

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. TYPE OF WORK
 DRILL DEEPEN PLUG BACK

b. TYPE OF WELL
 OIL WELL GAS WELL OTHER
 SINGLE ZONE MULTIPLE ZONE

2. NAME OF OPERATOR
 Alta Energy Corp. (Texas Domestic) D-B-A Alte Corp.

3. ADDRESS OF OPERATOR
 164 North 850 West Vernal, Utah 84078 (801) 789-5390

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.)*
 At surface ^{FWT}
 2475 FNL Section 2, T7S, R21E, S.L.M.

At proposed prod. zone
 Same

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*
 23 Miles South of Vernal, Utah

10. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drlg. unit line, if any)
 224.40'

16. NO. OF ACRES IN LEASE
 80

17. NO. OF ACRES ASSIGNED TO THIS WELL
 40

18. DISTANCE FROM PROPOSED LOCATION* TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT.

19. PROPOSED DEPTH
 + 7400' *Proven*

20. ROTARY OR CABLE TOOLS
 Rotary

21. ELEVATIONS (Show whether DF, RT, GR, etc.)
 4993'

22. APPROX. DATE WORK WILL START*
 October 15, 1984

23. PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
12 1/4"	8 5/8"	32# K 40	350'	Circulate to surface
7 7/8"	5 1/2"	15.5# J 55	7400'	Cement to above oil shale base approximately 2500'.

RECEIVED

OCT 3 1984

DIVISION OF OIL
GAS & MINING

APPROVED BY THE STATE
OF UTAH DIVISION OF
OIL, GAS, AND MINING

DATE: 10/10/84
BY: John R. Boye

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposal is to deepen or plug back, give data on present productive zone and proposed new productive zone. If proposal is to drill or deepen directionally, give pertinent data on subsurface locations and measured and true vertical depths. Give blowout preventer program, if any.

24. SIGNED Ernest Staley TITLE Prod. Syst. DATE 10-2-84

(This space for Federal or State office use)

PERMIT NO. _____ APPROVAL DATE _____

APPROVED BY _____ TITLE _____ DATE _____

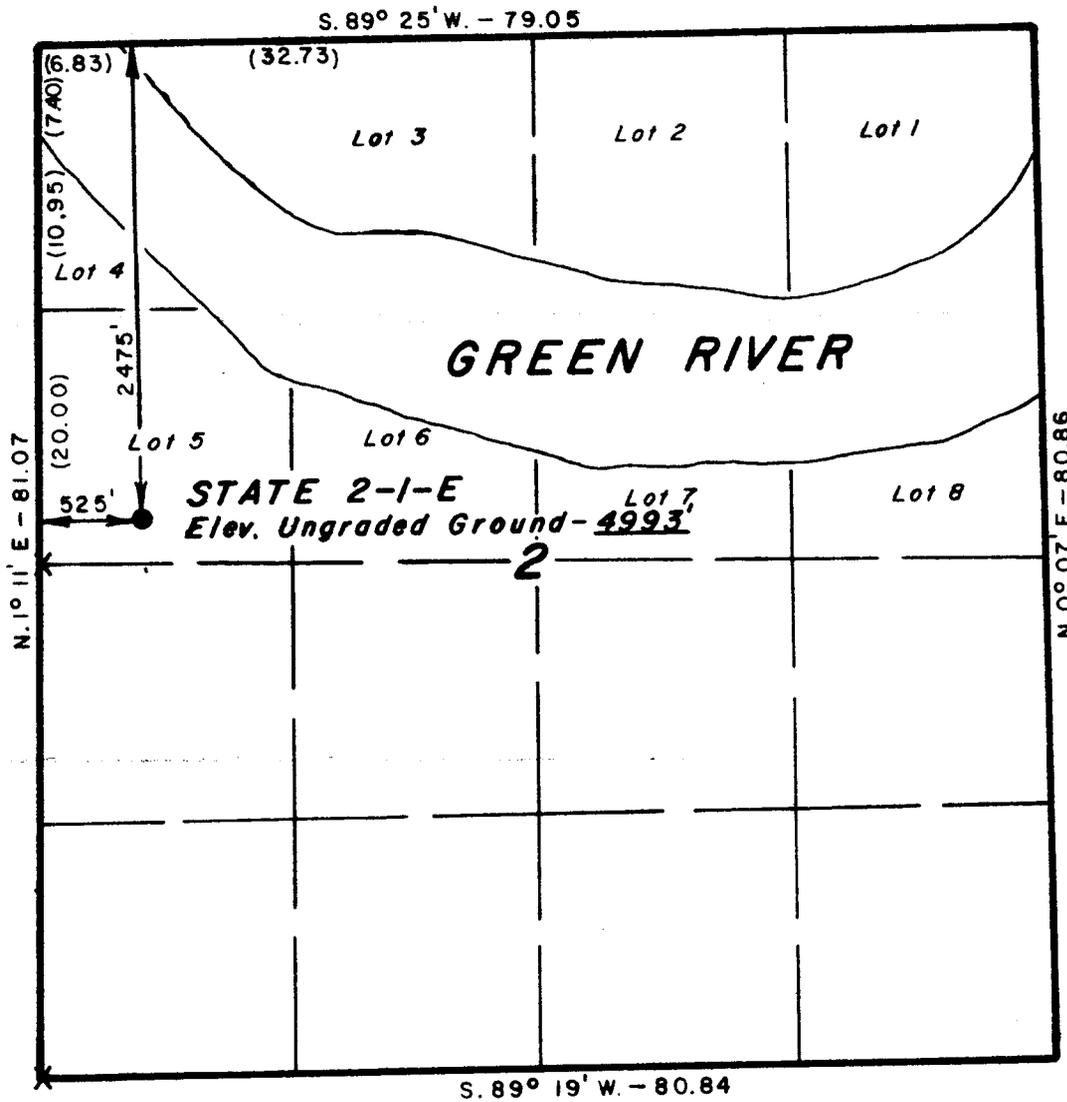
CONDITIONS OF APPROVAL, IF ANY:

*See Instructions On Reverse Side

T7S, R21E, S.L.B.&M.

**PROJECT
ALTA ENERGY CORP.**

Well location, **STATE 2-1-E**,
located as shown in the SW 1/4
NW 1/4 Section 2, T7S, R21E,
S.L.B.&M. Uintah County, Utah



CERTIFICATE

THIS IS TO CERTIFY THAT THE ABOVE PLAT WAS PREPARED FROM
FIELD NOTES OF ACTUAL SURVEYS MADE BY ME OR UNDER MY
SUPERVISION AND THAT THE SAME ARE TRUE AND CORRECT TO THE
BEST OF MY KNOWLEDGE AND BELIEF

Nelson Durandal

REGISTERED LAND SURVEYOR
REGISTRATION NO **2454**
STATE OF UTAH

UINTAH ENGINEERING & LAND SURVEYING
P.O. BOX Q - 85 SOUTH - 200 EAST
VERNAL, UTAH - 84078

SCALE 1" = 1000'	DATE 9-26-84
PARTY DA DM	REFERENCES GLO Plat
WEATHER Fair	FILE ALTA ENERGY

Company ALTA ENERGY CORP. (Texas Domestic) D-B-A Alte Corp.

Well No. State 2-1-E

Location: Section 2, T7S, R21E, S.L.M.

Lease No.: ML-38354

A. DRILLING PROGRAM

1. Surface Formation and Estimated Formation Tops:

Uintah Surface; Green River 3869'; Basal F 6078'; Basal G 6126'; Basal H 6360'; Basal I 6580'; Basal J 6832'; Basal K 6982'; Basal L 6265'; T.D. 7375'.

2. Estimated Depth at which Oil, Gas, Water, or other Mineral Bearing Zones are Expected to be encountered:

	<u>Formation</u>	<u>Zone</u>
Expected Oil Zones:	Basal	F-L
Expected Gas Zones:	Basal	F-L
Expected Water Zones:	None	
Expected Mineral Zones:	None	

All fresh water and prospectively valuable minerals (as described by BLM at onsite) encountered during drilling, will be recorded by depth and adequately protected. All oil and gas shows will be tested to determine commercial potential.

3. Pressure Control Equipment:

3000# Double Gage BOP with Pipe Ram & Blind Ram 8 5/8"

5 1/2 Production Single Stage from T.D. to above Oil Shale.

BOP systems will be consistent with API RP 53. Pressure tests will be conducted before drilling out from under all casing strings which are set and cemented in place. Blowout preventer controls will be installed prior to drilling the surface casing plug and will remain in use until the well is completed or abandoned. Preventers will be inspected and operated at least daily to ensure good mechanical working order, and this inspection recorded on the daily drilling report. Preventers will be pressure tested before drilling casing cement plugs.

The District Office should be notified, with sufficient lead time, in order to have a BLM representative on location during pressure testing.

4. Casing Program and Auxiliary Equipment:

8 5/8" 350' 32# K-40 cement to surface

5 1/2" 7375' 15.5# J-55 cement to above Oil Shale Base + 2500'

Anticipated cement tops will be reported as to depth, not the expected number of sacks of cement to be used. The District Office should be notified, with sufficient lead time, in order to have a BLM representative on location while running all casing strings and cementing.

5. Mud Program and Circulating Medium:

Clear water 4000' 3% KCL to T.D.

6. Coring, Logging and Testing Program:

No coring anticipated.

Dual induction laterolog T.D. to surface.

Compensated Density T.D. surface. Neutron Log, Bond Log T.D. to surface.

Whether the well is completed as a dry hole or as a producer, "Well Completion and Recompletion Report and Log" (Form 3160-4) will be submitted not later than 30 days after completion of the well or after completion of operations being performed, in accordance with 43 CFR 3164. Two copies of all logs, core descriptions, core analyses, well-test data, geologic summaries, sample description, and all other surveys or data obtained and compiled during the drilling, workover, and/or completion operations, will be filed with form 3160-4. Samples (cuttings, fluids, and/or gases) will be submitted when requested by the authorized officer(AO).

7. Abnormal Conditions, Bottom Hole Pressures and Potential Hazards:

None

8. Anticipated Starting Dates and Notifications of Operations:

Location Construction: Immediately upon approval.

Spud Date: A.S.A.P. after pad and road are completed.

No location will be constructed or moved, no well will be plugged, and no drilling or workover equipment will be removed from a well to be placed in a suspended status without prior approval of the AO. If operations are to be suspended, prior approval of the AO will be obtained and notification given before resumption of operations.

The spud date will be reported orally to the AO within 48 hours after spudding. If the spudding occurs on a weekend or holiday, the report will be submitted on the following regular working day. The oral report will be followed up with a Sundry Notice.

In accordance with Onshore Oil and Gas Order No. 1, this well will be reported on Form 9-329 "Monthly Report of Operations", starting with the month in which operations commence and continue each month until the well is physically plugged and abandoned. This report will be filed, in duplicate, to the Vernal BLM District Office, 170 South 500 East, Vernal, Utah 84078.

Immediate Report: Spills, blowouts, fires, leaks, accidents, or any other unusual occurrences shall be promptly reported in accordance with the requirements of NTL-3A or its revision.

If a replacement rig is contemplated for completion operations, a "Sundry Notice" (Form 3160-5) to that effect will be filed, for prior approval of the AO, and all conditions of this approved plan are applicable during all operations conducted with the replacement rig.

Should the well be successfully completed for production, the AO will be notified when the well is placed in a producing status. Such notification will be sent by telegram or other written communication, not later than 5 days following the date on which the well is placed on production.

Pursuant to NTL-2B, with the approval of the District Engineer, produced water may be temporarily disposed of into unlined pits for a period of up to 90 days. During the period so authorized, an application for approval of the permanent disposal method, along with the required water analysis and other information, must be submitted to the District Engineer.

Pursuant to NTL-4A, lessees or operators are authorized to vent/flare gas during initial well evaluation tests, not exceeding a period of 30 days or the production of 50 MMCF of gas, whichever occurs first. An application must be filed with the District Engineer and approval received, for any venting/flaring of gas beyond the initial 30 day authorized test period.

A schematic facilities diagram as required by 43 CFR 3162.7-2, 3162.7-3, and 3162.7-4 shall be submitted to the appropriate District Office within 30 days of installation or first production, whichever occurs first. All site security regulations as specified in 43 CFR 3162.7 shall be adhered to. All product lines entering and leaving hydrocarbon storage tanks will be effectively sealed in accordance with 43 CFR 3162.4.

A first production conference will be scheduled within 15 days after receipt of the first production notice.

ALTA ENERGY CORP. (Texas Domestic)
D-B-A Alte Corp. Stat 2-1-E
Section 2, T7S, R21E, S.L.M.

No well abandonment operations will be commenced without prior approval of the AO. In the case of newly drilled dry holes or failures, and in emergency situations, oral approval will be obtained from the SO. A "Subsequent Report of Abandonment" Form 3160-5, will be filed with the AO within 30 days following completion of the well for abandonment. This report will indicate where plugs were placed and the current status of surface restoration. Final abandonment will not be approved until the surface reclamation work required by the approved APD or approved abandonment notice has been completed to the satisfaction of the AO or his representative, or the appropriate Surface Managing Agency.

Pursuant to Onshore Oil and Gas Order No. 1, lessees and operators have the responsibility to see that their exploration, development, production, and construction operations are conducted in a manner which conforms with applicable Federal laws and regulations and with State and local laws and regulations to the extent that such State and local laws and regulations to the extent that such State and local laws are applicable to operations on Federal or Indian lands.

SUPERVISOR, OIL AND GAS OPERATIONS:

DESIGNATION OF OPERATOR

The undersigned is, on the records of the Division of State Lands, holder of oil and gas lease

State LAND OFFICE: Salt Lake City, Utah
SERIAL No.: ML 38354

RECEIVED

OCT 3 1984

DIVISION OF OIL
GAS & MINING

and hereby designates

NAME: ALTE Corporation
ADDRESS: 900 Heritage Center
500 North Loraine
Midland, Texas 79701

as his operator and local agent, with full authority to act in his behalf in complying with the terms of the lease and regulations applicable thereto and on whom the supervisor or his representative may serve written or oral instructions in securing compliance with the Oil and Gas Operating Regulations with respect to (describe acreage to which this designation is applicable):

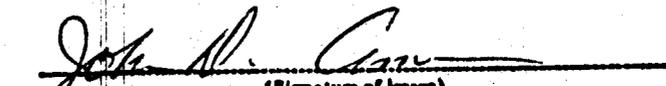
Township 7 South, Range 21 East, SLM
Section 2: Lot 6, SW1/4

It is understood that this designation of operator does not relieve the lessee of responsibility for compliance with the terms of the lease and the Oil and Gas Operating Regulations. It is also understood that this designation of operator does not constitute an assignment of any interest in the lease.

In case of default on the part of the designated operator, the lessee will make full and prompt compliance with all regulations, lease terms, or orders of the Secretary of the Interior or his representative.

The lessee agrees promptly to notify the oil and gas supervisor of any change in the designated operator.

SOCO 1979 Acreage Program, a Texas joint venture
By Snyder Oil Company, Program Manager


(Signature of lessee)
John D. Amen, Vice President/Land
SOCO Plaza, 7th Floor, 1800 Glenarm Place
Denver, Colorado 80202

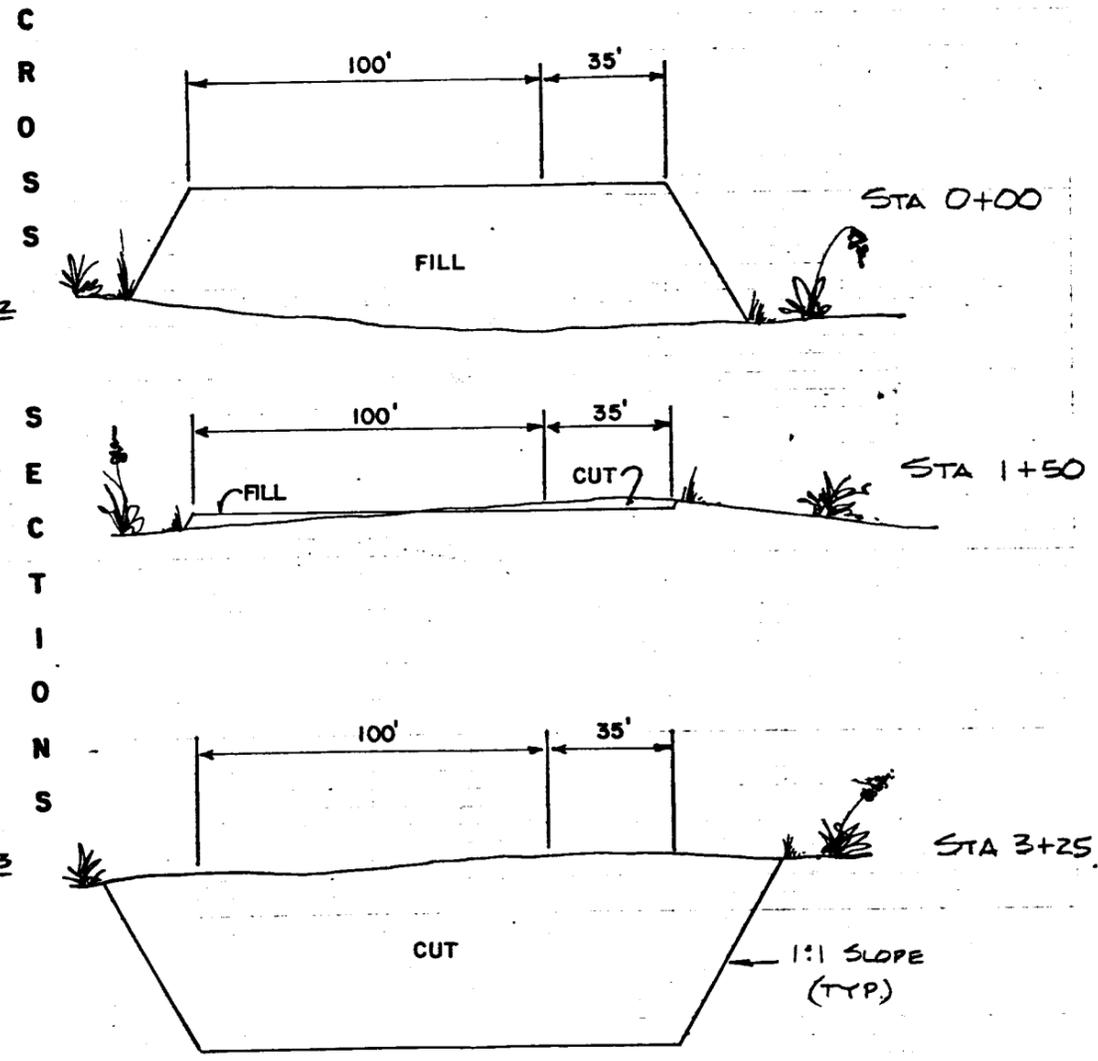
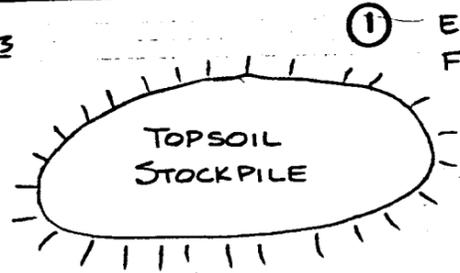
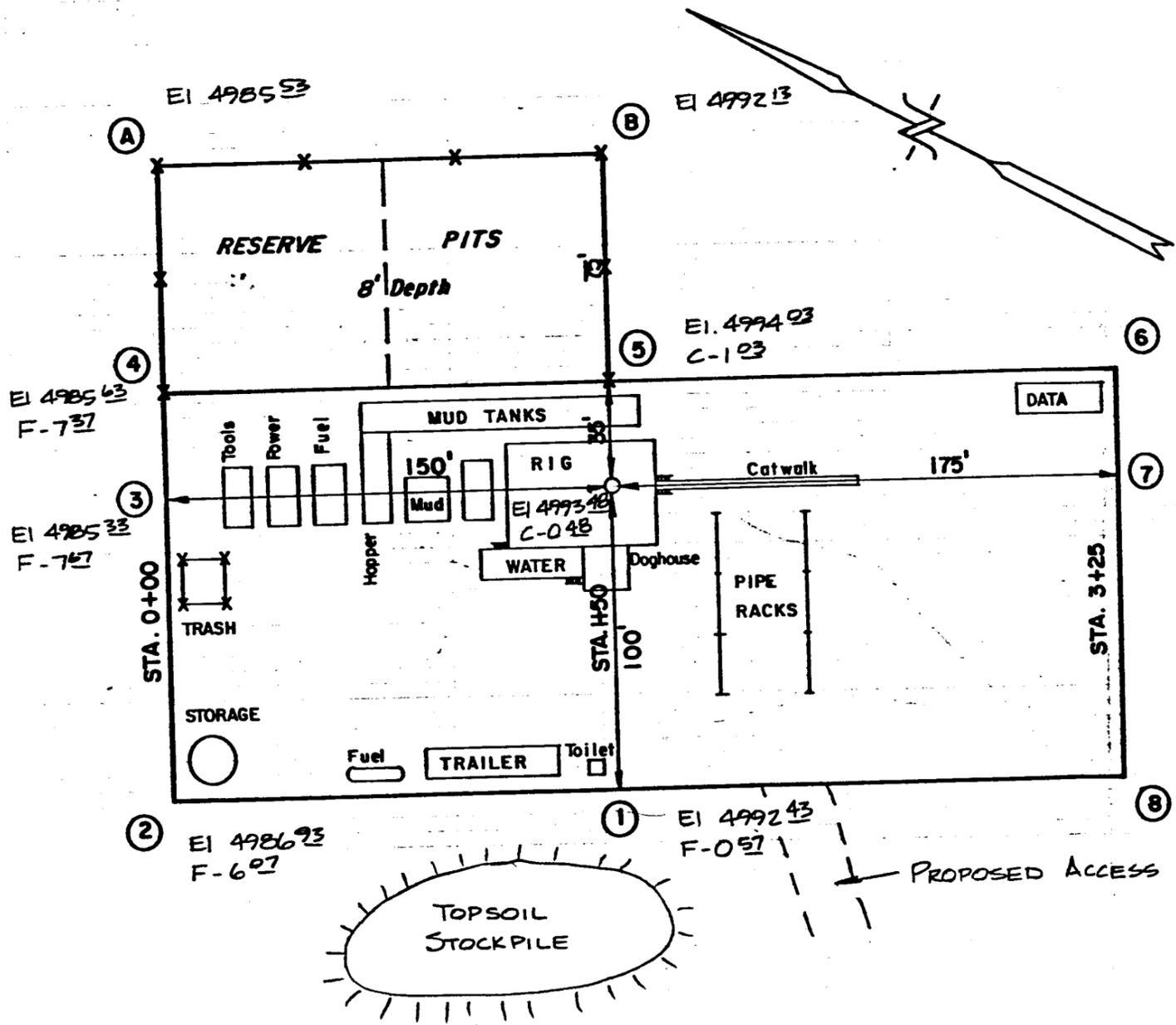
August 23, 1984

(Date)

(Address)

**ALTA ENERGY CORP.
(TEXAS DOMESTIC) D-B-A ALTE CORP.**

STATE # 2 - 1 - E



1" = 10'
1" = 50'

Scales
APPROXIMATE YARDAGES

Cubic Yards Cut - 6035
Cubic Yards Fill - 3328

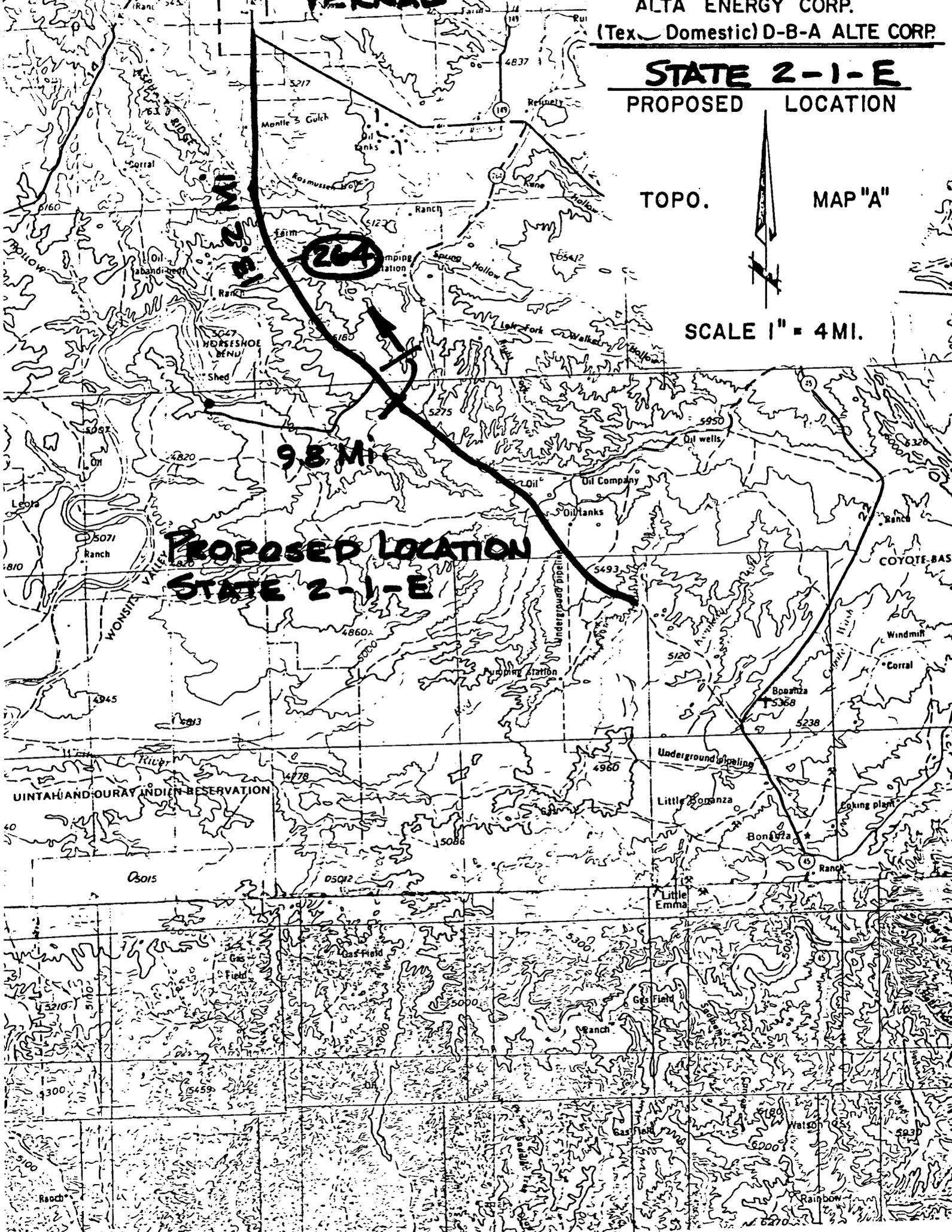
ALTA ENERGY CORP.
(Tex. Domestic) D-B-A ALTE CORP.

STATE 2-1-E
PROPOSED LOCATION

TOPO.

MAP "A"

SCALE 1" = 4 MI.



VERNAL

264

9.8 Mi.

PROPOSED LOCATION
STATE 2-1-E

COYOTE-BASIN

UINTAH AND OURAY INDIAN RESERVATION

Underground Pipelines

Little Bonanza

Bonanza

Little Emma

Gas Field

Gas Field

Gas Field

Gas Field

Watson

Rainbow

ALTA ENERGY CORP.
(Texas Domestic) D-B-A ALTE CORP.

STATE # 2-1-E

PROPOSED LOCATION

TOPO.

MAP "B"

SCALE 1" = 2000'

ROAD CLASSIFICATION

Light duty road, all weather, Improved surface  Unimproved road fair or dry weather 

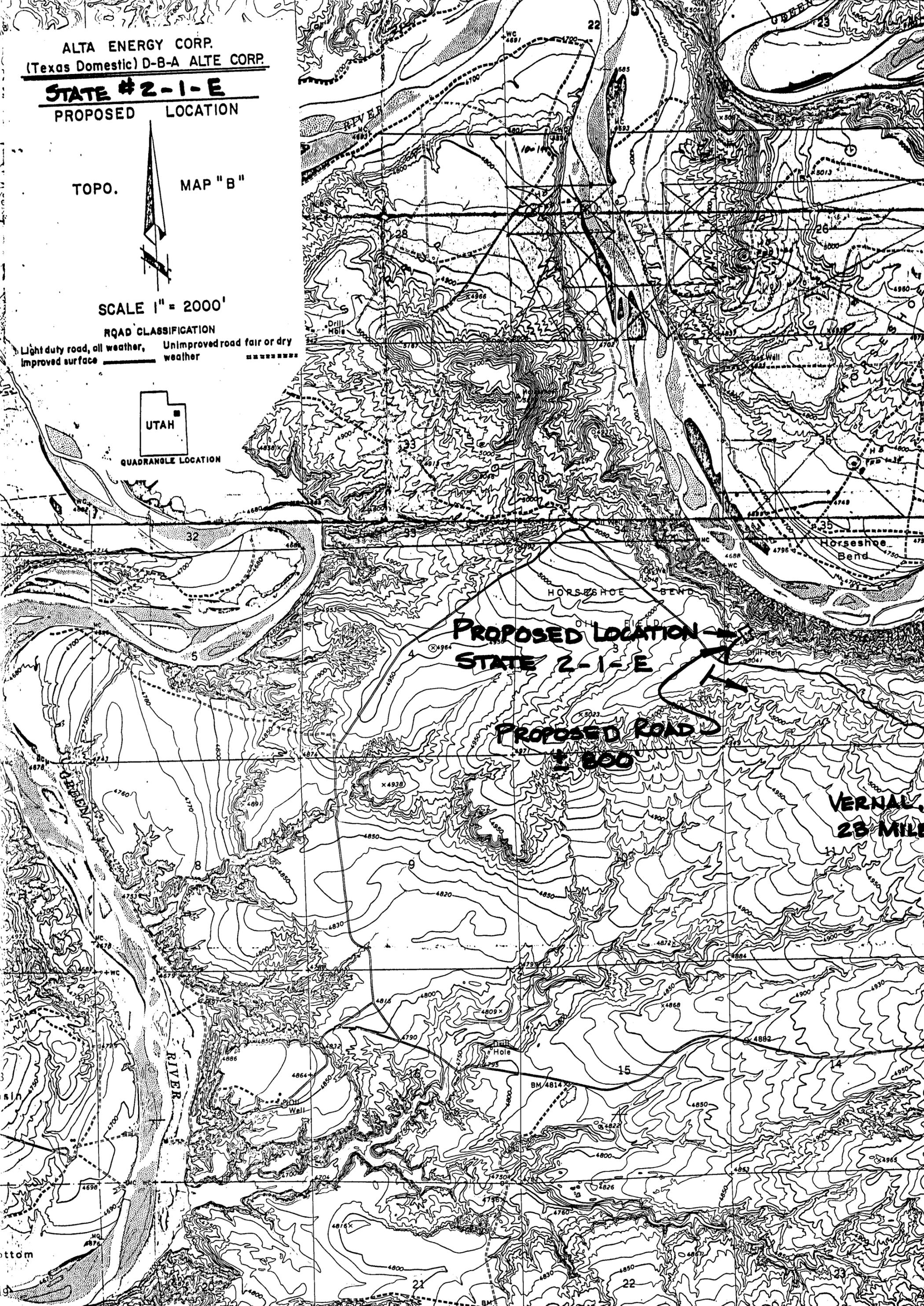
UTAH

QUADRANGLE LOCATION

PROPOSED LOCATION
STATE 2-1-E

PROPOSED ROAD
1.000'

VERNAL
23 MILE



RGY CORP.
D-B-A ALTE CORP.

2-1-E
LOCATION

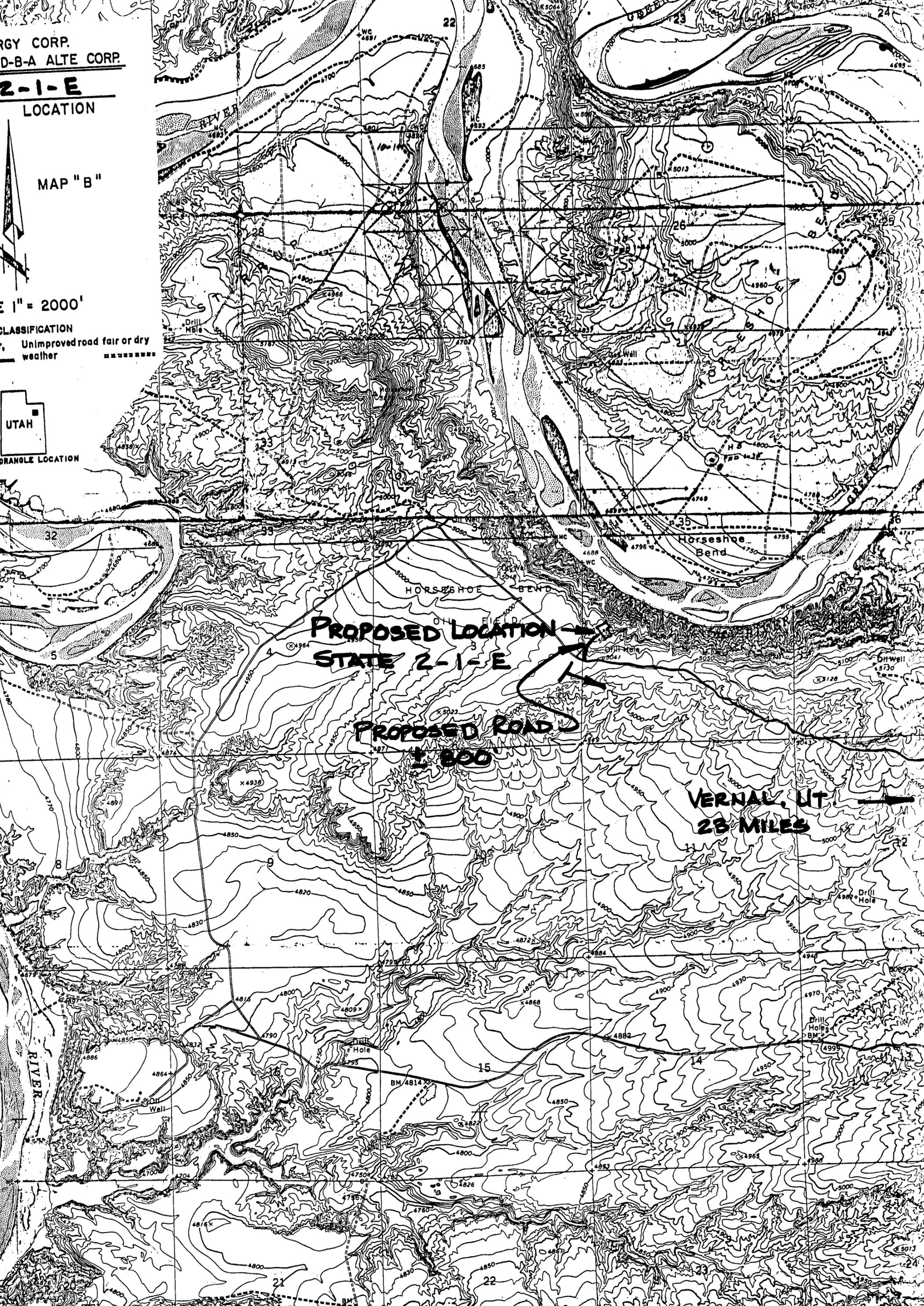
MAP "B"

1" = 2000'

CLASSIFICATION
Unimproved road fair or dry weather

UTAH

ORANGE LOCATION



PROPOSED LOCATION
STATE 2-1-E

PROPOSED ROAD
1.000

VERNAL, UT
28 MILES

RIVER

HORSHOE BEND

Horseshoe Bend

BM 4814

Drill Holes

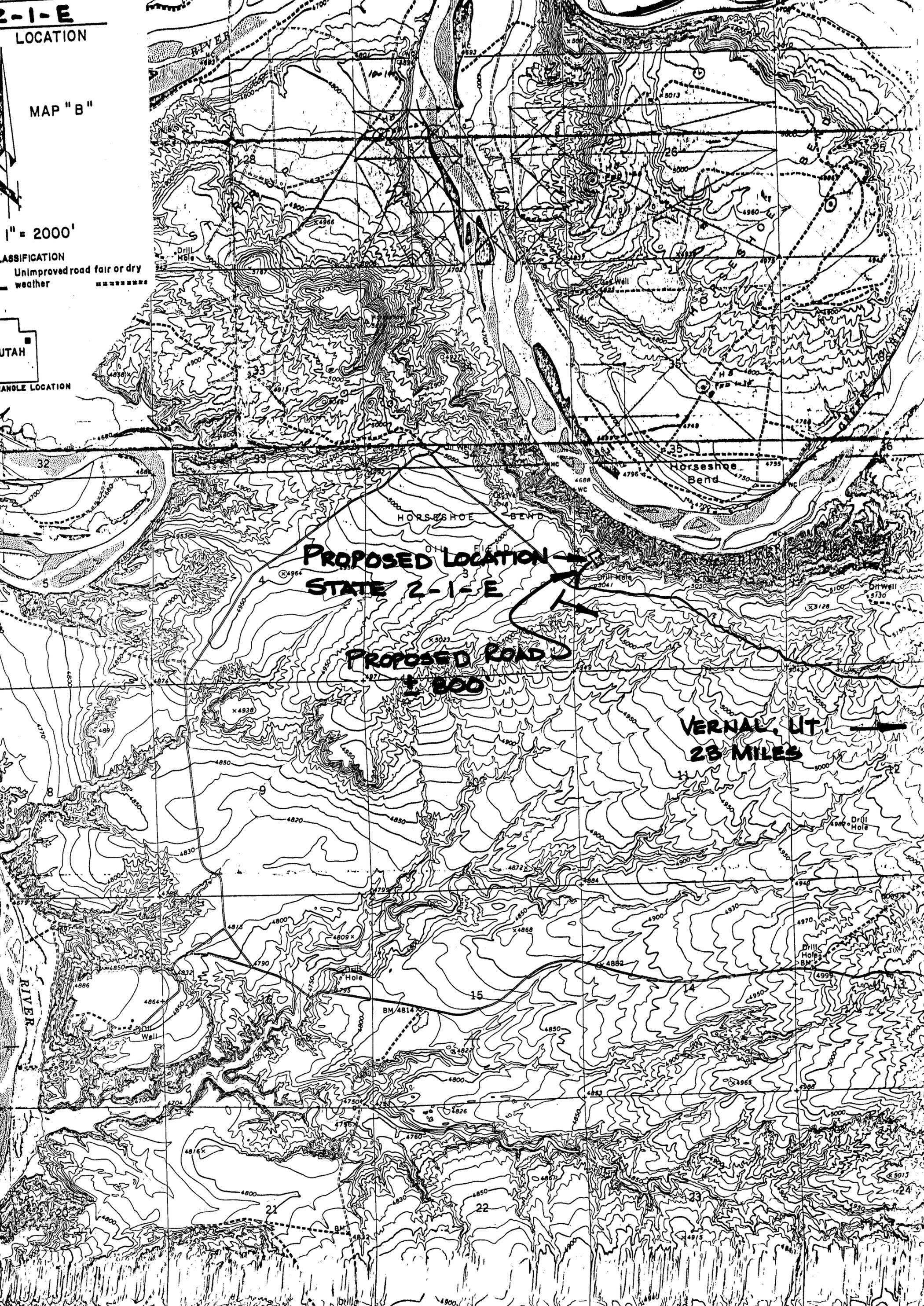
2-1-E
LOCATION

MAP "B"

1" = 2000'

CLASSIFICATION
Unimproved road fair or dry weather

UTAH
TRIANGLE LOCATION



PROPOSED LOCATION
STATE 2-1-E

PROPOSED ROAD
1.800

VERNAL, UT
28 MILES

HORSESHOE BEND

Horseshoe Bend

RIVER

Well

Drill Hole

BM 4814

Drill Hole

BM 4999

BM 4999

Drill Hole

BM 4999

STATE #2-1-E

PROPOSED LOCATION

TOPO.

MAP "B"

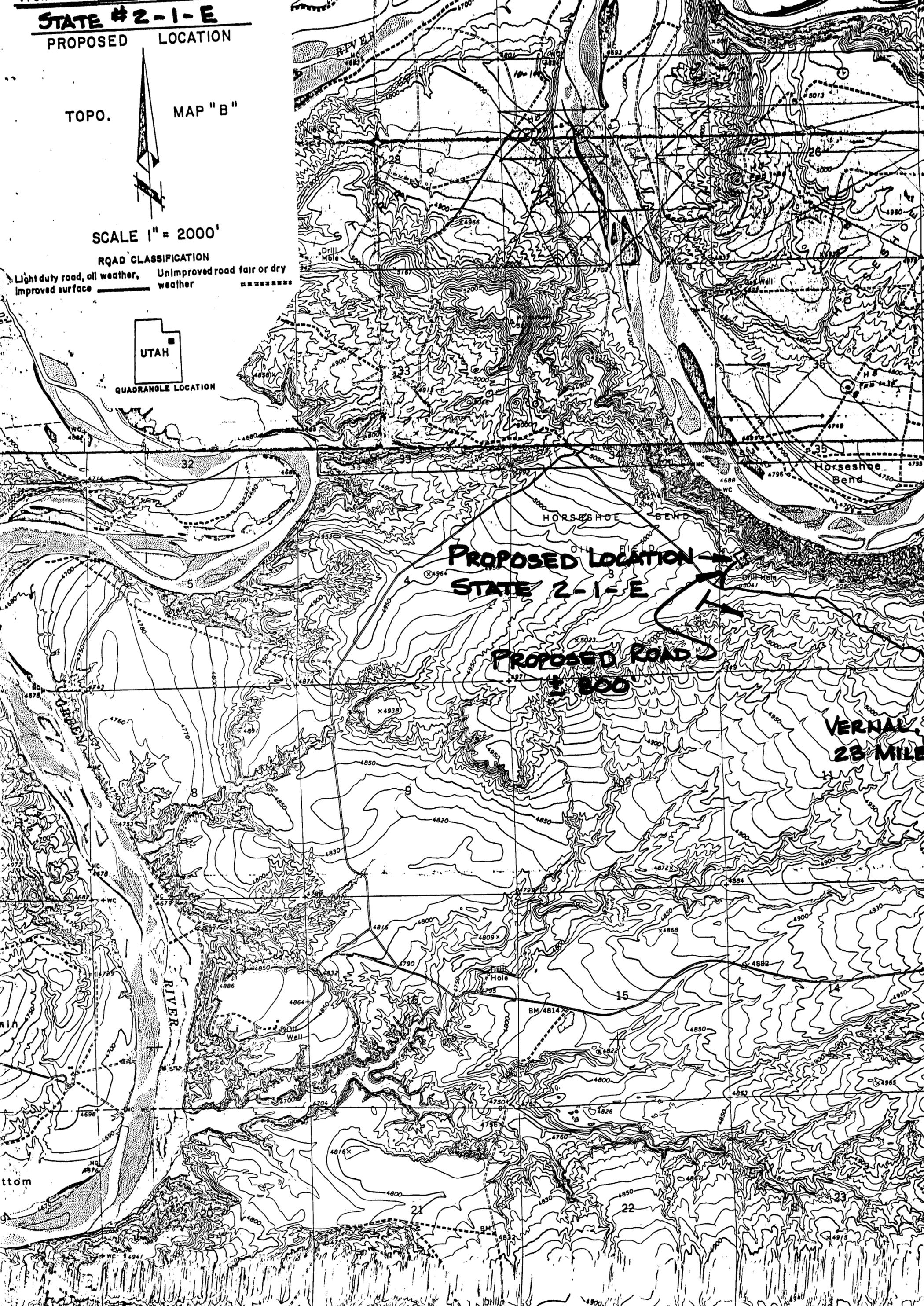
SCALE 1" = 2000'

ROAD CLASSIFICATION

Light duty road, all weather, improved surface  Unimproved road fair or dry weather 



UTAH
QUADRANGLE LOCATION



PROPOSED LOCATION
STATE 2-1-E

PROPOSED ROAD
1.800

VERNAL
28 MILE

JORDAN RIVER

HORSESHOE BEND

Horseshoe Bend

Drill Hole

BM 4814

Well

Drill

OPERATOR Alta Energy Corp. DATE 10-9-84

WELL NAME State # 2-1-E

SEC SW NW 2 T 7S R 2/E COUNTY Uinta

Irregular Sec

43-047-31553
API NUMBER

State
TYPE OF LEASE

POSTING CHECK OFF:

INDEX

HL

NID

PI

MAP

PROCESSING COMMENTS:

No other wells within 1000'

DO - Alta Corp. from SOCO 1979 Access Program

Need water permit

APPROVAL LETTER:

SPACING: A-3 _____ UNIT

c-3-a 190-5(B) 12/20/82
CAUSE NO. & DATE

c-3-b

c-3-c

SPECIAL LANGUAGE:

1- Water - (2) Exception location

3- ~~Oil shale~~ ~~State~~ - Green River Formation Only

4- History - Production casing must be cemented to protect ~~over~~ Uinta formation productive zone at approximately 2500'.

RECONCILE WELL NAME AND LOCATION ON APD AGAINST SAME DATA ON PLAT MAP.

AUTHENTICATE LEASE AND OPERATOR INFORMATION

VERIFY ADEQUATE AND PROPER BONDING *α - Alta Energy Corp.*

AUTHENTICATE IF SITE IS IN A NAMED FIELD, ETC.

APPLY SPACING CONSIDERATION

ORDER _____

UNIT _____

c-3-b

c-3-c

CHECK DISTANCE TO NEAREST WELL.

CHECK OUTSTANDING OR OVERDUE REPORTS FOR OPERATOR'S OTHER WELLS.

IF POTASH DESIGNATED AREA, SPECIAL LANGUAGE ON APPROVAL LETTER

IF IN OIL SHALE DESIGNATED AREA, SPECIAL APPROVAL LANGUAGE.



October 10, 1984

Alta Energy Corporation
164 North 850 West
Vernal, Utah 84078

Gentlemen:

Re: Well No. State #2-1-E - SW NW Sec. 2 (Irregular Section), T. 7S, R. 21E
2475' FNL, 525' FWL - Uintah County, Utah

Approval to drill the above referenced oil well is hereby granted in accordance with Rule C-3(c), General Rules and Regulations and Rules of Practice and Procedure, subject to the following stipulations:

1. Prior to commencement of drilling, receipt by the Division of evidence providing assurance of an adequate and approved supply of water.
2. Submittal to the Division of information justifying the necessity for an exception location and verification of ownership within a radius of 660 feet of the proposed location.
3. The State #2-1-E is to be completed in the Green River formation only. Production casing must be cemented to protect the Uinta Formation productive zone at approximately 2500'.
4. Prior to any ground-disturbing activity on State Lands or lands owned or controlled by the State or its subdivisions, a cultural resource clearance report must be filed with and approved by the Division of State History, phone (801) 533-5755. A list of acceptable archeological contractors is available from the Division of State History.

In addition, the following actions are necessary to fully comply with this approval:

1. Spudding notification to the Division within 24 hours after drilling operations commence.

Page 2
Alta Energy Corporation
Well No. State #2-1-E
October 10, 1984

2. Submittal to the Division of completed Form OGC-8-X, Report of Water Encountered During Drilling.
3. Prompt notification to the Division should you determine that it is necessary to plug and abandon this well. Notify John R. Baza, Petroleum Engineer, (Office) (801) 533-5771, (Home) 298-7695 or R. J. Firth, Associate Director, (Home) 571-6068.
4. Compliance with the requirements and regulations of Rule C-27, Associated Gas Flaring, General Rules and Regulations, Oil and Gas Conservation.
5. This approval shall expire one (1) year after date of issuance unless substantial and continuous operation is underway or an application for an extension is made prior to the approval expiration date.

The API number assigned to this well is 43-047-31553.

Sincerely,



R. J. Firth
Associate Director, Oil & Gas

as
Enclosures
cc: State Lands



STATE OF UTAH
NATURAL RESOURCES
Oil, Gas & Mining

Scott M. Matheson, Governor
Temple A. Reynolds, Executive Director
Dianne R. Nielson, Ph.D., Division Director

4241 State Office Building • Salt Lake City, UT 84114 • 801-533-5771

January 25, 1985

Alta Energy Corporation
779 North 500 West
Vernal, Utah 84078

Attn: Earl Staley

Gentlemen:

Re: Well No. State 2-1-E - Sec. 2, T. 7S., R. 21E.
Uintah County, Utah - API #43-047-31553

Our records indicate that you have not filed the monthly drilling reports for the months of October 1984 to the present on the above referred to well. Our rules and regulations stipulate that these reports be filed by the sixteenth of each month until the well is completed.

Enclosed are forms for your convenience in filing the necessary reports as soon as possible but no later than February 25, 1985.

Thank you for your cooperation in this matter.

Sincerely,

A handwritten signature in cursive script that reads "Claudia L. Jones".

Claudia L. Jones
Well Records Specialist

cc: Alta Energy Corp
500 N Lorraine
Midland TX 79701
Dianne R. Nielson, DOGM
Ronald J. Firth, DOGM
John R. Baza, DOGM
File
0009S/7

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

RECEIVED

WELL COMPLETION OR RECOMPLETION REPORT AND LOG*

5. LEASE DESIGNATION AND SERIAL NO.
ML 38354
6. IF INDIAN, ALLOTTEE OR TRIBE NAME
--
7. UNIT AGREEMENT NAME
--
8. FARM OR LEASE NAME
State
9. WELL NO.
2-1-E
10. FIELD AND POOL, OR WILDCAT
Horseshoe Bend
11. SEC., T., R., M., OR BLOCK AND SURVEY OR AREA
Sec. 2, T9S, R21E, S.L.M.

12. COUNTY OR PARISH
Uintah
13. STATE
Utah

1a. TYPE OF WELL: OIL WELL GAS WELL DRY Other _____

b. TYPE OF COMPLETION: NEW WELL WORK OVER DEEP-EN PLUG BACK DIFF. RESVR. Other DIVISION OF OIL GAS & MINING

2. NAME OF OPERATOR
Alta Energy Corporation (Texas Domestic) dba/ Alte Corp.

3. ADDRESS OF OPERATOR
500 North Loraine, Suite 900, Midland, TX 79701

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements)*
At surface 2475' FNL 525' FWL SWNW
At top prod. interval reported below Same
At total depth Same

14. PERMIT NO. 43-047-31553
DATE ISSUED 10/10/85

15. DATE SPUDDED 10/14/84
16. DATE T.D. REACHED 12/22/84
17. DATE COMPL. (Ready to prod.) 3/14/85
18. ELEVATIONS (DF, RES, RT, GR, ETC.)* 4993 GL, 5007 DF
19. ELEV. CASINGHEAD 5008

20. TOTAL DEPTH, MD & TVD 7098
21. PLUG, BACK T.D., MD & TVD 6800
22. IF MULTIPLE COMPL., HOW MANY* n/a
23. INTERVALS DRILLED BY
ROTARY TOOLS X
CABLE TOOLS

24. PRODUCING INTERVAL(S), OF THIS COMPLETION—TOP, BOTTOM, NAME (MD AND TVD)*
6623-6725 - Green River
25. WAS DIRECTIONAL SURVEY MADE No

26. TYPE ELECTRIC AND OTHER LOGS RUN
CDCN, Gamma Ray Sample
27. WAS WELL CORDED No

28. CASING RECORD (Report all strings set in well)

CASING SIZE	WEIGHT, LB./FT.	DEPTH SET (MD)	HOLE SIZE	CEMENTING RECORD	AMOUNT PULLED
8-5/8"	24#	380'	12-1/4"	260 sxs Class "A"	--
5-1/2"	15.5#	7067'	7-7/8"	720 sxs Class "H"	--

29. LINER RECORD

SIZE	TOP (MD)	BOTTOM (MD)	SACKS CEMENT*	SCREEN (MD)
n/a				

30. TUBING RECORD

SIZE	DEPTH SET (MD)	PACKER SET (MD)
2-3/8"	6719'	--

31. PERFORATION RECORD (Interval, size and number)
6623-28, 6637-42, 6649-54, 6666-73, 6683-88, 6701-25, 6832-44, 6853-68, 6884-86, 6894-96, 6932-33, 6946-52, 6980-86 - 4 SPF, 4" gun

32. ACID, SHOT, FRACTURE, CEMENT SQUEEZE, ETC.

DEPTH INTERVAL (MD)	AMOUNT AND KIND OF MATERIAL USED
6623-6725	62,000# 20/40 sand & 970 BW containing 40# gel.

33. PRODUCTION

DATE FIRST PRODUCTION	PRODUCTION METHOD (Flowing, gas lift, pumping—size and type of pump)	WELL STATUS (Producing or shut-in)					
3/15/85	Pumping	Producing					
DATE OF TEST	HOURS TESTED	CHOKE SIZE	PROD'N. FOR TEST PERIOD	OIL—BBL.	GAS—MCF.	WATER—BBL.	GAS-OIL RATIO
3/22/85	24	2"	→	80	50	--	1600
FLOW. TUBING PRES.	CASING PRESSURE	CALCULATED 24-HOUR RATE	OIL—BBL.	GAS—MCF.	WATER—BBL.	OIL GRAVITY-API (CORR.)	
--	40#	→	80	50	--	33°	

34. DISPOSITION OF GAS (Sold, used for fuel, vented, etc.)
Vented excess, running pump, heater & tanks off casinghead gas.
TEST WITNESSED BY Earl Staley

35. LIST OF ATTACHMENTS
Logs sent directly to the Div. O,G&M from the logging company.

36. I hereby certify that the foregoing and attached information is complete and correct as determined from all available records
SIGNED Kim C. Wilkinson TITLE Production Secretary DATE 4/4/85

*(See Instructions and Spaces for Additional Data on Reverse Side)

INSTRUCTIONS

General: This form is designed for submitting a complete and correct well completion report and log on all types of lands and leases to either a Federal agency or a State agency, or both, pursuant to applicable Federal and/or State laws and regulations. Any necessary special instructions concerning the use of this form and the number of copies to be submitted, particularly with regard to local, area, or regional procedures and practices, either are shown below or will be issued by, or may be obtained from, the local Federal and/or State office. See instructions on items 22 and 24, and 33, below regarding separate reports for separate completions.

If not filed prior to the time this summary record is submitted, copies of all currently available logs (drillers, geologists, sample and core analysis, all types electric, etc.), formation and pressure tests, and directional surveys, should be attached hereto, to the extent required by applicable Federal and/or State laws and regulations. All attachments should be listed on this form, see item 35.

Item 4: If there are no applicable State requirements, locations on Federal or Indian land should be described in accordance with Federal requirements. Consult local State or Federal office for specific instructions.

Item 18: Indicate which elevation is used as reference (where not otherwise shown) for depth measurements given in other spaces on this form and in any attachments.

Items 22 and 24: If this well is completed for separate production from more than one interval zone (multiple completion), so state in Item 22, and in Item 24 show the producing interval, or intervals, top(s), bottom(s) and name(s) (if any) for only the interval reported in item 33. Submit a separate report (page) on this form, adequately identified, for each additional interval to be separately produced, showing the additional data pertinent to such interval.

Item 29: "Sacks Cement": Attached supplemental records for this well should show the details of any multiple stage cementing and the location of the cementing tool.

Item 33: Submit a separate completion report on this form for each interval to be separately produced. (See instruction for items 22 and 24 above.)

37. SUMMARY OF POROUS ZONES:

SHOW ALL IMPORTANT ZONES OF POROSITY AND CONTENTS THEREOF; CORED INTERVALS; AND ALL DRILL-STEM TESTS, INCLUDING DEPTH INTERVAL TESTED, CUSHION USED, TIME TOOL OPEN, FLOWING AND SHUT-IN PRESSURES, AND RECOVERIES

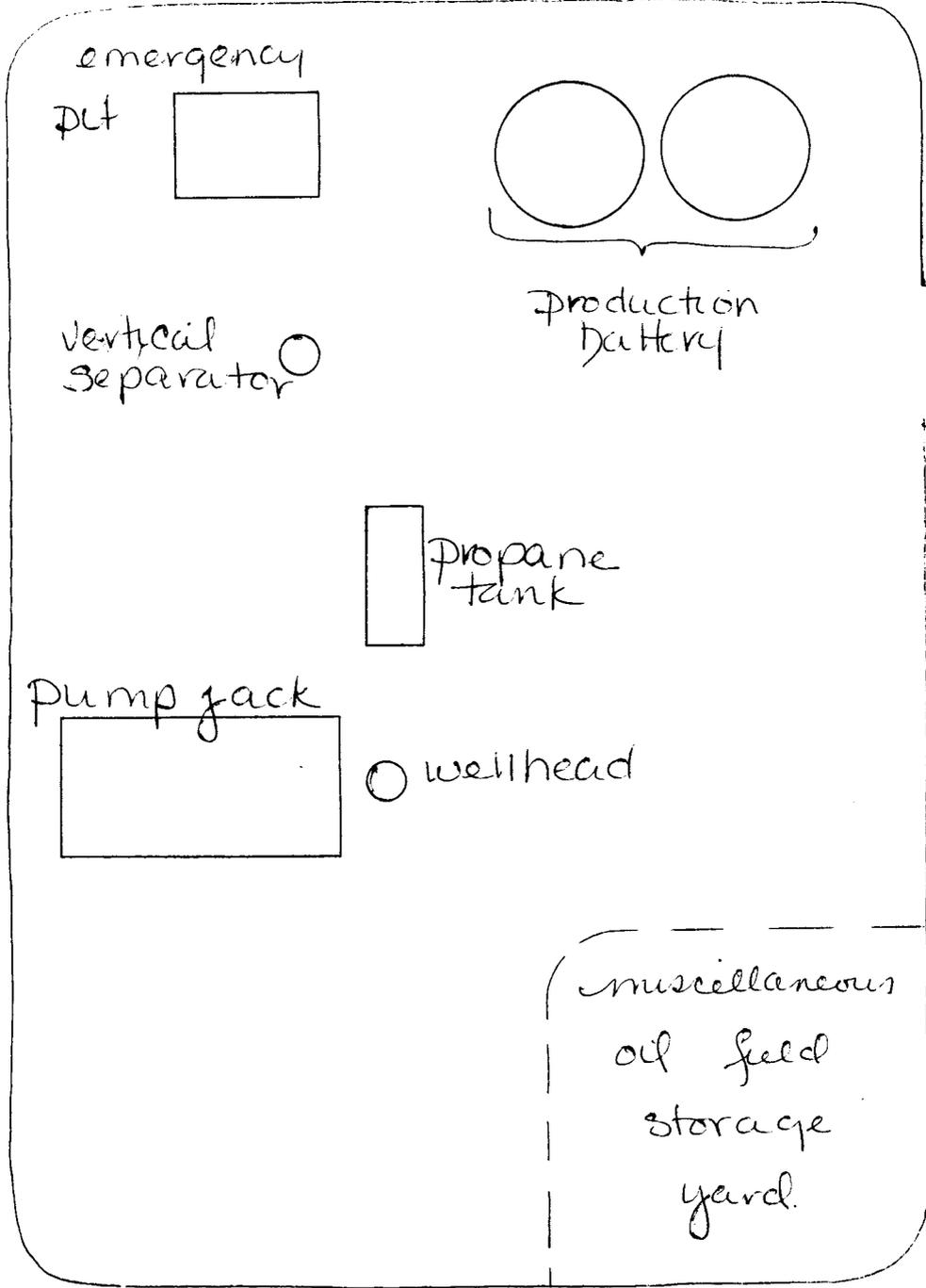
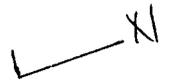
FORMATION	TOP	BOTTOM	DESCRIPTION, CONTENTS, ETC.
Uinta	Surface		

38.

GEOLOGIC MARKERS

NAME	TOP	
	MEAS. DEPTH	TRUE VERT. DEPTH
Green River	3500'	

State 2-1-E. Sec 2, T7S, R21E. Hubly 3/22/89



42-381 50 SHEETS 5 SQUARE
42-382 100 SHEETS 5 SQUARE
42-389 200 SHEETS 5 SQUARE
MAY 1988



Form OGC-1b

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

SUBMIT IN TRIPLICATE
(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. LEASE DESIGNATION AND SERIAL NO.	ML 38354
2. IF INDIAN, ALLOTTEE OR TRIBE NAME	---
3. UNIT AGREEMENT NAME	---
4. NAME OF LEASE HAD	State
5. WELL NO.	2-1-E
6. FIELD AND FOOT, OR WILDCAT	Horseshoe Bend
7. SEC. T. R. N. OF ALLE. AND SUBST. OR ASSE	Sec. 2, T7S, R21E, S.L.M.
8. COUNTY OR PARISH	Uintah
9. STATE	Utah

1. NAME OF OPERATOR	Alta Energy Corporation
2. ADDRESS OF OPERATOR	415 West Wall, Suite 1810, Midland, Texas 79701
3. LOCATION OF WELL (Report location clearly and in accordance with any State requirements. See also space 17 below.) At surface	2475' FNL & 525' FWL
10. PERMIT NO.	43-047-31553
11. ELEVATIONS (Show whether of, to, or, via.)	5007 DF

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"/>	WATER SHUT-OFF	<input type="checkbox"/>
FRACURE TREAT	<input type="checkbox"/>	FRACURE TREATMENT	<input type="checkbox"/>
SHOOT OR ACIDISE	<input type="checkbox"/>	SHOOTING OR ACIDISING	<input type="checkbox"/>
REPAIR WELL	<input type="checkbox"/>	(Other)	<input type="checkbox"/>
(Other) Plug Back	<input checked="" type="checkbox"/>		
POLL OR ALTER CASING	<input type="checkbox"/>	REPAIRING WELL	<input type="checkbox"/>
MULTIPLE COMPLETS	<input type="checkbox"/>	ALTERING CASING	<input type="checkbox"/>
ABANDON*	<input type="checkbox"/>	ABANDONMENT*	<input type="checkbox"/>
CHANGE PLANN	<input type="checkbox"/>		

(NOTE: Report results of multiple completion or 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.)

The State 2-1-E has reached the economic limit in the presently completed Green River formation. Alta proposes to plug back and attempt a gas completion in the Uinta formation. A cast iron bridge plug will be set at 4050' and 20' of cement will be placed on top. After production is established in the Uinta formation, a well completion report will be submitted. Estimated starting date for recompletion is 7-30-90.

APPROVED BY THE STATE
OF UTAH DIVISION OF
OIL, GAS, AND MINING
DATE: 7-23-90
BY: John R. Blye
WELL SPACING: 145-8

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

SIGNED Tom M. Cochran TITLE Operations Manager DATE 7-17-90

(This space for Federal or State office use)

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

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
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 wells. Use "APPLICATION FOR PERMIT" for such purposes.)

RECEIVED
JUL 19 1990

1. OIL WELL <input checked="" type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER <input type="checkbox"/>		5. LEASE DESIGNATION AND SERIAL NO. ML 38354
2. NAME OF OPERATOR Alta Energy Corporation		6. IF INDIAN, ALLOTTEE OR TRIBE NAME ---
3. ADDRESS OF OPERATOR 415 West Wall, Suite 1810, Midland, Texas 79701		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 2475' FNL & 525' FWL		8. FARM OR LEASE NAME State
16. PERMIT NO. 43-047-31553		9. WELL NO. 2-1-E
15. ELEVATIONS (Show whether DF, ST, GR, etc.) 5007 DF		10. FIELD AND POOL, OR WILDCAT Horseshoe Bend
		11. SEC., T., R., M., OR BLM. AND SUBST OR ABBA Sec. 2, T7S, R21E, S.L.M.
		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"/>	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) <input type="checkbox"/>	(Other) <input type="checkbox"/>
(Other) Plug Back <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.)

Recompletion _{DFIS}

The State 2-1-E has reached the economic limit in the presently completed Green River formation. Alta proposes to plug back and attempt a gas completion in the Uinta formation. A cast iron bridge plug will be set at 4050' and 20' of cement will be placed on top. After production is established in the Uinta formation, a well completion report will be submitted. Estimated starting date for recompletion is 7-30-90.

OIL AND GAS	
DFN	RJF
JRS	GLH
DIS	SLS
DIS	1-TAS
DIS	3-TAS
4-	MICROFILM
5-	FILE

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

SIGNED Pat M. Lockman TITLE Operations Manager DATE 7-17-90

(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

SUBMIT IN TRIPLICATE
(Instructions on reverse side)

SUNDRY NOTICES AND REPORTS ON WELLS

(Do not use this form for proposals to drill or to deepen wells. Use "APPLICATION FOR PERMIT" form.)

RECEIVED
JUL 19 1990

1. LEASE DESIGNATION AND SERIAL NO. ML 38354	
6. IF INDIAN, ALLOTTEE OR TRIBE NAME ---	
7. UNIT AGREEMENT NAME ---	
8. FARM OR LEASE NAME State	
9. WELL NO. 2-1-E	
10. FIELD AND POOL, OR WILDCAT Horseshoe Bend	
11. SEC., T., R., M., OR BLE. AND SURVEY OR ABBA Sec. 2, T7S, R21E, S.L.M.	
12. COUNTY OR PARISH Uintah	13. STATE Utah
14. PERMIT NO. 43-047-31553	15. ELEVATIONS (Show whether SP, RT, OR, etc.) 5007 DF

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"/>	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 ACIDISE <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) <input type="checkbox"/>	(Other) <input type="checkbox"/>

(Other) Plug Back (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.)

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

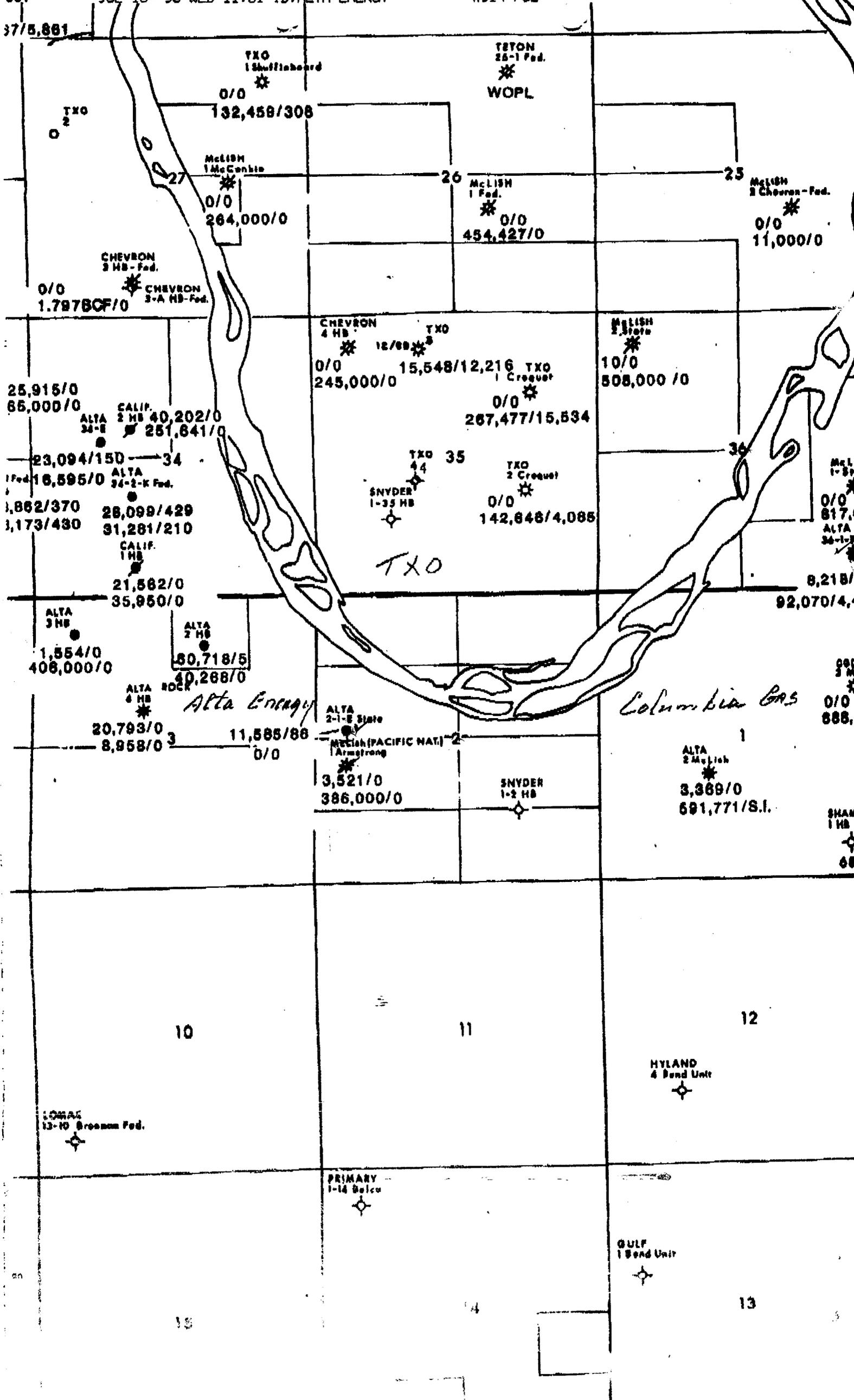
SIGNED Pat M. Cochran TITLE Operations Manager DATE 7-17-90

(This space for Federal or State office use)

APPROVED BY _____ TITLE _____ DATE _____

CONDITIONS OF APPROVAL, IF ANY:

37/5,881



Alta Energy

Columbia Gas

BEFORE THE BOARD OF OIL, GAS AND MINING
DEPARTMENT OF NATURAL RESOURCES AND ENERGY
IN AND FOR THE STATE OF UTAH

IN THE MATTER OF THE PETITION OF TXO *
PRODUCTION CORPORATION FOR AN ORDER *
ALLOWING TWO PRODUCTION WELLS WITHIN *
ESTABLISHED 320 ACRE SPACING UNITS *
FOR THE UINTA FORMATION IN THE *
HORSESHOE BEND FIELD, UINTAH COUNTY, *
UTAH. *

**FINDINGS OF FACT,
CONCLUSIONS OF LAW,
AND ORDER**

Docket No. 85-044
Cause No. 145-8

Pursuant to the Petition of TXO Production Corporation, this cause came on for hearing before the Board of Oil, Gas & Mining, Department of Natural Resources and Energy, State of Utah, on Thursday, August 22, 1985, at 10 o'clock a.m. in the Board Room of the Division of Oil, Gas & Mining, 355 West North Temple, 3 Triad Center, Suite 301, Salt Lake City, Utah. The following Board members were present:

Gregory P. Williams, Chairman
James W. Carter
Richard B. Larsen
John M. Garr
E. Steele McIntyre
Charles R. Henderson

The Board was represented by Mark C. Moench, Esq., Assistant Attorney General for the State of Utah.

Appearances for the Division of Oil, Gas & Mining were made by:

Ronald J. Firth, Associate Director,
Oil & Gas

John R. Baza, Petroleum Engineer

The Division was represented by Barbara W. Roberts, Assistant Attorney General for the State of Utah.

The Petitioner, TXO Production Corporation was represented by John A. Harja of Hugh C. Garner & Associates, 310 S. Main Street, Suite 1400, Salt Lake City, Utah 84101.

Testimony was given by:

Ricky J. Taylor; Geologist, for Petitioner
Russ E. Gillis; Petroleum Engineer, for Petitioner
Thomas A. Mitchell; Attorney-at-law, for Petitioner

Mr. Assad M. Raffoul, Petroleum Engineer of the Utah State Office of the Bureau of Land Management was also present.

NOW, THEREFORE, the Board having considered the testimony adduced and the exhibits reviewed in said hearing, and being fully advised in the premises, now makes and enters the following:

FINDINGS OF FACT

1. Due and regular notice of the time, place and purpose of the hearing was given to all interested parties as required by law and the Rules and Regulations of the Board. Said parties are listed in Exhibit "B" attached to the Petition.

2. The Board has jurisdiction over the subject matter of the Petition and over all parties interested therein and has jurisdiction to make and promulgate the Order hereinafter set forth.

3. The Board entered its Order in Cause No. 145-2 to establish 320 acre spacing units for the Uinta formation within the following lands:

Township 6 South, Range 21 East, S.L.M.
Sections 25-27, 34-36

Township 6 South, Range 22 East, S.L.M.
Sections 28-33

Township 7 South, Range 21 East, S.L.M.
Sections 1-3, 10-12

Township 7 South, Range 22 East, S.L.M.
Sections 4-6, 8-10

These 320 acre drilling units are composed of the N1/2 and S1/2 of each governmental surveyed section.

4. The Order in Cause No. 145-2 further provided that well sites within the units would be located not less than 1000 feet from the North line and 1000 feet from the East line of the Northeast Quarter, and not less than 1000 feet from the South line and 1000 feet from the West line of the Southwest Quarter of each section, except in Section 2, Township 7 South, Range 21 East, S.L.M., and Sections 27 and 34 of Township 6 South, Range 21 East, S.L.M., where the permitted well locations were established as not less than 1000 feet from the North line and 1000 feet from the West line of the Northwest Quarter and not less than 1000 feet from the South line and 1000 feet from the East line of the Southeast Quarter of each such exception section.

5. The Order in Cause No. 145-2 further provided that the Board may by administration make exceptions to the prescribed well

locations in the event topographic and other structural considerations so require.

6. This Board entered its Order in Cause No. 145-3 to extend the provisions of the Order in Cause No. 145-2 to Section 4, Township 7 South, Range 21 East, S.L.M., Uintah County, Utah.

7. This Board entered its Order in Cause No. 145-4 to allow for the drilling of and simultaneous production from two wells in the Uinta formation within each 320 acre spacing drilling unit in Sections 31, 32 and 33 of Township 6 South, Range 22 East, S.L.M.

8. The Order in Cause No. 145-4 restricted the permitted well locations within Sections 31, 32 and 33 to the area not less than 500 feet from the boundaries of each surveyed quarter section.

9. The Order in Cause No. 145-4 provided that the Board may administratively make exceptions to the prescribed well locations in the event topographic and other structural variations so require.

10. This Board entered its Order in Cause No. 145-5 to allow, inter alia, two production wells per 320 acre spacing unit for the Uinta formation within Sections 28, 29, 30 of Township 6 South, Range 22 East, S.L.M. Said Order further provided that the permitted well locations should be located within each quarter Section, no closer than 500 feet from the boundaries of such quarter section, and that exception locations to the prescribed well locations may be granted administratively by the Division of Oil, Gas & Mining in the event topographic conditions so require.

11. This Board entered its Order in Cause No. 145-6 to extend the 320 acre Uinta formation spacing (established by Cause No. 145-2) to Section 32, Township 6 South, Range 21 East, S.L.M. Said Order also provided that exceptions to the prescribed well locations, may be granted administratively, (without Board hearing) in the event topography or other structural reasons so require.

12. The Uinta formation constitutes a common source of supply of gas under the following tracts:

Township 6 South, Range 21 East, S.L.M.
Sections 25-27, 32, 34-36

Township 7 South, Range 21 East, S.L.M.
Sections 1-4, 10-12

Township 7 South, Range 22 East, S.L.M.
Sections 4-6, 8-10

13. One well per each 320 acre drilling/spacing unit previously established on the lands described in paragraph 12 will not effectively, efficiently, or adequately drain the gas within the Uinta formation.

14. Economic evaluation of the proposed wells in the lands described in paragraph 12 indicates that the wells will very probably recover commercial amounts of gas, reach payout and provide a good rate of return to investors.

15. The Board has the authority, pursuant to Section 40-6-6(4) U.C.A. (1953 as amended) to modify previous orders to authorize additional wells on each previously established spacing/drilling unit.

16. To protect the correlative rights of the various interest owners, and to prevent waste, maximize recovery of the natural

resource, and prevent the drilling of unnecessary wells, the Board should enter an Order permitting two (2) wells to be drilled and produce simultaneously within each 320 acre Uinta formation drilling unit on the lands described in paragraph 12 above.

17. The permitted well locations within each 320 acre Uinta formation spacing unit should be within each government surveyed quarter section, one well per quarter section, no closer than 500 feet from the boundaries of each quarter section.

18. The Division of Oil, Gas and Mining, or successor agency, should have the right to administratively approve exceptions to the prescribed well locations if topographical, cultural, geological or other considerations so require.

CONCLUSIONS OF LAW

1. The Board has the authority, pursuant to Section 40-6-6(4) U.C.A. (1953 as amended) to modify previous orders to authorize additional wells on each previously established spacing/drilling unit.

2. An Order permitting (a) the drilling of additional wells on existing units as provided herein, and (b) the simultaneous production of two wells per 320 acre Uinta formation spacing/drilling unit will prevent waste, maximize recovery, prevent the drilling of unnecessary wells, and protect the correlative rights of interest owners.

Sufficient evidence now being available upon which to reach a decision, the Board issues the following:

ORDER

Based upon evidence presented covering the geology, ownership, reservoir characteristics and reserves of natural gas, and to protect correlative rights and maximize the recovery of gas, the Orders issued in Cause Nos. 145-2, 145-3, 145-6, and 145-7 are hereby amended to the extent necessary to authorize the following:

1. Two production wells are allowed per each 320 acre Uinta formation drilling unit on the following lands:

Township 6 South, Range 21 East, S.L.M.
Sections 25-27, 32, 34-36

Township 7 South, Range 21 East, S.L.M.
Sections 1-4, 10-12

Township 7 South, Range 22 East, S.L.M.
Sections 4-6, 8-10

2. The permitted well locations within each 320 acre drilling unit are within each government surveyed quarter section, one well per quarter section, at a point no closer than 500 feet from the boundaries of each quarter section;

3. The Division of Oil, Gas & Mining, or successor agency, may administratively approve exceptions to the prescribed well locations pursuant to Rule C3 of the General Rules and Regulations of the Board (or any duly promulgated replacement rule) if topographical, cultural, geological or other considerations so require;

4. The Board retains exclusive and continuing jurisdiction of all matters covered by this Order and of all parties affected

thereby, and particularly reserves exclusive and continuing jurisdiction to make further orders as appropriate and as authorized by statute and regulation.

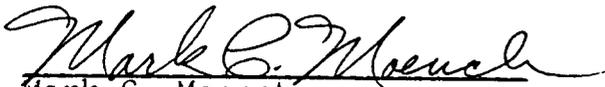
DATED this 19th day of Sept., 1985.

STATE OF UTAH
BOARD OF OIL, GAS & MINING



Gregory P. Williams, Chairman

Approved as to form:



Mark C. Moench
Assistant Attorney General

Alta Energy Corporation

FAX Transmission Cover Sheet

415 W. Wall, Suite 1810
Midland, Texas 79701

Office: (915) 683-5449

FAX: (915) 682-2601

FAX Number: _____

Date of Transmission: 7-19-90

Please give these pages to: John Baza

Transmission from: Pat Cochran

Immediate response requested? Yes _____ No _____

Comments concerning this transmission:

Total pages in this transmission including cover page: 2

Please notify us immediately if you did not receive all pages.



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

Norman H. Bangertter
Governor
Dee C. Hansen
Executive Director
Dianne R. Nielson, Ph.D.
Division Director

355 West North Temple
3 Triad Center, Suite 350
Salt Lake City, Utah 84180-1203
801-538-5340

August 1, 1990

Alta Energy Corporation
415 West Wall, Suite 1810
Midland, Texas 79701

Gentlemen:

Re: State #2-1-E, Section 2, Township 7 South, Range 21 East, Uintah County, Utah

In accordance with the order in Cause No. 145-8 dated September 19, 1985, approval to recomplate the referenced well for production from the Uinta formation is granted.

The following actions are necessary to fully comply with this approval:

1. Compliance with all other applicable rules concerning oil and gas well drilling, producing, and operating stated in the Oil and Gas Conservation General Rules.
2. Conformance with the statements of the submitted application dated July 17, 1990.

If you have any questions regarding this approval or the necessary requirements, please contact this office.

Sincerely,

R. J. Erth
Associate Director, Oil & Gas

tas
cc: Division of State Lands
J. L. Thompson
WE14/1-9

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

WELL COMPLETION OR RECOMPLETION REPORT AND LOG*

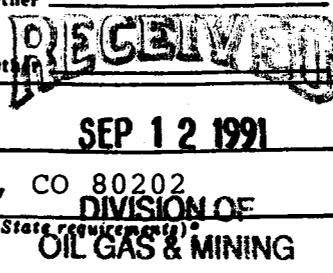
1a. TYPE OF WELL: OIL WELL GAS WELL DRY Other _____
 b. TYPE OF COMPLETION: NEW WELL WORK OVER DEEP-EN PLUG BACK DIFF. RESVR. Other _____

2. NAME OF OPERATOR
Alta Energy Corporation

3. ADDRESS OF OPERATOR
410 17th Street Suite 430, Denver, CO 80202

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements)*
 At surface 2475' FNL 525' FWL
 At top prod. interval reported below same
 At total depth same

14. PERMIT NO. 43-047-31553 | DATE ISSUED 10/10/85



5. LEASE DESIGNATION AND SERIAL NO.
ML 38354
 6. IF INDIAN, ALLOTTEE OR TRIBE NAME
 7. UNIT AGREEMENT NAME
 8. FARM OR LEASE NAME
state
 9. WELL NO.
2-1-E
 10. FIELD AND POOL, OR WILDCAT
Horseshoe Bend
 11. SEC., T., R., M., OR BLOCK AND SURVEY OR AREA
Sec 2, T7S, R21E, SLM
 12. COUNTY OR PARISH
Uintah
 13. STATE
Utah

15. DATE SPUDDED 10/14/85 | 16. DATE T.D. REACHED 12/22/84 | 17. DATE COMPL. (Ready to prod.) 8/7/90 | 18. ELEVATIONS (DF, RES, BT, OR, ETC.)* 4993 GL, 5007 DF | 19. ELEV. CASINGHEAD 5008

20. TOTAL DEPTH, MD & TVD 7098 | 21. PLUG, BACK T.D., MD & TVD 3640' | 22. IF MULTIPLE COMPL., HOW MANY* N/A | 23. INTERVALS DRILLED BY ROTARY TOOLS X | CABLE TOOLS

24. PRODUCING INTERVAL(S), OF THIS COMPLETION—TOP, BOTTOM, NAME (MD AND TVD)*
 Uinta 3321' - 3559' | 25. WAS DIRECTIONAL SURVEY MADE

26. TYPE ELECTRIC AND OTHER LOGS RUN | 27. WAS WELL CORDED

28. CASING RECORD (Report all strings set in well)

CASING SIZE	WEIGHT, LB./FT.	DEPTH SET (MD)	HOLE SIZE	CEMENTING RECORD	AMOUNT PULLED
8 5/8"	24#	380'	12 1/4"	260 sx Class "A"	
5 1/2"	15.5#	7067'	7 7/8"	720 sx Class "H"	

29. LINER RECORD | 30. TUBING RECORD

SIZE	TOP (MD)	BOTTOM (MD)	BACKS CEMENT*	SCREEN (MD)	SIZE	DEPTH SET (MD)	PACKER SET (MD)
					2 3/8"	3249'	

31. PERFORATION RECORD (Interval, size and number)
 3321-24, 3332, 34, 40, 42, 3434-35, 3459-60, 3481-82, 3529-31, 3556, 59 (LSPF, 19 holes)

32. ACID, SHOT, FRACTURE, CEMENT SQUEEZE, ETC.
 DEPTH INTERVAL (MD) 3321-3559 | AMOUNT AND KIND OF MATERIAL USED Acidize with 750 gallons 7 7/8 NEFE and 25 RCN balls

33. PRODUCTION

DATE FIRST PRODUCTION | PRODUCTION METHOD (Flowing, gas lift, pumping—size and type of pump) Flowing | WELL STATUS (Producing or shut-in) Shut in WOPL

DATE OF TEST	HOURS TESTED	CHOKE SIZE	PROD'N. FOR TEST PERIOD	OIL—BBL.	GAS—MCF.	WATER—BBL.	GAS-OIL RATIO
8/6/90	12	2"	→	∅	200	20	

FLOW. TUBING PRESS.	CASING PRESSURE	CALCULATED 24-HOUR RATE	OIL—BBL.	GAS—MCF.	WATER—BBL.	OIL GRAVITY-API (CORR.)
250	640	→	∅	400	40	

34. DISPOSITION OF GAS (Sold, used for fuel, vented, etc.) Vented | TEST WITNESSED BY J.M. Smith

35. LIST OF ATTACHMENTS

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

SIGNED Ero A. Young TITLE Petroleum Engineer DATE 9/9/91

*(See Instructions and Spaces for Additional Data on Reverse Side)

INSTRUCTIONS

General: This form is designed for submitting a complete and correct well completion report and log on all types of lands and leases to either a Federal agency or a State agency, or both, pursuant to applicable Federal and/or State laws and regulations. Any necessary special instructions concerning the use of this form and the number of copies to be submitted, particularly with regard to local, area, or regional procedures and practices, either are shown below or will be issued by, or may be obtained from, the local Federal and/or State office. See instructions on items 22 and 24, and 33, below regarding separate reports for separate completions.

If not filed prior to the time this summary record is submitted, copies of all currently available logs (drillers, geologists, sample and core analysis, all types electric, etc.), formation and pressure tests, and directional surveys, should be attached hereto, to the extent required by applicable Federal and/or State laws and regulations. All attachments should be listed on this form, see item 35.

Item 4: If there are no applicable State requirements, locations on Federal or Indian land should be described in accordance with Federal requirements. Consult local State or Federal office for specific instructions.

Item 18: Indicate which elevation is used as reference (where not otherwise shown) for depth measurements given in other spaces on this form and in any attachments.

Items 22 and 24: If this well is completed for separate production from more than one interval zone (multiple completion), so state in item 22, and in item 24 show the producing interval, or intervals, top(s), bottom(s) and name(s) (if any) for only the interval reported in item 33. Submit a separate report (page) on this form, adequately identified, for each additional interval to be separately produced, showing the additional data pertinent to such interval.

Item 29: "Sacks Cement": Attached supplemental records for this well should show the details of any multiple stage cementing and the location of the cementing tool.

Item 33: Submit a separate completion report on this form for each interval to be separately produced. (See instruction for items 22 and 24 above.)

37. SUMMARY OF POROUS ZONES:

SHOW ALL IMPORTANT ZONES OF POROSITY AND CONTENTS THEREOF; CORED INTERVALS; AND ALL DRILL-STEM TESTS, INCLUDING DEPTH INTERVAL TESTED, CUSHION USED, TIME TOOL OPEN, FLOWING AND SHUT-IN PRESSURES, AND RECOVERIES

FORMATION	TOP	BOTTOM	DESCRIPTION, CONTENTS, ETC.
Uinta	surface		
Green River	4280'		

38.

GEOLOGIC MARKERS

NAME	TOP	
	MEAS. DEPTH	TRUE VERT. DEPTH

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

5. LEASE DESIGNATION AND SERIAL NO. ML 38354
6. IF INDIAN, ALLOTTEE OR TRIBE NAME
7. UNIT AGREEMENT NAME
8. FARM OR LEASE NAME State
9. WELL NO. 2-1-E
10. FIELD AND POOL, OR WILDCAT Horseshoe Bend
11. SEC., T., R., M., OR BLE. AND SURVEY OR AREA Sec 2, T7S, R21E, SLM
12. COUNTY OR PARISH Uintah
13. STATE Utah

SUNDRY NOTICES AND REPORTS ON WELLS

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

RECEIVED SEP 12 1991

1. OIL WELL [] GAS WELL [X] OTHER []
2. NAME OF OPERATOR Alta Energy Corporation
3. ADDRESS OF OPERATOR 410 17th Street Suite 430, Denver, CO
4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.) At surface 2475' FNL 525' FWL
14. PERMIT NO. 43-047-31553
15. ELEVATIONS (Show whether OF, RT, OR, etc.) 4993 GL

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 ACIDISE [] ABANDON* [] REPAIR WELL [] CHANGE PLANN [] (Other) []
SUBSEQUENT REPORT OF: WATER SHUT-OFF [] REPAIRING WELL [] FRACTURE TREATMENT [] ALTERING CASING [] SHOOTING OR ACIDIZING [] ABANDONMENT* [] (Other) Recompletion [X]
(Notes: 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.)
Green River formation was shut off with a CIBP and 2 sx cement set at 3660'. The Vinta formation was perforated at 3321'-24, 3332, 34, 40, 42, 3434-35, 3459-60, 3481-82, 3529-31, 3556, 59 with 1 SPF, 19 holes and acidized with 750 gallons 7 1/2% NEFE acid and 25 RCN balls. The well flowed tested at a rate of 400 MCFD and 40 BWPD. Currently SI waiting on pipeline

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

SIGNED [Signature] TITLE Petroleum Engineer DATE 9/9/91

(This space for Federal or State office use)

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



Midland, Texas
Phone 915/683-5449
FAX 915/682-2601

RECEIVED

SEP 12 1991

Denver, Colorado
Phone 303/825-0714
FAX 303/629-6741

September 9, 1991

DIVISION OF
OIL GAS & MINING

State of Utah
Department of Natural Resources
Division of Oil, Gas, and Mining
355 w. North Temple
3 Triad Center, Suite 350
Salt Lake City, UT 84180-1203

Gentlemen:

Please find enclosed the following forms:

Form OGC-3 Completed and submitted in duplicate
Form OGC-1b Completed and submitted in triplicate

Sincerely,

Eric A. Vining
Petroleum Engineer

EAV\rs

enclosures

STATE OF UTAH
DIVISION OF OIL, GAS AND MINING

5. Lease Designation and Serial Number:

ML 38354

6. If Indian, Allottee or Tribe Name:

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill new wells, deepen existing wells, or to reenter plugged and abandoned wells.
Use APPLICATION FOR PERMIT TO DRILL OR DEEPEN form for such proposals.

7. Unit Agreement Name: ~~API #~~

43-047-31553

8. Well Name and Number:

State 2-1-E

9. API Well Number:

1. Type of Well: OIL GAS OTHER:

2. Name of Operator:

Alta Energy Corporation

3. Address and Telephone Number:

410 17th Street, Suite 430, Denver, CO 80202

10. Field and Pool, or Wildcat:

Horseshoe Bend

4. Location of Well

Footages: 2475' FNL 525' FWL

QQ, Sec., T., R., M.: SW NW Sec. 2, T7S, R21E

County: Uintah

State: Utah

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

NOTICE OF INTENT
(Submit in Duplicate)

- Abandonment
- Casing Repair
- Change of Plans
- Conversion to Injection
- Fracture Treat
- Multiple Completion
- Other _____
- New Construction
- Pull or Alter Casing
- Recompletion
- Shoot or Acidize
- Vent or Flare
- Water Shut-Off

Approximate date work will start _____

SUBSEQUENT REPORT
(Submit Original Form Only)

- Abandonment *
- Casing Repair
- Change of Plans
- Conversion to Injection
- Fracture Treat
- Other Annual Status Report
- New Construction
- Pull or Alter Casing
- Shoot or Acidize
- Vent or Flare
- Water Shut-Off

Date of work completion _____

Report results of Multiple Completions and Recompletions to different reservoirs on WELL COMPLETION OR RECOMPLETION AND LOG form.

* Must be accompanied by a cement verification report.

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS (Clearly state all pertinent details, and give pertinent dates. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)

Status: Shut-in

The State 2-1-E is not being produced due to excessive water production. Alta is investigating remedial actions to return this well to production.

13.

Name & Signature: Jim Schlabaugh Title: Petroleum Engineer Date: 2-2-93

(This space for State use only)

RECEIVED

FEB 05 1993

DIVISION OF
OIL GAS & MINING

RECEIVED
 (See other inst. for reverse side)
 MAY 9 1994

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

DIVISION OF
 OIL GAS & MINING

WELL COMPLETION OR RECOMPLETION REPORT AND LOG*

1. LEASE DESIGNATION AND SERIAL NO.
 ML 38354
 2. IF INDIAN, ALLOTTEE OR TRIBE NAME
 3. UNIT AGREEMENT NAME
 4. FARM OR LEASE NAME
 state
 5. WELL NO.
 2-1-E
 6. FIELD AND POOL, OR WILDCAT
 Horseshoe Bend
 7. SEC., T., R., OR BLOCK AND SURVEY OR ALFA
 Sec 2, T7S, R21E, SLM

1a. TYPE OF WELL: OIL WELL GAS WELL DRY Other _____
 1b. TYPE OF COMPLETION: NEW WELL WORK OVER DEEP-EN PLUG BACK DIFF. REVR. Other _____

2. NAME OF OPERATOR
 Alta Energy Corporation

3. ADDRESS OF OPERATOR
 410 17th Street Suite 430, Denver, CO 80202

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements)*
 At surface 2475' FNL 525' FWL
 At top prod. interval reported below same
 At total depth same

14. PERMIT NO. 43-047-31553 | DATE ISSUED 10/10/85
 12. COUNTY OR TERRITORY Uintah
 13. STATE Utah

15. DATE SPUDDED 10/14/85 | 16. DATE T.D. REACHED 12/22/84 | 17. DATE COMPL. (Ready to prod.) 8/7/90 | 18. ELEVATIONS (DF, REB, ST, OR, ETC.)* 4993 GL, 5007 DF | 19. ELEV. CASINGHEAD 5008

20. TOTAL DEPTH, MD & TVD 7098 | 21. PLUG BACK T.D., MD & TVD 3640' | 22. IF MULTIPLE COMPL., HOW MANY* N/A | 23. INTERVALS DRILLED BY _____ ROTARY TOOLS X | CABLE TOOLS _____

24. PRODUCING INTERVAL(S), OF THIS COMPLETION—TOP, BOTTOM, NAME (MD AND TVD)*
 Uinta 3321' - 3559'
 25. WAS DIRECTIONAL SURVEY MADE

26. TYPE ELECTRIC AND OTHER LOGS RUN
 27. WAS WELL COILED

29. CASING RECORD (Report all strings set in well)

CASING SIZE	WEIGHT, LB./FT.	DEPTH SET (MD)	HOLE SIZE	CEMENTING RECORD	AMOUNT POLLED
8 5/8"	24#	380'	12 1/4"	260 sx Class "A"	
5 1/2"	15.5#	7067'	7 7/8"	720 sx Class "H"	

29. LINER RECORD | 30. TUBING RECORD

SIZE	TOP (MD)	BOTTOM (MD)	BACKS CEMENT*	SCREEN (MD)	SIZE	DEPTH SET (MD)	PACKER SET (MD)
					2 3/8"	3249'	

31. PERFORATION RECORD (Interval, size and number)
 3321-24, 3332, 34, 40, 42, 3434-35, 3459-60, 3481-82, 3529-31, 3556, 59 (LSPF, 19 holes)

32. ACID, SHOT, FRACTURE, CEMENT SQUEEZE, ETC.

DEPTH INTERVAL (MD)	AMOUNT AND KIND OF MATERIAL USED
3321-3559	Acidize with 750 gallons 7 7/8 NEFE and 25 RCN balls

33. PRODUCTION

DATE FIRST PRODUCTION _____ PRODUCTION METHOD (Flowing, gas lift, pumping—size and type of pump) Flowing WELL STATUS (Producing or Shut-in) Shut in WOPL

DATE OF TEST	HOURS TESTED	CHOKER SIZE	PROD'N. FOR TEST PERIOD	OIL—BBL.	GAS—MCF.	WATER—BBL.	GAS-OIL RATIO
8/6/90	4.5	2"	→	∅	75	7.5	

FLOW. TUBING PRESS.	CASING PRESSURE	CALCULATED 24-HOUR RATE	OIL—BBL.	GAS—MCF.	WATER—BBL.	OIL GRAVITY-API (CORR.)
250	640	→	∅	400	40	

34. DISPOSITION OF GAS (Sold, used for fuel, vented, etc.) Vented TEST WITNESSED BY J.M. Smith

35. LIST OF ATTACHMENTS

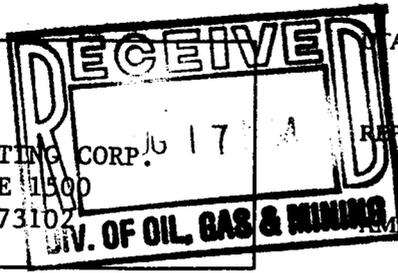
36. I hereby certify that the foregoing and attached information is complete and correct as determined from all available records
 amended SIGNED _____ TITLE Petroleum Engineer DATE 4/28/94

*(See Instructions and Spaces for Additional Data on Reverse Side)

MONTHLY OIL AND GAS PRODUCTION REPORT

OPERATOR NAME AND ADDRESS:

GARY L. MCGEE
 DEVON ENERGY OPERATING CORP.
 20 N. BROADWAY, STE 1500
 OKLAHOMA CITY, OK 73102



UTAH ACCOUNT NUMBER: N5060

REPORT PERIOD (MONTH/YEAR): 6 / 94

RECOMMENDED REPORT (Highlight Changes)

Well Name	API Number	Entity	Location	Producing Zone	Well Status	Days Oper	Production Volumes		
							OIL(BBL)	GAS(MCF)	WATER(BBL)
CASTLE PK ST 33-16	4301330640	00440	09S 16E 16	GRRV	POW	30	285	1219	0
CASTLE PK ST 32-16	4301330650	00445	09S 16E 16	GRRV	POW	30	133	673	0
HORSESHOE BEND #4	4304715802	01315	07S 21E 3	GRRV	TA	0	0	0	0
FEDERAL #21-1-P	4304731647	01316	06S 21E 21	UNTA	PGW	24	0	1911	0
UTAH FEDERAL "D" #4	4304731215	09297	07S 24E 14	GRRV	TA	0	0	0	0
STIRRUP #32-1-J	4304731646	09614	06S 21E 32	GRRV	POW	27	281	717	173
FEDERAL 33-1-1	4304731468	09615	06S 21E 33	GRRV	POW	30	265	577	128
FEDERAL #33-2-B	4304731621	09616	06S 21E 33	GRRV	POW	29	99	116	64
HORSESHOE BEND 36-1-P	4304731482	09815	06S 21E 36	UNTA	PGW	25	0	855	0
STATE 2-1-E	4304731553	10195	07S 21E 2	UNTA					
FEDERAL #4-1-D	4304731693	10196	07S 21E 4	GRRV	POW	30	300	862	136
STATE 16-2-N	4301331094	10199	09S 16E 16	GRRV	POW	30	201	240	0
STATE 16-1-O	4301331022	10200	09S 16E 16	GRRV	POW	30	199	967	0
TOTALS							1763	8137	501

* Reg. doc. 106-94, referred to Trust Land Admin.

REMARKS: * Alta Energy kept the State 2-1-E.

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

Date: August 15, 1994

Name and Signature: William T. Vaughn William T. Vaughn, Finance

Telephone Number: _____

Division of Oil, Gas and Mining
PHONE CONVERSATION DOCUMENTATION FORM

Route original/copy to:

Well File _____

(Location) Sec ___ Twp ___ Rng ___
(API No.) _____

Suspense
(Return Date) _____
(To - Initials) _____

Other
Oper. Chg.

1. Date of Phone Call: 10-6-94 Time: 4:00

2. DOGM Employee (name) J. Cordova (Initiated Call
Talked to:

Name Gary McCabe (Initiated Call - Phone No. (405) 552-4732
of (Company/Organization) Devon Energy

3. Topic of Conversation: Oper. of 34-E E. 2-1-E wells?

4. Highlights of Conversation:

Not a part of "Merger", allu to "Levinson Partners Corp."

* Levinson Partners Corp. will submit doc. ASAP. (Alt. Address for Altu % Levinson
set up in system). * Keaton Barker

December 13, 1994

Lisha Cordova
State of Utah Department of Natural Resources
Division of Oil, Gas and Mining
355 West North Temple
3 Triad Center, Suite 350
Salt Lake City, Utah 84180-1203

Re: Notice of Change of Operator

Dear Lisha:

Please find Sundry Notices for change of operator from Devon Energy Corporation to Snyder Oil Corporation effective 10-28-94 for the following wells:

✓Horseshoe Bend #3	Sec. 3, T7S R21E
Horseshoe Bend #4	Sec. 3, T7S R21E
✓Horseshoe Bend 34-E	Sec. 34 T6S R21E
✓State 2-1E	Sec. 2, T7S R21E
Federal 4-2-F	Sec. 4, T7S R21E
Federal 15-1-B	Sec. 15, T9S R17E
Federal 33-1-I	Sec. 33, T6S R21E
Federal 33-2-B	Sec. 33, T6S R21E
Federal 33-4-D	Sec. 33, T6S R21E
Federal 34-2-K	Sec. 34, T6S R21E
Cotton Club #1	Sec. 31, T6S R21E

If you have any questions or require further explanation please do not hesitate to call.

Sincerely,



Jim McKinney,
Reservoir Engineering Technician

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
Budget Bureau No. 1004-0135
Expires: March 31, 1993

MAR 29 1995

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to deepen or reentry a different reservoir. Use "APPLICATION FOR PERMIT -" for such proposals.

Case Designation and Serial No.
ML-38354

6. If Indian, Allottee or Tribe Name
N/A

7. If Unit or CA, Agreement Designation
N/A

8. Well Name and No.
State 2-1E

9. API Well No.
43-047-31553

10. Field and Pool, or Exploratory Area
Horseshoe Bend

11. County or Parish, State
Uintah, Utah

SUBMIT IN TRIPLICATE

1. Type of Well
 Oil Well Gas Well Other

2. Name of Operator
SNYDER OIL CORPORATION

3. Address and Telephone No.
1625 BROADWAY, SUITE 2200, DENVER, CO. 80202 (303) 592-8500

4. Location of Well (Footage, Sec., T., R., m., or Survey Description)
2475' FNL & 525' FWL SWNW Sec. 2 7S 21E

12. CHECK APPROPRIATE BOX(S) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER D

TYPE OF SUBMISSION	TYPE OF ACTION
<input checked="" type="checkbox"/> Notice of Intent	<input type="checkbox"/> Abandonment
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Recompletion
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Plugging Back
	<input type="checkbox"/> Casing Repair
	<input type="checkbox"/> Altering Casing
	<input checked="" type="checkbox"/> Other <u>Change of Operator</u>
	<input type="checkbox"/> Change of Plans
	<input type="checkbox"/> New Construction
	<input type="checkbox"/> Non-Routine Fracturing
	<input type="checkbox"/> Water Shut-Off
	<input type="checkbox"/> Conversion to Injection
	<input type="checkbox"/> Dispose Water

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

13. 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.)*

Snyder Oil Corporation acquired Devon Energy Operating Corporation's interest effective 10-28-94 and is responsible under the terms and conditions of the lease for the operations conducted upon the leased lands. Bond coverage is provided by bond #582488.

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

Signed Jim McKinney Title Engineering Technician Date 13-Dec-94

(This space for Federal or State office) **NOTED**

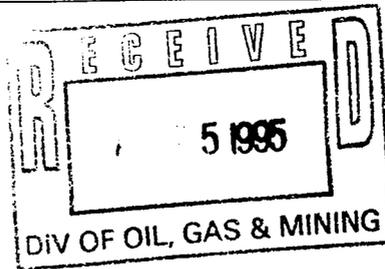
Approved by _____ Title _____ Date MAR 27 1995

Conditions of approval, if any:



Snyder Oil Corporation

1625 Broadway
Suite 2200
Denver, CO 80202
303/592-8500
Fax 303/592-8600



April 13, 1995

Ms. Margie Herrmann
United States Department of the Interior
Bureau of Land Management
Vernal District Office
170 South 500 East
Vernal, Utah 84078-2799

Re: Notice of Change of Operator

Dear Margie:

Please be advised that Snyder Oil Corporation did not assume operations of the following wells:

Horseshoe Bend #3	Sec. 3, T7S R21E	Hot Rod Oil	43-047-15801
Horseshoe Bend 34-E	Sec. 34, T6S R21E	Alta Energy	43-047-31595
State 2-1E	Sec. 2, T7S R21E	Alta Energy	43-047-31553

We had previously filed change of operator forms and this letter is to formally retract them. I made a mistake.

Should you have any questions regarding this matter, please contact me at the above number.

Thank you.

Norma J. Amari, CPL
Landman

cc: Lisha Cordova
State of Utah - Department of Natural Resources/Division Oil Gas & Mining
Jim McKinney

Division of Oil, Gas and Mining
PHONE CONVERSATION DOCUMENTATION FORM

Route original/copy to:

Well File _____

(Location) Sec ___ Twp ___ Rng ___
(API No.) _____

Suspense
(Return Date) _____
(To - Initials) _____

Other
Open Log

1. Date of Phone Call: 3-30-95 Time: 10:30

2. DOGM Employee (name) L. Cordova (Initiated Call
Talked to:

Name Naomi Amari (Initiated Call - Phone No. (303) 592-8574
of (Company/Organization) Snyder Oil Corp.

3. Topic of Conversation: Ownership of well (Alta / Levinson or Snyder?)

4. Highlights of Conversation: _____
She will follow-up i. either call back or fax add'l info.
After review of legal doc. "Snyder not open of Horseshoe Bend 34-E or
State 2-1-E". Referred her to Bhm (34-E).

STATE OF UTAH
BOND OF LESSEE

KNOW ALL MEN BY THESE PRESENTS, that we McCulliss Resources Company
of 621 17th Street, #2155, Denver, CO 80293 Address
as principal and Underwriters Indemnity Company, as
surety, are held and firmly bound unto the State of Utah in the sum of Twenty Thousand 00/100
Dollars (\$20,000.00--) lawful money of the United States to be paid to the Board of
State Lands and Forestry, as agent for the State of Utah, for the use and benefit of the
State of Utah, and of any patentee or purchaser of any portion of the land covered by
the hereinafter described lease heretofore sold or which may hereafter be sold with a
reservation to the State of Utah, on the surface or of other mineral deposits of any
portion of such lands, for which payment, will and truly to be made, we bind ourselves,
and each of us, and each of our heirs, executors, administrators, successors, sub-
lessees, and assignees, jointly and severally by these presents.

Signed with our hands and seals this 24th day of July in the
year of our Lord, 1995.

The condition of the foregoing obligation is such that,

WHEREAS, The State of Utah, as Lessor, issued a(n) oil, Gas and Hydrocarbon
lease, Lease Number _____ and dated _____, to _____
_____ as lessee (and said lease has been duly
assigned under date of June 1, 1995 to McCulliss Resources Company
_____) to drill for, mine, extract, and remove all of the oil, Gas and
Hydrocarbon deposits in and under the following described lands to wit:

State 2-1-E Well, located in SW/4 NW/4, Section 2, Township 7 South, Range 21 East,
Uintah County, Utah

NOW, THEREFORE, THE principal shall be obligated to pay all monies, rentals,
royalties, cost of reclamation, damages to the surface and improvements thereon and any
other costs which arise by operation of the above described lease(s) accruing to the
Lessor and shall fully comply with all other terms and conditions of said lease, the
rules, regulations, and policies relating thereto of the Board of State Lands and
Forestry, Division of State Lands and Forestry, the Board of Oil, Gas and Mining, and
the Division of Oil, Gas and Mining as they may now exist or may from time to time be
modified or amended. This obligation is in effect even if the principal has conveyed
part of the purchase agreement interest to a successor in interest. If the principal
fully satisfies the above described obligations, then the surety's obligation to make
payment to the State of Utah is void and of no effect, otherwise, it shall remain in
full force and effect until released by the Division of State Lands and Forestry.

Signed, sealed and delivered
in the presence of

~~McCulliss Resources Company~~

BY: [Signature] (SEAL)
Principal

[Signature]
Witness

BONDING COMPANY Underwriters Indemnity Company
BY _____

Roy C. Die, Attorney-in-Fact

[Signature]
Witness Nancy Cruz

Attest: _____

Resident Agent: [Signature]

APPROVED AS TO FORM:
R. PAUL WILCOX
ATTORNEY GENERAL

Bonding Co. Address: 8 Greenway Plaza, Suite 400
Houston, TX 77046

By [Signature]

Corporate Seal of Bonding Company Must be Affixed.

GENERAL POWER OF ATTORNEY

CERTIFIED COPY

KNOW ALL MEN BY THESE PRESENTS: That UNDERWRITERS INDEMNITY COMPANY, a corporation organized and existing under the laws of the State of Texas, and having its principal office in the City of Houston, Texas, does hereby constitute and appoint:

ROY C. DIE

its true and lawful attorney-in-fact to execute, seal and deliver for and on its behalf as surety, any and all bonds and undertakings, recognizances, contracts of indemnity and other writings obligatory in the nature thereof, which are or may be allowed, required or permitted by law, statute, rule, regulation, contract or otherwise, in an amount not to exceed:

*****FIFTY THOUSAND AND NO/100 DOLLARS*****

and the execution of all such instrument(s) in pursuance of these presents, shall be binding upon said UNDERWRITERS INDEMNITY COMPANY as fully and amply, to all intents and purposes, as if the same had been duly executed and acknowledged by its regularly elected officers at its principal office.

This Power of Attorney is executed, and may be cerified to and may be revoked, pursuant to and by authority of Article V, Section 6(C) of the By-Laws adopted by the Board of Directors of UNDERWRITERS INDEMNITY COMPANY, at a meeting called and held on the 23rd day of January 1985, of which the following is a true transcript of said Section 6(C):

- "The President or any Vice President, Assistant Vice President, Secretary or Resident Secretary shall have power and authority (1) To appoint Attorneys-in-fact, and to authorize them to execute on behalf of the Company, and attach the Seal of the Company thereto, bonds and undertakings, recognizances, contracts of indemnity and other writings obligatory in the nature thereof, and (2) to appoint special Attorneys-in-fact, who are hereby authorized to certify to copies of any power-of-attorney issued in pursuance of this section and/or any of the By-laws of the Company, and (3) to remove, at any time, any such Attorney-in-fact or Special Attorney-in-fact and revoke the authority given to him."

Further, this Power of Attorney is signed and sealed by facsimile pursuant to resolution of the Board of Directors of said Company adopted at a meeting duly called and held on the 23rd day of January, 1985, of which the following is a true excerpt:

"Now therefore the signatures of such officers and the seal of the Company may be affixed to any such power of attorney or any certificate relating thereto by facsimile, and any such power of attorney or certificate bearing such facsimile signatures or facsimile seal shall be valid and binding upon the Company and any such power so executed and certified by facsimile signatures and facsimile seal shall be valid and binding upon the Company in the future with respect to any bond or undertaking to which it is attached."

IN TESTIMONY WHEREOF, UNDERWRITERS INDEMNITY COMPANY has caused this instrument to be signed and its corporate seal to be affixed by its authorized officer, E.H. Frank, III, on this the third day of September, 1991.



E.H. Frank III President

STATE OF TEXAS COUNTY OF HARRIS

On this the 3rd day of September, 1991, before me came the individual who executed the preceding instrument, to me personally known, and, being duly sworn, said that he is the therein described and authorized officer of UNDERWRITERS INDEMNITY COMPANY; that the seal affixed to said instrument is the Corporate Seal of said Company; that the said Corporate Seal and his signature were duly affixed by order of the Board of Directors of said Company.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed my Official Seal, at the City of Houston, Texas, the day and year first above written.



Mary William NOTARY PUBLIC, Harris County, Texas

CERTIFICATION

I, the undersigned officer of UNDERWRITERS INDEMNITY COMPANY, do hereby certify that I have compared the foregoing copy of the Power of Attorney and affidavit, and the copy of the Section of the By-Laws of said Company as set forth in said Power of Attorney, and that the same are correct transcripts thereof, and of the whole of the said originals, and that the said Power of Attorney has not been revoked and is now in full force and effect.

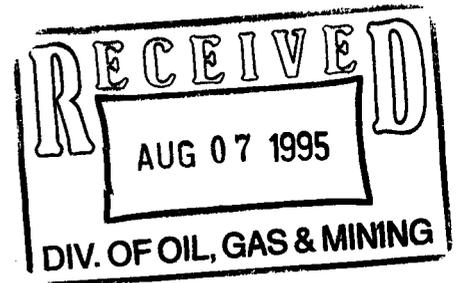
IN TESTIMONY WHEREOF, I have hereunto set my hand this 24th day of July, 1995



Greg E. Chilson Assistant Secretary

Only a certified copy of Power of Attorney bearing the Certificate of Authority No. printed in red on the upper right corner is binding. Photocopies, carbon copies or other reproductions of this document are invalid and not binding upon the Company.

ANY INSTRUMENT ISSUED IN EXCESS OF THE PENALTY AMOUNT STATED ABOVE IS TOTALLY VOID AND WITHOUT VALIDITY.



August 2, 1995

✓ State of Utah
Division of Oil, Gas & Mining
3 Triad Center, Suite 350
Salt Lake City, Utah 84180-1203
Attn: Ed Bonner

Re: Change of Operator Sundry Notice
State 2-1-E Well
SW/4NW/4, Sec. 2-T7S-R21E, SLM
Uintah County, Utah

Gentlemen:

Enclosed please find a State of Utah Sundry Notice for change of operator of the captioned well, along with a copy of Bond No. B05392 in the amount of \$20,000.

Please return an approved original to the undersigned in the envelope provided herewith.

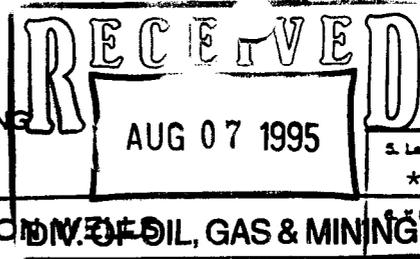
Very truly yours,

Teri Pagliasotti
Teri Pagliasotti
Manager

TP/mem
utah82.tp

cc: State of Utah Trust Lands Administration w/original Bond B05392
3 Triad Center, Suite 400
Salt Lake City, Utah 84180-1204

STATE OF UTAH
DIVISION OF OIL, GAS AND MINING



5. Lease Designation and Serial Number:

* See below

6. * Indian, Allottee or Tribe Name:

SUNDRY NOTICES AND REPORTS ON OIL, GAS & MINING

Do not use this form for proposals to drill new wells, deepen existing wells, or to reenter plugged and abandoned wells.
Use APPLICATION FOR PERMIT TO DRILL OR DEEPEN form for such purposes.

7. Unit Agreement Name:

1. Type of Well: OIL GAS OTHER:

8. Well Name and Number:

State 2-1-E

2. Name of Operator:

McCulliss Resources Co., Inc.

9. API Well Number:

4304731553

3. Address and Telephone Number:

621 17th Street, Suite 2155, Denver, Colorado 80293

10. Field and Pool, or Wildcat:

4. Location of Well

Footages: 2475' FNL, 525' FWL

County: Uintah

OO. Sec., T., R., M.: SW/4NW/4, Sec. 2-T7S-R21E - SLM

State: Utah

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

NOTICE OF INTENT
(Submit in Duplicate)

- Abandonment
- Casing Repair
- Change of Plans
- Conversion to Injection
- Fracture Treat
- Multiple Completion
- Other Change of Operator
- New Construction
- Pull or Alter Casing
- Recompletion
- Shoot or Acidize
- Vent or Flare
- Water Shut-Off

Effective ~~XXXXXX~~ Date ~~XXXXXX~~ 6/1/95

SUBSEQUENT REPORT
(Submit Original Form Only)

- Abandonment
- Casing Repair
- Change of Plans
- Conversion to Injection
- Fracture Treat
- Other _____
- New Construction
- Pull or Alter Casing
- Shoot or Acidize
- Vent or Flare
- Water Shut-Off

Date of work completion _____

Report results of Multiple Completions and Recompletions to different reservoirs on WELL COMPLETION OR RECOMPLETION AND LOG form.

* Must be accompanied by a cement verification report.

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS (Clearly state all pertinent details, and give pertinent cases. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)

Please be advised that McCulliss Resources Co., Inc. is considered to be the operator of the State 2-1-E Well located in SW/4NW/4, Sec. 2-T7S-R21E, ML Lease Nos: * ML-38354, ML-38354-A, ML-37653 and ML-42142, Uintah County, Utah, held by Communitization Agreement Horseshoe Bend No. 11, and is responsible under terms and conditions of the leases for the operations conducted upon leased lands. Bond coverage is provided by bond no. B05392.

13. McCulliss Resources Co., Inc.

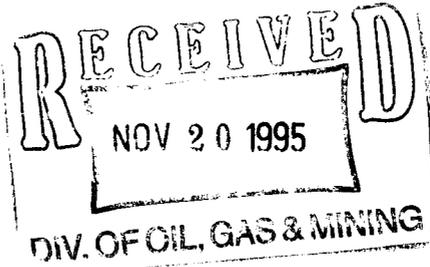
Name & Signature:

By:

Title: Paul L. McCulliss, President

Date: 8/02/95

(This space for State use only)



November 17, 1995

Ms. Lisha Cordova
State of Utah
Division of Oil, Gas & Mining
3 Triad Center, Suite 350
Salt Lake City, Utah 84180-1203

Re: Change of Operator
State 2-1-E Well
SW/4NW/4, Sec. 2-T7S-R21E, SLM
Uintah County, Utah

Dear Ms. Cordova:

Pursuant to our recent telephone conversations and subsequent to our letter dated August 2, 1995, (copy attached) we enclose herewith a copy of the Assignment and Bill of Sale between Levinson Partners Corporation and McCulliss Resources Co., Inc. conveying the captioned well and leasehold to McCulliss Resources effective June 1, 1995.

It is our understanding that because of the fact that Levinson Partners Corporation is no longer in business and the fact that Alta Energy Corporation has been dissolved, the document described above will be sufficient to evidence Levinson's relinquishment of operations of the captioned well. Please send approved original change of operator to us at your earliest opportunity.

Very truly yours,



Teri Pagliasotti
Manager

TP/mem
ut21E.tp

attachment
encls.

ASSIGNMENT AND BILL OF SALE

ENTRY 95003675
BOOK 598 PAGE 628

THIS ASSIGNMENT AND BILL OF SALE is made by and between
Levinson Partners Corporation of
410 Seventeenth St., Suite 1150, Denver, CO 80202 ("Assignor")
and McCulliss Resources Co., Inc. of
621 17th St., Suite 2155, Denver, CO 80293 ("Assignee").

WHEREAS, Assignor desires to sell, assign, convey and deliver to Assignee all of Assignor's right, title and interest in and to the "Properties" hereinafter described; and

WHEREAS, as consideration for this Assignment, Assignee has paid Assignor the sum of \$100.00 plus other valuable consideration, the receipt and sufficiency of which is hereby acknowledged.

NOW, THEREFORE, Assignor hereby grants, bargains, sells, assigns, transfers, and conveys to Assignee all of Assignor's right, title and interest in, to and under the Properties described on the attached and incorporated EXHIBIT "A" and EXHIBIT "B". It is the intention of Assignor to transfer to Assignee all of its interest in the Leases, Lands, and Wells, whether or not such interest is accurately or fully described in said EXHIBITS.

This ASSIGNMENT AND BILL OF SALE is made without warranty of title, either express or implied, but Assignor is conveying herewith all its rights of after acquired title and any and all reversionary rights to the Properties. Further, Assignor agrees to execute any additional document as may be necessary to effectuate all of the terms of this Assignment.

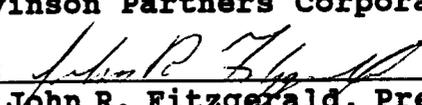
TO HAVE AND TO HOLD the same unto Assignee, its successors and assigns, forever. The provisions of this document shall be construed as covenants running with the Lands and Leases and shall be binding upon Assignee, its successors and assigns.

IN WITNESS WHEREOF, this ASSIGNMENT AND BILL OF SALE is executed, accepted and effective this 1 day of June, 1995.

Attest:

David A. Fitzgerald
Vice President and Secretary
Attest:

Paul L. McCulliss
ASST.-SEC.

Levinson Partners Corporation
By: 
John R. Fitzgerald, President

McCulliss Resources Co., Inc.
By: 
Paul L. McCulliss, President

ENTRY 95003675
BOOK 598 PAGE 628-631 \$34.00
27-JUN-95 08:04
RANDY SIMMONS
RECORDER, UTAH COUNTY, UTAH
MCCULLISS RESOURCES CO INC
621 17TH ST #2155 DENVER CO
REC BY: SYLENE ACCUTTORROOP, DEPUTY



STATE OF COLORADO
COUNTY OF DENVER

ENTRY 95003676
Book 598 PAGE 629

On the 1ST day of JUNE, 1995, personally appeared before me John R. Fitzgerald, who, duly sworn did say that he is the President of Levinson Partners Corporation, and that said instrument was signed in behalf of said corporation for the purposes therein stated.

My Commission Expires:
March 8, 1997

John Butzer
Notary Public

STATE OF Colorado
COUNTY OF Denver

On the 23rd day of June, 1995, personally appeared before me Paul K. McCulliss, who, duly sworn did say that he is the President of McCulliss Resources Co., Inc., and that said instrument was signed in behalf of said corporation for the purposes therein stated.

My Commission Expires:
MY COMMISSION EXPIRES: Dec. 24, 1995
Bonded Thru NOTARY PUBLIC AGENCY

M. Theres Laguarda
Notary Public

EXHIBIT "A"

STATE: Utah
 COUNTY: Uintah

ENTRY 95003675
 BOOK 598 PAGE 630

<u>LESSOR</u>	<u>LESSEE</u>	<u>DATE</u> <u>BOOK - PAGE</u>	<u>DESCRIPTION</u>
Dorothy McDougall	Stewart L. Ashton & Ralph L. Ashton	11-14-1980 278 - 438	T7S-R21E, SLM Section 2: Lots 1,2,3 insofar and only insofar as said interest covers from the surface down to 100' below the stratigraphic equivalent of 3,696' as found in the Horseshoe Bend State 1D-2-7-21 Well located in the SE/4 of Section 2-T7SR21E, SLM
Albert J. Wolken	Same as above	11-14-1980 278 - 436	Same as above
Dorothy Sanazaro	Same as above	11-14-1980 278 - 434	Same as above
Utah Division of State Lands ML - 38354	Snyder Oil Company	7-14-1980 273 - 193	T7S-R21E, SLM Section 2: Lot 6, SW/4NW/4
Utah Division of State Lands ML - 38354A	Snyder Oil Company	7-14-1980	T7S-R21E, SLM Section 2: Lots 5, 7, 8, S/2
Utah Division of State Lands ML - 37653	Snyder Oil Company	3-31-1980 294 - 27	T7S-R21E, SLM Section 2: Insofar and only insofar as said lease covers Bed of Green River in the N/2, as to all depths
State of Utah ML - 42142	Alta Energy Corporation	4-1-1985 425 - 176	T7S-R21E, SLM Section 2: Lot 4
USA U-53861	Alta Energy Corporation	12-1-1983 346 - 240	T6S-R21E, SLM Section 34: Insofar and only insofar as said lease covers the W/2NW/4, SE/4NW/4, and Lots 9 thru 14 containing 249.39 acres, more or less

EXHIBIT "B"

ENTRY 95003675
BOOK 598 PAGE 431

SCHEDULE OF WELLS

WELL NAME

DESCRIPTION

Horseshoe Bend 34-1-E

N/2 Section 34-6S-21E

State 2-1-E

N/2 Section 2-7S-21E

DOGM SPEED LETTER

To: Ed Bonner

From: Don Staley

School & Institutional Trust

Division of Oil, Gas & Mining

Lands Administration

Subject: Operator Change

MESSAGE

Date 11/29 19 95

Ed,

For your information, attached are copies of documents regarding an operator change on a state lease(s)
These companies have complied with our requirements. Our records have been updated. Bonding should
be reviewed by your agency ASAP.

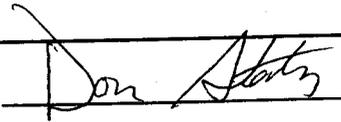
Former Operator: Alta Energy Corp (N9540)

New Operator: McCulliss Resources Co., Inc (N6940)

Well(s):	API:	Entity:	S-T-R:	Lease:
State 2-1-E	43-047-31553	10195	2-7S-21E	ML38354

cc: Operator File

Signed



REPLY

Date _____ 19 _____

Signed _____

Division of Oil, Gas and Mining
OPERATOR CHANGE WORKSHEET

Routing:

1-EC 7-PL	✓
2-WE 8-SJ	✓
3-DPS 9-FILE	
4-VLC	✓
5-RJE	✓
6-LWP LEC	

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: 6-1-95)

TO (new operator)	<u>MCCULLISS RESOURCES CO INC</u>	FROM (former operator)	<u>ALTA ENERGY CORP</u>
(address)	<u>621 17TH ST STE 2155</u>	(address)	<u>C/O LEVINSON PARTNERS</u>
	<u>DENVER CO 80293</u>		<u>410 17TH ST STE 1150</u>
	<u>PAUL MCCULLIS, PRES.</u>		<u>DENVER CO 80202</u>
	phone <u>(303) 292-5458</u>		phone <u>(303) 592-5356</u>
	account no. <u>N 6940</u>		account no. <u>N9540(X)</u>

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

Name: <u>STATE 2-1-E/GRRV</u>	API: <u>43-047-31553</u>	Entity: <u>10195</u>	Sec. <u>2</u> Twp <u>7S</u> Rng <u>21E</u>	Lease Type: <u>ML38354</u>
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

- Yec 1. (Rule R615-8-10) Sundry or other legal documentation has been received from former operator (Attach to this form). *(Reg. 8-14-95) (Reg. 10-26-95) (Rec'd Assignment & Bill of Sale 11-20-95)*
- Yec 2. (Rule R615-8-10) Sundry or other legal documentation has been received from new operator (Attach to this form). *(Rec'd 8-9-95)*
- 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: _____.
- 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.
- Yec 5. Changes have been entered in the Oil and Gas Information System (Wang/IBM) for each well listed above. *(11-21-95)*
- Yec 6. Cardex file has been updated for each well listed above.
- Yec 7. Well file labels have been updated for each well listed above.
- Yec 8. Changes have been included on the monthly "Operator, Address, and Account Changes" memo for distribution to State Lands and the Tax Commission. *(11-21-95)*
- Yec 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) ____ (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) *Trust Lands / # B05392 (\$20,000) * Underwriters Indemnity Co."*

- N/A / Yes 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) ____ Today's date _____ 19____. If yes, division response was made by letter dated _____ 19____.

LEASE INTEREST OWNER NOTIFICATION RESPONSIBILITY

- N/A 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.
- DL 2. Copies of documents have been sent to State Lands for changes involving State leases.
To Ed Bounney 11/29/95

FILMING

- 1. All attachments to this form have been microfilmed. Date: December 11 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

951026 DOGM/Unable to locate Alta/Levinson; req. doc. "McCalliss".

43-047-31553
T7S R21E 2



State of Utah

Department of
Natural Resources

Division of
Oil, Gas & Mining

ROBERT L. MORGAN
Executive Director

LOWELL P. BRAXTON
Division Director

MICHAEL O. LEAVITT
Governor

OLENE S. WALKER
Lieutenant Governor

February 20, 2004

CERTIFIED MAIL NO. 7002 0510 0003 8602 4965

Paul McCullis
McCullis Resources
P.O. Box 3248
Littleton, Colorado 80161-3284

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

Dear Mr. McCullis:

McCullis Resources, as of February 2004, has one (1) State Lease Well and two (2) 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
February 20, 2004
Paul McCullis

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
SITLA

	Well Name	API	Lease Type	Years Inactive
1	State 2-1-E	43-047-31553	State	10 Years 9 Months
1	Bates 9-1	43-013-30469	Fee	6 Years 2 Months
2	Reimann 10-1	43-013-30460	Fee	6 Years 2 Months

Attachment A

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

FORM 9

5. LEASE DESIGNATION AND SERIAL NUMBER:

ML-38354

6. IF INDIAN, ALLOTTEE OR TRIBE NAME:

7. UNIT or CA AGREEMENT NAME:

SUNDRY NOTICES AND REPORTS ON WELLS

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

1. TYPE OF WELL OIL WELL GAS WELL OTHER _____

8. WELL NAME and NUMBER:

State 2-1-E

2. NAME OF OPERATOR
Mountain Oil and Gas Inc.

N2485

9. API NUMBER:

43-047-31553

3. ADDRESS OF OPERATOR: CITY / STATE / ZIP
Box 1574; Roosevelt, UT 84066

PHONE NUMBER:

(435) 722-2992

10. FIELD AND POOL, OR WILDCAT:

4. LOCATION OF WELL

FOOTAGES AT SURFACE:

2475 FNL 525 FWL

COUNTY:

Uintah Co

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

SWNW Section 2 Township 7S Range 21E USM

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: 6-17-04	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> REPERFORATE CURRENT FORMATION
	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> SIDETRACK TO REPAIR WELL
<input checked="" type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion:	<input type="checkbox"/> CASING REPAIR	<input type="checkbox"/> NEW CONSTRUCTION	<input type="checkbox"/> TEMPORARILY ABANDON
	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input 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.

Self-Certification Statement: Please be advised that Mountain Oil and Gas, Inc.; PO Box 1574; Roosevelt, Utah 84066 in considered to be the new operator of the State 2-1-E, and is responsible under the terms and conditions of the lease of the operations conducted upon the associated leased lands. This was effective June 17, 2004. Please send all communications regarding this lease to Mountain Oil and Gas, Inc.; PO Box 1574; Roosevelt, Utah 84066.

COPY

*Denied 10/21/04
 ER, DOGM*

NAME (PLEASE PRINT)

Robert L. Ballou

TITLE

Agent, Geologist

SIGNATURE

[Handwritten Signature]

DATE

June 17, 2004

(This space for State use only)

RECEIVED

JUN 22 2004

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		5. LEASE DESIGNATION AND SERIAL NUMBER: <i>ML-38354</i>
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 type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER _____	8. WELL NAME and NUMBER: State 2-E-1	
2. NAME OF OPERATOR Mountain Oil and Gas Inc.	9. API NUMBER: 43-047-31553	
3. ADDRESS OF OPERATOR: PO Box 1574 Roosevelt, Utah 84066	PHONE NUMBER: (435) 722-2992	10. FIELD AND POOL, OR WILDCAT:
4. LOCATION OF WELL FOOTAGES AT SURFACE: 2475 FNL 525 FWL QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: SWNW Section 2 Township 7S Range 21E USM		COUNTY: 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 <small>(Submit in Duplicate)</small> Approximate date work will start: June 17 2004	<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 <small>(Submit Original Form Only)</small> 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"/> 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		

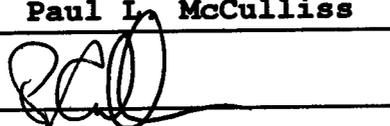
12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

Please note effective June 17th 2004 McCulliss Resources relinquishes operatorship of the State 1-1-E34-1 Please release McCullis Resources's Letter of Credit # _____ McCullis Resources relinquishes operatorship to Mountain Oil and Gas Inc. PO Box 1574 Roosevelt, Utah 84066.

*Dated 10/21/04
ER, DOGM*

COPY

N6940

NAME (PLEASE PRINT)	Paul L. McCulliss	TITLE	President
SIGNATURE		DATE	June 17, 2004

(This space for State use only)

RECEIVED
JUN 25 2004

DIV. OF OIL, GAS & MINING



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

December 2, 2004

CERTIFIED MAIL NO. 7002 0510 0003 8602 5917

Mr. Paul L. McCulliss
McCulliss Resources Company
P.O. Box 3248
Littleton, Colorado 80161-3248

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

Dear Mr. McCulliss:

As of November 2004, McCulliss Resources Company ("McCulliss") has one (1) State Lease Well and two (2) Fee Lease Wells (see attachment A) that are currently in non-compliance of R649-3-36. The requirements for extended shut-in or temporary abandonment (SI/TA) status have not been met for these wells.

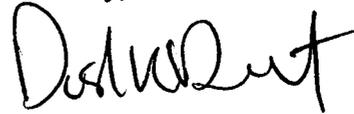
The Utah Division of Oil, Gas & Mining (the "Division") mailed a certified letter dated February 20, 2004 (received by Paul McCulliss on 2/24/2004) explaining why these wells are in non-compliance and the necessary action McCulliss must take before these wells will be considered for extended SI/TA status. The Division received a hand written note dated April 13, 2004 from Mr. Paul McCulliss indicating your intention to assign these wells to Mountain Oil and Gas, Inc. In addition, the Division initiated telephone contact and left messages for Mr. Paul McCulliss on April 7, June 4, and August 19, 2004 regarding the above matter. Mr. Bob Ballou of Mountain Oil and Gas, Inc. contacted the Division on August 25, 2004 indicating their intention to acquire the wells but needed additional time to properly bond the wells.

A change of operator does not alleviate the current operators or any future operators responsibility to meet the requirements of this rule. The Division did, however, allow extra time for the potential future operator to take over and submit the required information. Regardless of any potential changes in ownership, McCulliss, as operator of record, must submit the information requested by the Division and demonstrate the wells have integrity and are not a risk to public health and safety or the environment (R649-3-36-1.1-1.3).

Page 2
Mr. Paul L. McCulliss
December 2, 2004

If the Division does not receive the required information by written response within 30 days of the date of this notice, further action will be initiated by issuing a Notice of Violation (NOV) for each well in non-compliance. If you have any questions concerning this matter, please contact me at (801) 538-5281.

Sincerely,



Dustin K. Doucet
Petroleum Engineer

DKD:jc
cc: John Baza
Well File
SITLA
Mountain Oil and Gas, Inc.

	Well Name	API	Lease Type	Years Inactive
1	State 2-1-E	43-047-31553	State	11 Years 8 Months
1	Bates 9-1	43-013-30469	Fee	7 Years 0 Months
2	Reimann 10-1	43-013-30460	Fee	7 Years 0 Months

Attachment A



JON M. HUNTSMAN, JR.
Governor

GARY R. HERBERT
Lieutenant Governor

State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA
Division Director

February 4, 2009

CERTIFIED MAIL NO.: 7004 2510 0004 1824 6787

Paul McCullis
McCullis Resources Company, Inc.
5440 South Grape Ln.
Greenwood Village, Colorado 80121

Subject: Division Order to Plug and Abandon the State 2-1-E well operated by McCullis Resources Company, Inc.

Dear Mr. McCullis:

As of the date of this Order McCullis Resources Company, Inc. has not taken corrective action for Shut-in and Temporarily Abandoned Notices of Violation (see attachments) sent certified mail by the Division on August 15, 2005 (received August 28, 2005) and dated February 13, 2008 (received March 6, 2008).

The Division of Oil, Gas and Mining (the Division) is hereby ordering McCullis Resources Company, Inc. (McCullis) to Plug and Abandon one well owned by McCullis as follows:

1. State 2-1-E API No. 43-047-31553

7S 21E 2

Division authority to order the well plugged is found in The Oil and Gas Conservation General Rule R649-3-36. The well shall be plugged in accordance with R649-3-24. Within 30 days of receipt of this order McCullis shall submit a notice of intent, for Division approval, to plug and abandon the well.

Therefore, McCullis has 30 days from receipt of this Order to enter into an agreement for execution of the Order.

McCullis has the right to appeal the Division Order by filing to the Board of Oil, Gas and Mining a request for review according to procedures set forth in R649-10-6. A request for review of a Division Order must be filed with the secretary to the Board, Marianne Burbidge (801) 538-5302, within 30 days of issuance of the order.





JON M. HUNTSMAN, JR.
Governor

GARY R. HERBERT
Lieutenant Governor

State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA
Division Director

February 4, 2009

CERTIFIED MAIL NO.:7004 2510 0004 1824 6770

Paul McCullis
McCullis Resources Company, Inc.
P.O. Box 3248
Littleton, CO 80161

Subject: Division Order to Plug and Abandon the State 2-1-E well operated by McCullis Resources Company, Inc.

Dear Mr. McCullis:

As of the date of this Order McCullis Resources Company, Inc. has not taken corrective action for Shut-in and Temporarily Abandoned Notices of Violation (see attachments) sent certified mail by the Division on August 15, 2005 (received August 28, 2005) and dated February 13, 2008 (received March 6, 2008).

The Division of Oil, Gas and Mining (the "Division") is hereby ordering McCullis Resources Company, Inc. ("McCullis") to Plug and Abandon one well owned by McCullis as follows:

1. State 2-1-E API No. 43-047-31553

Division authority to order the well plugged is found in The Oil and Gas Conservation General Rule R649-3-36. The well shall be plugged in accordance with R649-3-24. Within 30 days of receipt of this order McCullis shall submit a notice of intent, for Division approval, to plug and abandon the well.

Therefore, McCullis has 30 days from receipt of this Order to enter into an agreement for execution of the Order.

McCullis has the right to appeal the Division Order by filing to the Board of Oil, Gas and Mining a request for review according to procedures set forth in R649-10-6. A request for review of a Division Order must be filed with the secretary to the Board, Marianne Burbidge (801) 538-5302, within 30 days of issuance of the order.



Page 2

February 4, 2009

Subject: Division Order to Plug and Abandon

In the event McCullis Resources Company, Inc. does not respond to the Division Plugging and Abandonment Order within 30 days of receipt, the Division will file for a formal hearing before the Board of Oil, Gas and Mining, as described in the Utah Administrative Code R641, requesting a Board Order to plug and restore the well site. Should this matter be brought before the Board, the Division will seek bond forfeiture (R649-3-36), liability for plugging costs in excess of bond forfeiture amounts (R649-3-1-4) and civil penalties of up to \$10,000 per day for each day of violation (Utah Oil and Gas Conservation Act 40-6-11).

Questions regarding this order may be directed to Clinton Dworshak, Compliance Manager at (801)-538-5280 or Dustin Doucet, Engineer at (801) 538-5281.

Sincerely,



Clinton Dworshak
Compliance Manager

CD/js

Enclosures

cc: Gil Hunt, Associate Director
Steve Alder, Assistant Attorney General
Dustin Doucet, Engineer
LaVonne Garrison, SITLA
Compliance File
Well File

N:\O&G Reviewed Docs\CLD



State of Utah

**Department of
Natural Resources**

MICHAEL R. STYLER
Executive Director

**Division of
Oil, Gas & Mining**

JOHN R. BAZA
Division Director

JON M. HUNTSMAN, JR.
Governor

GARY R. HERBERT
Lieutenant Governor

November 7, 2005

CERTIFIED MAIL NO. 7002 0510 0003 8603 0195

Paul McCullis
McCullis Resources Company, Inc.
P.O. Box 3248
Littleton, Colorado 80161-3248

Re: Notice of Violation (NOV) dated 8/15/2005

Dear Mr. McCullis:

A Notice of Violation for the State 2-1E well (see attachment A) was issued to McCullis Resources Company, Inc. (McCullis) by the Utah Division of Oil, Gas & Mining (the "Division") on August 15, 2005. The NOV was sent certified mail and signed for by Paul L. McCullis on August 18, 2005. The compliance deadline for the NOV was September 30, 2005. To date McCullis has not taken the corrective action required by the NOV.

The Division requests that McCullis contact Michael Hebertson (801-538-5333) by November 23, 2005 to set a date and time to meet with Division to discuss how to best resolve the compliance problems sited in the NOV. The Division suggests that the meeting be scheduled to take place by December 23, 2005.

Failure to comply with this request will result in the Division pursuing further actions against McCullis. Further action may include initiation of agency actions to order full cost bonding, plugging and abandonment of the wells, requests for bond forfeiture, and civil penalties.

Sincerely,

K. Michael Hebertson
Hearing and Enforcement Manager

cc: Gil Hunt
Dustin Doucet
Well File
SITLA



UTAH DEPARTMENT OF NATURAL RESOURCES
 Division of Oil, Gas & Mining
 Oil and Gas Program
 1594 West North Temple, Suite 1210, Box 145801
 Salt Lake City, Utah 84114-5801
 (801) 538-5340 Phone
 (801) 359-3940 Fax

NOTICE OF VIOLATION
STATE OF UTAH
OIL AND GAS CONSERVATION ACT

To the following operator:

Name: McCullis Resources Company, Inc.
 Well(s) or Site(s): State 2-1E API #: 43-047-31553
 Location: Township 07S, Range 21E Section 02, County Uintah
 Date and Time of Inspection/Violation: January 1, 2005 @ Midnight
 Mailing Address: Attn: Paul McCullis
P.O. Box 3248
Littleton, Colorado 80161-3284

Under the authority of the Utah Oil and Gas Conservation Act, Section 40-6 et. Seq., Utah Code Annotated, 1953, as amended, the undersigned authorized representative of the Division of Oil, Gas and Mining (Division) has conducted an inspection of the above described site and/or records on the above date and has found alleged violation(s) of the act, rules or permit conditions as described below.

Description of Violation(s):

Rule R649-3-36, Shut-in and Temporarily Abandoned Wells – The above referenced well has been Shut-in or Temporarily Abandoned (SI/TA) over 5 years. According to Rule R649-3-36, the operator is required to supply the Division with reasons for extended SI/TA, the length of time for extended SI/TA and proof of well bore integrity for every well SI/TA over 12 consecutive months. After 5 years of continued SI/TA, the wells are to be plugged unless good cause is supplied to the Division for extended SI/TA in addition to the required information just mentioned.

The Division has initiated several contacts with McCullis Resources Company (McCullis) requesting this information. In addition to several phone contacts, letters were sent certified mail to McCullis. A first notice of non-compliance dated February 20, 2004 was sent out and signed for by Mr. Paul McCullis on February 24, 2004. A second notice of non-compliance dated December 2, 2004 was sent out and signed for by Mr. Paul McCullis on December 17, 2004. To date, McCullis has not responded and has not provided the information required by Rule R649-3-36. According to SITLA, this well is not associated with a lease and the lease covering this area is held by another operator.

Action: For each well subject to this notice, McCullis shall either submit the information required by R649-3-36, plug and abandon or place the well on production. Note: Without a valid lease, the well cannot be put on production and probably will not be approved for extended SI/TA status.

McCullis Resources Company, Inc.

January 1, 2005 Notice of Violation

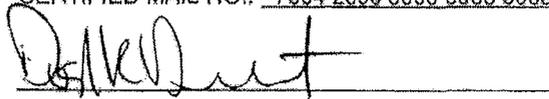
August 15, 2005

This notice shall remain in effect until it is modified, terminated, or vacated by a written notice of an authorized representative of the director of the Division of Oil, Gas and Mining. Failure to comply with this notice will result in the Division pursuing further actions against said operator. Further actions may include initiation of agency actions to order full cost bonding and plugging and abandonment of wells and requests for bond forfeiture and civil penalties.

Compliance Deadline: September 30, 2005

Date of Service Mailing: 8/15/2005 Time of Service Mailing: 3:00 p.m.

CERTIFIED MAIL NO.: 7004 2890 0000 6086 9085



Division's Representative

Operator or Representative

(If presented in person)

6/2005

U.S. Postal Service
CERTIFIED MAIL RECEIPT
 (Domestic Mail Only; No Insurance Coverage Provided)

7002 0510 0003 8603 0195

OFFICIAL USE

Postage \$	mailed 11/14/05 NOTIFY: KMH Postmark Here Rte: Compliance
Certified Fee	
Return Receipt Fee (Endorsement Required)	
Restricted Delivery Fee (Endorsement Required)	
Total Postage & Fees \$	

Sent To: **PAUL MCCULLIS**
 Street, Apt. No., or PO Box No.: **MCCULLIS RESOURCES CO INC**
PO BOX 3248
 City, State, ZIP+4: **LITTLETON CO 80161-3248**

PS Form 3800, July 1999

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

PAUL MCCULLIS
MCCULLIS RESOURCES CO INC
PO BOX 3248
LITTLETON CO 80161-3248

2. Article Number (C) **7002 0510 0003 8603 0195**

COMPLETE THIS SECTION ON DELIVERY

A. Received by (Please Print Clearly) **[Signature]** B. Date of Delivery **11/26/05**

C. Signature **X [Signature]** Agent Addressee

D. Is delivery address different from item 1? Yes No
 If YES, enter delivery address below:



3. Service Type
 Certified Mail Express Mail
 Registered Return Receipt for Merchandise
 Insured Mail C.O.D.

4. Restricted Delivery? (Extra Fee) Yes



JON M. HUNTSMAN, JR.
Governor

GARY R. HERBERT
Lieutenant Governor

State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

Division of Oil Gas and Mining

JOHN R. BAZA
Division Director

February 13, 2008

Certified Mail No.: 7004 2510 0004 1824 5360

Mr. Paul McCullis
McCullis Resources Company, Inc.
5440 South Grape Ln.
Greenwood Village, CO 80121

SUBJECT: 2nd Notice of Violation and Demand for Full Cost Bonding or Plugging of Well

Dear Mr. McCullis:

A Notice of Violation for the State 2-1E well was issued to McCullis Resources Company, Inc. (McCullis) by the Utah Division of Oil, Gas & Mining (the "Division") on November 7, 2005. The compliance deadline for the NOV was December 23, 2005. To date, McCullis has not taken any of the corrective actions required by the NOV. It is now apparent that immediate action is necessary to bring this well into compliance with the requirements of the Oil and Gas Conservation Act.

Accordingly, you are hereby Ordered to post Full Cost Bonding for the well identified in Exhibit "A" or Plug and Abandon the well immediately in accordance with the Division's requirements. The Division has estimated the amount of full cost bonding at \$120,666.00 as noted in the Exhibit A. Division authority for requiring full cost bonding is found under Rules R649-3-1-4.2 & 4.3 Utah Administrative Code (2008). Authority to order the plugging of this well is found at Rule R649-3-36 Utah Administrative Code (2008).

In the event that you wish to dispute this Order, you may request an informal adjudication before the Division Director, according to the procedures set forth in R649-10-3 et seq. The request for hearing must be made within 10 days of receipt of this letter. As an alternative you have the right to request a formal adjudication before the Board of Oil, Gas & Mining, by filing a petition within 30 days of this notice in accordance with R641-1 et seq. (2008).



Page 2

February 13, 2008

2nd Notice of Violation and Demand for Full Cost Bonding or Plugging of Well

The Division has made claim on the \$20,000.00 bond held by SITLA, and will also hold McCullis Resources Company, Inc., and you, as principal owner of McCullis Resources Company, Inc., liable for plugging costs in excess of the bond forfeiture. In addition, the forfeiture of the bond and your failure to properly plug and abandon this well may result in the Division requiring full cost bonding for all other wells operated by you or companies under your control.

Should you fail to comply with this order within 30 days by posting the bond required or commencing plugging and abandonment of the well, the Division will proceed to use the monies held by SITLA and contract for the plugging and abandonment work at your expense. The Division will also pursue legal proceedings as necessary to collect the additional costs incurred in completing this work.

You are encouraged to contact the Division and come in for a meeting to negotiate a settlement and resolution concerning this well. Questions regarding this matter may be directed to Mr. Mike Hebertson, Manager of Enforcement and Hearings at 801 538-5333, or to Mr. Dustin Doucet, Engineer, at 801 538-5281.

Sincerely,



K. Michael Hebertson
Manager, Enforcement & Hearings

js

Enclosure

cc: Compliance File

Steve Alder, Attorney General

Gil Hunt, Associate Director, OGM

Dustin Doucet, Engineer

Earlene Russell, Bonding Agent

LaVonne Garrison, Associate Director, SITLA

Exhibit A

McCullis Resources Company, Inc.

Well Name	API Number	Lease Type	Status	Years	Depth	Cost/Ft.	Total Cost
STATE 2-1-E	4304731553	State	Shut-In	17	7098	\$17.00	\$120,666.00

U.S. Postal Service
CERTIFIED MAIL RECEIPT
(Domestic Mail Only; No Insurance Coverage Provided)

For delivery information visit our website at www.usps.com

OFFICIAL USE

7004 2510 0004 1824 5360

Postage	\$	Postmark Here
Certified Fee		
Return Receipt Fee (Endorsement Required)		
Restricted Delivery Fee (Endorsement Required)		
Total Postage & Fees	\$	

Sent To **MR PAUL MCCULLIS**
MCCULLIS RESOURCES CO INC
 Street, Apt. No. or PO Box No. **5440 S GRAPE LN**
 City, State, ZIP+4 **GREENWOOD VILLAGE CO 80121**

PS Form 3800, June 2002 See Reverse for Instructions

SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON DELIVERY
<ul style="list-style-type: none"> Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired. Print your name and address on the reverse so that we can return the card to you. Attach this card to the back of the mailpiece, or on the front if space permits. 	<p>A. Signature <input checked="" type="checkbox"/> Agent <input type="checkbox"/> Addressee <i>[Signature]</i></p> <p>B. Received by (Printed Name) <i>[Signature]</i> C. Date of Delivery 3/6/08</p> <p>D. Is delivery address different from item 1? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If YES, enter delivery address below: PO Box 3708 LETTING CENTER</p>
<p>1. Article Addressed to:</p> <p>MR PAUL MCCULLIS MCCULLIS RESOURCES CO INC 5440 S GRAPE LN GREENWOOD VILLAGE CO 80121</p>	<p>3. Service Type</p> <p><input checked="" type="checkbox"/> Certified Mail <input type="checkbox"/> Express Mail <input type="checkbox"/> Registered <input type="checkbox"/> Return Receipt for Merchandise <input type="checkbox"/> Insured (up to \$500)</p>
<p>2. Article Number <i>(Transfer from service label)</i></p>	<p>4. Restricted Delivery (Extra Fee) <input type="checkbox"/> Yes</p>

7004 2510 0004 1824 5360



State of Utah

**Department of
Natural Resources**

MICHAEL R. STYLER
Executive Director

**Division of
Oil, Gas & Mining**

JOHN R. BAZA
Division Director

JON M. HUNTSMAN, JR.
Governor

GARY R. HERBERT
Lieutenant Governor

November 7, 2005

CERTIFIED MAIL NO. 7002 0510 0003 8603 0195

Paul McCullis
McCullis Resources Company, Inc.
P.O. Box 3248
Littleton, Colorado 80161-3248

Re: Notice of Violation (NOV) dated 8/15/2005

Dear Mr. McCullis:

A Notice of Violation for the State 2-1E well (see attachment A) was issued to McCullis Resources Company, Inc. (McCullis) by the Utah Division of Oil, Gas & Mining (the "Division") on August 15, 2005. The NOV was sent certified mail and signed for by Paul L. McCullis on August 18, 2005. The compliance deadline for the NOV was September 30, 2005. To date McCullis has not taken the corrective action required by the NOV.

The Division requests that McCullis contact Michael Hebertson (801-538-5333) by November 23, 2005 to set a date and time to meet with Division to discuss how to best resolve the compliance problems sited in the NOV. The Division suggests that the meeting be scheduled to take place by December 23, 2005.

Failure to comply with this request will result in the Division pursuing further actions against McCullis. Further action may include initiation of agency actions to order full cost bonding, plugging and abandonment of the wells, requests for bond forfeiture, and civil penalties.

Sincerely,

K. Michael Hebertson
Hearing and Enforcement Manager

cc: Gil Hunt
Dustin Doucet
Well File
SITLA



UTAH DEPARTMENT OF NATURAL RESOURCES

Division of Oil, Gas & Mining

Oil and Gas Program

1594 West North Temple, Suite 1210, Box 145801

Salt Lake City, Utah 84114-5801

(801) 538-5340 Phone

(801) 359-3940 Fax

NOTICE OF VIOLATION
STATE OF UTAH
OIL AND GAS CONSERVATION ACT

To the following operator:

Name: McCullis Resources Company, Inc.

Well(s) or Site(s): State 2-1E API #: 43-047-31553

Location: Township 07S, Range 21E Section 02, County Uintah

Date and Time of Inspection/Violation: January 1, 2005 @ Midnight

Mailing Address: Attn: Paul McCullis

P.O. Box 3248

Littleton, Colorado 80161-3284

Under the authority of the Utah Oil and Gas Conservation Act, Section 40-6 et. Seq., Utah Code Annotated, 1953, as amended, the undersigned authorized representative of the Division of Oil, Gas and Mining (Division) has conducted an inspection of the above described site and/or records on the above date and has found alleged violation(s) of the act, rules or permit conditions as described below.

Description of Violation(s):

Rule R649-3-36, Shut-in and Temporarily Abandoned Wells - The above referenced well has been Shut-in or Temporarily Abandoned (SI/TA) over 5 years. According to Rule R649-3-36, the operator is required to supply the Division with reasons for extended SI/TA, the length of time for extended SI/TA and proof of well bore integrity for every well SI/TA over 12 consecutive months. After 5 years of continued SI/TA, the wells are to be plugged unless good cause is supplied to the Division for extended SI/TA in addition to the required information just mentioned.

The Division has initiated several contacts with McCullis Resources Company (McCullis) requesting this information. In addition to several phone contacts, letters were sent certified mail to McCullis. A first notice of non-compliance dated February 20, 2004 was sent out and signed for by Mr. Paul McCullis on February 24, 2004. A second notice of non-compliance dated December 2, 2004 was sent out and signed for by Mr. Paul McCullis on December 17, 2004. To date, McCullis has not responded and has not provided the information required by Rule R649-3-36. According to SITLA, this well is not associated with a lease and the lease covering this area is held by another operator.

Action: For each well subject to this notice, McCullis shall either submit the information required by R649-3-36, plug and abandon or place the well on production. Note: Without a valid lease, the well cannot be put on production and probably will not be approved for extended SI/TA status.

McCullis Resources Company, Inc.

January 1, 2005 Notice of Violation

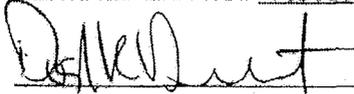
August 15, 2005

This notice shall remain in effect until it is modified, terminated, or vacated by a written notice of an authorized representative of the director of the Division of Oil, Gas and Mining. Failure to comply with this notice will result in the Division pursuing further actions against said operator. Further actions may include initiation of agency actions to order full cost bonding and plugging and abandonment of wells and requests for bond forfeiture and civil penalties.

Compliance Deadline: September 30, 2005

Date of Service Mailing: 8/15/2005 Time of Service Mailing: 3:00 p.m.

CERTIFIED MAIL NO.: 7004 2890 0000 6086 9085



Division's Representative

Operator or Representative

(If presented in person)

6/2005

U.S. Postal Service
CERTIFIED MAIL RECEIPT
(Domestic Mail Only; No Insurance Coverage Provided)

7002 0510 0003 8603 0195

NOV 14 2005

Postage	\$	Mailed 11/14/05 Notify: KMH Postmark Here
Certified Fee		
Return Receipt Fee (Endorsement Required)		
Restricted Delivery Fee (Endorsement Required)		
Total Postage & Fees		\$

Rte: Compliance

Sent To: PAUL MCCULLIS
 Street, Apt. No., or PO Box No.: MCCULLIS RESOURCES CO INC
 PO BOX 3248
 City, State, ZIP+2: LITTLETON CO 80161-3248

PS Form 3800, Jan

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

PAUL MCCULLIS
 MCCULLIS RESOURCES CO INC
 PO BOX 3248
 LITTLETON CO 80161-3248

COMPLETE THIS SECTION ON DELIVERY

A. Received by (Please Print Clearly)	B. Date of Delivery
<i>[Signature]</i>	11/26/05
C. Signature	<input type="checkbox"/> Agent <input type="checkbox"/> Addressee
X <i>Paul McCull</i>	<input type="checkbox"/> Yes <input type="checkbox"/> No
D. Is delivery address different from item 1? If YES, enter delivery address below.	
<input checked="" type="checkbox"/> Certified Mail <input type="checkbox"/> Express Mail <input type="checkbox"/> Registered <input type="checkbox"/> Return Receipt for Merchandise <input type="checkbox"/> Insured Mail <input type="checkbox"/> C.O.D.	
4. Restricted Delivery? (Extra Fee) <input type="checkbox"/> Yes	



2. Article Number (C) 7002 0510 0003 8603 0195



JON M. HUNTSMAN, JR.
Governor

GARY R. HERBERT
Lieutenant Governor

State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

Division of Oil Gas and Mining

JOHN R. BAZA
Division Director

February 13, 2008

Certified Mail No.: 7004 2510 0004 1824 5360

Mr. Paul McCullis
McCullis Resources Company, Inc.
5440 South Grape Ln.
Greenwood Village, CO 80121

SUBJECT: 2nd Notice of Violation and Demand for Full Cost Bonding or Plugging of Well

Dear Mr. McCullis:

A Notice of Violation for the State 2-1E well was issued to McCullis Resources Company, Inc. (McCullis) by the Utah Division of Oil, Gas & Mining (the "Division") on November 7, 2005. The compliance deadline for the NOV was December 23, 2005. To date, McCullis has not taken any of the corrective actions required by the NOV. It is now apparent that immediate action is necessary to bring this well into compliance with the requirements of the Oil and Gas Conservation Act.

Accordingly, you are hereby Ordered to post Full Cost Bonding for the well identified in Exhibit "A" or Plug and Abandon the well immediately in accordance with the Division's requirements. The Division has estimated the amount of full cost bonding at \$120,666.00 as noted in the Exhibit A. Division authority for requiring full cost bonding is found under Rules R649-3-1-4.2 & 4.3 Utah Administrative Code (2008). Authority to order the plugging of this well is found at Rule R649-3-36 Utah Administrative Code (2008).

In the event that you wish to dispute this Order, you may request an informal adjudication before the Division Director, according to the procedures set forth in R649-10-3 et seq. The request for hearing must be made within 10 days of receipt of this letter. As an alternative you have the right to request a formal adjudication before the Board of Oil, Gas & Mining, by filing a petition within 30 days of this notice in accordance with R641-1 et seq. (2008).



Page 2

February 13, 2008

2nd Notice of Violation and Demand for Full Cost Bonding or Plugging of Well

The Division has made claim on the \$20,000.00 bond held by SITLA, and will also hold McCullis Resources Company, Inc., and you, as principal owner of McCullis Resources Company, Inc., liable for plugging costs in excess of the bond forfeiture. In addition, the forfeiture of the bond and your failure to properly plug and abandon this well may result in the Division requiring full cost bonding for all other wells operated by you or companies under your control.

Should you fail to comply with this order within 30 days by posting the bond required or commencing plugging and abandonment of the well, the Division will proceed to use the monies held by SITLA and contract for the plugging and abandonment work at your expense. The Division will also pursue legal proceedings as necessary to collect the additional costs incurred in completing this work.

You are encouraged to contact the Division and come in for a meeting to negotiate a settlement and resolution concerning this well. Questions regarding this matter may be directed to Mr. Mike Hebertson, Manager of Enforcement and Hearings at 801 538-5333, or to Mr. Dustin Doucet, Engineer, at 801 538-5281.

Sincerely,



K. Michael Hebertson
Manager, Enforcement & Hearings

js

Enclosure

cc: Compliance File

Steve Alder, Attorney General

Gil Hunt, Associate Director, OGM

Dustin Doucet, Engineer

Earlene Russell, Bonding Agent

LaVonne Garrison, Associate Director, SITLA

Exhibit A

McCullis Resources Company, Inc.

Well Name	API Number	Lease Type	Status	Years	Depth	Cost/Ft.	Total Cost
STATE 2-1-E	4304731553	State	Shut-In	17	7098	\$17.00	\$120,666.00

7004 2510 0004 1824 5360

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Total Postage & Fees	\$

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Sent To **MR PAUL MCCULLIS**
 Street, Apt. No. or PO Box No. **MCCULLIS RESOURCES CO INC**
5440 S GRAPE LN
 City, State, ZIP+4 **GREENWOOD VILLAGE CO 80121**

PS Form 3800, June 2002 See Reverse for Instructions

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:
MR PAUL MCCULLIS
MCCULLIS RESOURCES CO INC
5440 S GRAPE LN
GREENWOOD VILLAGE CO 80121

COMPLETE THIS SECTION ON DELIVERY

A. Signature Agent
 Addressee

B. Received by (Printed Name) **MCCULLIS**

C. Date of Delivery **3/6/08**

D. Is delivery address different from item 1? Yes
 No
 If YES, enter delivery address below:
PO Box 3708
LETTINGWOOD

3. Service Type
 Certified Mail Express Mail
 Registered Return Receipt for Merchandise
 Insured Signature Required

4. Restricted Delivery (Extra Fee) Yes

2. Article Number (Transfer from service label) **7004 2510 0004 1824 5360**

PS Form 3811, August 2001 Domestic Return Receipt 102595-02-M-1640

7004 2510 0004 1824 6787

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2/4/09

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Total Postage

PAUL MCCULLIS
MCCULLIS RESOURCES CO INC
5440 S GRAPE LN
GREENWOOD VILLAGE CO 80121

Sent To
Street, Apt. No.
or PO Box No.
City, State, ZIP

PS Form 3800, June 2002

See Reverse for Instructions

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

PAUL MCCULLIS
MCCULLIS RESOURCES CO INC
5440 S GRAPE LN
GREENWOOD VILLAGE CO 80121

2. Article Number
(Transfer from service label)

7004 2510 0004 1824 6787

COMPLETE THIS SECTION ON DELIVERY

A. Signature
X *Debra J McCullis* Agent
 Addressee

B. Received by (Printed Name)
D McCULLIS

C. Date of Delivery
2-6-9

D. Is delivery address different from item 1? Yes
If YES, enter delivery address below: No

3. Service Type
 Certified Mail Express Mail
 Registered Return Receipt for Merchandise
 Insured Mail C.O.D.

4. Restricted Delivery? (Extra Fee) Yes

PS Form 3811, February 2004

Domestic Return Receipt

102595-02-M-1540



JON M. HUNTSMAN, JR.
Governor

GARY R. HERBERT
Lieutenant Governor

State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA
Division Director

February 4, 2009

CERTIFIED MAIL NO.: 7004 2510 0004 1824 6787

Paul McCullis
McCullis Resources Company, Inc.
5440 South Grape Ln.
Greenwood Village, Colorado 80121

Subject: Division Order to Plug and Abandon the State 2-1-E well operated by McCullis Resources Company, Inc.

7S 21E 2

Dear Mr. McCullis:

As of the date of this Order McCullis Resources Company, Inc. has not taken corrective action for Shut-in and Temporarily Abandoned Notices of Violation (see attachments) sent certified mail by the Division on August 15, 2005 (received August 28, 2005) and dated February 13, 2008 (received March 6, 2008).

The Division of Oil, Gas and Mining (the Division) is hereby ordering McCullis Resources Company, Inc. (McCullis) to Plug and Abandon one well owned by McCullis as follows:

1. State 2-1-E API No. 43-047-31553

Division authority to order the well plugged is found in The Oil and Gas Conservation General Rule R649-3-36. The well shall be plugged in accordance with R649-3-24. Within 30 days of receipt of this order McCullis shall submit a notice of intent, for Division approval, to plug and abandon the well.

Therefore, McCullis has 30 days from receipt of this Order to enter into an agreement for execution of the Order.

McCullis has the right to appeal the Division Order by filing to the Board of Oil, Gas and Mining a request for review according to procedures set forth in R649-10-6. A request for review of a Division Order must be filed with the secretary to the Board, Marianne Burbidge (801) 538-5302, within 30 days of issuance of the order.



Page 2

February 4, 2009

Subject: Division Order to Plug and Abandon

In the event McCullis Resources Company, Inc. does not respond to the Division Plugging and Abandonment Order within 30 days of receipt, the Division will file for a formal hearing before the Board of Oil, Gas and Mining, as described in the Utah Administrative Code R641, requesting a Board Order to plug and restore the well site. Should this matter be brought before the Board, the Division will seek bond forfeiture (R649-3-36), liability for plugging costs in excess of bond forfeiture amounts (R649-3-1-4) and civil penalties of up to \$10,000 per day for each day of violation (Utah Oil and Gas Conservation Act 40-6-11).

Questions regarding this order may be directed to Clinton Dworshak, Compliance Manager at (801)-538-5280 or Dustin Doucet, Engineer at (801) 538-5281.

Sincerely,



Clinton Dworshak
Compliance Manager

CD/js

Enclosures

cc: Gil Hunt, Associate Director
Steve Alder, Assistant Attorney General
Dustin Doucet, Engineer
LaVonne Garrison, SITLA
Compliance File
Well File

N:\O&G Reviewed Docs\CLD



State of Utah
DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA
Division Director

JON M. HUNTSMAN, JR.
Governor

GARY R. HERBERT
Lieutenant Governor

March 12, 2009

Certified Mail No.: 7004 1160 0003 0190 2655

Paul McCulliss
McCulliss Resources Company, Inc.
5440 South Grape Ln.
Greenwood Village, Colorado 80121

43 047 31553
75 21E 2

Subject: State 2-1-E Plugging and Abandonment Extension Request

Dear Mr. McCullis:

The Division of Oil, Gas and Mining (the "Division") received McCulliss Resources Company ("McCulliss") State 2-1-E plugging and abandonment extension request dated March 6, 2009 (received March 9, 2009). McCulliss requested an extension for the Division Plugging Order (dated February 4, 2009) allowing Quinex Energy Corporation ("Quinex"), the assumed owner of the mineral lease for the State 2-1-E, adequate time to review the well file and determine if they wanted to take over operations of the State 2-1-E well.

I spoke with Mike Hebertson with Quinex yesterday afternoon (March 11, 2009). He informed me that Quinex does not have the lease associated with the State 2-1-E well. I verified this with SITLA, Newfield Production Company has the lease. In addition, Quinex has no interest in taking over operations of the State 2-1-E well.

Based on the above information the Division denies your extension request for the State 2-1-E Division Plugging and Abandonment Order. Since 30 days from your receipt of the Division Plugging Order has lapsed you need to respond immediately to the Division regarding your plugging intentions for the State 2-1-E well. As stated in the February 4, 2009 Division Plugging Order, in the event McCulliss Resources, Inc. does not respond to the Division State 2-1-E Plugging and Abandonment Order, the Division will file for a formal hearing before the Board of Oil, Gas and Mining.

Questions regarding this order may be directed to Clinton Dworshak, Compliance Manager at (801)-538-5280 or Dustin Doucet, Engineer, at (801) 538-5281.

Sincerely,

Clinton Dworshak
Compliance Manager

cc: Gil Hunt, Associate Director
Steve Alder, Assistant Attorney General
Dustin Doucet, Petroleum Engineer
LaVonne Garrison, SITLA
Compliance File
Well File

N:\O&G Reviewed Docs\CLD





JON M. HUNTSMAN, JR.
Governor

GARY R. HERBERT
Lieutenant Governor

State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA
Division Director

March 24, 2009

Certified Mail No.: 7004 1160 0003 0190 2686

Paul McCulliss
McCulliss Resources Company, Inc.
5440 South Grape Lane
Greenwood Village, CO 80121

43 047 31553
7S 21E 2

Subject: State 2-1-E Second Plugging and Abandonment Extension Request

Dear Mr. McCulliss:

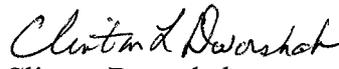
The Division of Oil, Gas and Mining (the "Division") received McCulliss Resources Company ("McCulliss") State 2-1-E second plugging and abandonment extension request dated March 6, 2009 (received March 23, 2009). McCulliss requested an extension for the Division Plugging Order (dated February 4, 2009) allowing Newfield Exploration Company ("Newfield") adequate time to review the well file and determine if they wanted to take over operations of the State 2-1-E well.

I spoke with Newfield's engineer, Tom Funk, last Thursday afternoon (March 19, 2009). He informed me that Newfield has reviewed the well file and has no interest in taking over operations of the State 2-1-E well. Based on this information please submit a plugging and abandonment notice of intent (R649-3-24) immediately, for Division approval, to plug the State 2-1-E well.

As stated in the February 4, 2009 Division Plugging Order, in the event McCulliss Resources, Inc. does not respond to the Division State 2-1-E Plugging and Abandonment Order, the Division will file for a formal hearing before the Board of Oil, Gas and Mining.

Questions regarding this matter may be directed to Clinton Dworshak, Compliance Manager at (801)-538-5280 or Dustin Doucet, Petroleum Engineer, at (801) 538-5281.

Sincerely,


Clinton Dworshak
Compliance Manager

cc: Gil Hunt, Associate Director
Steve Alder, Assistant Attorney General
Dustin Doucet, Petroleum Engineer
LaVonne Garrison, SITLA
Compliance File
Well File



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

FORM 9

SUNDRY NOTICES AND REPORTS ON WELLS

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

1. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER _____		5. LEASE DESIGNATION AND SERIAL NUMBER: ML 38354
2. NAME OF OPERATOR: McCulliss Resources Company, Inc		6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
3. ADDRESS OF OPERATOR: agent P.O. Box 1574 Roosevelt Ut 84066		7. UNIT or CA AGREEMENT NAME:
4. LOCATION OF WELL FOOTAGES AT SURFACE: 2,475' FNL 525' FWL QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: SWNW 2 7s 21e u		8. WELL NAME and NUMBER: State 2-1-E
PHONE NUMBER: (435) 650-5387		9. API NUMBER: 4304731553
COUNTY: Uintah		10. FIELD AND POOL, OR WILDCAT: Horseshoe Bend
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"/> SIDETRACK TO REPAIR WELL
	<input type="checkbox"/> CASING REPAIR	<input type="checkbox"/> NEW CONSTRUCTION	<input type="checkbox"/> TEMPORARILY ABANDON
	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> TUBING REPAIR
	<input type="checkbox"/> CHANGE TUBING	<input checked="" type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> VENT OR FLARE
	<input type="checkbox"/> CHANGE WELL NAME	<input type="checkbox"/> PLUG BACK	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> PRODUCTION (START/RESUME)	<input type="checkbox"/> WATER SHUT-OFF
	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input type="checkbox"/> OTHER: _____
	<input type="checkbox"/> CONVERT WELL TYPE	<input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION	

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

See attached procedure and profile.

COPY SENT TO OPERATOR

Date: 5-13-2009

Initials: KS

RECEIVED

MAY 07 2009

DIV. OF OIL, GAS & MINING

NAME (PLEASE PRINT) <u>Clifford Murray</u>	TITLE <u>Mountain Oil and Gas, Inc. agent for McCulliss</u>
SIGNATURE <u><i>Clifford Murray</i></u>	DATE <u>5/7/2009</u>

(This space for State use only) **APPROVED BY THE STATE OF UTAH DIVISION OF OIL, GAS, AND MINING**
DATE: 5/13/09
BY: *Clifford Murray* (See Instructions on Reverse Side)
*** See Conditions of Approval (Attached)**

McCulliss Resources
State 2-1-E
T. 7S R. 21E Sec. 2 SWNW
43-047-31553

P&A Procedure

Step

- 1 Move in, rig up service unit and allied equipment
- 2 Blow well down and circulate w/produced water to kill well as necessary.
- 3 Nipple down well head. Nipple up BOP. Run in hole picking up 2 3/8 tbg to tag fill. Pull out of hole w/2 3/8 tbg tallying to see where fill is located.
- 4 Pick up carbide tipped blade bit if necessary to clean out fill. Trip in hole w/2 3/8" tbg and clean out as necessary to cement above CIBP set at 3,660'. Pump 10 sack cement balance plug immediately above CIBP and cement @ 3,660'. Skip this step if no fill encountered.
- 5 Run in hole w/2 3/8" tbg open ended and pump 10 sack cement balance plug immediately above CIBP and cement @ 3,660'. Tag balance plug if necessary. Pull out of hole w/2 3/8" tbg.
- 6 Run in hole w/gauge ring on sandline to top of Uinta perforations @ 3,321'. If gauge ring will not go, pick up 4.75" bladed mill and 5 1/2" casing scraper and run in hole w/2 3/8" tbg and clean out to 3,300'. Pull out of hole with 2 3/8" tbg.
- 7 Pick up 5 1/2" 15.5# cement retainer and run in hole w/2 3/8" tbg and set retainer @ 3,250'. Squeeze w/20 sacks cement below cement retainer w/5 sack cement balance plug set above retainer. Pull out of hole with 2 3/8" tbg.
- 8 Rig up electric line and perforate 4 .50 holes @ 1,850'.
- 9 Pick up 5 1/2" 15.5# cement retainer and run in hole w/2 3/8" tbg and set retainer @ 1,800'. Squeeze w/28 sacks cement below cement retainer w/5 sack cement balance plug set above retainer. Pull out of hole with 2 3/8" tbg.
- 10 Rig up electric line and perforate 4 .50 holes @ 430'.
- 11 Pick up 5 1/2" 15.5# cement retainer and run in hole w/2 3/8" tbg and set cement retainer @ 380'. Squeeze w/20 sacks cement below cement retainer w/5 sack cement balance plug set above retainer. Pull out of hole w/2 3/8" tbg.
- 12 Nipple down BOP. Cut off well head. Use 1" pipe to circulate 9 sacks cement balance plug to surface in 8 5/8" X 5 1/2" annulus and 5 sack cement balance plug to surface inside 5 1/2".
- 13 Weld dry hole marker with identification required by State regulations onto casing as per SITLA and State requirements.
- 14 Reclaim location per SITLA lease requirements.

McCulliss Resources

P&A Profile

State 2-1-E

API# 43-047-31553

SWNW Sec. 2, Twp. 7 S, Rng. 21E

Uintah County, Utah

5/7/2009

4 .50 perms @ 430'. CICR @ 380' w/20 sacks cement squeezed below and 5 sacks above

4 .50 perms @ 1,850'. CICR @ 1,800' w/28 sacks cement squeezed below and 5 sacks above

CICR @ 3,250' w/20 sacks cement squeezed below and 5 sacks above

10 sks. cement placed immediately above CIBP and 2 sks. cement set previously.

9 sacks cement balance plug in 8 5/8" X 5 1/2" annulus and 5 sacks balance plug inside 5 1/2"

12 1/4" hole

8 5/8 24# @ 380' W/ 260 sks. Class A (Source: comp. report)

Cement top unknown. Approved APD called for Uinta zone to be protected @ approximately 2,500'

7 7/8" hole

Uinta perms @ 3,321'-3,559'

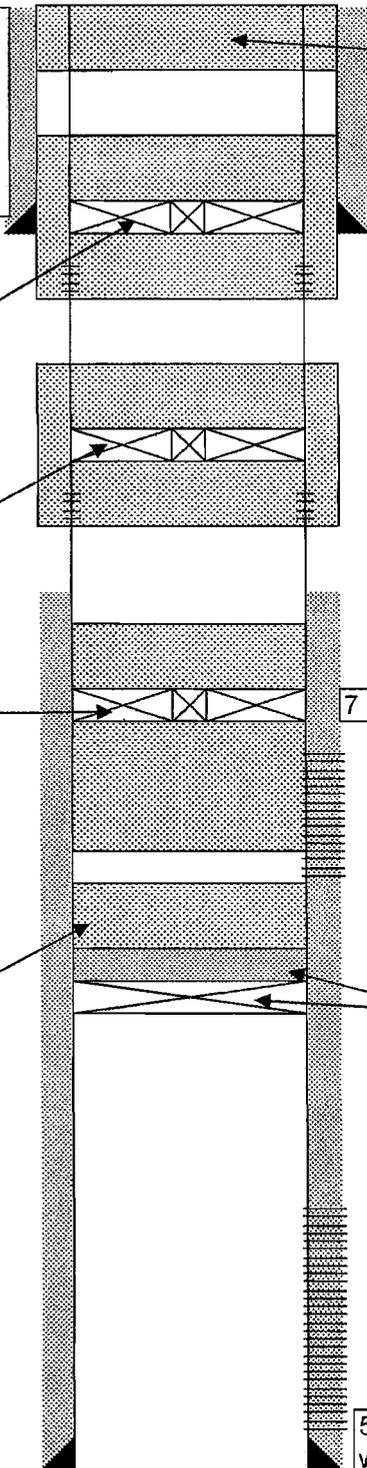
9/9/91sundry: CIBP @ 3,660' w/2 sks. cmt. on top.

4/4/85 completion report (page 22 of State scanned well file) shows top of Green River @ 3,500'. Page 39 of the Uinta completion report dated 9/9/91 shows the top of the Green River @ 4,280'

Lower Green River perms 6,623'-6,986'

5 1/2" 15.5# @ 7,067' w/720 sks. Class "H" (Source: Comp. report)

TD @ 7,098' (Source: Comp. report)





JON M. HUNTSMAN, JR.
Governor

GARY R. HERBERT
Lieutenant Governor

State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA
Division Director

CONDITIONS OF APPROVAL TO PLUG AND ABANDON WELL

Well Name and Number: State 2-1-E
API Number: 43-047-31553
Operator: McCulliss Resources Company, Inc.
Reference Document: Original Sundry Notice dated May 7, 2009,
received by DOGM on May 7, 2009.

Approval Conditions:

1. Notify the Division at least 24 hours prior to conducting abandonment operations. Please call Dan Jarvis at 801-538-5338.
2. **Cement for plugs shall be Class G mixed at 5.0 gal/sk with a yield of 1.15 cf/sk.**
3. **Amend Plug #4: 26sx minimum of cement shall be pumped below CICR instead of 20sx.**
4. All annuli shall be cemented from a minimum depth of 50' to the surface.
5. Surface reclamation shall be done in accordance with R649-3-34 – Well Site Restoration.
6. All requirements in the Oil and Gas Conservation General Rule R649-3-24 shall apply.
7. If there are any changes to the procedure or the wellbore configuration, notify Dustin Doucet at 801-538-5281 (ofc) or 801-733-0983 (home) prior to continuing with the procedure.
8. All other requirements for notice and reporting in the Oil and Gas Conservation General Rules shall apply.

Dustin K. Doucet
Petroleum Engineer

May 13, 2009

Date



Wellbore Diagram

API Well No: 43-047-31553-00-00 **Permit No:**
Company Name: MCCULLISS RESOURCES CO., INC.
Location: Sec: 2 T: 7S R: 21E Spot: SWNW
Coordinates: X: 625063 Y: 4455411
Field Name: HORSESHOE BEND
County Name: UINTAH

Well Name/No: STATE 2-1-E

String Information

String	Bottom (ft sub)	Diameter (inches)	Weight (lb/ft)	Length (ft)	Capacity (F/CF)
HOL1	380	12.25			
SURF	380	8.625	24		
HOL2	7098	7.875			
PROD	7067	5.5	15.5		7.483

Handwritten notes: $7\frac{7}{8} \times 5\frac{1}{2} (128)$ and $8\frac{7}{8} \times 5\frac{1}{2}$ with arrows pointing to capacity values 3.8566 and 5.192.

Cement from 380 ft. to surface
 Surface: 8,625 in. @ 380 ft.
 Hole: 12.25 in. @ 380 ft.

Plug #4

Below out 50' / (1.15) (38566) = 115K
 50' / (1.15) (5192) = 95K
 Above 50' = 65K
 50' = 245K → propose 55K ✓ o.k.

Cement Information

String	BOC (ft sub)	TOC (ft sub)	Class	Sacks
PROD	7067	2500 est.	H	720
SURF	380	0	A	260

Plug #3

Below out 100' / (1.15) (38566) = 235K
 in 50' / (1.15) (7483) = 65K
 Above 55K = 43' o.k.

Plug #2

Below (205K) / (1.15) (7483) = 172'
 Above (55K) / (1.15) (7483) = 43' o.k.

Perforation Information

Top (ft sub)	Bottom (ft sub)	Shts/Ft	No Shts	Dt Squeeze
6623	6986			
3321	3559			

Plug #1

(105K) / (1.15) (7483) = 86'
 w/2SKS(17') existing

Formation Information

Formation	Depth
UNTA	0
GRRV	3500
Bmscw	± 1800'

Cement from 7067 ft. to 2500 ft.
 Production: 5.5 in. @ 7067 ft.
 Hole: Unknown
 Hole: 7.875 in. @ 7098 ft.

TD: 7098 **TVD:** **PBTD:**

McCulliss Resources Company, Inc.
through its agent for P&A:
Mountain Oil and Gas, Inc.
P.O. Box 1574
Roosevelt, Utah 84066

State of Utah
Division of Oil, Gas and Mining
P.O. Box 145801
Salt Lake City, Utah 84114-5801

API 43-047-31553

Subject: P&A of State 2-1-E Well, T. 7S R. 21E Sec. 2 SWNW

May 7th, 2009

Dear Mr. Dworshak,

In response to your letter of March 24, 2009 it is proposed that the DOGM and McCulliss Resources enter into an agreement whereby it is agreed that McCulliss Resources will plug and abandon the State 2-1-E prior to August 1, 2009. Concurrently with this letter Mountain Oil and Gas, Inc., McCulliss' agent for P&A has submitted for DOGM approval a sundry notice outlining the proposed P&A procedure. Is this acceptable?

Sincerely,



Clifford Murray
Field Supervisor
Mountain Oil and Gas, Inc.
435-650-5387

RECEIVED

MAY 11 2009

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.

		6. LEASE DESIGNATION AND SERIAL NUMBER: ML38354
		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: State 2-1-E
2. NAME OF OPERATOR: McCulliss Resources Company, Inc.		9. API NUMBER: 4304731553
3. ADDRESS OF OPERATOR: P.O. Box 1574 (Agent) Roosevelt UT 84066		10. FIELD AND POOL, OR WILDCAT: Horeshoe Bend
		PHONE NUMBER: (435) 650-5387
4. LOCATION OF WELL FOOTAGES AT SURFACE: 2,475' FNL & 525' FWL		COUNTY: Uintah
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: SWNW 2 7S 21E		STATE: UTAH

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

TYPE OF SUBMISSION	TYPE OF ACTION		
<input type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: _____	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> REPERFORATE CURRENT FORMATION
	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> SIDETRACK TO REPAIR WELL
<input checked="" type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion: 11/9/2009	<input type="checkbox"/> CASING REPAIR	<input type="checkbox"/> NEW CONSTRUCTION	<input type="checkbox"/> TEMPORARILY ABANDON
	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> TUBING REPAIR
	<input type="checkbox"/> CHANGE TUBING	<input checked="" type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> VENT OR FLARE
	<input type="checkbox"/> CHANGE WELL NAME	<input type="checkbox"/> PLUG BACK	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> PRODUCTION (START/RESUME)	<input type="checkbox"/> WATER SHUT-OFF
	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input type="checkbox"/> OTHER: _____
	<input type="checkbox"/> CONVERT WELL TYPE	<input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION	

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

Well was plugged 09/03/09 -09/09/09.

1. TIH and tag TOC on existing CIBP @ 3,660' w/2 sx cmt on top.
2. Plug # 1, w/existing CIPB @ 3,660', spot 10 sxs Class B cement (11.8 cf) inside csg from 3,655' up to 3,567'.
3. Set CR @ 3,248'.
4. Plug # 2, w/CR @ 3,248', mix and pump 25 sxs Class B cement (29.5 cf), squeeze 20 sxs below the CR and leave 5 sxs inside casing above CR up to 3,204'.
5. Perforate 3 holes @ 1,850'.
6. Set CR @ 1,790'.
7. Plug # 3, w/CR @ 1,790', mix and pump 33 sxs Class B cement (39.9 cf), squeeze 21 sxs outside casing and leave 12 sxs inside csg up to 1,746' to cover the BMWSC zone.
8. Perforated 3 holes @ 430'.
9. Plug # 4, mix 137 sxs Class B cement (161.6 cf) and pump down the 5.5" csg from 430' to surface.
10. Cutoff wellhead and install P & A marker.

Surface Reclamation: Drag location to prepare for seed. Spread seed with broadcast spreader (see attached tag for seed mixture). Drag location with harrow to cover seed.

NAME (PLEASE PRINT) <u>RaSchele Richens</u>	TITLE <u>Regulatory Agent</u>
SIGNATURE <u>RaSchele Richens</u>	DATE <u>11/24/2009</u>

(This space for State use only)

RECEIVED
NOV 30 2009

NIX #: 70390

194269

% PURE			DORM OR		ORIGIN
			GERM	+ HARD	
18.39	SHADSCALE SALTBUSH	VNS	48.00	+ 0.00 -	TZ UT
12.61	FOURWING SALTBUSH	VNS	70.00	+ 0.00 -	TZ NM
9.81	NEEDLE AND THREAD	VNS	90.00	+ 0.00 -	TZ CO
9.20	SQUIRRELTAIL	VNS	96.00	+ 0.00 -	TZ WA
8.92	INDIAN RICEGRASS	RIMROCK	99.00	+ 0.00 -	TZ MT
2.48	RUBBER RABBITBRUSH	VNS	89.00	+ 0.00 -	TZ NV
1.97	BLACK SAGEBRUSH	VNS	56.00	+ 0.00 -	TZ UT
1.17	MUNRO'S GLOBEMALLOW	VNS	94.00	+ 0.00 -	TZ UT

0.06 Other Crop
35.30 Inert Matter
0.09 Weed Seed

Date Tested: 05/15/2009
Restricted Weed: None
% Hard Seed: 0.00

NET WEIGHT: 45.31 LBS. BULK
22.00 LBS. PLS

SHIP TO: I.F.A. # 61
WEST HIGHWAY 40
ROOSEVELT, UT 84066