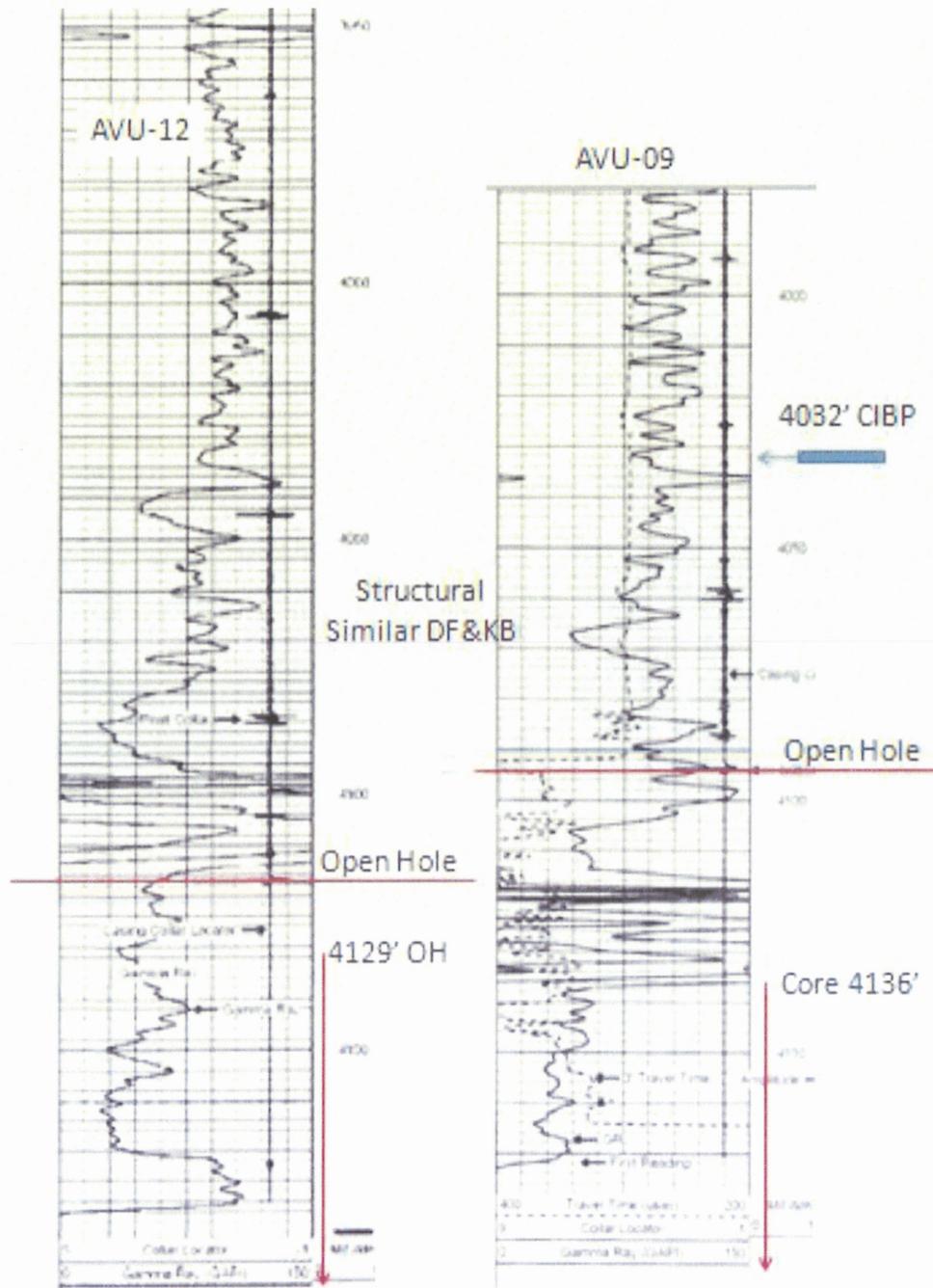


As a follow-up to sustained oil production from AVU-12 during 2011, the reactivation of AVU-09 is planned to squeeze casing leaks, remove CIBP's and restore flowing production from this well

Procedure:

1. Rig up
2. Test casing leak/ability to pump into casing

3. Run in with packer to located leak
4. Once located rig up to cement squeeze leak
5. Drill out cement
6. Prepare for possible pressure when drilling out CIBP's
7. Drill out CIBP's
8. Run in with packer and tubing and prepare for flow testing well
9. Rig down



Ashley Valley Unit
AVU – 09

Status and Action Plan

During early 2008 while the field was under active gas injection, a shallow tubing leak developed in the AVU-09 production well that caused the high pressure gas in the tubing to escape into the liquid filled annulus isolated from the production zone by a packer. The gas pressure in conjunction with the hydrostatic pressure caused a casing failure in the 7" production casing. Pressure control procedures failed to keep the casing pressures at acceptable levels so a workover was added to the 2008 rig tour.

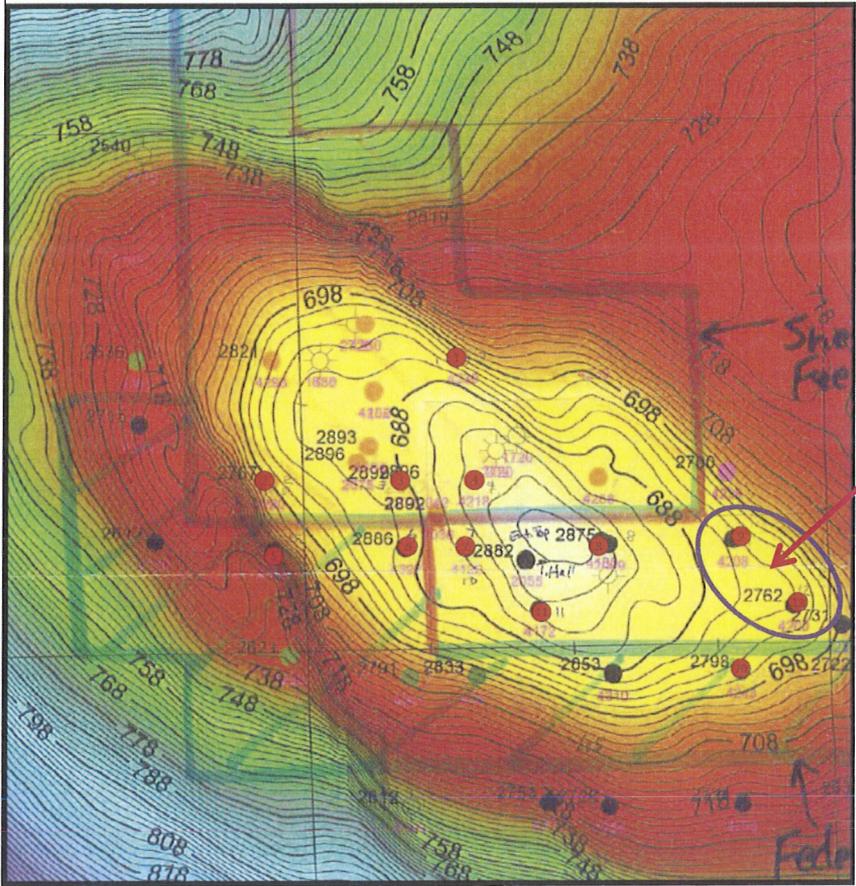
The packer was released and several attempts were made to kill the well with brine. Each time the casing thief zone would take fluid and lower the bottom hole pressure and unload the well. During the well control process a short-term blow off was planned and the well was allowed to flow wide open into a 500 bbl frac tank. During that 2 hour blow down the well produced over 125 bbls of oil, 300 bbls of water and a large volume of unmeasured gas.

Killing procedures were then resumed but provided only short periods of well control (2 to 3 hours). Not enough gas was removed from the area to get the well permanently dead. A decision was made to TA the well. During one of the dead periods, a bridge plug was placed above the Weber formation. The well still produced some gas and it was presumed the bridge plug did not hold. A second bridge plug was set and the well still had flow. It was then determined the gas was coming from a shallower structural position that had been charged by the gas from the Weber. The well was placed on pressure monitoring and blow down until the casing pressure remained under 100 psi.

Field gas injection flow testing concluded during October 2008. It is now quite likely the AVU-09 well could be easily controlled and casing remediation could take place safely. Either a full production liner could be installed or potentially a casing squeeze would fix the casing leak.

During initial gas injection testing, this well was seen to oil in while shut in. The casing and bottom hole pressures were being continuously monitored. The surface pressure increased dramatically while the bottom hole pressure did not rise. The wellbore had filled with oil that had been mobilized by the offset gas injection. The well was produced at a 15 to 20% oil cut for several days after the oiling in and held a better than average oil cut for several weeks until the well went to a high gas-oil ratio and was shut in. Since this is the only production well on the east side of the field and is separated by a fault, it may have access to a large volume of oil mobilized by gas injection.

It is important to note that this well was not TA'd due to production economics but rather mechanical problems complicated by prolific gas production. This well remains at the top of Western Energy Operating's workover strategy slated for mid-year 2010.



Heavy faulting
may not occur
between AVU 9
and ACU 12

Gas may stay in
Weber until it
gets to AVU-09
For crossflow

Division of Oil, Gas and Mining

Operator Change/Name Change Worksheet-for State use only

Effective Date: 12/1/2014

FORMER OPERATOR:	NEW OPERATOR:
WESTERN ENERGY OPERATING, LLC N3085 439 N CORNWELL STREET CASPER WY 82601 307-472-0720	GOLDEN STATE OPERATING, LLC N4160 12625 HIGH BLUFF DRIVE # 310 SAN DIEGO CA 92130 858-481-3081
CA Number(s):	Unit(s): Ashley Valley

WELL INFORMATION:

Well Name	Sec	TWN	RNG	API	Entity	Mineral	Surface	Type	Status
See Attached List									

OPERATOR CHANGES DOCUMENTATION:

1. Sundry or legal documentation was received from the **FORMER** operator on: 12/15/2014
2. Sundry or legal documentation was received from the **NEW** operator on: 12/15/2014
3. New operator Division of Corporations Business Number: 9145171-0160

REVIEW:

1. Surface Agreement Sundry from **NEW** operator on Fee Surface wells received on: 12/15/2014
2. Receipt of Acceptance of Drilling Procedures for APD/New on: N/A
3. Reports current for Production/Disposition & Sundries: 1/7/2015
4. OPS/SI/TA well(s) reviewed for full cost bonding: N/A
5. UIC5 on all disposal/injection/storage well(s) approved on: 1/6/2015
6. Surface Facility(s) included in operator change: Ashley Valley Facility-will be removed at a later date
7. Inspections of PA state/fee well sites complete on (only upon operators request): N/A

NEW OPERATOR BOND VERIFICATION:

1. Federal well(s) covered by Bond Number: UTB000649
2. Indian well(s) covered by Bond Number: N/A
3. State/fee well(s) covered by Bond Number(s): SUR60000227

DATA ENTRY:

1. Well(s) update in the **OGIS** on: 1/9/2015
2. Entity Number(s) updated in **OGIS** on: 1/9/2015
3. Unit(s) operator number update in **OGIS** on: 1/9/2015
4. Surface Facilities update in **OGIS** on: N/A
5. State/Fee well(s) attached to bond(s) in **RBDMS** on: 1/9/2015
6. Surface Facilities update in **RBDMS** on: N/A

LEASE INTEREST OWNER NOTIFICATION:

1. The **NEW** operator of the Fee (Mineral) wells has been contacted and informed by a letter from the Division of their responsibility to notify all interest owners of this change on: 1/9/2015

COMMENTS:

Waiting for bonding agreement to move Ashley Valley Facility

Western Energy Operating, LLC N3085
to Golden State Operating, LLC N4160
Effective 12/1/2014

Well Name	Section	TWN	RNG	API	Entity	Mineral	Surface	Type	Status
AVU 11	23	050S	220E	4304715592	620	Fee	Fee	GI	A
AVU 04	23	050S	220E	4304715397	260	Fee	Fee	OW	P
ASHLEY VALLEY FED 2-A	23	050S	220E	4304715398	10682	Fee	Fee	GW	P
AVU 03	23	050S	220E	4304715400	260	Fee	Fee	OW	P
AVU 02	22	050S	220E	4304715401	260	Fee	Fee	OW	P
AVU 01	23	050S	220E	4304715403	260	Fee	Fee	OW	P
AVU 08	23	050S	220E	4304715489	293	Fee	Fee	OW	P
H and T TE HALL 2	23	050S	220E	4304715490	294	Fee	Fee	OW	P
AVU 07	23	050S	220E	4304715591	620	Fee	Fee	OW	P
AVU 09	23	050S	220E	4304715593	615	Fee	Fee	OW	P
AVU 12	23	050S	220E	4304715594	615	Fee	Fee	OW	P
THOMAS E HALL 5S	23	050S	220E	4304715595	16851	Fee	Fee	OW	P
AVU 06	23	050S	220E	4304715682	220	Federal	Federal	OW	P
AVU 05	22	050S	220E	4304715685	220	Federal	Federal	OW	P
AVU 10	26	050S	220E	4304715686	220	Federal	Federal	OW	P

RECEIVED

DEC 15 2014

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

DIV. OF OIL, GAS & MINING

FORM 9

SUNDRY NOTICES AND REPORTS ON WELLS

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

5. LEASE DESIGNATION AND SERIAL NUMBER:

6. IF INDIAN, ALLOTTEE OR TRIBE NAME:

7. UNIT or CA AGREEMENT NAME:

8. WELL NAME and NUMBER:

9. API NUMBER:
See Attach

10. FIELD AND POOL, OR WILDCAT:

1. TYPE OF WELL OIL WELL GAS WELL OTHER _____

2. NAME OF OPERATOR:
Golden State Operating, LLC

3. ADDRESS OF OPERATOR:
12625 High Bluff Drive, #310 CITY San Diego STATE CA ZIP 92130 PHONE NUMBER: (858) 481-3081

4. LOCATION OF WELL
FOOTAGES AT SURFACE: See Attached

COUNTY: Uintah

QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN:

STATE: UTAH

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

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

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

CHANGE OF OPERATOR -

PREVIOUS OPERATOR:

WESTERN ENERGY OPERATING, LLC
439 N CORNWELL STREET
CASPER, WY 82601
(307) 472-0720
N3085

NEW OPERATOR:

GOLDEN STATE OPERATING, LLC
12625 HIGH BLUFF DRIVE, #310
SAN DIEGO, CA 92130
(858) 481-3081
N 4160

Be advised that Golden State Operating, LLC is responsible under the terms and conditions of the related leases for the operations conducted upon the leased lands. Bond coverage is provided by Bond No. 5UR60000227

Eff December 1, 2014

NAME (PLEASE PRINT) Bruce Kleege TITLE Manager
SIGNATURE [Signature] DATE 12/01/2014

(This space for State use only)

APPROVED

JAN 09 2015

DIV. OIL GAS & MINING
BY: Rachel Medina

API	Well Name	Quarter/Quarter	Section	Township	Range	Entity	Lease	Well	Status
43-047-15403	AVU 01	SENW	23	5S	22E	260	FEE	Oil Well	Producing
43-047-15401	AVU 02	NESE	22	5S	22E	260	FEE	Oil Well	Producing
43-047-15400	AVU 03	NWSW	23	5S	22E	260	FEE	Oil Well	Producing
43-047-15397	AVU 04	NESW	23	5S	22E	260	FEE	Oil Well	Producing
43-047-15685	AVU 05	SESE	22	5S	22E	220	UTSL-065759	Oil Well	Producing
43-047-15682	AVU 06	SWSW	23	5S	22E	220	UTSL-065759	Oil Well	Producing
43-047-15591	AVU 07	SESW	23	5S	22E	620	FEE	Oil Well	Producing
43-047-15489	AVU 08	SWSE	23	5S	22E	293	FEE	Oil Well	Producing
43-047-15593	AVU 09	SESE	23	5S	22E	615	FEE	Oil Well	Producing
43-047-15686	AVU 10	NENE	26	5S	22E	220	UTSL-065759	Oil Well	Producing
43-047-15592	AVU 11	SESW	23	5S	22E	620	FEE	Gas Injection Well	Active
43-047-15594	AVU 12	SESE	23	5S	22E	615	FEE	Oil Well	Producing
43-047-15398	ASHLEY VALLEY FED 2-A	NWSW	23	5S	22E	10682	FEE	Gas Well	Producing
43-047-15490	H and T TE HALL 2	SWSE	23	5S	22E	294	FEE	Oil Well	Producing
43-047-15595	THOMAS E HALL 5S	SESW	23	5S	22E	16851	FEE	Oil Well	Shut-in

RESIGNATION OF UNIT OPERATOR

ASHLEY VALLEY (PARK CITY – WEBER) UNIT AREA
UINTAH COUNTY, UTAH

UNIT AGREEMENT NO. UTU-085845X

Western Energy Operating, LLC resigns as Unit Operator under the above Unit Agreement effective on the earlier of October 1, 2014 or the selection and approval of a Successor Unit Operator.

Dated effective June 30, 2014.

Western Energy Operating, LLC
a Delaware limited liability company



Paul Hannah, ~~Operations~~ Manager

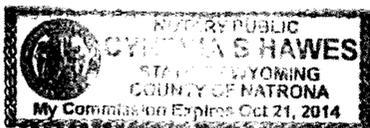
STATE OF WYOMING)
) ss.
COUNTY OF NATRONA)

Acknowledged before me on this 3 day of September, 2014, by Paul Hannah, Operations Manager of Western Energy Operating, LLC.



NOTARY PUBLIC

MY COMMISSION EXPIRES: 10-21-2014





Western Energy Operating, LLC

439 North Conwell St
Casper, Wyoming 82601
Phone 307-472-0720
FAX 307-472-0728

Paul M Hannah
Operations Manager

June 30, 2014

Bureau of Land Management
Utah State Office
440 West 200 South, Suite 500
Salt Lake City, UT 84101-1345

Re: Ashley Valley (Weber Park City) Unit Area
Resignation of Operator

Please take notice that Western Energy Operating, LLC, the Unit Operator of the Ashley Valley (Weber Park City) Unit, resigns effective upon the earliest to occur of October 1, 2014 or the date a duly selected a successor Unit Operator takes over operations in accordance with the Unit Operating Agreement.

Sincerely,

Paul M. Hannah
Operations Manager

cc: Utah Division of Oil, Gas and Mining
Working Interest Owners. Ashley Valley (Weber Park City) Unit Area