

STATE ACTIONS
State Clearinghouse Coordinator
116 State Capitol, SLC, UT 84114
538-1535

1. Administering State Agency Oil, Gas and Mining 1594 West North Temple, Suite 1210 Salt Lake City, UT 84114-5801	2. State Application Identifier Number: (assigned by State Clearinghouse) 3. Approximate date project will start: Upon Approval
4. Areawide clearinghouse(s) receiving state action: (to be sent out by agency in block 1) Uintah Basin Association of Governments	
5. Type of action: // Lease <input checked="" type="checkbox"/> / Permit // License // Land Acquisition // Land Sale // Land Exchange // Other _____	
6. Title of proposed action: Application for Permit to Drill	
7. Description: CDX Rockies, LLC proposes to drill a stratigraphic test hole identified as Displacement Point 36-12-25 on State lease ML 46435, Uintah County, Utah. This action is being presented to the RDCC for consideration of resource issues affecting state interests. The Division of Oil, Gas and Mining is the primary administrative agency in this action and must issue approval before operations commence.	
8. Land affected (site location map required) (indicate county) NE/4, SE/4, Section 36, Township 12 South, Range 25 East, Uintah County, Utah	
9. Has the local government(s) been contacted? No	
10. Possible significant impacts likely to occur: Minimal and temporary impact is anticipated as this hole is being drilled only to obtain scientific and geologic data.	
11. Name and phone of district representative from your agency near project site, if applicable: 	
12. For further information, contact: Lisha Cordova Phone: (801) 538-5296	13. Signature and title of authorized officer  John R. Baza, Associate Director Date: April 20, 2001

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

FORM 3

AMENDED REPORT
(highlight changes)

APPLICATION FOR PERMIT TO DRILL			5. LEASE DESIGNATION AND SERIAL NUMBER: <u>UT Trust #46435 ML-46435</u>	
1A. TYPE OF WORK: DRILL <input checked="" type="checkbox"/> REENTER <input type="checkbox"/> DEEPEN <input type="checkbox"/>			6. IF INDIAN, ALLOTTEE OR TRIBE NAME: N/A <i>Surf. SITLA</i>	
B. TYPE OF WELL: OIL <input type="checkbox"/> GAS <input type="checkbox"/> OTHER <u>StratTest</u> SINGLE ZONE <input type="checkbox"/> MULTIPLE ZONE <input type="checkbox"/>			7. UNIT or CA AGREEMENT NAME: N/A	
2. NAME OF OPERATOR: CDX Rockies, LLC.			8. WELL NAME and NUMBER: Displacement Point #36-12-25	
3. ADDRESS OF OPERATOR: 755 E 2nd, Suite #O-C CITY Durango STATE CO ZIP 81301		PHONE NUMBER: (970) 247-4126	9. FIELD AND POOL, OR WILDCAT: Wildcat	
4. LOCATION OF WELL (FOOTAGES) AT SURFACE: 872' FSL- 746' FEL AT PROPOSED PRODUCING ZONE: N/A (T.D. Same)			10. QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NESE 36 12S 25E S	
13. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE: 25.3 Miles Southeast of Bonanza, UT			11. COUNTY: Unitah	
CONFIDENTIAL			12. STATE: UTAH	
14. DISTANCE TO NEAREST PROPERTY OR LEASE LINE (FEET) 746'	15. NUMBER OF ACRES IN LEASE: 867	16. NUMBER OF ACRES ASSIGNED TO THIS WELL: 40		
17. DISTANCE TO NEAREST WELL (DRILLING, COMPLETED, OR APPLIED FOR) ON THIS LEASE (FEET) N/A	18. PROPOSED DEPTH: 2,376	19. BOND DESCRIPTION: UT Trust Bond (Blanket)		
20. ELEVATIONS (SHOW WHETHER DF, RT, GR, ETC.): 6248' GR	21. APPROXIMATE DATE WORK WILL START: 5/5/2001	22. ESTIMATED DURATION: 15 Days		

23. **PROPOSED CASING AND CEMENTING PROGRAM**

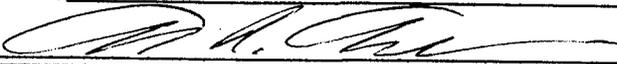
SIZE OF HOLE	CASING SIZE, GRADE, AND WEIGHT PER FOOT	SETTING DEPTH	CEMENT TYPE, QUANTITY, YIELD, AND SLURRY WEIGHT			
5.625"	4 1/2" N-80 11.6#	238	Lite Cmt w/ 2% cc	100+/- sxs	1.97	15 # +/-
			premium w/ 2% cc	100+/- sxs	1.17	15 # +/-

24. **ATTACHMENTS**

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

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

NAME (PLEASE PRINT) Alvin R. (Al) Arlian TITLE Landman

SIGNATURE  DATE 4/17/2001

(This space for State use only)

API NUMBER ASSIGNED: 43-047-34028

APPROVAL:

RECEIVED

APR 18 2001

DIVISION OF
OIL, GAS AND MINING

T12S, R25E, S.L.B.&M.

EAST - 108.40 (G.L.O.)

N0°08'E
15.07
(G.L.O.)

R
25
E

R
104
W

83.40 (G.L.O.)

500°08'W

Colorado - Rio Blanco Co.

Utah - Uintah Co.

M.P.
Mile Post 188
1885 - 1924
Brass Cap,
Stone

188M

N00°27'E - G.L.O.
(Basis of Bearings)
761.44' - (Measured)

C.C.
1922 Brass Cap,
Pile of Stones

CDX ROCKIES, LLC

Well location, DISPLACEMENT POINT UTAH STATE STRAT TEST #36-12-25, located as shown in the SE 1/4 SE 1/4 (LOT 12) of Section 36, T12S, R25E, S.L.B.&M., UINTAH COUNTY, UTAH.

BASIS OF ELEVATION

BENCH MARK (A37) LOCATED IN THE SE 1/4 OF SECTION 35, T3S, R104W 6th P.M. TAKEN FROM THE DAVIS CANYON QUADRANGLE, UTAH-COLORADO, 7.5 MINUTE QUAD. (TOPOGRAPHIC MAP) PUBLISHED BY THE UNITED STATES DEPARTMENT OF THE INTERIOR, GEOLOGICAL SURVEY. SAID ELEVATION IS MARKED AS BEING 6013 FEET.

N00°03'E - 80.00 (G.L.O.)

36

LOT 3

LOT 2

LOT 1

LOT 4

LOT 5

LOT 6

LOT 9

LOT 8

LOT 7

DISPLACEMENT POINT UTAH
STATE STRAT TEST #36-12-25
Elev. Ungraded Ground = 6248'

746'
(Comp.)

872'
(Comp.)

N40°12'13"W
7143.70'

T12S
T13S

EAST - 108.32 (G.L.O.)

C.C.
1922 Brass Cap,
Pile of Stones

LATITUDE = 39°43'37"

LONGITUDE = 109°03'11"

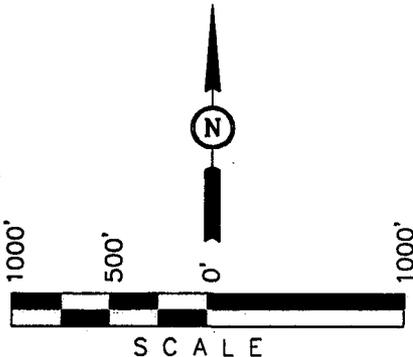
CERTIFICATE

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.

REGISTERED LAND SURVEYOR
REGISTRATION NO. 161319
STATE OF UTAH

LEGEND:

- └─┘ = 90° SYMBOL
- = PROPOSED WELL HEAD.
- ▲ = SECTION CORNERS LOCATED.



UINTAH ENGINEERING & LAND SURVEYING
85 SOUTH 200 EAST - VERNAL, UTAH 84078
(435) 789-1017

SCALE 1" = 1000'	DATE SURVEYED: 4-10-01	DATE DRAWN: 4-12-01
PARTY J.F. P.J. D.COX	REFERENCES G.L.O. PLAT	
WEATHER COLD	FILE CDX ROCKIES, LLC	

BLUE CREEK, INC.

1801 Broadway
Suite 1460
Denver, Colorado 80202
(303) 292-4051
Fax: (303) 292-1734

April 17, 2001

VIA FedEx

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

RE: APD
Displacement Point Utah State Strat Test 36-12-25
NESE 36-12-25
Uintah County, Utah

Dear Ms. Cordova:

Pursuant to our telephone conversation today, I am a consultant working for CDX Rockies, LLC.

Enclosed are two original copies of the CDX APD for the above-referenced well.

Enclosed are original copies of the following:

1. Uintah Engineering & Land Surveying's:
 1. Location Photos,
 2. Survey,
 3. Location Layout,
 4. Typical Cross Sections, and
 5. Topographic map.
2. CDX Drilling Plan (and plugging procedure), and
3. CDX Geological Prognosis.

Enclosed is a copy of the transmittal letter conveying CDX's "Trust Bond" to the Utah School & Institutional Trust Lands Administration.

Montgomery Archaeological Consultants has conducted an Archaeological Clearance Report and is mailing it directly to Utah School & Institutional Trust Lands Administration.

RECEIVED

APR 18 2001

DIVISION OF
OIL, GAS AND MINING

April 17, 2001
Page No. 2

I have submitted a water source "application" with the Vernal District Office of the State of Utah Department of Natrual Resources Division of Water Rights on behalf of CDX. Attached is a map showing that water source point.

1. Upon approval of this pending water application a copy shall be provided, or
2. If this water application is not approved, CDX's water source point shall be located in the State of Colorado from a Fee Water and Surface Owner.

Should you have any questions concerning this matter, please do not hesitate to call.

Very truly yours,



Alvin R. (Al) Arlian

ara
Enclosures as stated:

cc: Keith Montgomery w/o attachments
Utah School & Institutional Trust Lands Administration w/ attachments
Brad Boyce - CDX. Durango, CO w/ attachments
Gary Trotter - CDX Dallas, TX w/ attachments

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
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CONFIDENTIAL

4399050 N
666840 E

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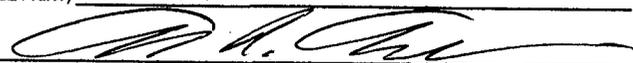
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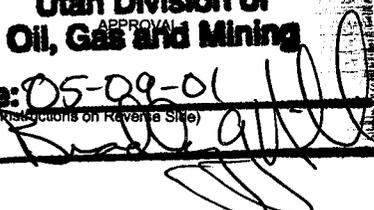
SIGNATURE  DATE 4/17/2001

(This space for State use only)

API NUMBER ASSIGNED: 43-047-34028

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

Date: 05-09-01
(See Regulations on Revenue Site)

By: 

RECEIVED

APR 18 2001

DIVISION OF
OIL, GAS AND MINING

T12S, R25E, S.L.B.&M.

EAST - 108.40 (G.L.O.)

N0°08'E
15.07
(G.L.O.)

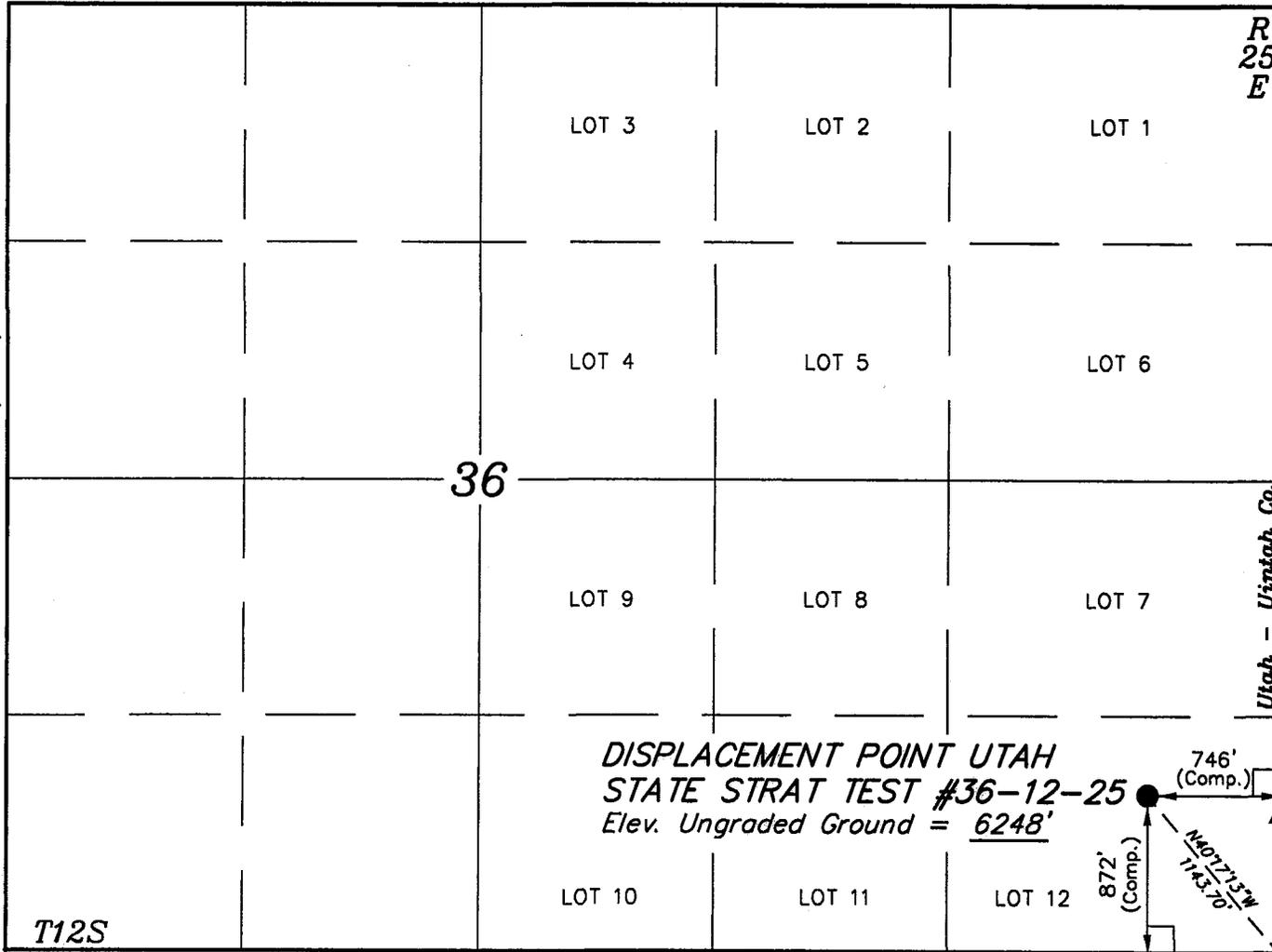
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**DISPLACEMENT POINT UTAH
STATE STRAT TEST #36-12-25**
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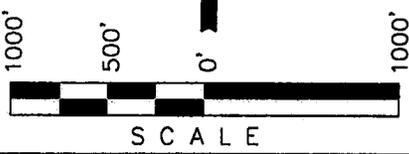
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R
25
E
R
104
W
Utah - Uintah Co.
Colorado - Rio Blanco Co.

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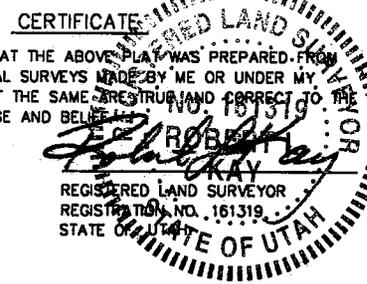
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T12S
T13S



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UINTAH ENGINEERING & LAND SURVEYING 85 SOUTH 200 EAST - VERNAL, UTAH 84078 (435) 789-1017		
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PARTY J.F. P.J. D.COX		REFERENCES G.L.O. PLAT
WEATHER COLD		FILE CDX ROCKIES, LLC

CDX Rockies, LLC
755 East 2nd Avenue, Suite O-C
Durango, Colorado 81301
(970) 247-4126

CONFIDENTIAL - TIGHT HOLE

Drilling Plan Strat Test Summary

LOCATION: Displacement Point Utah State Strat Test 36-12-25
E/2SE/4 36-12S-25E
Uintah County, UT (UT Trust Lands)

GENERAL: All lease and/or unit operations are to be conducted in such a manner that full compliance is made with the applicable laws, regulations of the applicable governmental agency(s). The operator is considered fully responsible for the action of its subcontractors.

A copy of the approved application for permit to drill and the accompanying documents shall be available to authorized personnel at the drill site whichever active construction or drilling operation are underway.

Approval of this application does not warrant or certify that the applicant hold legal or marketable title of those rights in the subject lease, which would entitle the applicant to conduction operation thereon.

OIL & GAS: It is not anticipated that water, gas, or oil will be encountered.

PROGNOSIS: See Attachment.

BOP: Bottom Hole Pressure is anticipated to be less than 1,000#'s. See attached BOP diagram.

CASING/CEMENT: Below Surface Pipe, the 4" core hole shall not be cased.

SURFACE PIPE - 4 1/2", set 10% of total depth, or 200', whichever the greater depth. The Surface Casing hole size shall be 5.625".

CEMENTING SURFACE PIPE - 100 sxs +/- Lite Cement w 2% CaCl, 1.4#/sx celloflake and 6% gel. Yield - 1.97, followed by 100 sxs Premium with 2% CaCl, 1/4#/sx celloflake, yield 1.17 or sufficient volume to circulate to surface.

SITE LAYOUT: Disruption as little amount of surface as possible (WELL WILL BE PLUGGED IMMEDIATELY). Store top soil west (cut side) of location. Locate pits on cut side of site. Do not over build location 65' x 100' maximum. Both pits shall be approximately 10' x 12', slant bottoms from 6' to 4' deep. Pits shall be unlined.

DRILLING: PROCEDURE - Coring from base of surface pipe to total depth. Upon reaching total depth well shall be plugged immediately. Mud logger shall be present during all coring operations. Entire coring (drilling) operation shall be conducted using lite native (all natural) drill mud. All coal cores shall be retained and tested.

MUD PROGRAM - The proposed circulating mediums to be employed in drilling and coring are as follows:

<u>Interval</u>	<u>Mud Type</u>	<u>Mud Wt.</u>	<u>Visc.</u>	<u>PH</u>
0-238'	Bentonite Gel	8.8#	35-50	9.0
238' to TD	Bentonite-Polymer	8.8#	35-50	9.0

TESTING:

- No drill stem tests are anticipated.
- No logging program is anticipated.
- A core test is planned in each of the coal seams encountered during the drilling operations.

PRESSURES: PRESSURES -The expected bottom hole pressure is approximately 820#'s. No abnormal pressures or temperatures are anticipated.

HYDROGEN SULFIDE - No hydrogen sulfide gas is anticipated.

PLUGGING: PROCEDURE- Fill hole with bentonite, set cement plug from 50' below surface pipe to top of surface pipe, or

Plug as directed by Utah Division of Oil, Gas and Mining.

Cut surface pipe off 4' below ground, weld on steel plate w/ dry hole marker.

RESTORATION: Fluids are to be drained and removed from pits immediately to allow immediate pit closures. Once top soil has been reapplied confirm re-seeding procedure before proceeding.

**Well Geological Prognosis
Stratigraphic Test Well**

RETAMCO

Well Name: Displacement Point #1
Location: Lot 7, Sec 36-T12S-R25E
Footage: 872 FSL, 746 FEL
County/State: Uintah, Utah
Elevation: 6,320 GL, 6,248 KB
PICEANCE BASIN, MESAVERDE FM

<u>FORMATION</u>	<u>DEPTH</u>	<u>SUBSEA</u>	<u>REMARKS</u>
Surface Gravel	0	6320	All tops are projected from the Columbine. Springs 11-11-4-104 Well located in Colorado; Sec 11-T4S-R104W.
Wasatch FM	10	6310	
Mesaverde	1200	5120	
Rollins Sandstone	2276	4044	
Total Depth	2376	3944	
			Final surface location is not surveyed, thus projected tops are not final.

GEOLOGIC DATA:

Primary Objective: Mesaverde Tertiary Gravel/ Wasatch

Surface Fm: FM

Projected TD (ft) 2,376

Projected Prod Fm. None

Other:

Diff. In Depth from 15 deg.

GL 6320

CORE INTERVALS AND/ OR FTGE: 1530-2276

Comments: Need mudlogger from surface to TD.

TEST INTERVALS & DEPTHS: Will determined while drilling.

Comments: If strong shows of gas are encountered while drilling, tests may be performed to measure formation reservoir characteristics.

COMPLETION INTERVALS: None

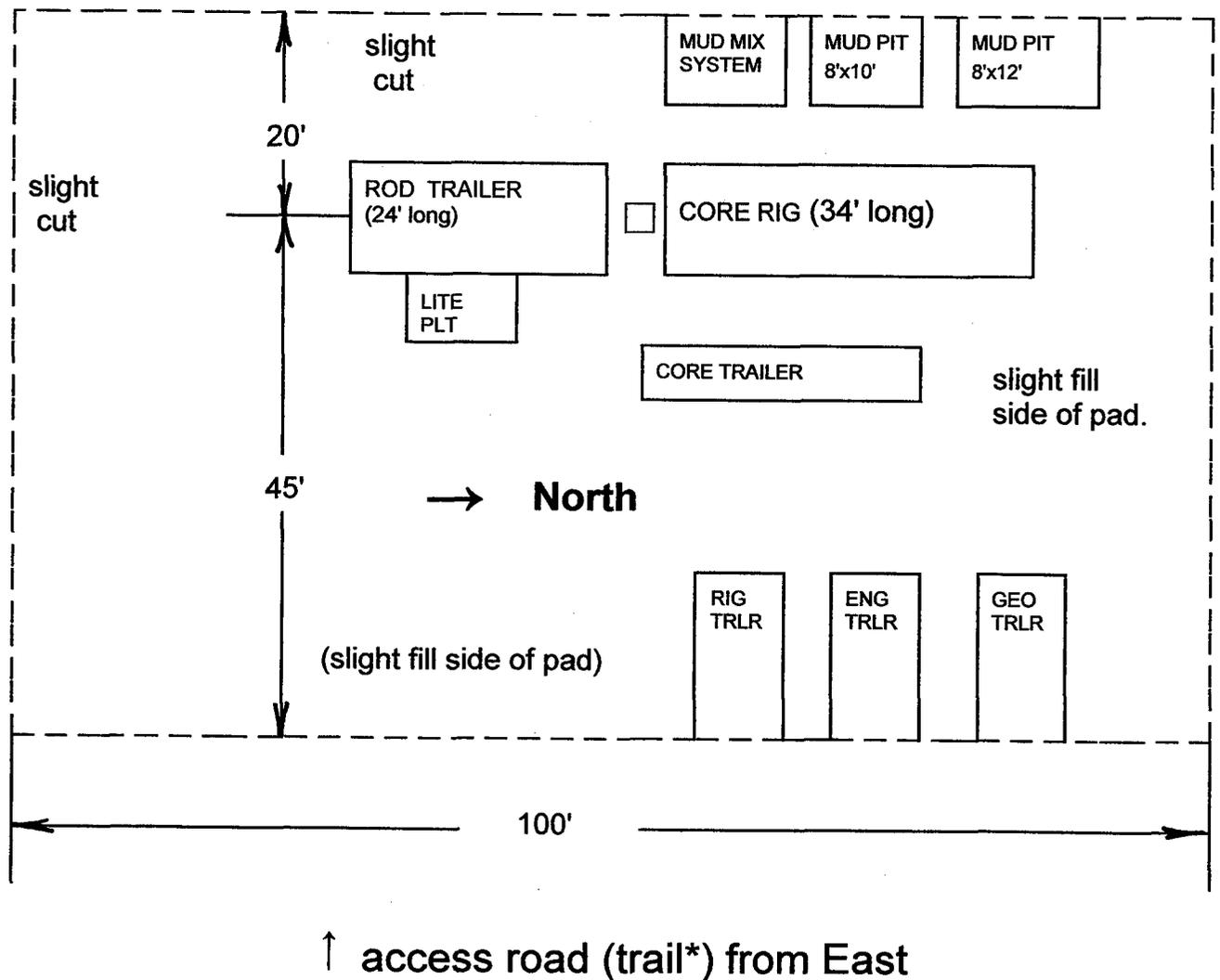
Comments: See drilling and completion program for details.

Wellsite Layout

Displacement Point Utah State Strat Test 36A-12-25

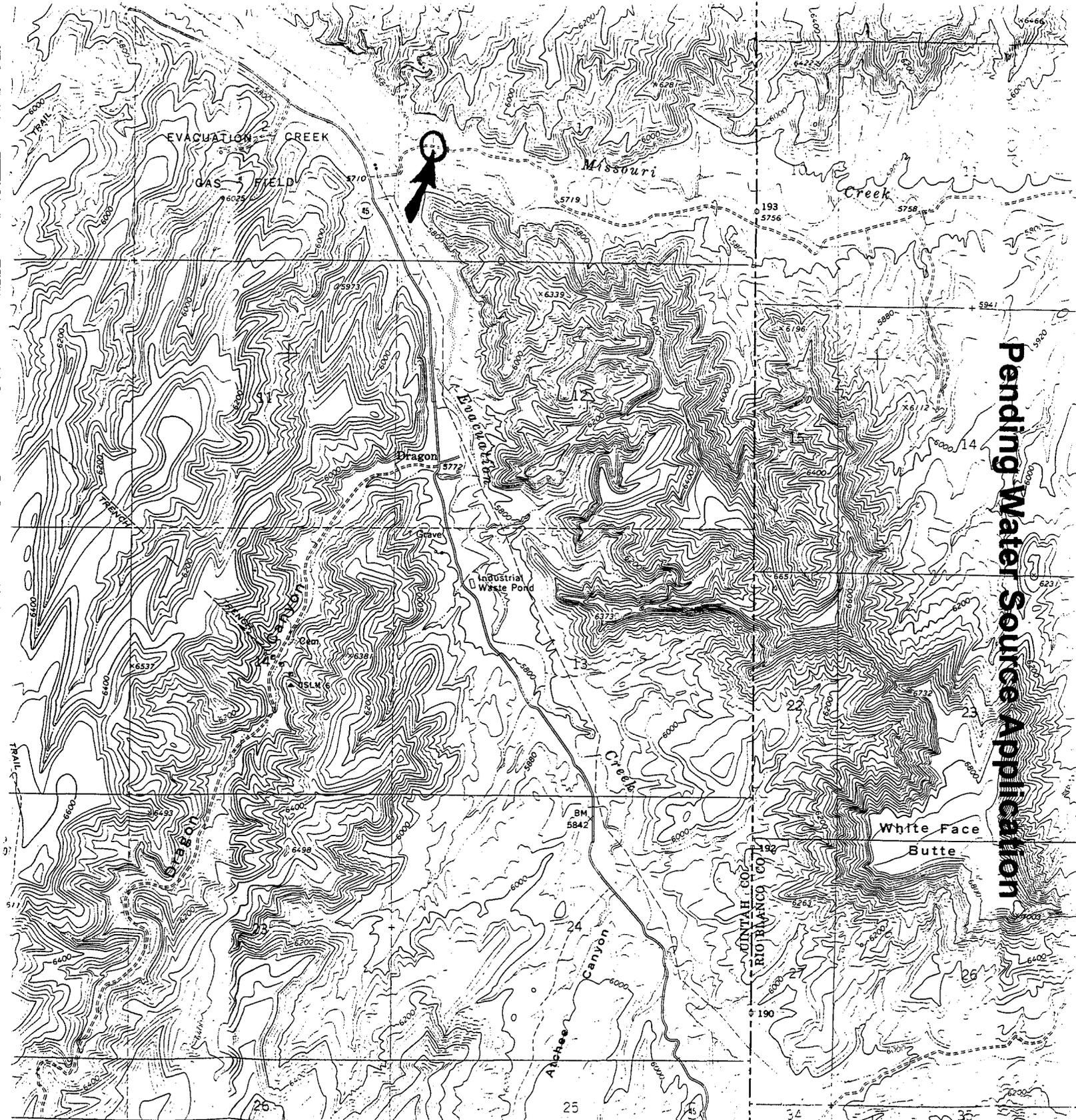
□ = cellar for Displacement Point Utah State Strat Test 36A-12-25 wellbore
(cellar to be 4' deep 4' round steel culvert)

STORE TOP SOIL WEST OF PAD.



1. ALL CORING OPERATIONS INCLUDING EQUIPMENT AND VEHICLES TO BE RESTRICTED TO PAD.
2. *Pursuant to agreement w/ BLM access road shall only be constructed (cut) across wasted out gully, remainder of road shall only have sage brush removed, no grading or cuts.

Pending Water Source Application



vey

174' 13" 231' MHS

★ GN MN

(DAVIS CANYON)
4163 II NE
SCALE 1:24 000

R 25 E. R 154 W 2'30" 68
BAXTER PASS COLO. 18 MI

0 1000 2000 3000 4000 5000 6000 7000 FEET

0 5 10 KILOMETER

CONTOUR INTERVAL 40 FEET

1 MILE

BLUE CREEK, INC.

1801 Broadway
Suite 1460
Denver, Colorado 80202
(303) 292-4051
Fax: (303) 292-1734

April 9, 2001

Ed Bonner
Utah School & Institutional Trust Lands Administration
675 East 500 South, Suite 500
Salt Lake City, Utah 84102

RE: State of Utah
Bond Of Lessee
CDX Rockies, LLC

Dear Mr. Bonner:

Pursuant to our telephone conversation today, enclosed is CDX Rockies, LLC's Utah School & Institutional Trust Lands Administration State Wide Bond.

1. On April 5, 2001, we filed with your office assignments covering numerous Trust Oil and Gas Leases from Retamco Operating, Inc. to CDX Rockies, LLC.
2. The following well is being staked today by Uintah Engineering. Concurrently Montgomery Archaeological Consultants is conducting an Archaeological Inventory Report, and I will be filing an APD on behalf of CDX with the Utah Division of Oil, Gas & Mining.

Displacement Point Utah State Strat Test 36-12-25
NESE 36-12S-25E (800' FSL - 600' FEL)
Uintah County, Utah

Please advise me when CDX may proceed with filing a Change of Operator form from Retamco to CDX for the TPC State 36-14-24 Well.

Thank you for your assistance in this matter.

Very truly yours,



Alvin R. (Al) Arlian

ara
Enclosure:

cc: CDX Rockies, LLC.
Utah DOG&M w/ copy

STATE OF UTAH
BOND OF LESSEE

KNOW ALL MEN BY THESE PRESENTS, that we CDX Rockies
of 5485 Beltline Rd., #280, Dallas, TX 75240 as principal and
RLI Insurance Company as surety, are held and firmly bound
unto the State of Utah in the sum of Eighty Thousand Dollars (\$ 80,000.00) lawful money of the United States
to be paid to the School & Institutional Trust Lands Administration, 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, well and truly to be made, we bind ourselves, and each
of us, and each of our heirs, executors, administrators, successors, sublessees, and assignees, jointly and severally by
these presents.

Signed with our hands and seals this 29th day of March, ~~XX~~ 2001

The condition of the foregoing obligation is such that,

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

STATE WIDE BOND

NOW, THEREFORE, the principal and surety shall be obligated to pay all monies, rentals, royalties, costs of
reclamation, damages to the surface and improvements thereon and any other damages, costs, expenses, penalties, interest
or liabilities which arise by operation of or in connection with 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 School & Institutional Trust Lands Administration, 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 its 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 School & Institutional Trust Lands Administration.

Signed, sealed and delivered
in the presence of

Deborah Anderson
Witness

CDX Rockies

BY: [Signature] (SEAL)-
Principal

Nancy S.
Witness

BONDING COMPANY RLI Insurance Company

BY Greg E. Chilson
Greg E. Chilson, Attorney-in-Fact

Attest: Paul M. O'Sullivan
Paul M. O'Sullivan, Assistant Secretary

APPROVED AS TO FORM:
JAN GRAHAM
ATTORNEY GENERAL

Resident Agent: _____

By [Signature]

Bonding Co. Address: _____

Corporate Seal of Bonding Company Must be Affixed.



9025 North Lindbergh Dr. • Peoria, IL 61615
(309) 692-1000 or (800) 645-2402

RLB0003066
POWER OF ATTORNEY
RLI Insurance Company

Know All Men by These Presents:

That the RLI INSURANCE COMPANY, a corporation organized and existing under the laws of the State of Illinois, and authorized and licensed to do business in all states and the District of Columbia does hereby make, constitute and appoint: GREG E. CHILSON

in the City of HOUSTON, State of TEXAS, as Attorney-in-Fact, with full power and authority hereby conferred upon him to sign, execute, acknowledge and deliver for and on its behalf as Surety and as its act and deed, all of the following classes of documents to-wit:

\$80,000.00

Indemnity, Surety and Undertakings that may be desired by contract, or may be given in any action or proceeding in any court of law or equity, policies indemnifying employers against loss or damage caused by the misconduct of their employees, official, bail and surety and fidelity bonds. Indemnity in all cases where indemnity may be lawfully given; and with full power and authority to execute consents and waivers to modify or change or extend any bond or document executed for this Company, and to compromise and settle any and all claims or demands made or existing against said Company.

The RLI INSURANCE COMPANY further certifies that the following is a true and exact copy of a Resolution adopted by the Board of Directors of RLI Insurance Company, and now in force to-wit:

All bonds, policies, undertakings, Powers of Attorney, or other obligations of the corporation shall be executed in the corporate name of the Company by the President, Secretary, any Assistant Secretary, Treasurer, or any Vice President, or by such other officers as the Board of Directors may authorize. The President, any Vice President, Secretary, any Assistant Secretary, or the Treasurer may appoint Attorneys-in-Fact or Agents who shall have authority to issue bonds, policies, or undertakings in the name of the Company. The corporate seal is not necessary for the validity of any bonds, policies, undertakings, Powers of Attorney, or other obligations of the corporation. The signature of any such officer and the corporate seal may be printed by facsimile.

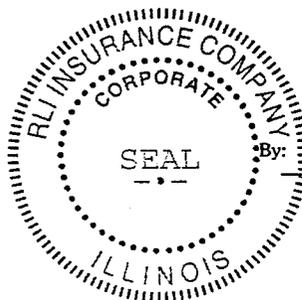
(Blue shaded areas above indicate authenticity)

IN WITNESS WHEREOF, the RLI Insurance Company has caused these presents to be executed by its CHAIRMAN, CEO with its corporate seal affixed this

ATTEST:

Camille J. Hensey

Corporate Secretary



RLI INSURANCE COMPANY

Gerald D. Stephens

Chairman, CEO

State of Illinois)
) SS
County of Peoria)

On this 29 day of Mar. 2001 before me, a Notary Public, personally appeared Gerald D. Stephens and Camille J. Hensey, who being by me duly sworn, acknowledged that they signed the above Power of Attorney as Chairman, CEO and Corporate Secretary, respectively, of the said RLI INSURANCE COMPANY, and acknowledged said instrument to be the voluntary act and deed of said corporation.

Cynthia S. Dohm

Notary Public

"OFFICIAL SEAL"
CYNTHIA S. DOHM
NOTARY PUBLIC, STATE OF ILLINOIS
MY COMMISSION EXPIRES 02/24/02

CDX ROCKIES, LLC
DISPLACEMENT POINT UTAH STATE STRAT TEST #36-12-25
 LOCATED IN UTAH COUNTY, UTAH
 SECTION 36, T12S, R25E, S.L.B.&M.



PHOTO: VIEW FROM LOCATION STAKE

CAMERA ANGLE: NORTHWESTERLY



PHOTO: VIEW FROM BEGINNING OF PROPOSED ACCESS

CAMERA ANGLE: NORTHWESTERLY



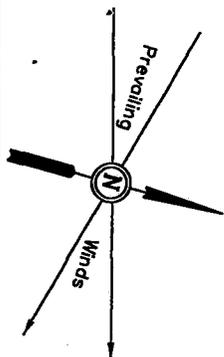
UELS Uintah Engineering & Land Surveying
 85 South 200 East Vernal, Utah 84078
 435-789-1017 uels@uelsinc.com

LOCATION PHOTOS			4	12	01	PHOTO
			MONTH	DAY	YEAR	
TAKEN BY: J.F.	DRAWN BY: P.M.	REVISED: 00-00-00				

CDX ROCKIES, LLC

LOCATION LAYOUT FOR

DISPLACEMENT POINT UTAH STATE
STRAT TEST #36-12-25
SECTION 36, T12S, R25E, S.L.B.&M.
872' FSL 746' FEL



SCALE: 1" = 50'
DATE: 4-12-01
Drawn By: D.COX

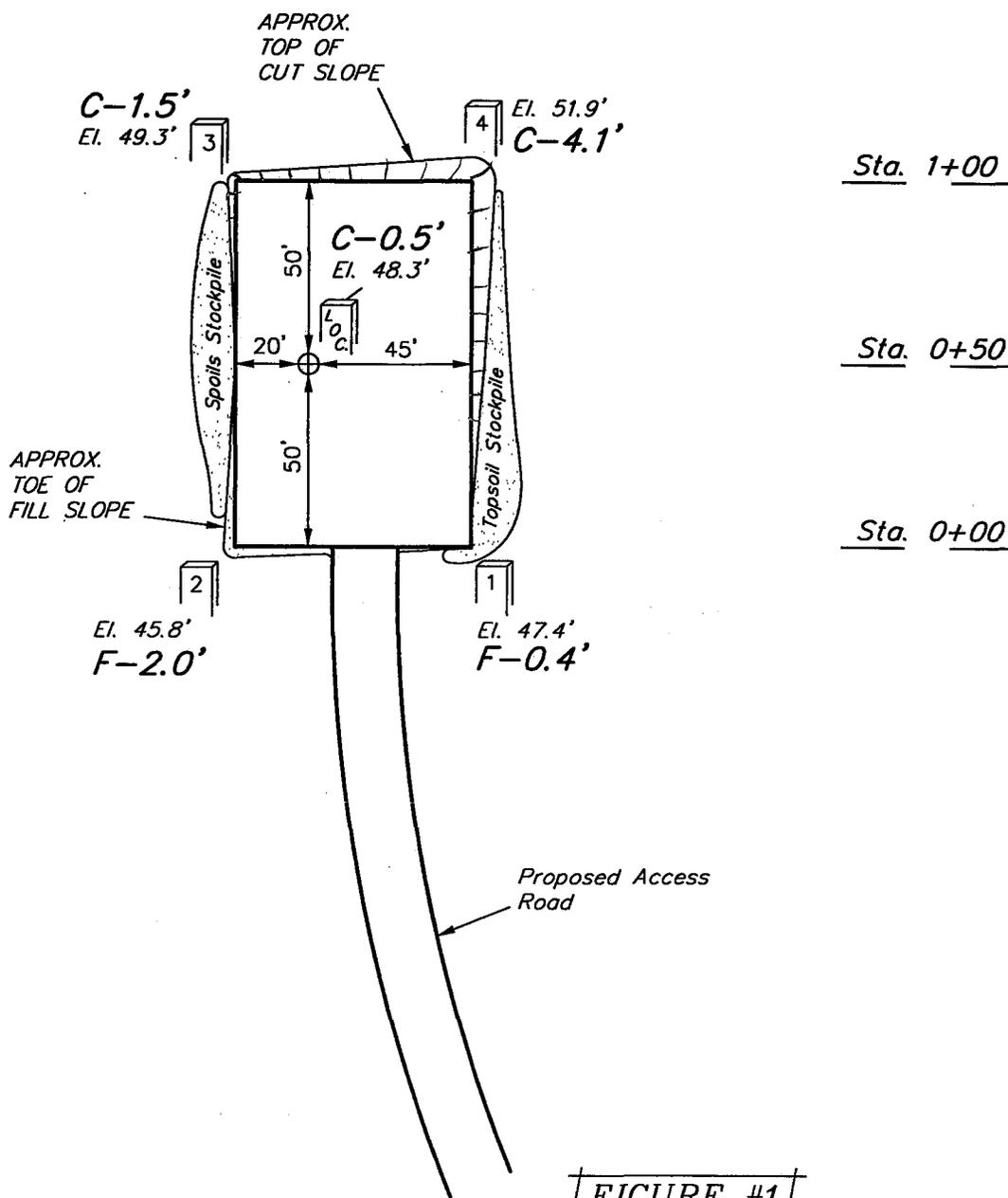


FIGURE #1

Elev. Ungraded Ground at Location Stake = 6248.3'

Elev. Graded Ground at Location Stake = 6247.8'

CDX ROCKIES, LLC

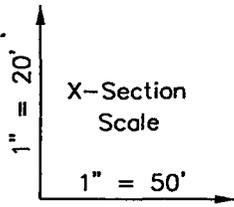
TYPICAL CROSS SECTIONS FOR

DISPLACEMENT POINT UTAH STATE

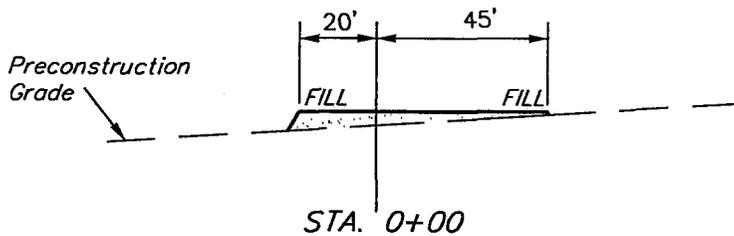
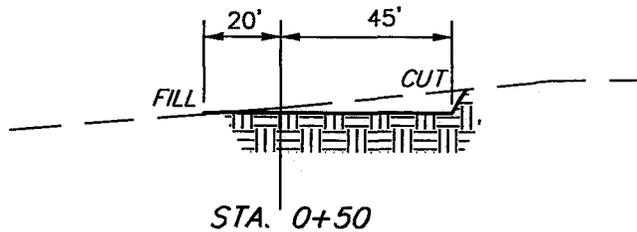
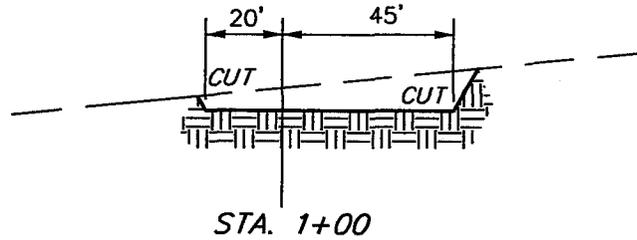
STRAT TEST #36-12-25

SECTION 36, T12S, R25E, S.L.B.&M.

872' FSL 746' FEL



DATE: 4-12-01
Drawn By: D.COX



NOTE:

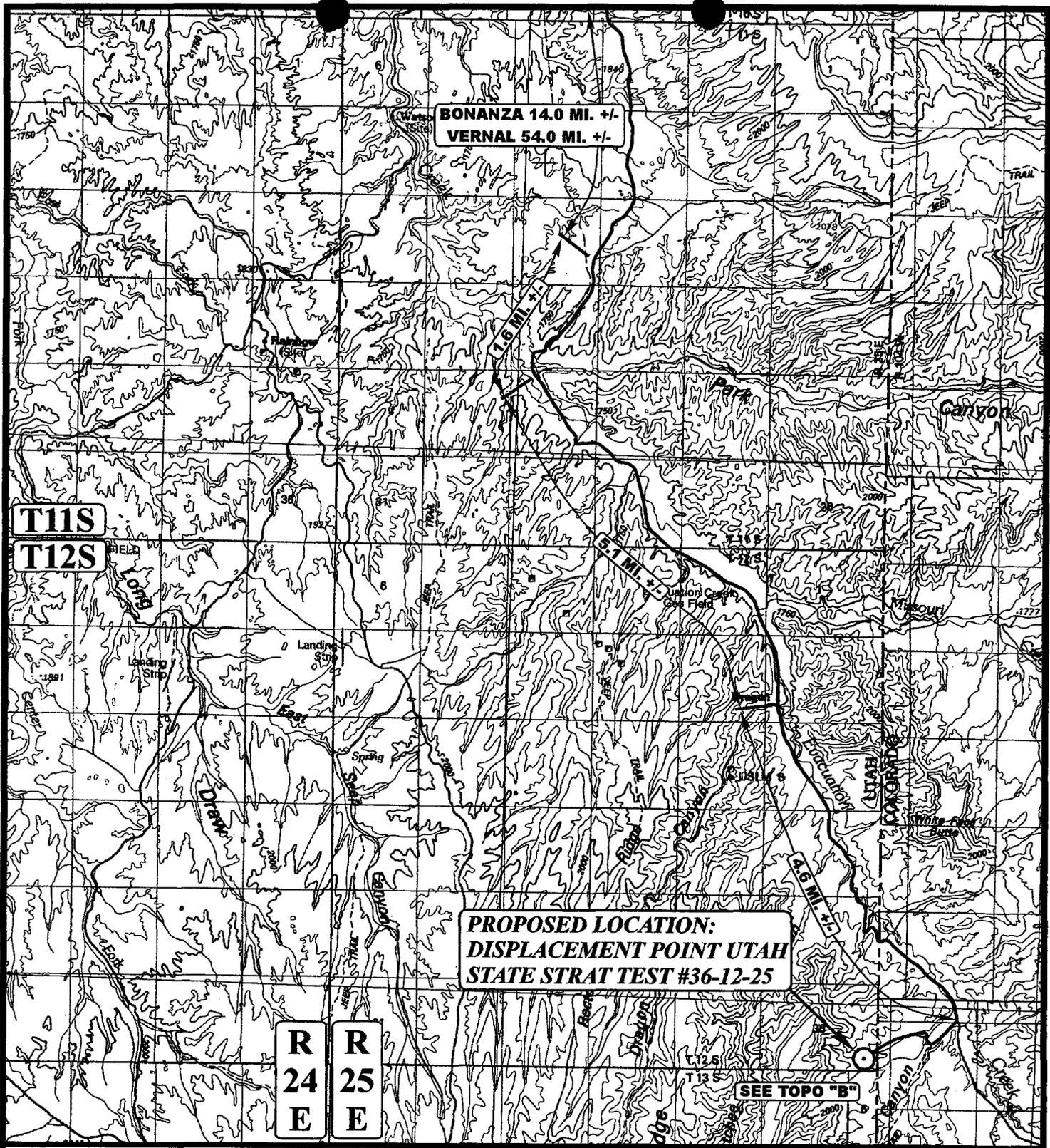
Topsoil should not be Stripped Below Finished Grade on Substructure Area.

FIGURE #2

APPROXIMATE YARDAGES

CUT		
(6") Topsoil Stripping	= 120	Cu. Yds.
Remaining Location	= 230	Cu. Yds.
TOTAL CUT	= 350	CU.YDS.
FILL	= 120	CU.YDS.

EXCESS MATERIAL AFTER 5% COMPACTION	= 220	Cu. Yds.
(6") Topsoil Stripping	= 120	Cu. Yds.
EXCESS MATERIAL After Topsoil is Re-distributed	= 100	Cu. Yds.



LEGEND:

○ PROPOSED LOCATION

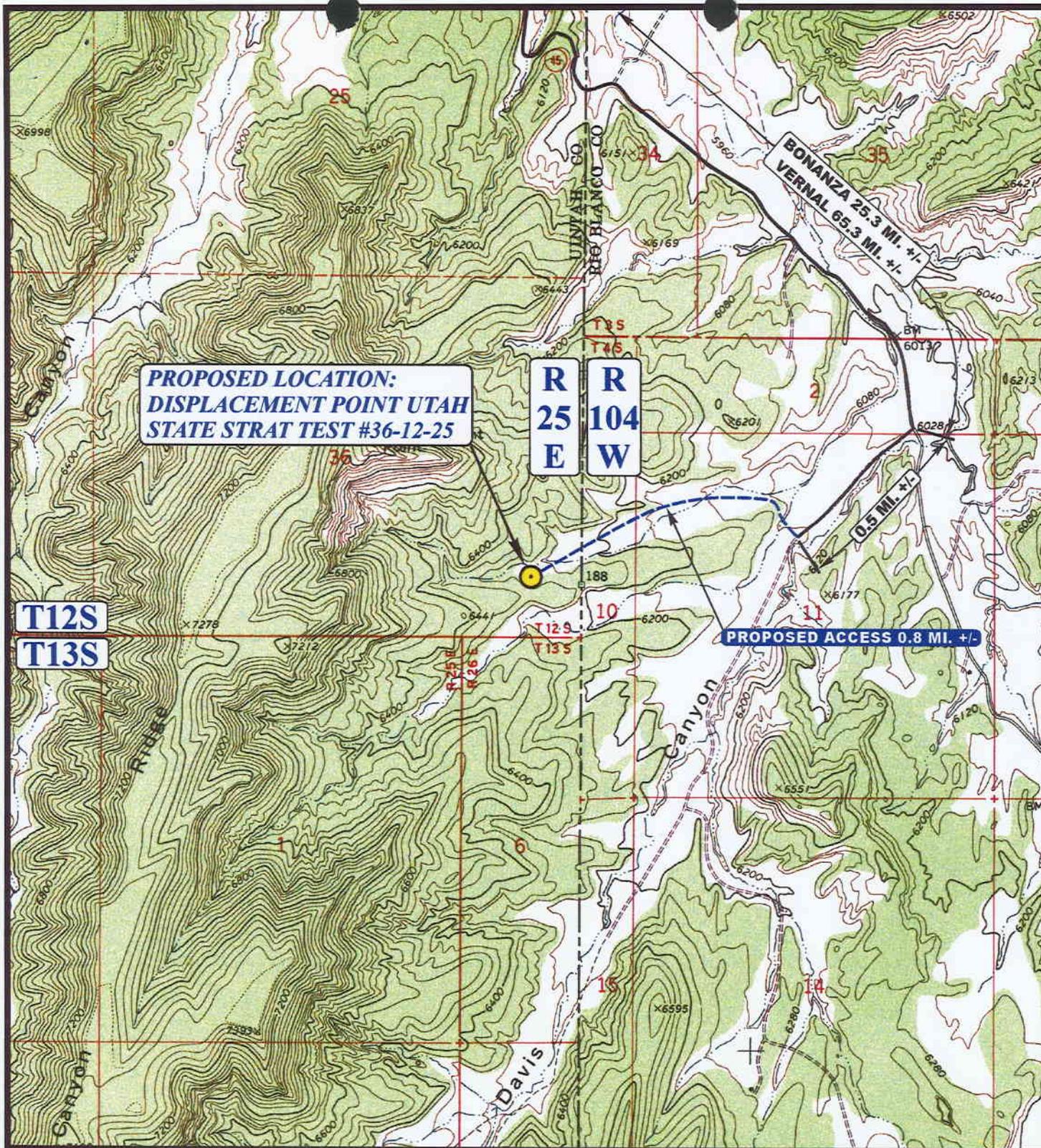
CDX ROCKIES, LLC

DISPLACEMENT POINT UTAH
STATE STRAT TEST #36-12-25
SECTION 36, T12S, R25E, S.L.B.&M.
872' FSL 746' FEL

U&L S Uintah Engineering & Land Surveying
 85 South 200 East Vernal, Utah 84078
 (435) 789-1017 * FAX (435) 789-1813

TOPOGRAPHIC MAP 4 12 01
 MONTH DAY YEAR
 SCALE: 1:100,000 DRAWN BY: P.M. REVISED: 00-00-00

A
TOPO



**PROPOSED LOCATION:
DISPLACEMENT POINT UTAH
STATE STRAT TEST #36-12-25**

**R 25 E
R 104 W**

**T12S
T13S**

PROPOSED ACCESS 0.8 MI. +/-

0.5 MI. +/-

**BONANZA 25.3 MI. +/-
VERNAL 65.3 MI. +/-**

LEGEND:

- PROPOSED ACCESS ROAD
- EXISTING ROAD



CDX ROCKIES, LLC

**DISPLACEMENT POINT UTAH
STATE STRAT TEST #36-12-25
SECTION 36, T12S, R25E, S.L.B.&M.
872' FSL 746' FEL**



Uintah Engineering & Land Surveying
85 South 200 East Vernal, Utah 84078
(435) 789-1017 * FAX (435) 789-1813

TOPOGRAPHIC MAP **4 12 01**
MONTH DAY YEAR
SCALE: 1" = 2000' DRAWN BY: P.M. REVISED: 00-00-00



**WORKSHEET
APPLICATION FOR PERMIT TO DRILL**

APD RECEIVED: 04/18/2001

API NO. ASSIGNED: 43-047-34028

WELL NAME: DISPLACEMENT POINT 36-12-25
 OPERATOR: CDX ROCKIES LLC (N1700)
 CONTACT: ALVIN ARLIAN

PHONE NUMBER: 970-247-4126
303-292-4051

PROPOSED LOCATION:

S ESE 36 120S 250E
 SURFACE: 0872 FSL 0746 FEL
 BOTTOM: 0872 FSL 0746 FEL
 UINTAH
 WILDCAT (1)

LEASE TYPE: 3 - State
 LEASE NUMBER: ML-46435
 SURFACE OWNER: 3 - State

PROPOSED FORMATION:

INSPECT LOCATN BY: / /		
Tech Review	Initials	Date
Engineering	RAM	5/2/01
Geology		
Surface		

RECEIVED AND/OR REVIEWED:

Plat
 Bond: Fed[] Ind[] Sta[3] Fee[]
 (No. RLB0003066)
 Potash (Y/N)
 Oil Shale (Y/N) *190-5 (B) or 190-3
 Water Permit
 (No. 49-1652)
 RDCC Review (Y/N)
 (Date: Comments due 5-8-01) no comments
 Fee Surf Agreement (Y/N)

LOCATION AND SITING:

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

COMMENTS:

Need Presite. (4-27-01)
Need add'l info. "Ex. Loc." (Rec'd 4-23-01) (Amended 4-24-01)

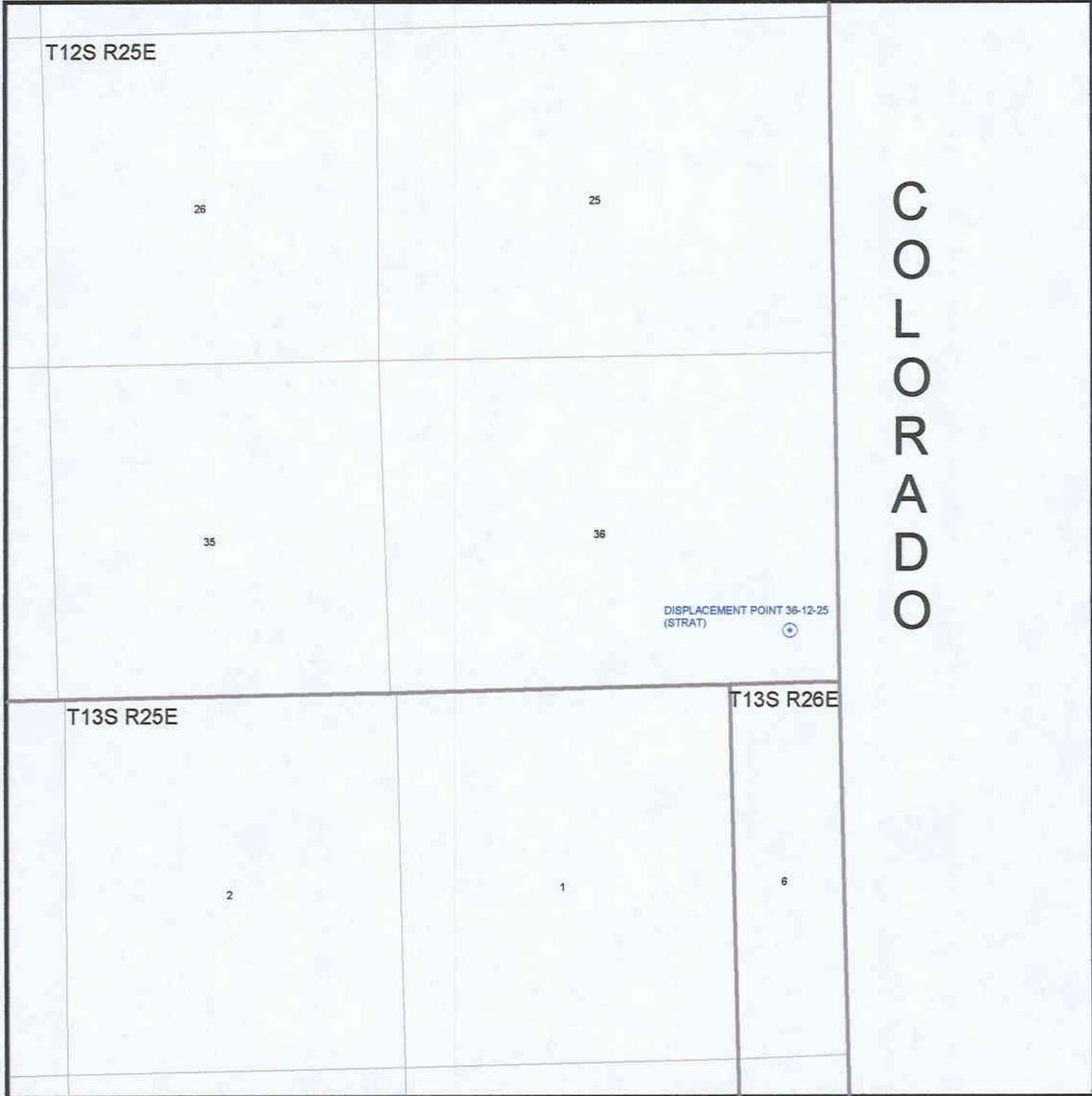
STIPULATIONS:

①. PRIOR TO INITIATING PLUGGING OPERATIONS, CONTACT THE DIVISION FOR PLUGGING SPECIFICATIONS. REVISIONS TO THE PROPOSED PROCEDURE MAY BE NECESSARY BASED UPON THE PRESENCE OF GAS AND/OR FRESH WATER ENCOUNTERED WHILE DRILLING.

② STATEMENT OF BASIS
③ RACE 5/14/01ER

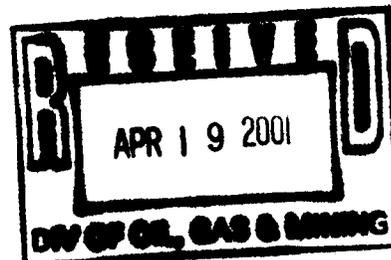


OPERATOR: CDX ROCKIES LLC (N1700)
SEC. 36, T12S, R25E
FIELD: WILDCAT (001)
COUNTY: UINTAH SPACING: R649-3-3/EX LOC



BLUE CREEK, INC.

1801 Broadway
Suite 1460
Denver, Colorado 80202
(303) 292-4051
Fax: (303) 292-1734

**MEMORANDUM**

DATE: April 19, 2001 (10:06am)
FROM: Al Arlian
per request of Brad Boyce and Gary Trotter
VIA: FAX
RE: CONFORMATION/NOTICE OF UT OG&M ON-SITE

An "On-Site" has been scheduled for the following well(s).

**IF YOU ARE NAMED ON THE ATTACHED LIST AND CAN NOT ATTEND,
PLEASE ADVISE AL ARLIAN IMMEDIATELY.**

WELL(S): Displacement Point Utah State Strat Test 36A-12-25
NE/4SE/4 36-12S-25E
Uintah County, UT (UT Trust Lands)

DATE: April 27, 2001

STARTING TIME: 12:00 noon

LOCATION: (300' SOUTH up Davis Canyon from the Davis Canyon Gate
on Baxter Pass)

UT OG&D AGENT: David Hackford
OFF/FAX: 435-722-3417
CELL: 435-722-7589

CC:

1. Lisha Cordova - Utah Division of Oil, Gas and Mining
2. Utah School & Institutional Trust Lands
Administration
3. Larry Schuts - Penny Brown Meeker, Colorado BLM
District Office (pending easement application)

OTHER LISTED PARTIES:

NAME	PHONE(S)	REPRESENTING	ATTENDANCE SUMMARY
Al Arlian	CELL: 303-981-4859 OFF: 303-292-4051 FAX: 303-292-1734 HOM: 303-690-7123	Blue Creek, Inc. (CDX and Retamco)	WILL BE PRESENT Consultant
Brad Boyce	CELL: 303-883-4806 OFF: 970-247-4126 FAX: 970-247-1047	CDX-Durango	Will not be present.
Gary Trotter	CELL: OFF: 972-392-1880 FAX: 972-392-1881	CDX-Dallas	Will not be present.
Brett Austin	CELL: 972-567-4148 OFF: 972-392-1880 FAX: 972-392-1881	CDX-Dallas	Will not be present.
Larry Diamond	CELL: OFF: 972-392-1880 FAX: 972-392-1881	CDX-Dallas	Will not be present.
John Hill	TEL 970-675-8569	Landowner	MAY BE PRESENT Runs cows up Davis Canyon.
Patrick Langan or Robert Jex	CELL: 775-843-8496 OFF: 800-327-7049 CELL 775-720-1310 FAX: 775-246-3208	Boart Longyear Core Drilling Division	WILL BE PRESENT Drilling Contractor
Bill Ryan, or Russell Ivy	CELL: 435-828-0968 CELL: 435-828-7299 FAX: 435-789-0970	Rocky Mountain Consulting (CDX)	WILL BE PRESENT Contract Petroleum Engineer for CDX/Retamco
Joe Glennon	OFF: 406-248-5594 FAX: 406-248-6068	Retamco	
Molly Conrad	OFF: 406-628-4164 FAX: 406-628-4164	Crazy Mountain Oil and Gas Services Retamco/CDX	Permit Agent Will not be present.
Paul Yoder	CELL: 435-828-6377 OFF: 435-789-2225 FAX: 435-789-9514	J-West Construction	WILL BE PRESENT Backhoe to build pits, dig and construct cellar.

cc: Brad Boyce via fax
Gary Trotter via fax

BLUE CREEK, INC.

1801 Broadway
Suite 1460
Denver, Colorado 80202
(303) 292-4051
Fax: (303) 292-1734

April 18, 2001

RECEIVED
APR 18 2001
OFFICE OF THE
CLERK OF THE JUDICIAL
DEPARTMENT

VIA FAX w/ Hard Copy Mailed

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

RE: APD
Displacement Point Utah State Strat Test 36-12-25
NESE 36-12-25
Uintah County, Utah

Dear Ms. Cordova:

Pursuant to our telephone conversation today, the following information is attached.

Once again, I am a consultant working for CDX Rockies, LLC.

1. A schematic drawing and cross-section drawing of the core rig BOP, which I may have omitted from the original two APD's I submitted.
2. The mineral and surface ownership of this entire section is the Utah School & Institutional Trust Lands Administration.
 - A. There are no offsetting lease or mineral owners within 400' of the lease that are affected by this "exception location," and
 - B. This exception location has been requested because:
 - I. This well will be plugged immediately upon reaching TD,
 - II. To access the W/2 of this section would cause a new, lengthy road to be constructed,
 - III. The W/2E/2 of this section is near all cliffs,
 - IV. The site is located as far west and north as possible up against sheer rock cliffs to the west and north, with hills to the south,

April 18, 2001
Page No. 2

- V. The BLM is permitting access from the east by simply driving across a sage brush flat, causing little, if any, surface disturbance.

On behalf of CDX, I respectfully request that the "on-site" be scheduled as soon as practical and the APD be processed likewise, so that there is a chance that the site may be restored and re-seeded with Spring moisture still in the ground.

Thank you for your assistance in this matter.

Very truly yours,

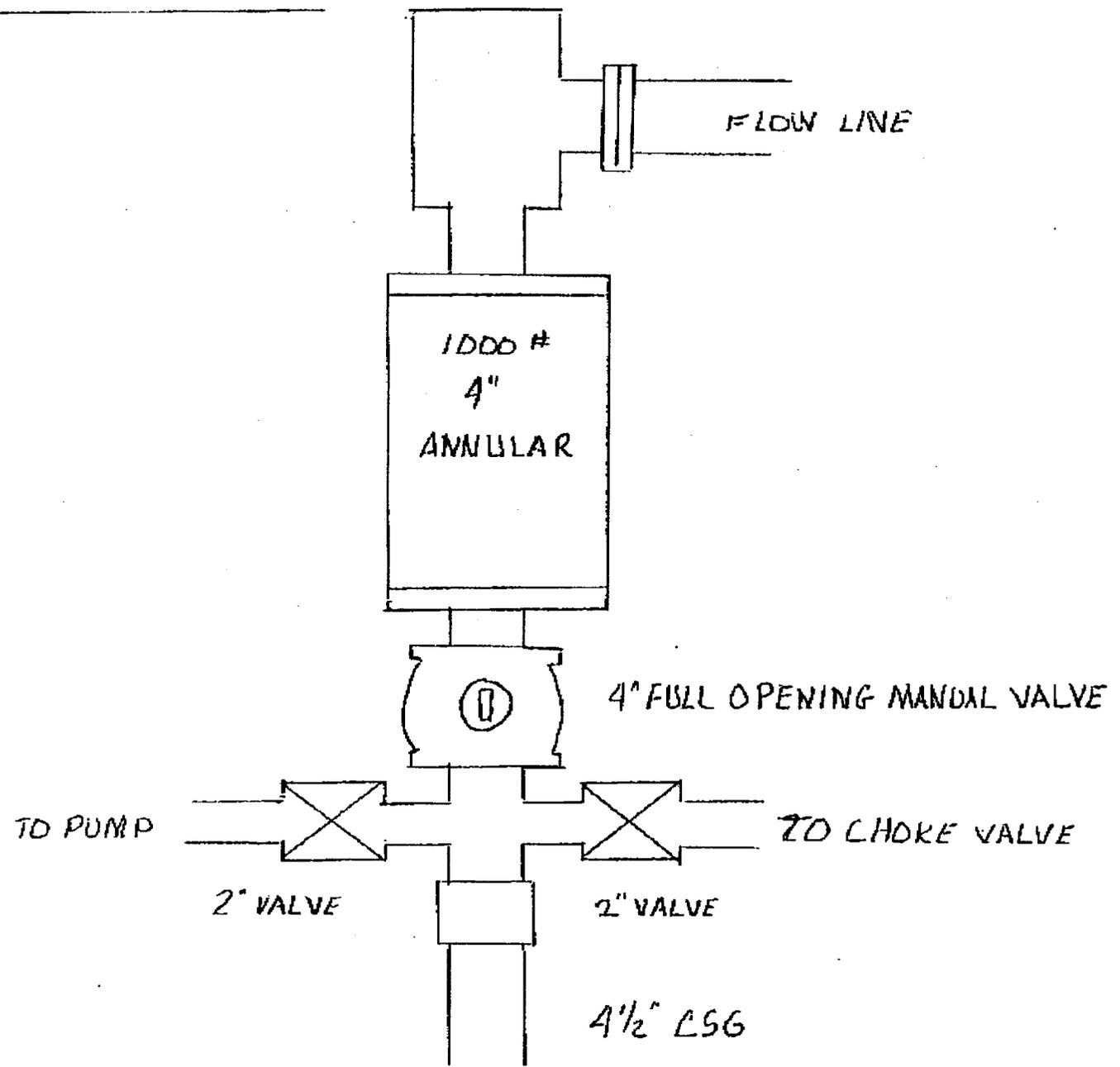
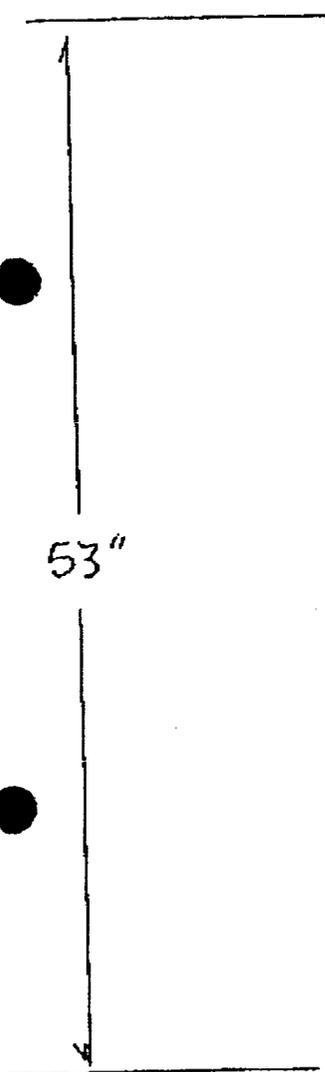


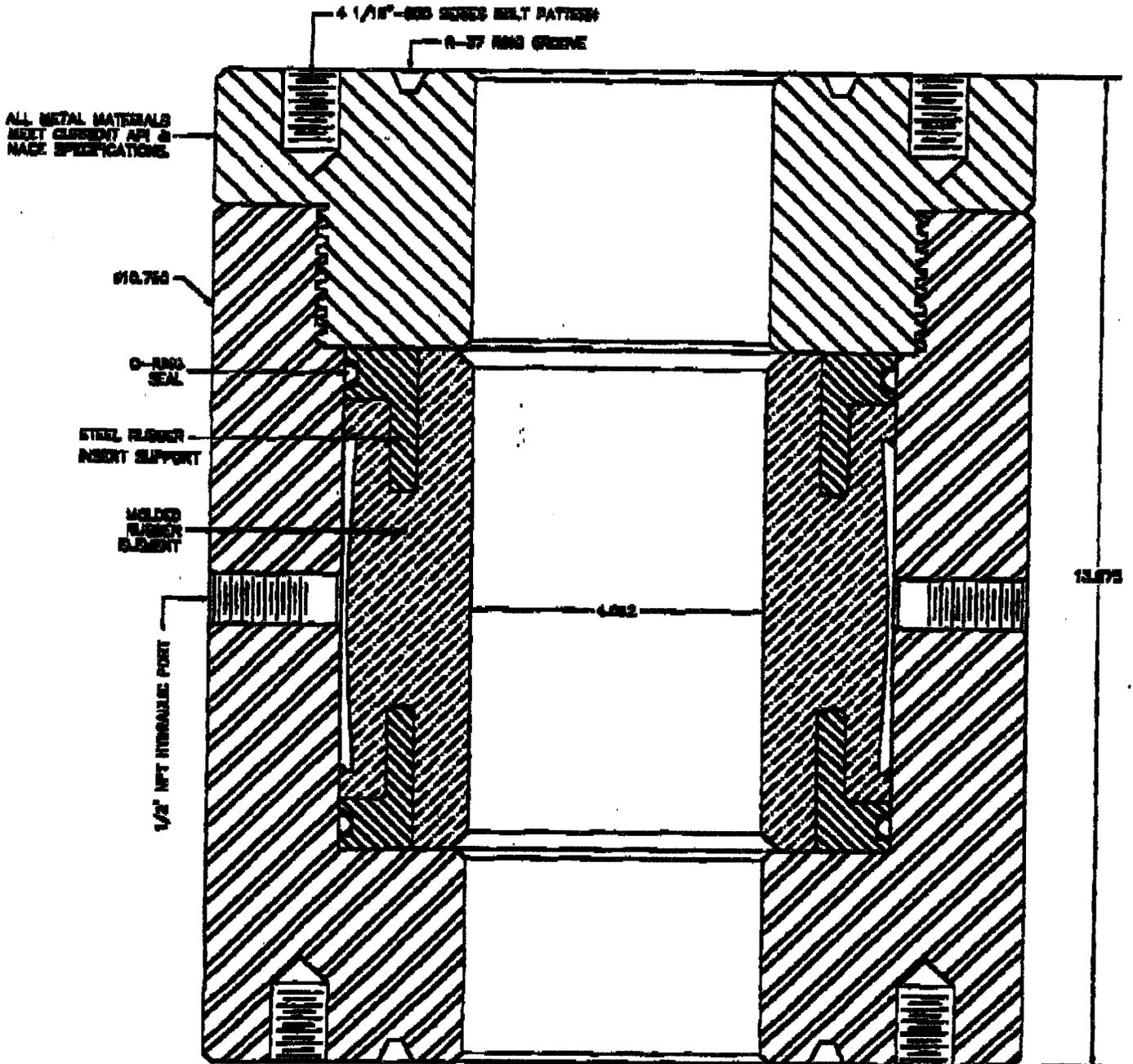
Alvin R. (Al) Arlian

ara

Enclosures as stated:

cc: Montgomery Archaeological w/o attachments
Utah School & Institutional Trust Lands Administration w/ attachments
Brad Boyce - CDX. Durango, CO w/ attachments
Gary Trotter - CDX Dallas, TX w/ attachments





TRIPPLE B QJ. TOOL 31/32 + 1/16 ANNULAR TYPE BOP

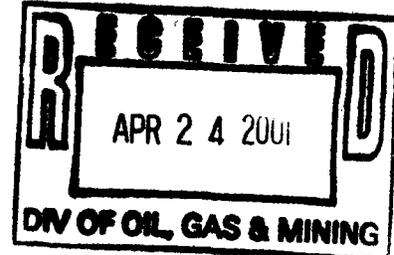
BLUE CREEK, INC.

1801 Broadway
Suite 1460
Denver, Colorado 80202
(303) 292-4051
Fax: (303) 292-1734

April 24, 2001

VIA FAX w/ Hard Copy Mailed

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



RE: APD
Displacement Point Utah State Strat Test 36-12-25
NESE 36-12-25
Uintah County, Utah

Dear Ms. Cordova:

Once again, I am a consultant working for CDX Rockies, LLC.

Pursuant to our telephone conversation today, the following footage was incorrectly stated in my letter dated April 18, 2001, and is herein correctly stated.

1. INCORRECT STATEMENT:

There are no offsetting lease or mineral owners within **400'** of the lease that are affected by this "exception location," and

2. CORRECTED STATEMENT:

There are no offsetting lease or mineral owners within **460'** of the lease that are affected by this "exception location," and

There are no other changes.

Very truly yours,

A handwritten signature in black ink, appearing to read "Alvin R. Arlian".

Alvin R. (Al) Arlian

ara

BLUE CREEK, INC.
1801 Broadway, Suite 1460
Denver, Colorado 80202
Tel (303) 292-4051 Fax (303) 292-1734
E-Mail aarlian@eazy.net

FAX TRANSMITTAL SHEET

DATE/TIME: April 24, 2001 (10:56am)

TO: Lisha Cordova

FROM: Al Arlian

PAGES TRANSMITTED INCLUDING THIS PAGE: 2

MATTER: APD
Displacement Point Utah State Strat Test 36-12-25
NESE 36-12-25
Uintah County, Utah

-
1. Correction letter for above-referenced APD.
 2. A hard copy has been mailed today.



cc: via fax Brad Boyce
Gary Trotter
Brett Austin
Bill Allen

PLEASE CONTACT Al Arlian IF ANY PORTION OF
THIS TRANSMITTAL IS NOT RECEIVED OR IS UNREADABLE.

BLUE CREEK, INC.

1801 Broadway
Suite 1460
Denver, Colorado 80202
(303) 292-4051
Fax: (303) 292-1734

April 24, 2001

VIA FAX w/ Hard Copy Mailed

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

RE: APD
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NESE 36-12-25
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There are no other changes.

Very truly yours,



Alvin R. (Al) Arlian

ara

RECEIVED

APR 26 2001

DIVISION OF
OIL, GAS AND MINING

ON-SITE PREDRILL EVALUATION
Division of Oil, Gas and Mining

OPERATOR: CDX ROCKIES, LLC.
WELL NAME & NUMBER: DISPLACEMENT POINT 36-12-25
API NUMBER: 43-047-34028
LEASE: ML 46435 **FIELD/UNIT:** WILDCAT
LOCATION: 1/4,1/4 NE/SE SEC:36 TWP:12S RNG: 25E 746 F E L 872' F S L
LEGAL WELL SITING: Statewide 400 foot window in center of 40 acre tract and no closer than 920 feet from another well.
GPS COORD (UTM): 4399041N 666851E
SURFACE OWNER: SITLA

PARTICIPANTS: AL ARLIAN (CDX ROCKIES, LLC.), PAUL YODER (J-WEST CONSTRUCTION), DAVID HACKFORD (DOGM).

REGIONAL/LOCAL SETTING & TOPOGRAPHY:

SITE IS IN A SHALLOW BOWL AT THE HEAD OF A DRAINAGE WHICH RUNS NORTHEAST FOR 0.5 MILES TO DAVIS CANYON. BOWL IS SURROUNDED ON THREE SIDES WITH 15' TO 20' HIGH RIDGES.

SURFACE USE PLAN:

CURRENT SURFACE USE: WILDLIFE AND LIVESTOCK GRAZING. HUNTING.

PROPOSED SURFACE DISTURBANCE: LOCATION WOULD BE 65' BY 100'. AND ACCESS ROAD WOULD BE 0.75 MILES.

LOCATION OF EXISTING WELLS WITHIN A 1 MILE RADIUS: SEE ATTACHED MAP FROM GIS DATABASE.

LOCATION OF PRODUCTION FACILITIES AND PIPELINES: TEST HOLE WILL BE PLUGGED. NO PRODUCTION FACILITIES OR PIPELINES WILL BE AT THIS SITE.

SOURCE OF CONSTRUCTION MATERIAL: ALL CONSTRUCTION MATERIAL WILL BE BORROWED FROM SITE DURING CONSTRUCTION OF LOCATION.

ANCILLARY FACILITIES: NONE WILL BE REQUIRED.

WASTE MANAGEMENT PLAN:

DRILLED CUTTINGS WILL BE SETTLED INTO RESERVE PIT. LIQUIDS FROM PIT WILL BE ALLOWED TO EVAPORATE. FORMATION WATER WILL BE CONFINED TO STORAGE TANKS. SEWAGE FACILITIES, STORAGE AND DISPOSAL WILL BE HANDLED BY COMMERCIAL CONTRACTOR. TRASH WILL BE CONTAINED IN TRASH BASKETS AND HAULED TO AN APPROVED LAND FILL.

ENVIRONMENTAL PARAMETERS:

AFFECTED FLOODPLAINS AND/OR WETLANDS: NONE

FLORA/FAUNA: NATIVE GRASSES, SAGEBRUSH, PRICKLY PEAR, PINION, JUNIPER,
PRONGHORN, RODENTS, COYOTE, SONGBIRDS, RAPTORS, DEER, ELK, BEAR, COUGAR.

SOIL TYPE AND CHARACTERISTICS: LIGHT BROWN SANDY CLAY LOAM.

EROSION/SEDIMENTATION/STABILITY: VERY LITTLE NATURAL EROSION.
SEDIMENTATION AND STABILITY ARE NOT A PROBLEM AND LOCATION CONSTRUCTION
SHOULDN'T CAUSE ANY INCREASE IN STABILITY OR EROSION PROBLEMS.

PALEONTOLOGICAL POTENTIAL: NONE OBSERVED DURING ONSITE VISIT

RESERVE PIT:

CHARACTERISTICS: 10' BY 25' AND SIX FEET DEEP.

LINER REQUIREMENTS (Site Ranking Form attached): A LINER WILL NOT BE REQUIRED FOR
RESERVE PIT.

SURFACE RESTORATION/RECLAMATION PLAN:

AS PER SITLA.

SURFACE AGREEMENT: STATE SURFACE.

CULTURAL RESOURCES/ARCHAEOLOGY: SITE HAS BEEN INSPECTED BY MONTGOMERY
ARCHAEOLOGICAL CONSULTANTS. A REPORT OF THIS INVESTIGATION WILL BE PLACED ON
FILE.

OTHER OBSERVATIONS/COMMENTS:

THE PRE-DRILL INVESTIGATION TOOK PLACE ON A MILD, BREEZY DAY WITH NO SNOW
COVER.

ATTACHMENTS:

PHOTOS OF SITE WILL BE PLACED ON FILE.

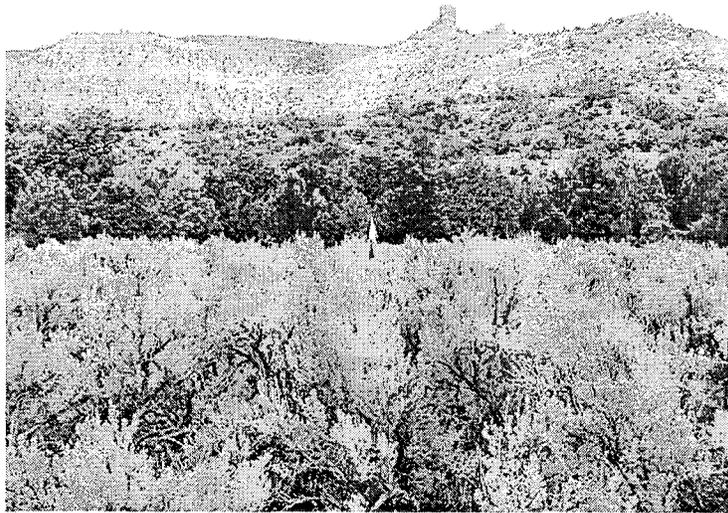
DAVID W. HACKFORD
DOG M REPRESENTATIVE

4/27/01 12:30 PM
DATE/TIME

**Evaluation Ranking Criteria and Ranking Score
For Reserve and On-site Pit Liner Requirements**

<u>Site-Specific Factors</u>	<u>Ranking</u>	<u>Site Ranking</u>
Distance to Groundwater (feet)		
>200	0	
100 to 200	5	
75 to 100	10	
25 to 75	15	
<25 or recharge area	20	<u>5</u>
Distance to Surf. Water (feet)		
>1000	0	
300 to 1000	2	
200 to 300	10	
100 to 200	15	
< 100	20	<u>0</u>
Distance to Nearest Municipal Well (feet)		
>5280	0	
1320 to 5280	5	
500 to 1320	10	
<500	15	<u>0</u>
Distance to Other Wells (feet)		
>1320	0	
300 to 1320	10	
<300	20	<u>0</u>
Native Soil Type		
Low permeability	0	
Mod. permeability	10	
High permeability	20	<u>0</u>
Fluid Type		
Air/mist	0	
Fresh Water	5	
TDS >5000 and <10000	15	
TDS >10000 or Oil Base	20	
Mud Fluid containing high levels of hazardous constituents		<u>5</u>
Drill Cuttings		
Normal Rock	0	
Salt or detrimental	10	<u>0</u>
Annual Precipitation (inches)		
<10	0	
10 to 20	5	
>20	10	<u>0</u>
Affected Populations		
<10	0	
10 to 30	6	
30 to 50	8	
>50	10	<u>0</u>
Presence of Nearby Utility		
Conduits		
Not Present	0	
Unknown	10	
Present	15	<u>0</u>
Final Score		<u>10</u>





BLUE CREEK, INC.

1801 Broadway
Suite 1460
Denver, Colorado 80202
(303) 292-4051
Fax: (303) 292-1734

April 23, 2001

Billie M. White
State Of Utah Department of Natural Resources
Division Of Water Rights - Eastern Area
State/County Building
152 East 100 North
Vernal, Utah 84078-2110

RE: Application to Appropriate Water
from Evacuation Creek, State of Utah
(For Coring Displacement Point State of Utah Strat Test 36-12-25)
Uintah County, Utah

Dear Ms. White:

Enclosed is an Application to Appropriate Water from Evacuation Creek, State of Utah, completed on behalf of CDX Rockies, LLC.

Also enclosed is a check in the amount \$75.00 for filing fees.

Thank you for your assistance in this matter.

Very truly yours,



Alvin R. (Al) Arlian

ara

Enclosures as stated:

RECEIVED

APR 30 2001

DIVISION OF
OIL, GAS AND MINING

BC: O.G. + MS

FILING FOR WATER IN THE STATE OF UTAH

Rec. by _____

Fee Rec. _____

Receipt # _____

APPLICATION TO APPROPRIATE WATER

For the purpose of acquiring the right to use a portion of the unappropriated water of the State of Utah, application is hereby made to the State Engineer, based upon the following showing of facts, submitted in accordance with the requirements to Title 73, Chapter 3 of the Utah Code Annotated (1953, as amended).

WATER RIGHT NUMBER: 49 - 1652

TEMPORARY APPLICATION NUMBER: T73401

1. OWNERSHIP INFORMATION:

LAND OWNED? No

A. NAME: CDX Rockies LLC
 Attn: Al Arlian
 ADDRESS: 1801 Broadway Ste 1460, Denver, CO 80202

B. PRIORITY DATE:

FILING DATE:

2. SOURCE INFORMATION:

A. QUANTITY OF WATER: 4.0 acre-feet

B. SOURCE: Evacuation Creek

COUNTY: Uintah

C. POINT OF DIVERSION -- SURFACE:

(1) S 1300 feet W 100 feet from NE corner, Section 7, T 11S, R 24E, SLBM
 DIVERT WORKS: Pump into tank trucks and haul to place of use.

3. WATER USE INFORMATION:

OIL EXPLORATION: from Jan 1 to Dec 31. to be used for core testing

4. PLACE OF USE: (which includes all or part of the following legal subdivisions:)

BASE TOWN RANG SEC	NORTH-WEST¼	NORTH-EAST¼	SOUTH-WEST¼	SOUTH-EAST¼
	NW NE SW SE	NW NE SW SE	NW NE SW SE	NW NE SW SE
SL 12S 25E	Entire TOWNSHIP			
SL 15S 24E	Entire TOWNSHIP			

5. EXPLANATORY:

Point of diversion is on public domain - permission being obtained.

BLUE CREEK, INC.
1801 BROADWAY STE. 1460
DENVER, CO 80202
303-292-4051

usbank.
1515 ARAPAHOE ST.
DENVER, CO 80202
23-2
1020

13944

CHECK No.

PAY **Seventy Five and no/100ths *******

TO THE
ORDER OF

DATE

AMOUNT

April 23, 2001

\$75.00

VOID IF NOT CASHED WITHIN 90 DAYS

State Of Utah Department of Natural Resources
Division Of Water Rights



AUTHORIZED SIGNATURE

Security features are included. Details on back.

MP

⑈0 13944⑈ ⑆ 102000021⑆ 194311971270⑈

BLUE CREEK, INC.

13944

CDX Displacement Point Strat Test
Filing for Water in the State of Utah

Well name:

05-01 CDX 36-12-25

Operator: CDX Rockies, LLC

String type: Surface

Project ID:

43-047-34028

Location: Uintah County, Utah

Design parameters:

Collapse

Mud weight: 8.800 ppg
Design is based on evacuated pipe.

Minimum design factors:

Collapse:

Design factor 1.125

Burst:

Design factor 1.00

Environment:

H2S considered? No
Surface temperature: 65 °F
Bottom hole temperature: 68 °F
Temperature gradient: 1.40 °F/100ft
Minimum section length: 238 ft

Cement top:

Surface

180% washout

Burst

Max anticipated surface pressure: 0 psi
Internal gradient: 0.457 psi/ft
Calculated BHP 109 psi

No backup mud specified.

Tension:

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

Tension is based on air weight.
Neutral point: 207 ft

Non-directional string.

Re subsequent strings:

Next setting depth: 2,376 ft
Next mud weight: 8.800 ppg
Next setting BHP: 1,086 psi
Fracture mud wt: 19.250 ppg
Fracture depth: 238 ft
Injection pressure 238 psi

Run Seq	Segment Length (ft)	Size (in)	Nominal Weight (lbs/ft)	Grade	End Finish	True Vert Depth (ft)	Measured Depth (ft)	Drift Diameter (in)	Internal Capacity (ft³)
1	238	4.5	11.60	N-80	LT&C	238	238	3.875	5.5
Run Seq	Collapse Load (psi)	Collapse Strength (psi)	Collapse Design Factor	Burst Load (psi)	Burst Strength (psi)	Burst Design Factor	Tension Load (Kips)	Tension Strength (Kips)	Tension Design Factor
1	109	6350	58.36	109	7780	71.51	3	223	80.77 J

OVER

Prepared by: R.A. McKee
Utah Dept. of Natural Resources

Phone: (801) 538-5274
FAX: (801)359-3940

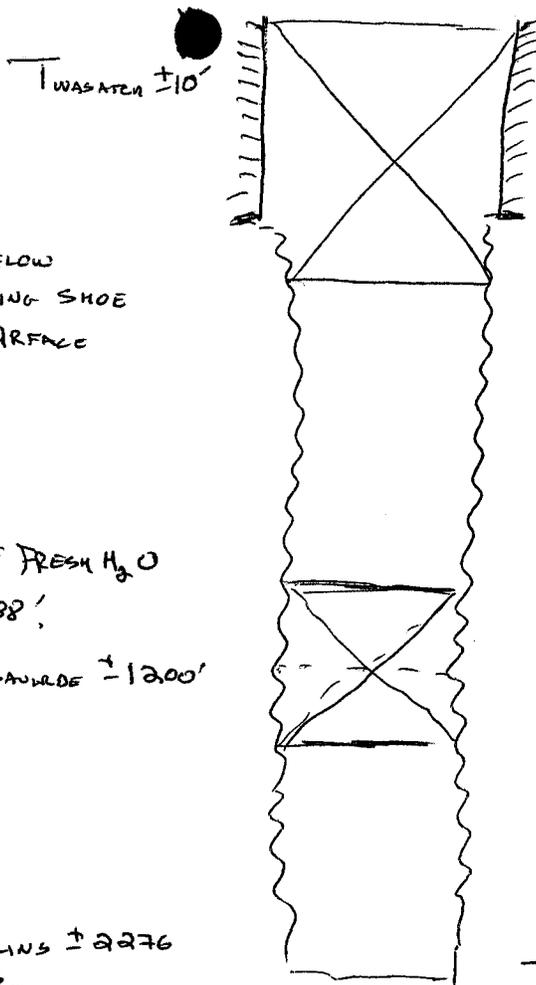
Date: May 2,2001
Salt Lake City, Utah

N/A.

Collapse strength is based on the Westcott, Dunlop & Kemler method of biaxial correction for tension.

Burst strength is not adjusted for tension.

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



PLUG

① 50' BELOW
SPL CASING SHOE
TO SURFACE

② BENTONITE & FRESH H₂O
TD ± 228'
T_{MESASURED} ± 1200'

T_{ROLLINS} ± 2276
SS.

TD ± 2380'

~ 130% WASHOUT

4 1/2 N-80 11.6ppf LT&C
@ 238'

INTENT IS TO CORE
FROM ± 1530 - 2276'
ADD 100' PLUG ACROSS T_{MU}.
BASED ON FORMATION CONTENTS.

BOP

$$.052 (8.8) 2376 = 1087$$

$$.12 (2376) = \langle 285 \rangle$$

$$\underline{\underline{802 \text{ psi}}}$$

∴ 1M SA BOP IS

ADEQUATE TO CONTROL
MASP OF 802 psi.

RAM 5/2/01

**DIVISION OF OIL, GAS AND MINING
APPLICATION FOR PERMIT TO DRILL
STATEMENT OF BASIS**

Operator Name: CDX ROCKIES, LLC.
Well Name & Number: DISPLACEMENT POINT 36-12-25
API Number: 43-047-34028
Location: 1/4,1/4 NE/SE Sec. 36 T. 12S R. 25E

Geology/Ground Water:

CDX is drilling this well as a stratigraphic test/core hole. The well will be plugged as soon as coring is completed. They are proposing to set surface casing at 238 feet and cement to surface. The test hole will be drilled to approximately 2,400 feet with no additional casing being set. A search of records at the Division of Water Rights indicates that there are no known water wells within a 10,000 foot radius of the center of section 36. The estimated depth for the base of moderately saline water is at around 4,000 feet. The surface formation at this location is the Wasatch Formation. The Wasatch may be an aquifer in this area. The well will be drilled with a fresh water bentonite mud and plugged at the conclusion of drilling. Drilling and plugging this well should have no adverse effects on groundwater.

Reviewer: Brad Hill
Date: 05-02-01

Surface:

The pre-drill investigation of the surface was performed on 4/27/01. Surface owner is SITLA. SITLA and DWR were notified of this investigation. Neither had a representative present. This well will be plugged at the completion of drilling and coring. CDX Rockies does not plan on constructing an access road to this location. They plan on driving across the sage brush in order to keep surface damage to a minimum. All damage will be reclaimed at the completion of the well.

Reviewer: David W. Hackford
Date: 5/1/2001

Conditions of Approval/Application for Permit to Drill:

None.

UTAH DIVISION OF WATER RIGHTS
WATER RIGHT POINT OF DIVERSION PLOT CREATED WED, MAY 2, 2001, 11:01 AM
PLOT SHOWS LOCATION OF 0 POINTS OF DIVERSION

PLOT OF AN AREA WITH A RADIUS OF 10000 FEET FROM A POINT
FEET, FEET OF THE CT CORNER,
SECTION 36 TOWNSHIP 12S RANGE 25E SL BASE AND MERIDIAN

PLOT SCALE IS APPROXIMATELY 1 INCH = 4000 FEET

N O R T H

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Counties Affected:

Description: Availability of a Draft Environmental Assessment on the Proposal to Establish Operational/Experimental General Swan Hunting Seasons in the Pacific Flyway. Federal Register Notice dated 4/25/01, page 20828.

Will Comment Comments Due to GOPB 05/18/2001

Project Number: 699

Sponsor: DOI/U.S. Geological Survey

SLB&M:

Counties Affected:

Description: Federal Geographic Data Committee (FGDC); Public Review of the U.S. National Grid Standard. Federal Register Notice dated 4/20/01, page 20323.

Will Comment Comments Due to GOPB 06/15/2001

FERC

Project Number: 705

Sponsor: FERC/Sunrise Engineering, Inc

SLB&M:

Counties Affected:

Description: Center Creek Hydroelectric Project No. P-1273-UT - Application for license; first stage of consultation.

Will Comment Comments Due to GOPB 05/16/2001

Project Number: 707

Sponsor: FERC/PacifiCorp

SLB&M:

Counties Affected: Weber

Description: Pioneer Hydroelectric Project No. 2722-009 - Order Rehearing and Denying Stay
Comments Due to Sponsor 04/23/2001

Short Turn Around

Project Number: 714

Sponsor: Division of Oil, Gas and Mining

SLB&M: Sec. 7, T16S, R1W

Counties Affected: Juab

Description: Wolverine Gas and Oil Corporation proposes to drill a stratigraphic test hole identified as Monroe Trust 1-7 on a fee lease.

Comments Due to Sponsor 05/08/2001

Project Number: 713

Sponsor: Division of Oil, Gas and Mining

SLB&M: Sec. 36, T15S, R1.5W

Counties Affected: Juab

Description: Wolverine Gas and Oil Corporation proposes to drill a stratigraphic test hole identified as Utah State 1-36 on State lease ML 48428.

Comments Due to Sponsor 05/08/2001

Project Number: 712

Sponsor: Division of Oil, Gas and Mining

SLB&M: Sec. 36, T12S, R25E

Counties Affected: Uintah

Description: CDX Rockies, LLC proposes to drill a stratigraphic test hole identified as Displacement Point 36-12-25 on State lease ML 46435.

Comments Due to Sponsor 05/08/2001



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

Michael O. Leavitt
Governor

Kathleen Clarke
Executive Director

Lowell P. Braxton
Division Director

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

May 9, 2001

CDX Rockies, LLC
755 E 2nd, Suite O-C
Durango, CO 81301

Re: Displacement Point 36-12-25 Stratigraphic Test Hole, 872' FSL, 746' FEL, SE SE ,
Sec. 36 , T. 12 South, R. 25 East, Uintah County, Utah

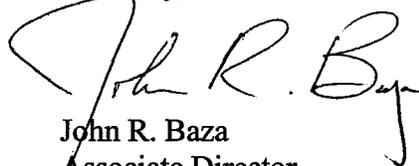
Gentlemen:

Pursuant to the provisions and requirements of Utah Code Ann. § 40-6-1 *et seq.*, Utah Administrative Code R649-3-1 *et seq.*, and the attached Conditions of Approval, approval to drill the referenced Stratigraphic Test Hole is granted.

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

This approval shall expire one year from the above date unless substantial and continuous operation is underway, or a request for extension is made prior to the expiration date. The API identification number assigned to this Stratigraphic Test Hole is 43-047-34028.

Sincerely,



John R. Baza
Associate Director

er

Enclosures

cc: Uintah County Assessor
SITLA

Operator: CDX Rockies, LLC

Well Name & Number Displacement Point 36-12-25 Stratigraphic Test Hole

API Number: 43-047-34028

Lease: ML 46435

Location: SE SE Sec. 36 T. 12 South R. 25 East

Conditions of Approval

1. **General**

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

2. **Notification Requirements**

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

- 24 hours prior to cementing or testing casing
- 24 hours prior to testing blowout prevention equipment
- 24 hours prior to spudding the Stratigraphic Test Hole
- within 24 hours of any emergency changes made to the approved drilling program
- prior to commencing operations to plug and abandon the Stratigraphic Test Hole

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

- Dan Jarvis at (801) 538-5338
- Carol Daniels at (801) 538-5284 (spud)

3. **Reporting Requirements**

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

4. Compliance with the State of Utah Antiquities Act forbids disturbance of archeological, historical, or paleontological remains. Should archeological, historical or paleontological remains be encountered during your operations, you are required to immediately suspend all operations and immediately inform the Trust Lands Administration and the Division of State History of the discovery of such remains.

5. Compliance with the Conditions of Approval/Application for Permit to Drill outlined in the Statement of Basis. (Copy Attached)

6. Prior to initiating plugging operations, contact the Division for plugging specifications. Revisions to the proposed procedure may be necessary based upon the pressure of gas and/or fresh water encountered while drilling.



State of Utah

GOVERNOR'S OFFICE OF PLANNING AND BUDGET
Resource Development Coordinating Committee

Michael O. Leavitt
Governor

Brad T. Barber
State Planning Coordinator

James L. Dykmann
Committee Chairman

John A. Harja
Executive Director

116 State Capitol Building
Salt Lake City, Utah 84114
(801) 538-1027
Fax: (801) 538-1547

May 15, 2001

Lisha Cordova
Division of Oil, Gas & Mining
1594 West North Temple, Suite 1210
Salt Lake City, Utah 84114-5801

CONFIDENTIAL

SUBJECT: Application for permit to drill - proposal to drill a stratigraphic test hole; the Displacement Point 36-12-25 on State lease ML-46435
State Identification Number: 01-712
43-047-37028 Sec. 36, T12S, R25E

Dear Ms Cordova:

The Resource Development Coordinating Committee (RDCC), representing the State of Utah, has reviewed this proposal. The Division of State History comments:

After review of the material provided, the Utah Preservation Office concurs with a determination of No Historic Properties Affected.

If you have questions, please contact Jim Dykmann at (801) 533-3555. (Please refer to Case No. 01-0698.)

The Committee appreciates the opportunity to review this proposal. Please direct any other written questions regarding this correspondence to the Resource Development Coordinating Committee at the above address or call Judy Edwards at (801) 538-1153 or John Harja at (801) 538-1559.

Sincerely,

Natalie Gochnour
State Planning Coordinator

NG/ar

DIVISION OF OIL, GAS AND MINING

SPUDDING INFORMATION

Name of Company: CDX ROCKIES LLC

Well Name: DISPLACEMENT POINT 36-12-25

Api No. 43-047-34028 LEASE TYPE: STATE

Section 36 Township 12S Range 25E County UINTAH

Drilling Contractor _____ RIG # _____

SPUDDED:

Date 06//10/2001

Time 11:30 AM

How ROTARY

Drilling will commence _____

Reported by DON SHAWL

Telephone # _____

Date 06/11/2001 Signed: CHD

CDX Rockies, LLC

Rocky Mountain Regional Land Office
1801 Broadway, Suite 1460
Denver, Colorado 80202
Off: 303-292-4051
Fax: 303-292-1734
Cell: 303-981-4859
Email: aarlian@eazy.net

Rocky Mountain Office
679 East 2nd Avenue, Suite 3
Durango, Colorado 81301
Off: 970-247-4216
Fax: 970-247-1047

Corporate Office
5485 Beltine Road, Suite 280
Dallas, Texas 75240-7656
Off: 972-392-1880
Fax: 972-392-1881

June 8, 2001

VIA Fax: 801-359-3940
(hard copies mail)

RECEIVED

JUN 12 2001

DIVISION OF
OIL, GAS AND MINING

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

RE: Sundry Notice - Change in Drilling Method
Displacement Point Utah State Strat Test 36-12-25
SESE 36-12-25
Uintah County, Utah

Dear Ms. Cordova:

Pursuant to our telephone conversation, CDX Rockies, LLC respectfully request changing the drilling procedure for this strat test.

At your earliest convenience, please review and advise (303-292-4051).

Should you have any questions concerning this matter, please do not hesitate to call.

Very truly yours,



Alvin R. (Al) Arlian

ara
Enclosures as stated:

cc: Brad Boyce - CDX. Durango, CO w/ attachments
Gary Trotter - CDX Dallas, TX w/ attachments
School & Institutional Trust Lands Administration Via Fax 801-355-0922

SUNDRY NOTICES AND REPORTS ON WELLS

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

1. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER <u>Change Plans</u>		5. LEASE DESIGNATION AND SERIAL NUMBER: UTML 46435
2. NAME OF OPERATOR: CDX Rockies, LLC		6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
3. ADDRESS OF OPERATOR: 679.2nd Avenue, Suite 3 Durango, CO 81301		7. UNIT or CA AGREEMENT NAME:
4. LOCATION OF WELL FOOTAGES AT SURFACE: <u>SESE</u> 872' FSL - 746' FEL		8. WELL NAME and NUMBER: Displacement Point 36-12-25
5. PHONE NUMBER: 970-247-4126		9. API NUMBER: 43-047-34028
6. COUNTY: Utah		10. FIELD AND POOL, OR WILDCAT: Wildcat
7. STATE: UTAH		

CONFIDENTIAL

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

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

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

CHANGE IN DRILLING AND CORING PROCEDURE

In the coring of three prior wells located on Federal Lands located in the Baxter Pass Area, apparently because of the depth of the coals, CDX has experienced problems with the core pipe getting "stuck" in the sands and shales above the coal seams. On two of the three strat tests, CDX has stuck and lost coring pipe in the hole. To alleviate this problem CDX proposes:

1. Drilling with a conventional air drill rig to the top of the coal seams, setting 4-1/2" casing from surface to the top of the first coal seam, cementing the backside of the 4-1/2" casing from total depth back to surface (using Haliburton Services) starting with a light cement and finishing with a heavy cement at the bottom.
2. The coal seams will then be cored using the coring rig. The core pipe will go down the inside of the 4-1/2" casing and core from the bottom of the 4-1/2" casing to total depth.
3. The well will only be logged from the base of the casing to total depth.
4. The well will then be plugged (by Haliburton), filling the entire core hole and the 4-1/2" casing from total depth to surface with cement.

Attached is a new well prognosis.

NAME (PLEASE PRINT) <u>Alvin R. (Al) Arlian</u>	TITLE <u>Rocky Mountain Landman</u>
SIGNATURE 	DATE <u>6-8-01</u>

RECEIVED

(This space for State use only)

APPROVED BY THE STATE OF UTAH DIVISION OF OIL, GAS, AND MINING
DATE: 6/13/01
BY: R. Arlian

COPY SENT TO OPERATOR
Date: 06-13-01
Initials: CHD

JUN 12 2001
DIVISION OF OIL, GAS AND MINING

Well Geologic Prognosis
Stratigraphic Test Well

Uinta Basin, Mesaverde Fm

Location & Surface Data

State:	Utah		
County:	Uintah		
Location:	Lot 7, Sec 36, T12S-R25E		
Footage	872 FSL, 746 FEL		
Well Name	Displacement Point #36-12-25	Well No.	1
Elev: GL	6248 KB		

Geologic Data

Primary Objective:	Mesaverde		
Surface Fm:	Tertiary Gravel/ Wasatch FM		
Projected TD (ft)	2,506		
Projected Prod Fm.	None	Bed Dip	<5 degrees
Other:	Diff. in Depth from 15 deg.	GL	
		6248	

Formation Tops	Projected Depth (ft)	Sub-Sea	Comments
Surface Gravel	-0-	6248	All tops are projected from the Columbine Springs 11-11-4-104 Well located in Colorado; Sec 11, T4S-R104W; 6,092 GL.
Wasatch FM	10	6238	
Mesaverde	1200	5048	
Corcoran Sandstone	2406	3842	
TD	2506	3742	

Casing Program	Projected Depth (ft)	Sub-Sea	Comments
Surface Casing	238	6010	Sandy interval in Mesaverde FM above Cameo Coal Zone. Look for 1st good sandstone to set casing. Do Not Go Any Deeper than 1486.
Intermediate Casing	1356-1486	4892-4762	

Core Intervals and/or Ftge	Projected Depth (ft)	Sub-Sea	Comments:
	1356-2506		Need Mudlogger from Surface to TD.

Test Intervals & Depths	Projected Depth (ft)	Sub-Sea	Comments:
Will be determined while drilling			If strong shows of gas are encountered while drilling, tests may be performed to measure formation reservoir characteristics.

Completion Intervals	Projected Depth (ft)	Sub-Sea	Comments:
None			See Sundry Notice for new drilling and plugging details.

Well name:	06-01 CDX 36-12-25 Rev.	
Operator:	CDX Rockies, LLC	Project ID:
String type:	Surface	43-047-34028
Location:	Uintah County, Utah	

Design parameters:

Collapse

Mud weight: 8.800 ppg
 Design is based on evacuated pipe.

Burst

Max anticipated surface pressure: 0 psi
 Internal gradient: 0.457 psi/ft
 Calculated BHP: 679 psi

 No backup mud specified.

Minimum design factors:

Collapse:

Design factor: 1.125

Burst:

Design factor: 1.00

Tension:

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

Tension is based on air weight.
 Neutral point: 1,291 ft

Environment:

H2S considered? No
 Surface temperature: 65 °F
 Bottom hole temperature: 86 °F
 Temperature gradient: 1.40 °F/100ft
 Minimum section length: 238 ft

Cement top:

Surface

Non-directional string.

Re subsequent strings:

Next setting depth: 2,376 ft
 Next mud weight: 8,800 ppg
 Next setting BHP: 1,086 psi
 Fracture mud wt: 19,250 ppg
 Fracture depth: 1,486 ft
 Injection pressure: 1,486 psi

Run Seq	Segment Length (ft)	Size (in)	Nominal Weight (lbs/ft)	Grade	End Finish	True Vert Depth (ft)	Measured Depth (ft)	Drift Diameter (in)	Internal Capacity (ft³)
1	1486	4.5	11.60	N-80	LT&C	1486	1486	3.875	34.4
Run Seq	Collapse Load (psi)	Collapse Strength (psi)	Collapse Design Factor	Burst Load (psi)	Burst Strength (psi)	Burst Design Factor	Tension Load (Kips)	Tension Strength (Kips)	Tension Design Factor
1	679	6350	<u>9.35</u>	679	7780	<u>11.45</u>	17	223	<u>12.94 J</u>

- BOP STILL ADEQUATE

- COMBAT DESIGN @ SFC ASSUMES 36% WASH-OUT HOWEVER COA FOR COMBAT @ SFC.

- PLUGGING STEP UNNECESSARY AS WELL WILL BE PLUGGED TO SFC.

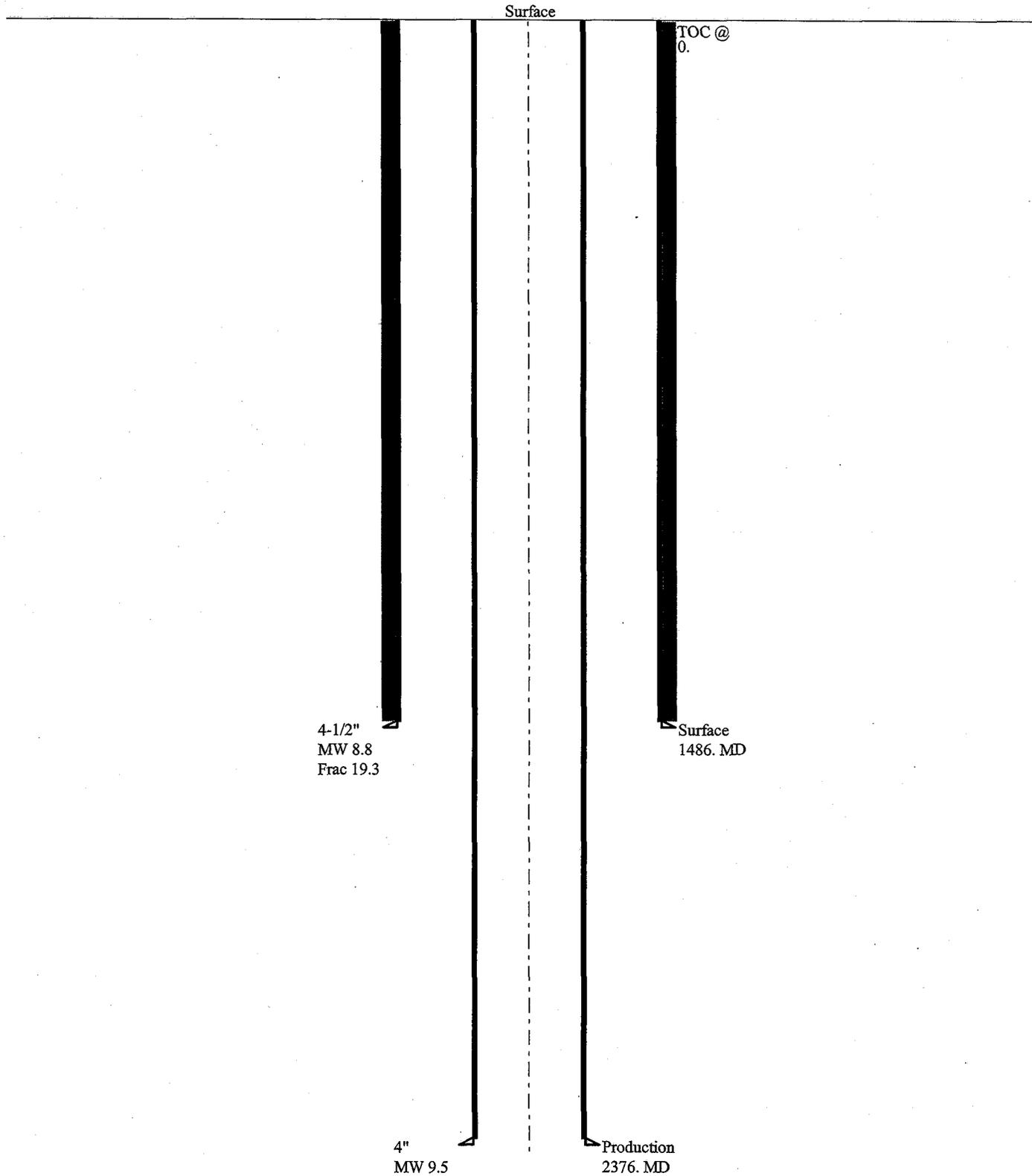
Prepared by: R.A. McKee *RAM*
 Utah Dept. of Natural Resources

Phone: (801) 538-5274
 FAX: (801) 359-3940

Date: June 13, 2001
 Salt Lake City, Utah

N/A.
 Collapse strength is based on the Westcott, Dunlop & Kemler method of biaxial correction for tension.
 Burst strength is not adjusted for tension.

Casing Schematic





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

Michael O. Leavitt
Governor
Kathleen Clarke
Executive Director
Lowell P. Braxton
Division Director

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

***CONDITIONS OF APPROVAL
TO CHANGE DRILLING PLAN***

Well Name and Number:	Displacement Point 36-12-25
API Number:	43-047-34028
Operator:	CDX Rockies, LLC
Reference Document:	Sundry Notice dated June 8, 2001, received by DOG M on June 12, 2001

Approval Conditions:

1. Cement for the 4 1/2" casing shall be brought to surface level.
2. Notify the Division at least 24 hours prior to conducting abandonment operations. Please call Dan Jarvis at 801-538-5338.
3. All other conditions contained in the original APD approval shall apply.

R. Allen McKee
Petroleum Engineer

June 13, 2001

Date

**CDX ROCKIES, LLC
679 EAST 2ND AVENUE
SUITE #3
DURANGO, CO 81301
(970) 247-4126 x16
(970) 247-1047 FAX**

FAX TRANSMITTAL

DATE: JULY 17, 2001

TO: Leasha Cordova (801) 359-3940

FROM: Trudy Pingree

**RE: Displacement Point 36-12-25
API #4304734028**

Leasha:

Attached please find the Sundry Notices for the above captioned. I am sorry for the delay in getting these to you as there was some confusion on them.

As you aware Molly Conrad of Retamco has been doing our Sundry's. I was made aware of the fact that we were responsible for Displacement Point just yesterday.

Again, I am truly sorry for the delay.

If you should have any questions please do not hesitate to call.

Trudy

RECEIVED

JUL 18 2001

**DIVISION OF
OIL, GAS AND MINING**

CDX ROCKIES, LLC
679 EAST SECOND AVENUE
SUITE #3
DURANGO, CO 81301
(970) 247-4126
(970) 247-1047 FAX

CONFIDENTIAL

RECEIVED

JUL 23 2001

**DIVISION OF
OIL, GAS AND MINING**

July 18, 2001

Utah Division of Oil, Gas and Mining
1594 West North Temple, Ste 1210
Box 145801
Salt Lake City, UT 84114-5801

Attn: Leasha Cordova

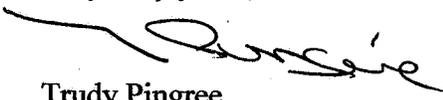
RE: Displacement Point 36-12-25
API # 4304734028

Dear Leasha:

Enclosed please find two copies of the Sundry Notices I faxed you this morning.

If you should need anything more please do not hesitate to call.

Very truly yours,


Trudy Pingree

encl

CONFIDENTIAL FORM 9

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

6. LEASE DESIGNATION AND SERIAL NUMBER:
UT ML 46435

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 Strat Test

8. WELL NAME and NUMBER:
Displacement Point 36-12-25

2. NAME OF OPERATOR:
CDX Rockies, LLC

8. API NUMBER:
4304734028

3. ADDRESS OF OPERATOR: **679 East 2nd Ave., Ste** CITY **Durango** STATE **CO** ZIP **81301**

PHONE NUMBER:
(970) 247-4128

10. FIELD AND POOL, OR WILDCAT:
Wildcat

4. LOCATION OF WELL:
 FOOTAGES AT SURFACE: **872' FSL - 746' FEL** COUNTY: **Unk**

CITY/CTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: **SESE 36 12S 25E** STATE: **UTAH**

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

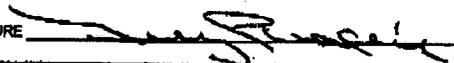
TYPE OF SUBMISSION	TYPE OF ACTION		
<input checked="" type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: _____	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> REPERFORATE CURRENT FORMATION
	<input type="checkbox"/> ALTER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

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

Operator moved in and rigged up and spud this well on June 10, 2001.

NAME (PLEASE PRINT) Trudy Pingree

TITLE Assistant Land Manager

SIGNATURE 

DATE 7/17/2001

(This space for State use only)

CONFIDENTIAL

FORM 9

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

5. LEASE DESIGNATION AND SERIAL NUMBER:
UT ML 48435

SUNDRY NOTICES AND REPORTS ON WELLS

6. IF INDIAN, ALLOTTEE OR TRIBE NAME:

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

7. UNIT or CO AGREEMENT NAME:

1. TYPE OF WELL OIL WELL GAS WELL OTHER Strat Test

8. WELL NAME and NUMBER:
Displacement Point 36-12-25

2. NAME OF OPERATOR:
CDX Rockies, LLC

9. API NUMBER:
4304734028

3. ADDRESS OF OPERATOR: **679 East 2nd Ave., Ste. Durango** STATE **CO** ZIP **81301** PHONE NUMBER: **(970) 247-4128**

10. FIELD AND POOL, OR WILDCAT:
Wildcat

4. LOCATION OF WELL
FOOTAGES AT SURFACE: **872' FSL - 746' FEL**

COUNTY: **Uintah**

QTR/QR. SECTION, TOWNSHIP, RANGE, MERIDIAN: **S6E6 36 12S 25E**

STATE: **UTAH**

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

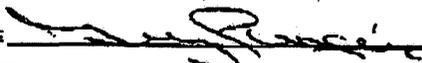
TYPE OF SUBMISSION	TYPE OF ACTION		
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	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> PRODUCTION (START/RESUME)	<input type="checkbox"/> WATER SHUT-OFF
	<input type="checkbox"/> COMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> 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.

This well was plugged and abandoned on 6/27/2001 as follows:

Cemented with 179 sacks Neat Portland Cement at 15.6 ppg and a 1.18 yield. Cemented from surface to TD of 2832'.

NAME (PLEASE PRINT) Trudy Pingree TITLE Assistant Land Manager

SIGNATURE  DATE 7/17/2001

(This space for State use only)

CDX ROCKIES, LLC
679 EAST SECOND AVENUE
SUITE #3
DURANGO, CO 81301
(970) 247-4126
(970) 247-1047 FAX

CONFIDENTIAL

July 20, 2001

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

Attn: Carol Daniels

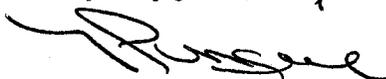
RE: Displacement Point 36-12-25
API #4304734028

Dear Ms. Daniels:

Enclosed please find Well Completion on the above captioned together with Logs as stated in item #29.

If you should need anything further from me please do not hesitate to give me a call.

Very truly yours,



Trudy Pingree

encl

RECEIVED
JUL 23 2001
DIVISION OF
OIL, GAS AND MINING

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

CONFIDENTIAL
AMENDED REPORT FORM 8
(highlight changes)

WELL COMPLETION OR RECOMPLETION REPORT AND LOG

1a. TYPE OF WELL: OIL WELL GAS WELL DRY OTHER Strat Test

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

2. NAME OF OPERATOR:
CDX Rockies, LLC

3. ADDRESS OF OPERATOR:
679 East 2nd Ave., Ste 3 CITY Durango STATE CO ZIP 81301 PHONE NUMBER: **(970) 247-4126**

4. LOCATION OF WELL (FOOTAGES)
AT SURFACE: **872' FSL - 746' FEL**
AT TOP PRODUCING INTERVAL REPORTED BELOW:
AT TOTAL DEPTH: **2632'**

CONFIDENTIAL PERIOD EXPIRED ON 7-27-02

5. LEASE DESIGNATION AND SERIAL NUMBER:
UT ML 46435

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

7. UNIT or CA AGREEMENT NAME

8. WELL NAME and NUMBER:
Displacement Point 36-12-25

9. API NUMBER:
4304734028

10. FIELD AND POOL, OR WILDCAT
Wildcat

11. QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN:
SESE 36 12S 25E

12. COUNTY **Uintah** 13. STATE **UTAH**

14. DATE SPUNDED: **6/10/2001** 15. DATE T.D. REACHED: **6/27/2001** 16. DATE COMPLETED: **6/27/2001** ABANDONED READY TO PRODUCE 17. ELEVATIONS (DF, RKB, RT, GL): **6248' GL**

18. TOTAL DEPTH: MD **2,632** TVD 19. PLUG BACK T.D.: MD **2,632** TVD 20. IF MULTIPLE COMPLETIONS, HOW MANY? * **N/A** 21. DEPTH BRIDGE PLUG SET: MD TVD

22. TYPE ELECTRIC AND OTHER MECHANICAL LOGS RUN (Submit copy of each)
Electric Log, Expanded Density Log, Full Wave Sonic Log, Density Log - 7-23-01

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

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

HOLE SIZE	SIZE/GRADE	WEIGHT (#/ft.)	TOP (MD)	BOTTOM (MD)	STAGE CEMENTER DEPTH	CEMENT TYPE & NO. OF SACKS	SLURRY VOLUME (BBL)	CEMENT TOP **	AMOUNT PULLED
12 1/2"	8 5/8	24#	0	79	79			0	0
6 1/2"	4 1/2 J55	11.6#	79	1,450	1,450	179 17		CIR	0

25. TUBING RECORD

SIZE	DEPTH SET (MD)	PACKER SET (MD)	SIZE	DEPTH SET (MD)	PACKER SET (MD)	SIZE	DEPTH SET (MD)	PACKER SET (MD)
N/A								

26. PRODUCING INTERVALS **27. PERFORATION RECORD**

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

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

DEPTH INTERVAL	AMOUNT AND TYPE OF MATERIAL
N/A	

29. ENCLOSED ATTACHMENTS: **30. WELL STATUS:**

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

RECEIVED **P&A**

31. INITIAL PRODUCTION

INTERVAL A (As shown in item #26)

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

INTERVAL B (As shown in item #26)

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

INTERVAL C (As shown in item #26)

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

INTERVAL D (As shown in item #26)

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

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

N/A

33. SUMMARY OF POROUS ZONES (Include Aquifers):

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

34. FORMATION (Log) MARKERS:

Formation	Top (MD)	Bottom (MD)	Descriptions, Contents, etc.	Name	Top (Measured Depth)
			Geologic Report Attached		

35. ADDITIONAL REMARKS (Include plugging procedure)

Cemented with 179 sacks Neat Portland Cement @ 15.6 ppg and a 1.18 yield from surface to TD of 2632'. (Sundry Notice Attach

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

NAME (PLEASE PRINT) Trudy Pingree TITLE Assistant Land Manager
 SIGNATURE  DATE 7/20/2001

This report must be submitted within 30 days of

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

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

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

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

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

RECEIVED

JUL 23 2001

DIVISION OF OIL, GAS AND MINING

**Well Geologic Report
Stratigraphic Test Well**

Piceance Basin, Mesaverde Fm

Location & Surface Data

State:	Utah	County:	Uintah
Location:	SESE, Sec 36, T12S-R25E		
Ftge	872 FSL, 746 FEL		
Well Name:	Displacement Point 36-12-25	Well No.	1
Elev: GL	6248	KB	N/A

Geologic Data

Primary Objective:	Mesaverde		
Surface Fm:	Tertiary Gravel/ Wasatch FM		
TD (ft)	2,632		
Prod Fm.	None	Bed Dip	< 5 degrees
Other:			
Diff. in Depth from 15 deg.		GL	

<u>Formation Tops</u>	<u>Projected Depth (ft)</u>	<u>Sub-Sea</u>
Surface Gravel	0	6248
Wasatch FM	10	6238
Mesaverde	1200	5048
TD (ft)	2632	3616

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

CONFIDENTIAL FORM 9

SUNDRY NOTICES AND REPORTS ON WELLS		5. LEASE DESIGNATION AND SERIAL NUMBER: UT ML 46435
Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.		6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
1. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER <u>Strat Test</u>		7. UNIT or CA AGREEMENT NAME:
2. NAME OF OPERATOR: CDX Rockies, LLC		8. WELL NAME and NUMBER: Displacement Point 36-12-25
3. ADDRESS OF OPERATOR: 679 East 2nd Ave., Ste _{CITY} Durango STATE CO ZIP 81301		9. API NUMBER: 4304734028
4. LOCATION OF WELL FOOTAGES AT SURFACE: 872' FSL - 746' FEL		10. FIELD AND POOL, OR WILDCAT: Wildcat
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: SESE 36 12S 25E		COUNTY: Uintah
		STATE: UTAH

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

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

This well was plugged and abandoned on 6/27/2001 as follows:

Cemented with 179 sacks Neat Portland Cement at 15.6 ppg and a 1.18 yield. Cemented from surface to TD of 2632'.

RECEIVED
JUL 23 2001
DIVISION OF
OIL, GAS AND MINING

NAME (PLEASE PRINT) <u>Trudy Pingree</u>	TITLE <u>Assistant Land Manager</u>
SIGNATURE	DATE <u>7/17/2001</u>

(This space for State use only)

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

CONFIDENTIAL
FORM 19

SUNDRY NOTICES AND REPORTS ON WELLS			5. LEASE DESIGNATION AND SERIAL NUMBER: UT ML 46435
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2. NAME OF OPERATOR: CDX Rockies, LLC			8. WELL NAME and NUMBER: Displacement Point 36-12-25
3. ADDRESS OF OPERATOR: 679 East 2nd Ave., Ste <small>CITY</small> Durango		STATE CO ZIP 81301	9. API NUMBER: 4304734028
		PHONE NUMBER: (970) 247-4126	10. FIELD AND POOL, OR WILDCAT: Wildcat
4. LOCATION OF WELL FOOTAGES AT SURFACE: 872' FSL - 746' FEL			COUNTY: Uintah
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: SESE 36 12S 25E			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
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	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> TUBING REPAIR
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	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> PRODUCTION (START/RESUME)	<input type="checkbox"/> WATER SHUT-OFF
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	<input type="checkbox"/> CONVERT WELL TYPE	<input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION	

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

Operator moved in and rigged up and spud this well on June 10, 2001.

RECEIVED
JUL 23 2001
DIVISION OF
OIL, GAS AND MINING

NAME (PLEASE PRINT) <u>Trudy Pingree</u>	TITLE <u>Assistant Land Manager</u>
SIGNATURE	DATE <u>7/17/2001</u>

(This space for State use only)