

**TCC ROYALTY CORPORATION**

October 17, 2003

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

RE: Quest #13-22  
SW SW of Section 22 T11S R25E  
Uintah County, Utah

Dear Mr. Hill:

TCC is submitting for Utah Division of Oil & Gas and Mining review and approval Form 5 and associated documents for the above captioned location. The enclosed documents are:

- 1) Form 5
- 2) Waiver of archeological investigation by Sage Geotech, agent for Cliffs Synfuels
- 3) Use of water from a well under permit no. 1639 has been given by Sage Geotech, agent for Cliffs Synfuels.
- 4) A copy of TCC's lease with Cliff Synfuels
- 5) A copy of a letter from Sage Geotech, agent for Cliffs Synfuel indicating TCC and Cliffs have a surface use agreement
- 6) Bond – TCC has a blanket bond on file with the State of Utah.
- 7) A surveyors plat
- 8) A proposed drilling program.
- 9) A copy of the blow out preventor diagram that will be used by the workover rig.

The geologic tops:

- 1) Green River - surface
- 2) Top of Wasatch – 1463' from surface, 4282' subsurface
- 3) Top of Ohio Creek – 2364' from surface, 3381' subsurface
- 4) Total Depth – 2400'

RECEIVED

OCT 23 2003

DIV. OF OIL, GAS & MINING

October 17, 2003

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

OCT 23 2003  
DIV. OF OIL, GAS & MINING

RE: Quest #2-28  
Quest #4-27  
~~Quest #13-22~~  
Quest #15-21L Quest #15-21L  
Uintah County, Utah

Dear Ms. Whitney:

Please find enclosed two copies of Permit applications and associated information as required by Utah Division of Oil Gas & Mining. I found an omission on each of my previous submission for three of the permit applications.

Please call me if you have any questions or need additional information. Thank you.

Sincerely,



Steven A. Tedesco

SAT\ctt  
Enclosures

Page 2  
October 17, 2003

Other water, oil, gas and other mineral zones. All freshwater zones in the Green River will be cased behind either surface casing or production (if the well encounters commercial gas). The well surface location is located below any oil shale beds found in the Green River. Based on the results of the Quest 16-21 immediately to the west there does not seem to be any oil zones between surface and the proposed depth of 2,100'.

TCC is asking for an exception location due to topography. The surface owner is the same in all immediate offsets. The mineral owners are the same in all immediate offsets.

No hydrogen sulfide is expected based on the previous results of this well when drilled by Dominion and the three adjacent wells operated by TCC in the Kicker Field. Those wells are the Quest 16-21, Quest 1-22 and Quest 6-28.

Pressures may vary from 800 to 900 lbs initial pressure as seen in the Quest 6-28 or 1300 lbs as seen in the Quest 1-22 and Quest 16-21.

We do not anticipate any coring or drillstem tests. We do not plan to go below the top of the Ohio Creek at 2,100 feet.

We would like to permit this well as soon as possible, please call me if you have any questions. We would also like all data from this well to remain confidential. Thank you.

Sincerely,



Steven A. Tedesco

SAT\ctt  
Enclosures

002

**TCC ROYALTY CORPORATION**

October 23, 2003

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

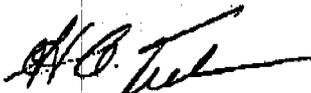
RE: Quest #13-22  
SW SW of Section 22 T11S R25E  
Uintah County, Utah

Dear Ms. Whitney:

TCC is asking for an exception location due to topography for the above captioned location. The mineral owners are the same in all immediate offsets.

Please call me if you have any questions or need more information. Thank you.

Sincerely,



Steven A. Tedesco

SAT/kwt

RECEIVED

OCT 23 2003

DIV. OF OIL, GAS

001

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

FORM 3

AMENDED REPORT   
(highlight changes)

APPLICATION FOR PERMIT TO DRILL

5. MINERAL LEASE NO: FEE	6. SURFACE: FEE
7. IF INDIAN, ALLOTTEE OR TRIBE NAME: N/A	
8. UNIT or CA AGREEMENT NAME: N/A	
9. WELL NAME and NUMBER: Quest 13-22	
10. FIELD AND POOL, OR WILDCAT: Kicker Field	
11. QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: SW SW Section 22 T11S R25E	
12. COUNTY: Uintah	13. STATE: UTAH
15. DISTANCE TO NEAREST PROPERTY OR LEASE LINE (FEET) 727'	16. NUMBER OF ACRES IN LEASE: 1520
17. NUMBER OF ACRES ASSIGNED TO THIS WELL: 40	
18. DISTANCE TO NEAREST WELL (DRILLING, COMPLETED, OR APPLIED FOR) ON THIS LEASE (FEET) 1187' to the west	19. PROPOSED DEPTH: 2400'
20. BOND DESCRIPTION: Blanket Bond	23. ESTIMATED DURATION: Seven Days
21. ELEVATIONS (SHOW WHETHER OF, RT, GR, ETC.): 5745' GR	22. APPROXIMATE DATE WORK WILL START: December 1st, 2003

1A. TYPE OF WORK: DRILL  REENTER  DEEPEN

B. TYPE OF WELL: OIL  GAS  OTHER \_\_\_\_\_ SINGLE ZONE  MULTIPLE ZONE

2. NAME OF OPERATOR:  
TCC Royalty Corporation

3. ADDRESS OF OPERATOR:  
14550 E Easter Ave #1000 Englewood, CO 80112

PHONE NUMBER:  
303 617 7242

4. LOCATION OF WELL (FOOTAGES)  
AT SURFACE: 727' fwl 374 fsl' 4411650Y 39.84137  
AT PROPOSED PRODUCING ZONE: same 661664X -109.11856

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE:  
Vernal, UT is 66 miles to the north

PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	CASING SIZE, GRADE, AND WEIGHT PER FOOT	SETTING DEPTH	CEMENT TYPE, QUANTITY, YIELD, AND SLURRY WEIGHT
10 3/4"	J55 24#/ft 8 5/8"	500'	50-50 Poz 1.55 cf/sx cu ft. cement 112.27 sacks cement, 50% excess 168.4
6 1/4"	J55 10.5 #/ft. 4 1/2"	2,400'	G Class 740 sacks

RECEIVED  
OCT 23 2003

DIV. OF OIL, GAS & MINING

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 checked="" type="checkbox"/> EVIDENCE OF DIVISION OF WATER RIGHTS APPROVAL FOR USE OF WATER	<input checked="" type="checkbox"/> FORM 5, IF OPERATOR IS PERSON OR COMPANY OTHER THAN THE LEASE OWNER

NAME (PLEASE PRINT) Steven A. Tedesco TITLE Vice President

SIGNATURE [Signature] DATE 10/22/03

(This space for State use only)

API NUMBER ASSIGNED: 43-047-35299

APPROVAL:

Approved by the  
of  
Gas and Mining

Date: 11-18-03

[Signature]

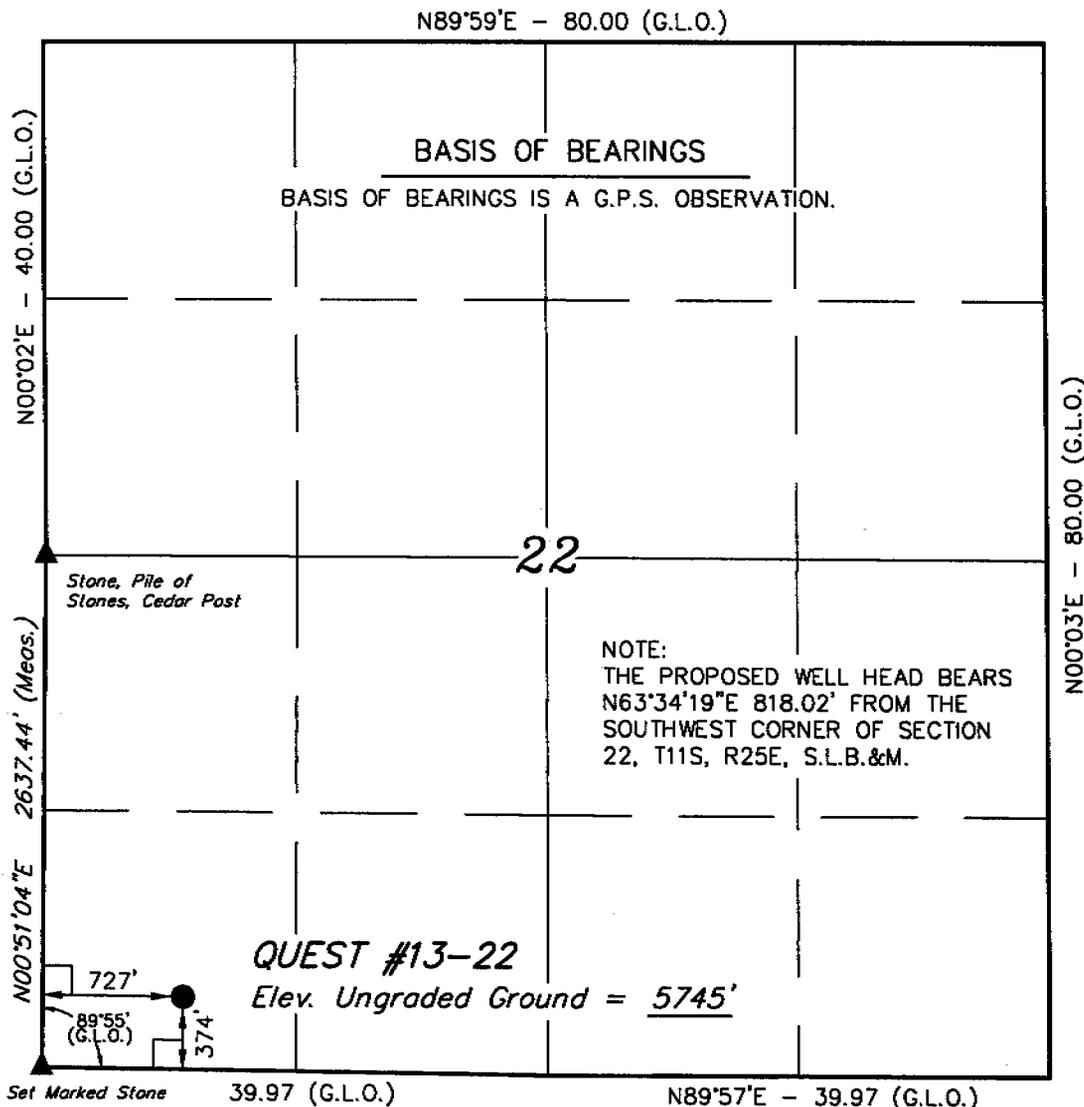
# T11S, R25E, S.L.B.&M.

**TCC ROYALTY CORP.**

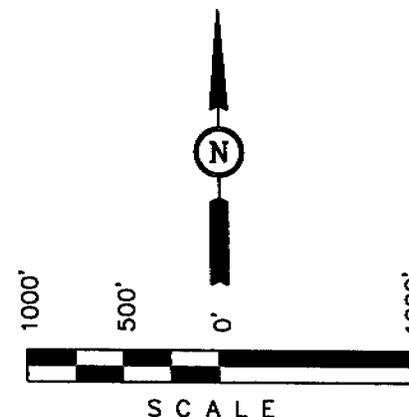
Well location, QUEST #13-22, located as shown in the SW 1/4 SW 1/4 of Section 22, T11S, R25E, S.L.B.&M., Uintah County, Utah.

### BASIS OF ELEVATION

BENCH MARK V61 (1934) LOCATED IN THE SE 1/4 OF SECTION 21, T11S, R25E, S.L.B.&M. TAKEN FROM THE DRAGON, 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 4697 FEET.



NOTE:  
THE PROPOSED WELL HEAD BEARS  
N63°34'19"E 818.02' FROM THE  
SOUTHWEST CORNER OF SECTION  
22, T11S, R25E, S.L.B.&M.



### 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.

*Robert J. Kay*  
REGISTERED LAND SURVEYOR  
REGISTRATION NO. 161319  
STATE OF UTAH

REVISED: 10-6-03 C.G.  
REVISED: 10-2-03 C.G.

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

### LEGEND:

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

(AUTONOMOUS NAD 83)  
LATITUDE = 39°50'28.46" (39.841239)  
LONGITUDE = 109°06'40.47" (109.111242)

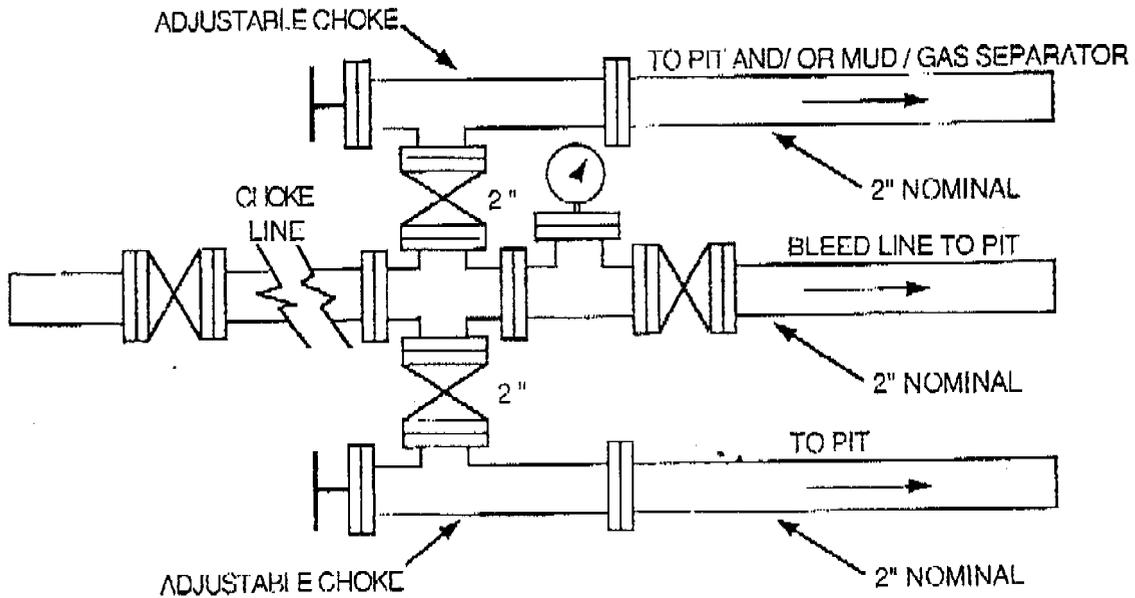
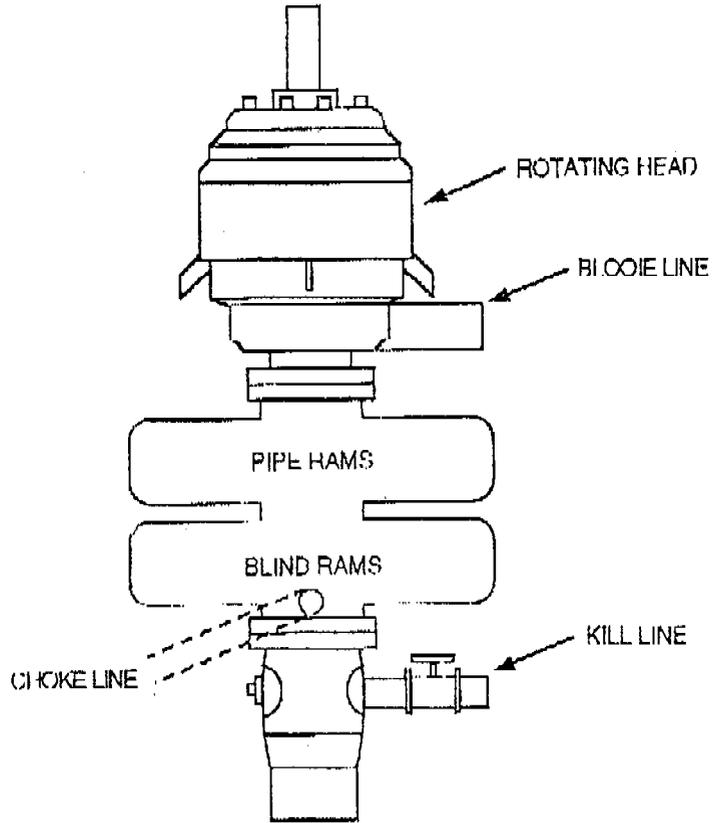
SCALE 1" = 1000'	DATE SURVEYED: 10-02-02	DATE DRAWN: 10-07-02
PARTY K.K. D.R.B.	REFERENCES G.L.O. PLAT	
WEATHER COOL	FILE TCC ROYALTY CORP.	

**DRILLING PLAN  
(ABBREVIATED)  
Quest 13-22  
Uintah County, Utah  
10/17/03  
Steven Tedesco**

- 1) PU a 10 3/4" bit and 6" drill collars, drill to 500 feet with fresh water and or spud mud. Circulate and condition hole.
- 2) PU the following casing and cementing equipment:
  - a. Guide Shoe for 8 5/8" casing
  - b. 1 joint of 8/58", 24.4 ppf, J55 casing with centralizer and stop ring in center of joint.
  - c. Float collar fir 8 5/8" casing
  - d. 8 5/8". 24.4 24.4 ppf, J55 casing to surface with centralizers every other joint.
  - e. Cementing head
- 3) Cement with 50-50 pozmix (1.55 cu ft./sk yield) and additives as necessary to bring cement to surface, estimated using hole diameter plus 50% excess. WOC minimum of 8 hours.
- 4) Cut off surface casing and weld on 8 5/8", 3M casing head. NU 3M BOPE, Pressure test same to 500 psig and 3000 psig. BOPE will include:
  - a. Blind Ram
  - b. Pipe ram
  - c. Rotating head for 750 psig surface pressure
  - d. 3M choke manifold.
- 5) PU 6 1/4" bit and drill collars. Drill out of casing shoe with fresh water. Drill to 2400' TD using 4% KCL water\polymer. Take surveys per State of Utah requirements, or as deviation dictates.
- 6) At TD run GR\DIL\FDC\CNL\caliper log suite from TD to base of surface casing.
- 7) PU the following casing and cementing equipment:
  - a. Guide shoe for 4 1/2" casing.
  - b. 1 joint of 4 1/2", 10.5 ppf, J55 casing with centralizers and stop ring in center of joint.
  - c. Float collar for 4 1/2" casing
  - d. 4 1/2". 10.5 ppf, J55 casing to surface with centralizers across every prospective interval.
  - e. Cementing head.
- 8) Cement with Class G neat (1.2 cu ft./sk yield) to surface using caliper log plus 10%. Reciprocate pipe if possible.
- 9) Land casing as cemented (full tension). Cut off and install tubing head and valve. RDMORT. Prepare to complete well.

# 2M SYSTEM

BLOWOUT PREVENTER FOR HIGH PRESSURE WELLS  
900 SERIES MINIMUM  
2000# psi W.P.  
BOP 6" X 3000 PSI or 10" X 3000 PSI



**SAGE GEOTECH INC.**

P.O. Box 1211  
818 Taughenbaugh Blvd., Suite 105  
Rifle, CO 81650  
Phone 970/625-2445  
Fax 970/625-2448

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October 9, 2003

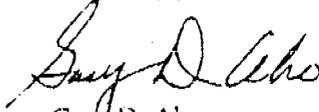
TCC Royalty Corporation  
14550 F. Easter Ave., Suite 1000  
Englewood, CO 80112-9272

Dear Mr. Tedesco:

Sage Geotech Inc. is serving as the local agent for Cliffs Synfuel Corp., the owner of lands in Uintah County, Utah. Cliffs Synfuel has leased certain lands to TCC Royalty for oil and gas exploration.

Cliffs Synfuel Corp. waives the requirement or need to perform archeological surveys on any of its lands prior to constructing drill sites, laying pipelines or similar work associated with TCC's exploration activities.

Very truly yours,



Gary D. Aho  
President  
Agent for Cliffs Synfuel Corp.

**SAGE GEOTECH INC.**

P.O. Box 1211  
818 Taughenbaugh Blvd., Suite 105  
Rifle, CO 81650  
Phone 970/625-2445  
Fax 970/625-2448

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October 9, 2003

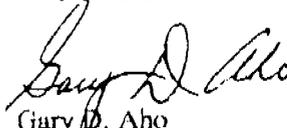
TCC Royalty Corporation  
14550 E. Easter Ave., Suite 1000  
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Dear Mr. Tedesco:

Sage Geotech Inc. is serving as the local agent for Cliffs Synfuel Corp., the owner of lands in Uintah County, Utah. Cliffs Synfuel has leased certain lands to TCC Royalty for oil and gas exploration.

Cliffs Synfuel Corp owns a permitted water well in the SW/4 Section 22, Township 11 South, Range 25 East, Uintah County, Utah. Cliffs has authorized TCC Royalty to use water from the well for exploration drilling and related activities. Cliffs and TCC will sign an agreement on the use of the well but for the time being TCC has full access and rights to use the well and may represent the same to agencies.

Very truly yours,



Gary D. Aho  
President  
Agent for Cliffs Synfuel Corp.

**SAGE GEOTECH INC.**

P.O. Box 1211  
818 Taughenbaugh Blvd., Suite 105  
Rifle, CO 81650  
Phone 970/625-2445  
Fax 970/625-2448

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October 9, 2003

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14550 E. Easter Ave., Suite 1000  
Englewood, CO 80112-9272

Dear Mr. Tedesco:

Sage Geotech Inc. is serving as the local agent for Cliffs Synfuel Corp., the owner of lands in Uintah County, Utah. Cliffs Synfuel has leased certain lands to TCC Royalty for oil and gas exploration.

Cliffs Synfuel Corp and TCC Royalty have a surface use agreement for each drill site that TCC has spotted on the Cliffs Synfuel lands. TCC is authorized to represent the same to agencies during the permitting process for each well site..

Very truly yours,



Gary D. Aho  
President  
Agent for Cliffs Synfuel Corp.

# TCC ROYALTY CORP.

## QUEST #13-22

LOCATED IN UINTAH COUNTY, UTAH  
SECTION 22, T11S, R25E, S.L.B.&M.



PHOTO: VIEW FROM CORNER #5 TO LOCATION STAKE

CAMERA ANGLE: SOUTHEASTERLY

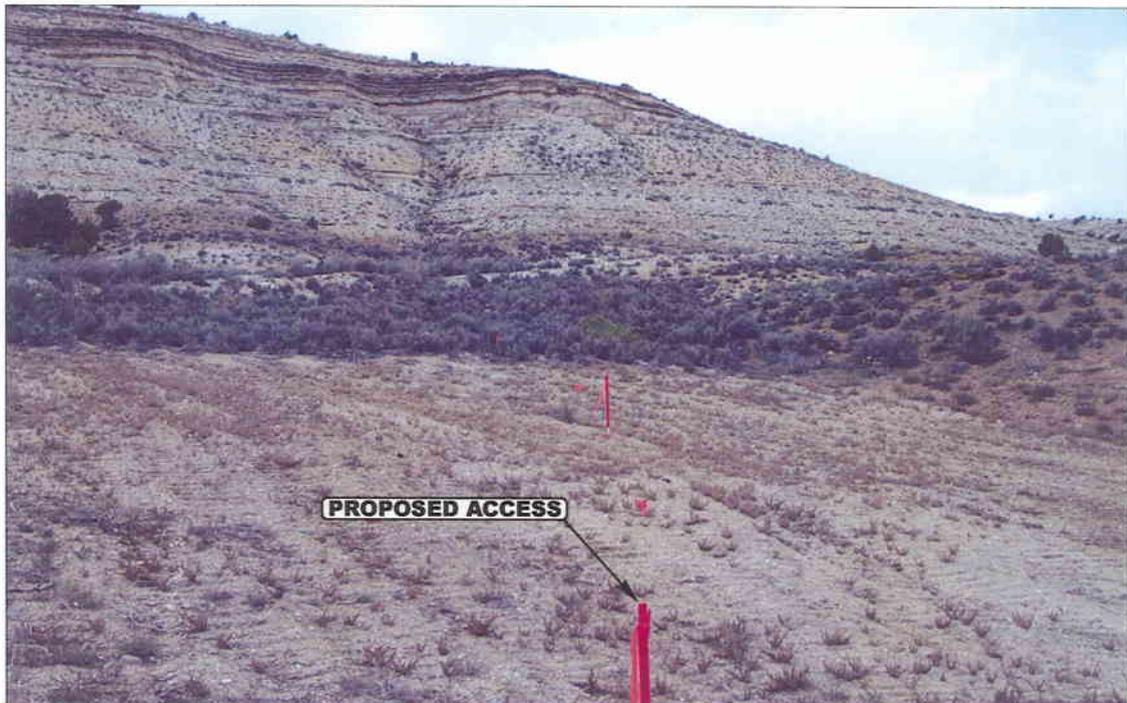


PHOTO: VIEW FROM BEGINNING OF PROPOSED ACCESS

CAMERA ANGLE: NORTHEASTERLY



- Since 1964 -

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

LOCATION PHOTOS

10  
MONTH

7  
DAY

02  
YEAR

PHOTO

TAKEN BY: K.K.

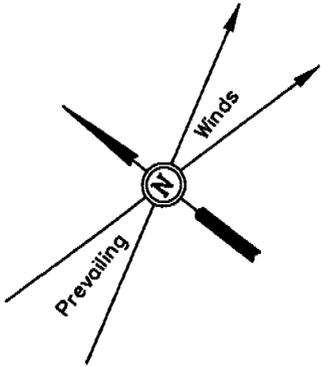
DRAWN BY: P.M.

REVISED: 10-06-03

# TCC ROYALTY CORP.

## LOCATION LAYOUT FOR

QUEST #13-22  
SECTION 22, T11S, R25E, S.L.B.&M.  
374' FSL 727' FWL



SCALE: 1" = 50'  
DATE: 10-2-03  
Drawn By: C.G.  
Revised: 10-6-03

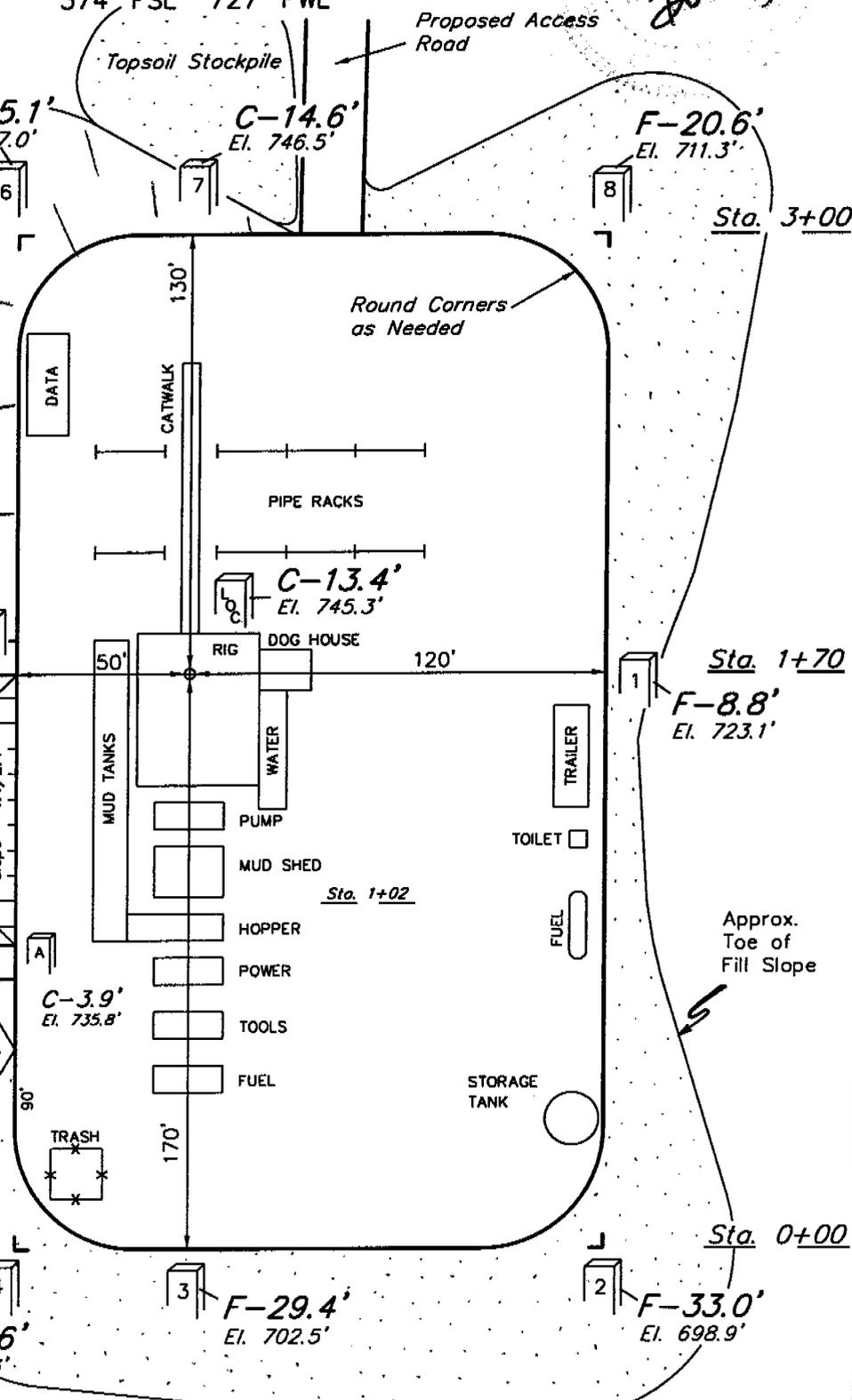
Approx. Top of Cut Slope



Steeper Cut Slopes As Needed

Pit Capacity With 2' of Freeboard is 1,770 Bbls. ±

Reserve Pit Backfill & Spoils Stockpile



Elev. Ungraded Ground at Location Stake = 5745.3'

Elev. Graded Ground at Location Stake = 5731.9'

UINTAH ENGINEERING & LAND SURVEYING  
85 So. 200 East • Vernal, Utah 84078 • (435) 789-1017

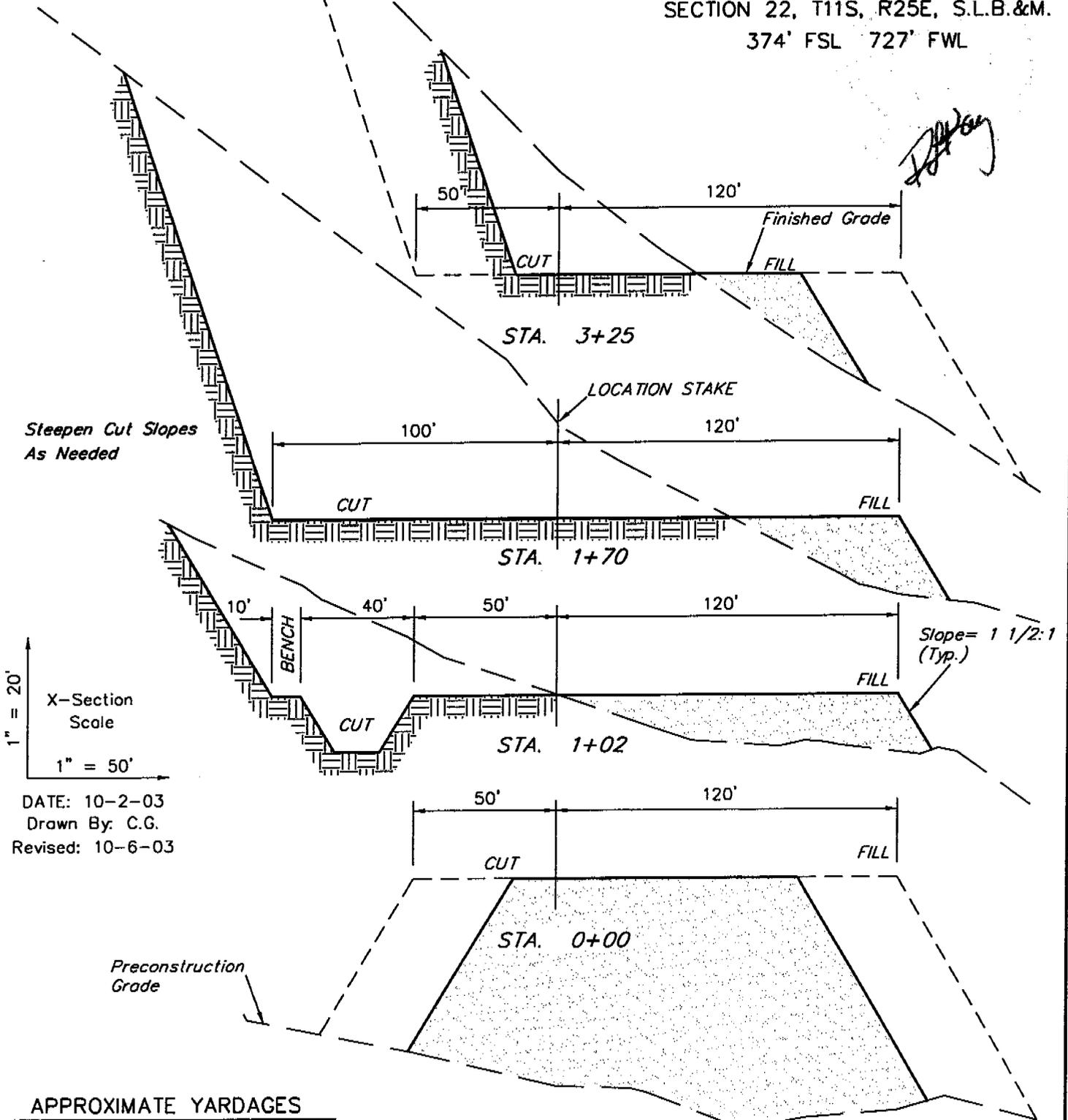
TCC ROYALTY CORP.

TYPICAL CROSS SECTIONS FOR

QUEST #13-22

SECTION 22, T11S, R25E, S.L.B.&M.

374' FSL 727' FWL



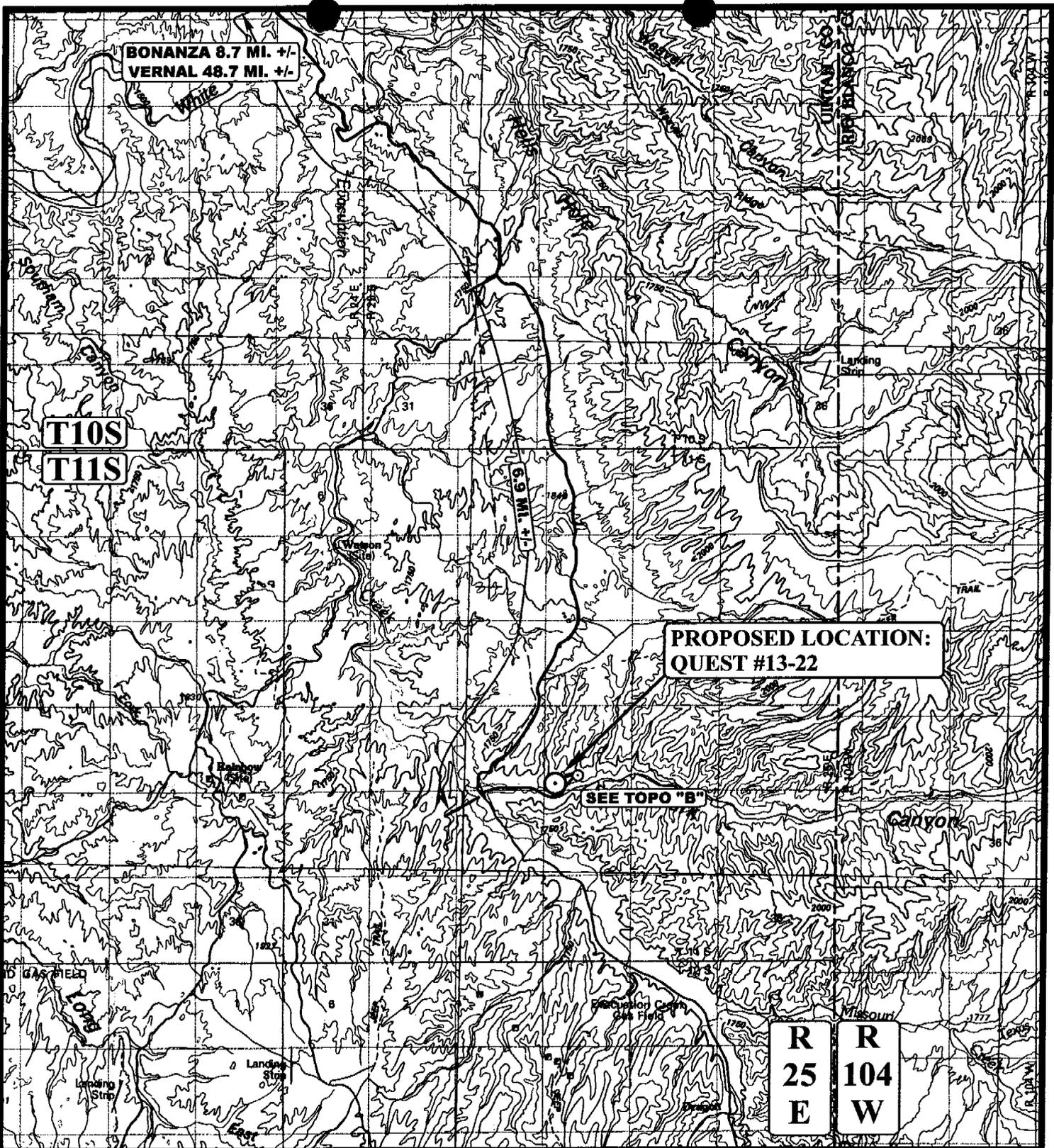
DATE: 10-2-03  
 Drawn By: C.G.  
 Revised: 10-6-03

APPROXIMATE YARDAGES

CUT	
(6") Topsoil Stripping	= 1,040 Cu. Yds.
Remaining Location	= 24,560 Cu. Yds.
<b>TOTAL CUT</b>	<b>= 25,600 CU.YDS.</b>
<b>FILL</b>	<b>= 23,060 CU.YDS.</b>

EXCESS MATERIAL AFTER 5% COMPACTION	= 1,330 Cu. Yds.
Topsoil & Pit Backfill (1/2 Pit Vol.)	= 1,330 Cu. Yds.
EXCESS UNBALANCE (After Rehabilitation)	= 0 Cu. Yds.

**UINTAH ENGINEERING & LAND SURVEYING**  
 85 So. 200 East \* Vernal, Utah 84078 \* (435) 789-1017



**LEGEND:**

○ PROPOSED LOCATION



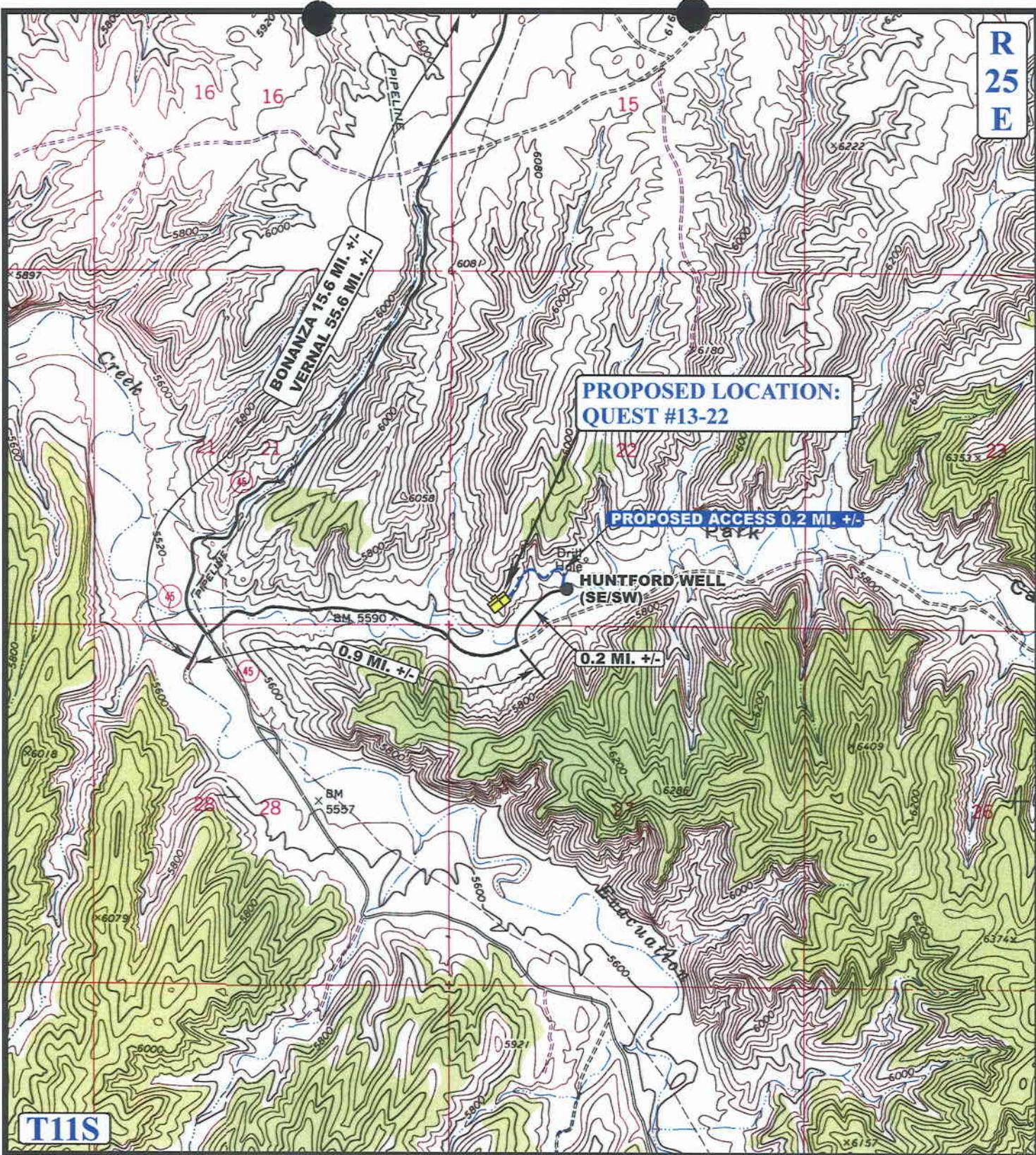
**TCC ROYALTY CORP.**

QUEST #13-22  
SECTION 22, T11S, R25E, S.L.B.&M.  
374' FSL 727' FWL

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

<b>TOPOGRAPHIC</b> MAP	<b>10</b>	<b>7</b>	<b>02</b>	<b>A</b> TOPO
	MONTH	DAY	YEAR	
SCALE: 1:100,000	DRAWN BY: P.M.		REVISED: 10-06-03	

R  
25  
E



T11S

**LEGEND:**

-  EXISTING ROAD
-  PROPOSED ACCESS ROAD



**TCC ROYALTY CORP.**

**QUEST #13-22**  
**SECTION 22, T11S, R25E, S.L.B.&M.**  
**374' FSL 727' FWL**

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

**TOPOGRAPHIC** 10 7 02  
**MAP** MONTH DAY YEAR  
 SCALE: 1" = 2000' DRAWN BY: P.M. REVISED: 10-06-03

**B**  
TOPO

**OIL AND GAS LEASE**

Entry 2003007052  
Book 854 Page 621

THIS AGREEMENT, made effective as to the 1st day of September, 2003, between CLIFFS SYNFUEL CORP., a Utah Corporation, P.O. Box 1211, Rifle, Colorado 81650, as Lessor, and TCC RYOALTY CORP., a Colorado Corporation, 14550 East Easter Ave., Ste 1000, Englewood, CO 80112, as Lessee:

**WITNESSETH THAT:**

**I.  
LEASED INTEREST**

Lessor, in consideration of Ten Dollars (\$10.00) and other good and valuable consideration in hand paid, the receipt of which is hereby acknowledged, of the royalties herein provided, and of the agreements of Lessee herein contained, does hereby grant, lease and let exclusively unto Lessee for the purposes of investigating, exploring, drilling for, and producing only the Lessor's oil and/or gas and/or coalbed methane interests in the following described land (herein sometimes called "leased premises") in the County of Uintah, State of Utah to wit:

Township 11 South, Range 25 East, SLM  
Section 21: NE/4, NE/4NW /4, N/2SE/4, SE/4SE/4  
Section 22: All  
Section 23: NW/4, N/2SW/4  
Section 27: NE/4, E/2NW/4, NW/4NW/4  
Section 28: NE/4NE/4

Entry 2003007052  
Book 854 Page 621-630 \$32.00  
08-SEP-03 02:37  
**RANDY SIMMONS**  
RECORDER, UINTAH COUNTY, UTAH  
TCC ROYALTY CORP 80112-4272  
14550 E EASTER AVE #1000 ENGLEWOOD CO  
Rec By: SYLENE ACCUTTOROUP , DEPUTY

Containing 1,520.00 acres, more or less. The acreage may be less beyond the Primary Term (Articles VI and XVI). It is expressly understood that the lease does not include the right to mine, process or treat the oil shale beds of the Parachute Creek Member of the Green River Formation. Lessee shall also have the right on the leased premises to lay pipelines, build roads, tanks, power stations, telephone lines, and other structures thereto to produce, save, take care of, treat, transport and own said products, subject to the rights of the surface owner or owners of the leased premises. Whenever Lessor is also surface owner, Lessor and Lessee shall also sign a Right-Of Way and surface damage agreement for each well site, using the template attached as Exhibit B.

**II.  
TERM**

Subject to the other provisions herein contained, this lease shall be for a term of Three (3) years from September 1st, 2003 (called "primary term") and so long thereafter as oil and/or gas is produced in paying quantities from the leased premises or lands pooled therewith, or as long as drilling operations are prosecuted thereon as hereinafter provided. As used herein, paying quantities shall mean production of oil and/or gas in quantities sufficient to yield a return in excess of operating costs. Refer to Articles VI and XVI for lands under lease beyond primary term.

**III.  
PAID-UP LEASE**

This is a paid-up lease. In consideration of an up front cash payment, the receipt of which is hereby acknowledged, Lessor agrees that Lessee shall not be obligated to commence or continue any operations during the primary term. Lessee may at any time or times during or after the primary term surrender this lease as to all or any portion of said land and as to any strata or stratum by delivering to Lessor or by filing for record a release or releases, and be relieved of all obligation thereafter accruing as to the acreage surrendered. It is hereby acknowledged that the up front cash payment referenced herein is the consideration paid by Lessee to Lessor for the rights and privileges granted under this lease and shall not be recoverable by Lessee out of any royalties or other payments that may become due and payable to Lessor under the terms of this lease.

**IV.  
ROYALTIES**

The royalties reserved by Lessor, and which shall be paid by Lessee, are:

- A. On oil, an equal three-sixteenths (3/16ths) of the fair market value (or value received, whichever is greater) of oil at the well or delivered into a pipeline.
- B. On gas, including casinghead gas and other gaseous substances produced from said lands and sold or used off the premises, Lessor shall be entitled to receive as royalties thereon three-sixteenths (3/16ths) of the market value thereof computed in the following manner:
  - 1. Three-sixteenths (3/16ths) of the gross market value in the field of all condensate, distillate, natural gasoline and other liquid hydrocarbons separated or extracted from such gas by the use of conventional type separator or separators at or near the well; and
  - 2. Three-sixteenths (3/16ths) of the gross market value at the plant of all condensate, distillate, natural gasoline, butanes, propanes and other liquid hydrocarbons separated, extracted or processed from such gas by or through a recycling plant, gasoline plant or processing plant other than a recycling plant there shall first be deducted from the value of each gallon of liquid hydrocarbons separated, extracted or processed the fair and reasonable cost of such operations; and
  - 3. Three-sixteenths (3/16ths) of the gross price received by Lessee for any and all gas or residue

remaining after any such separation, extraction or processing operations.

C. Any royalties due under the terms of this lease shall be paid or tendered to Lessor by Lessee (or someone in its behalf) within sixty (60) days after the end of each calendar month in which the oil and/or gas is sold. Such royalties shall be paid or tendered to Lessor at the address first set forth above. All payments or tenders may be made by cash or check, mailed or delivered on or before the expiration of such sixty (60) day period and the depositing of such cash or check in any post office, addressed to Lessor, on or before the end of said sixty (60) day period shall be deemed payment or tender as herein provided.

D. Lessee, or its designee, shall keep a true and correct record of all oil and gas produced, removed, sold or used from the leased premises and Lessor at all reasonable times shall have the right to audit and inspect same fully and completely. Any such audit or inspection conducted by Lessor shall be at Lessor's sole cost and expense. All payments or tenders made by Lessee to Lessor for earned royalties shall be conclusive and final two (2) years after the date of such payment or tender and shall no longer be subject to audit or inspection under the terms of this provision.

**V.  
LEASE HELD BY PRODUCTION**

If at the expiration of the primary term of this lease, oil or gas is not being produced in paying quantities on the above described leased premises but Lessee is then engaged in drilling operations thereon or lands pooled or unitized therewith, this lease shall remain in full force and effect so long as said drilling operations are diligently prosecuted, with no cessation of more than one hundred twenty (120) consecutive days, and, if said drilling operations result in production of oil or gas, this lease shall remain in force so long thereafter as oil or gas is produced in paying quantities from said land, subject to the applicable drillsite spacing unit and restrictions in Article VI. In the event any well drilled pursuant to this paragraph is completed as a dry hole, Lessee may continue this lease in force and effect as to all lands covered hereby so long as drilling operations are being conducted continuously upon the leased premises until production is so established. For purposes of this lease "drilling operations" shall be deemed to include operations for the drilling of a new well or deepening of an existing well conducted in an effort to obtain or re-establish production of oil or gas; and as used in this paragraph "continuously" shall have the same meaning as set forth in paragraph VI below

**VI.  
LEASE PARTIALLY HELD BY PRODUCTION**

In the event the term of this lease is extended beyond the primary term by production, said term shall be extended only as to those lands allocated, by governmental authority or regulation, to the spacing unit around each producing well and lessee shall promptly surrender the lease as to those lands which are not held by production; provided, however, Lessee may continue this lease in force and effect as to all lands covered hereby so long as drilling operations are being conducted continuously upon the leased premises (Article V). For the purposes hereof, "continuously" shall mean that no more than one hundred twenty (120) days between the completion or abandonment of one well and the commencement of drilling on another. Drilling operations shall not be deemed to have commenced until the actual spudding of a well. For purposes hereof, the drillsite spacing unit for a producing oil well shall be deemed to be forty (40) acres and the drillsite spacing unit for a producing gas well shall be deemed to be one hundred sixty (160) acres, or the spacing unit fixed by the authorized agency for the State of Utah, which ever is the greater.

**VII.  
OFFSET WELLS**

In the event a well producing oil and /or gas should be brought in on adjacent lands and draining the leased premises, Lessee agrees to drill such offset well as a prudent Operator would drill under the same or similar circumstances.

**VIII.  
PIPELINE BURIAL**

When required by Lessor, Lessee will bury all pipelines below ordinary plow depth, and no well shall be drilled within two hundred (200) feet of any residence or barn now on said lands without the surface owner's prior, written consent. Whenever Lessor is also the surface owner, Lessor and Lessee shall also sign a Right-Of-Way and Easement Agreement for all pipelines crossing Lessor's surface lands.

**IX.  
DESIGNATED OIL SHALE AREA**

Lessee agrees to abide by any present and future directives, policies, position statements, laws or regulations of the State of Utah or the federal government (or any agency thereof) designed to protect either coal seams or oil shale deposits, including but not limited to those specific rules set forth in the General Rules and Regulations of the Utah Board of Oil, Gas and Mining, as amended, pertaining to such matters. Lessee acknowledges that the leased premises under this agreement were designated as an "Oil Shale Area" on June 8, 2001 and Lessee hereby agrees to follow the Board's procedure for wells drilled in designated "Oil Shale Areas" as set forth in the aforementioned General Rules and Regulations.

**X.  
TRANSFER OF LEASE**

This lease shall not be subleased, or assigned, nor the rights hereunder transferred in any manner without the prior written consent of Lessor, which consent shall not be unreasonably withheld. No change or division in ownership of the lands, however accomplished, shall operate to enlarge the obligations or diminish the rights of Lessee; and no change or division in such ownership shall be binding on Lessee until forty-five (45) days after Lessee shall have been furnished by registered U.S. mail at Lessee's principal place of business with a certified copy of recorded instrument or instruments evidencing the same. In the event of subletting or assignment hereof in whole or in part, if consent to sublet or assign is granted, the express and implied covenants hereof shall extend to the sub lessees, successors and assigns of Lessor and Lessee and the liability for breach of any obligation hereunder shall rest exclusively upon the such assignee or sublessee of this lease, or portion thereof, who commits the breach.

**XI.  
PAYMENT IN LIEU OF PRODUCTION**

If a well capable of producing oil, gas or gas and gas-condensate in paying quantities located on the leased premises (or on acreage pooled or unitized therewith for the drilling or operation of such well) is at any time shut in and no oil, gas or gas-condensate there from is sold or used off the premises for the manufacture of gasoline or other products, such shut-in-well shall be deemed to be a well on the leased premises producing gas in paying quantities and this lease will continue in force during all of the time or times while such well is so shut in, whether before or after the expiration of the primary term hereof. Lessee shall be obligated to pay or tender to Lessor within 45 days after the expiration of each period of one year in length (annual period) during which such well is so shut-in, as royalty, an amount equal to Two Dollar (\$2.00) per net mineral acre then covered by this lease allocated to such well (eg: drillsite spacing unit) as of the end of such annual period; provided that if oil, gas or gas-condensate from such well is sold, or used as aforesaid, before the end of any such annual period Lessee shall not be obligated to pay or tender, for that particular annual period, said sum of money. Such payment shall be deemed a royalty under all provisions of this lease. Lessee shall use reasonable diligence to market oil, gas or gas-condensate capable of being produced from such shut-in well but shall be under no obligation to market such products under terms, conditions or circumstances which, in Lessee's judgement exercised in good faith, are unsatisfactory. After the primary term hereof, the terms of this paragraph shall in no event extend Lessee's rights under this lease for more than three (3) consecutive years unless the circumstances resulting in such well being shut in are beyond the reasonable control of Lessee as set forth in Article XXII; provided however that at the end of any such three (3) year period, Lessee may extend the provisions of this paragraph for up to an additional three (3) consecutive years by making like royalty payments on the basis of six dollars (\$6.00) per net mineral acre then covered by this lease and allocated to such well.

**XII.  
NO WARRANTY OF TITLE**

This lease is made without warranty of title, either express or implied; however, it is agreed that if Lessor owns a less interest in the leased premises than the entire and undivided fee simple estate therein, then the royalties herein provided for shall be paid the Lessor only in the proportion that Lessor's interest bears to the whole and undivided fee.

**XIII.  
DATA TRANSFER**

Lessee agrees to furnish to Lessor as to each well drilled on the leased premises by Lessee, the well information as set forth on Exhibit "A" attached hereto and made a part hereof, which information shall be for the sole use of Lessor and shall not be released by Lessor to any third party without the prior written consent of Lessee so long as this lease is in effect. Lessor, at its sole risk and expense, shall have free access to the premises and to the derrick floor of each well drilled on the leased premises.

**XIV.  
RIGHT OF LESSOR TO PURCHASE LIQUID PRODUCTION**

Lessor hereby reserves the continuing right and option to purchase the oil and/or other liquid hydrocarbons (including condensate, distillate and other liquids recovered from the well stream by normal lease separation methods) which may be produced and saved from the leased premises and which are attributable to Lessor's mineral interest covered by this lease. The price to be paid therefore shall be Lessee's posted price applicable thereto for the particular field or the average price paid for such oil and/or liquid hydrocarbons of the same grade and gravity by other purchasers in the field, whichever is the greater. The failure of Lessor to exercise said right and option shall not be held a waiver of the privilege to do so at any later time and such right and option may be exercised from time to time by the giving of thirty (30) days notice in writing of the election to so purchase. If Lessor exercises its option and right to purchase oil or condensate from any and all producing wells operated by the Lessee it shall indemnify Lessee against all losses, costs, claims, liabilities, litigation, demands, damages and expenses (including all attorney fees) resulting from the actions of Lessor's agents, employees and contractors and/or Lessee's need to exit other sales contracts or legal obligations. Lessor's right to purchase is subject to Lessor bearing the sole cost and expenses of equipment necessary to safely transport and

accurately measure any gas produced from any and all wellbores operated by Lessee subject to this lease. Lessor's operations will adhere and comply to all governing rules and regulations of the State of Utah and Federal regulations and acceptable petroleum industry practices..

**XV.  
RIGHT OF LESSOR TO PURCHASE GAS PROPERTIES**

Lessor hereby reserves the preferential right and option, to be exercised from time to time as hereinafter set forth, to purchase the gas (the term "gas" to include natural gas, casinghead gas and other gaseous substances and all constituents thereof in the well stream other than the liquid hydrocarbons described in Article XIV. above) produced and saved from the leased premises and which are attributable to Lessor's mineral interest covered by this lease. Any gas so purchased by Lessor shall be on the same terms (or terms economically equivalent thereto) as those under which Lessee proposes to sell or dispose of same to another prospective purchaser that is ready, willing, and able to purchase the gas. Lessee, upon becoming aware of a bona fide available market for such gas shall promptly give Lessor written notice at the address first set forth above of such market, setting forth full particulars with respect to the terms and conditions thereof, and Lessor may exercise its preferential right to purchase such gas on the same terms and conditions. Lessor may make such an election by notifying Lessee in writing, within fifteen (15) days after the receipt of such notice of market, of its intention to do so. In the event Lessor fails to elect to purchase such gas, such failure to elect shall be considered to be a waiver of its right to purchase said gas during the term of said gas sales contract and any extensions or renewals thereof, provided Lessee enters into such gas sale contract within sixty (60) days after the date Lessor waives its right to purchase such gas. If Lessor exercises its option and right to purchase gas or condensate from any and all producing wells operated by the Lessee it shall indemnify Lessee against all losses, costs, claims, liabilities, litigation, demands, damages and expenses (including all attorney fees) resulting from the actions of Lessor's agents, employees and contractors and/or Lessee's need to exit other sales contracts or legal obligations. Lessor's right to purchase is subject to Lessor bearing the sole cost and expenses of equipment necessary to safely transport and accurately measure any gas produced from any and all wellbores operated by Lessee subject to this lease. Lessor's operations will adhere and comply to all governing rules and regulations of the State of Utah and Federal regulations and acceptable petroleum industry practices..

**XVI.  
LESSEE'S RIGHT TO POOL LEASE**

Lessee is hereby granted the right to pool or unitize this lease, the land covered by it or any part thereof with any other land, lease, leases, mineral estates or parts thereof for the production of oil, liquid hydrocarbons and all gases and their respective constituent products, or any of them. Units pooled for oil hereunder shall not exceed forty acres plus a tolerance of ten percent thereof, and units pooled for gas hereunder shall not exceed one hundred sixty (160) acres plus a tolerance of ten percent thereof, provided that if any federal or state law, executive order, rule or regulation shall prescribe a spacing pattern for the development of the field or allocate a producing allowable on acreage per well, then any such units may embrace as much additional or less acreage as may be so prescribed or as may be used in such allocation or allowable. Lessee shall file written unit designations in the county in which the premises are located. Such units may be designated either before or after the completion of wells, and Lessee may reduce, enlarge, modify or dissolve such units at any time prior to the discovery of oil or gas on the pooled acreage or, after discovery of oil or gas at any time subsequent to the cessation of production thereof by filing a written declaration to such effect in the same county. Drilling operations and production on any part of the pooled acreage shall be treated as if such drilling operations were upon or such production was from the land described in this lease whether the well or wells be located on the land covered by this lease or not. The entire acreage pooled into a unit shall be treated for all purposes, except the payment of royalties on production from the pooled unit, as if it were included in this lease. In lieu of the royalties herein provided, Lessor shall receive on production from a unit so pooled only such portion of the royalty stipulated herein as the amount of its acreage placed in the unit or its royalty interest therein on an acreage basis bears to the total acreage so pooled in the particular unit involved.

**XVII.  
INDEMINIFICATION**

In the event any person or entity (including Lessor) suffers a loss of any kind or character, or death or injury, (1) as a result of a breach of this lease by Lessee or its agents, contractors or employees, or (2) as a result of Lessee or its agents, contractors or employees performing on the leased premises or elsewhere, any action, directly or indirectly, in furtherance of a right hereunder, or (3) from any cause whatsoever while being on the leased premises to conduct any work or service for Lessee, Lessee shall reimburse, indemnify, defend and hold harmless Lessor for any and all losses, costs, claims, liability, litigation, demands, damages and expenses (including all attorney fees) of every kind or character which Lessor may suffer or be subject to as a result of said loss or injury whether or not such losses, costs, claims, liabilities, litigation, demands, damages and expenses (including all attorney fees) result from the condition of Lessor's premises or facilities, unless through the sole negligence of Lessor or its agents.

**XVIII.  
SURFACE USE AGREEMENT**

Notwithstanding any contrary interpretation of mineral law, custom or practice in the industry, prior to Lessee commencing any operations on the leased premises which would result in a significant disturbance of the Lessor's surface estate relative thereto, Lessor and Lessee agree to use best faith efforts to enter into a mutually acceptable surface use agreement addressing Lessee's planned operations. The Right-Of-Way and Surface Damage Agreement in Exhibit B shall be a model template for each well site. A separate pipeline Right-of-Way and Easement Agreement will be signed when Lessee's pipelines cross Lessor's surface lands. Whether or not Lessor and Lessee achieve such surface use agreement notwithstanding, Lessee shall at its sole cost and expense, repair or restore those parts or portions of the leased premises damaged by operations hereunder and return the land as nearly as reasonably possible to the same condition as Lessee found it and shall conduct its operations in accordance with all laws and standards of the industry in effect at the time. Lessee shall promptly settle and dispose of all claims for damages resulting from operations hereunder, including, but not necessarily limited to, damages to grass, crops, roads and the surface of the land.

**XIX.  
REMOVAL OF LESSEE'S ASSETS**

Lessee shall have the right at any time, and from time to time, to remove any or all property, fixtures, equipment and materials placed by Lessee on the leased premises, including the right to draw and remove casing. Within six (6) months after the expiration of this lease Lessee shall remove all remaining property, fixtures, equipment and materials that were placed by Lessee on the leased premises. Such removal shall be accomplished at Lessee's sole cost, risk and expense.

**XX.  
COMPLIANCE WITH LAND AND REGULATIONS**

All operations of Lessee under this lease which involve the investigating, exploring, drilling for and producing of oil and gas, or both, from the leased premises, or the cessation, or abandonment, of its operations on the leased premises, shall be conducted in a good and workmanlike manner and in accordance with standard oil field practices and in accordance with all applicable federal, state and local statutes and regulations including specifically, but not by way of limitation, such laws and regulations governing the operation, maintenance and reclamation of wellsites, pipelines, tank batteries, and other related facilities as may be utilized by Lessee in its operations hereunder. Lessee shall further adhere to and abide by all federal, state and local environmental statutes and regulations addressing air, water and solid waste pollution and the handling, storage, use and disposal of hazardous substances as prescribed in The Comprehensive Environmental Response, Compensation, and Liability Act of 1980, 42 V.S.C. § 9601, et seq. (CERCLA). Lessee shall provide Lessor with copies of all applications for environmental permits, notices of violation or alleged violation of any environmental laws, governmental requests for any information pertaining to environmental issues relating to the leased premises or products produced there from, or Lessee's use thereof, copies of any responses from Lessee to said requests, and any environmental investigations, reports or studies involving the leased premises or products produced there from or the use thereof by Lessee which, from time to time, may be obtained by Lessee.

**XXI.  
COVENANTS FOLLOW LEASE**

The provisions hereof shall be considered as covenants running with the land and lease during the life of the lease and all modifications, renewals, and extensions thereof, and any grant, transfer or assignment of the lease shall be subject to the provisions hereof.

**XXII.  
FORCE MAJUERE**

This lease shall not be terminated in whole or in part, nor Lessee held liable for damages, because of a temporary cessation of production or of drilling operations due to breakdown of equipment or due to the repairing of a well or wells or because of failure to comply with any of the express provisions or implied covenants of this lease if such failure is the result of the exercise of governmental authority, war, armed hostilities, act of God, strike, civil disturbance, fire, explosion, flood or any other cause, including lack of market beyond the control of Lessee.

**XXIII.  
EXTENT OF AGREEMENT**

This Oil and Gas Lease constitutes the entire agreement between the parties hereto as to the subject matters herein set forth and supersedes all prior written or oral agreements relative thereto. No change, modification, alteration or amendment to this Oil and Gas Lease shall be binding upon the parties hereto except as specifically expressed in writing and signed by each party agreeing to be bound thereby.



**EXHIBIT "A"**

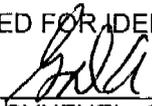
Attached to and made a part of that certain Oil and Gas Lease dated the 1st day of September, 2003, by and between Cliffs Synfuel Corp. as Lessor, and TCC Royalty Corporation as Lessee.

**DATA REQUIREMENTS**

In the drilling of any well under said Oil and Gas Lease Lessee shall comply with the following: Lessee shall furnish to Lessor a copy of each of the following:

- a. Location plat.
- b. All permits and notices to or from regulatory or governmental agencies.
- c. A composite of the Daily Activity Report from spud to completion, upon completion.
- d. Potential or other completion report.
- e. Final print of all logs and wire line formation tests run on the well, including Hydrocarbon (Mud) log, if run.
- f. All core analyses performed (including one set of prints of all photographs).
- g. All drill stem tests and PVT/fluid analyses performed (fluid to include oil, gas, and water).
- h. All bottom hole pressure data obtained (including analysis performed by third party/service companies).

INITIALED FOR IDENTIFICATION

  
\_\_\_\_\_  
CLIFFS SYN FUEL, CORP.

  
\_\_\_\_\_  
TCC ROYALTY COPORATION

RIGHT-OF-WAY and SURFACE DAMAGE AGREEMENT  
( \_\_\_\_\_ Resources Corporation \_\_\_\_\_ )

THIS AGREEMENT is made and entered into by and between \_\_\_\_\_ and Cliffs Synfuel Corporation (Cliffs),  
\_\_\_\_\_ (hereinafter referred to as "Grantor"), effective \_\_\_\_\_, 200

WHEREAS, Grantor is the surface owner of \_\_\_\_\_ quarter Section \_\_\_\_\_ Township 11 South Range 25 East, Uintah County, Utah (hereinafter referred to as the "Land(s)"); and

WHEREAS, \_\_\_\_\_ desires to enter onto and cross such Lands for the purpose of drilling an exploratory oil and/or gas well, \_\_\_\_\_ (WELL), located in the \_\_\_\_\_ quarter of the \_\_\_\_\_ quarter, Section \_\_\_\_\_ Township 11 South, Range 25 East, Uintah County, Utah (hereinafter referred to as the "Drillsite").

NOW THEREFORE, for and in consideration of the mutual promises and covenants herein contained, and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto agree as follows:

- I. \_\_\_\_\_, shall pay Grantor the sum of \$3,000.00 up front payment for damages to surface of the Lands for road access to the Drillsite and for the Drillsite for the drilling of the WELL. Within sixty days of completion of the Well either as a producer or a plugged and abandoned well, \_\_\_\_\_ shall survey the new access road and the Drillsite to compensate Cliffs for any additional damage that may have occurred during drilling and completion operations. Compensation will be on a \$1,500.00 per acre cost for any damages exceeding 2.0 acres and such compensation, if due, will be paid within thirty (30) days of the surveyor's report being released. \_\_\_\_\_ shall utilize existing access routes to the maximum extent feasible, so as to minimize surface disturbances for access to facilities.
- II. \_\_\_\_\_ and their assigns or agents shall have the right to use a reasonable amount of access road across the Lands and shall have the right to move derricks, drilling tools, vehicles, and all other machinery and equipment necessary or incident to the re-drilling, drilling, testing completion, operation of the WELL. Such activity shall be restricted to existing public roads or access roads covered by this agreement. Any roads or surface facilities may be relocated at Cliffs' expense if needed due to oil shale mining or processing in the future.
- III. This Agreement and the rights granted herein are effective and shall continue in full force and effect so long as operations are conducted on the WELL. Upon execution of this Agreement, all payments due hereunder shall be paid concurrently. Operations are defined under terms of the oil and gas lease with Cliffs as taken by Contex Energy, which is \_\_\_\_\_'s land agent and acquisition company, and under the Rules and Regulations defined by the State of Utah.
- IV. Cattle guards or gates will be constructed, if requested by Grantor, at all places where the openings go through the existing fences and gates will be kept closed at all times except when opened for passage of traffic. Also, gates shall be installed to limit access to producing wells on roads constructed by \_\_\_\_\_, if by mutual agreement between \_\_\_\_\_ and Cliffs.
- V. If there is any fill used for roads constructed across any drainage, then culverts will be used for the free flow of water through said drainage.
- VI. If the access road departs from existing established roadways and new construction is required, topsoil will be segregated and stockpiled for replacement during reclamation activities.
- VII. It is understood that any road constructed across the said Lands shall not exceed 30 feet in total width, including the total disturbed area between the outside of each berm, without the prior approval of Grantor.
- VIII. Upon completion of the WELL as a dry hole and the subsequent abandonment thereof, and at the request of the Grantor, any drill pads and newly constructed road will be restored and seeded within 180 days to the condition it was in prior to commencement of operations insofar as reasonably possible. Any preexisting roads, and the improvements thereto, which are constructed by \_\_\_\_\_, shall be left in a good and usable condition for the continued use by Grantor. Reclaimed areas will be reseeded with a wildlife mixture approved by the Utah Division of Wildlife.
- IX. In the event that the WELL is completed as a producer of oil and/or gas, \_\_\_\_\_ shall build and maintain a permanent access road in conformance with the already established county road including any variances granted by the county for existing roads to the Drillsite. Disturbed areas not used for production will be regraded and seeded with an approved wildlife seed mix within 90 days unless prohibited by weather.

- X. Upon completion of the WELL as a well capable of oil and/or gas production, this Agreement shall continue in full force and effect and \_\_\_\_\_ shall pay in advance to Grantor an annual access rental of two hundred dollars (\$200) per pad and \$200 per acre of roadway (30-foot width), or a minimum of \$500 to include the pad and roadway for each well, whichever is greater, on or before January 31<sup>st</sup> of each year thereafter until the subject well is plugged and abandoned and operations cease thereon.
- XI. It is expressly understood that the settlement amounts in paragraph I are only for construction of a road and drilling location and is not a settlement for any damages to contiguous property, personal property of the Grantor or a release of any personal injuries that may be sustained by reason of the operations carried on by \_\_\_\_\_ or its agents.
- XII. This Agreement does not cover pipeline easements and \_\_\_\_\_ acknowledges that it must secure a separate agreement prior to laying pipeline related to production of gas or oil on Cliffs' lands.
- XIII. This Agreement shall not be assigned, nor the rights hereunder transferred in any manner without the prior written consent of Grantor, which consent shall not be unreasonably withheld.
- XIV. \_\_\_\_\_ shall comply at its own expense with the Workman's Compensation Law of the State of Utah and shall maintain such insurance throughout the duration of this Agreement, and shall furnish Grantor prior to beginning work on the Lands evidence of such insurance and at each policy period thereafter renewal evidence that such insurance is being maintained. \_\_\_\_\_ with respect to its operation in connection with this Agreement, shall also purchase or provide for (i) comprehensive general public liability insurance with a combined single limit not less than One Million Dollars (\$1,000,000) for bodily injury and property damage; and (ii) automobile insurance with a combined single limit of not less than One Million Dollars (\$1,000,000) for bodily injury and property damage. At Grantor's request, \_\_\_\_\_ shall furnish Grantor with a certificate or certificates of insurance secured and maintained hereunder and Grantor shall be an additional insured thereon.
- XV. In the event any person or entity (including Grantor) suffers a loss of any kind or character, or death or injury, (1) as a result of a breach of this Agreement by \_\_\_\_\_, or its agents, contractors, or employees, or (2) as a result of \_\_\_\_\_ or its agents, contractors, or employees performing on the Drillsite or elsewhere, any action, directly or indirectly, in furtherance of a right hereunder, or (3) from any cause whatsoever while being on the Lands and the Drillsite to conduct any work or service for \_\_\_\_\_, \_\_\_\_\_ shall reimburse, indemnify defend and hold harmless Grantor for any and all losses, costs, claims, liability, litigation, demands, damages and expenses (including all attorney fees) of every kind or character which Grantor may suffer or be subject to as a result of said loss or injury whether or not such losses, costs, claims, liabilities, litigation, demands, damages, and expenses (including all attorney fees) result from the condition of Grantor's premises or facilities, unless through the sole negligence of Grantor or its agents.
- XVI. \_\_\_\_\_ shall provide Grantor with not less than forty-eight (48) hours advance notice, either by phone, mail or in person, of \_\_\_\_\_'s intent to enter upon the Land for the purpose of commencing operations thereon. \_\_\_\_\_ shall conduct its operations in such a manner as to use no more Land than is reasonably necessary and shall use all reasonable efforts not to interfere with the use of the Land by the Permittee in that certain Consolidated Grazing Permit dated January 1, 1998 by and between Grantor, as Owner, and O. S. Wyatt, Jr., as Permittee, or the rights of subsequent grazing permittees. All drilling fluid pits shall be fenced within ten days of end of drilling the WELL as a producer or dry hole and then the pits will be reclaimed and reseeded within 180 days of the completion of the well as a producer or dry hole. Surface structures shall be fenced, if they represent a potential hazard to livestock, by mutual agreement between \_\_\_\_\_ and Cliffs. The type of fencing to be mutually agreed upon by \_\_\_\_\_ and Cliffs. \_\_\_\_\_ will have ten days to effect repairs or problems with fences when notified by e-mail or in writing by Cliffs. \_\_\_\_\_ can request an extension of the closure of pits beyond the 180 days from the completion of the WELL if closing the pits represents a potential hazard or closing the pits at that time will not comply with the State of Utah's reclamation requirements and pit closure requirements. An extension will not be unreasonably withheld.
- XVII. \_\_\_\_\_ shall have the right at any time, and from time to time, to remove any or all property, fixtures, equipment and materials, placed by \_\_\_\_\_ on the Land, including the right to draw and remove casing. Within 90 days after plugging of the WELL this Agreement will expire and, \_\_\_\_\_ shall remove all remaining property, fixtures, equipment and materials that were placed by \_\_\_\_\_ on the Land. Such removal shall be accomplished at \_\_\_\_\_'s sole cost, risk, and expense. If such items are not removed within 90 days, Grantor shall have the right to remove those items from the Land and bill the associated cost for such removal to \_\_\_\_\_.

- XVIII. This agreement restricts the \_\_\_\_\_'s use of Grantor's lands to the sole purpose of exploration and production of oil and/or gas at this specific site. It does not grant \_\_\_\_\_, its contractors, or its agents the right to use the Grantor's property for any other purpose.
- XIX. All operations of \_\_\_\_\_ hereunder which involve drilling for and producing of oil and gas, or both, or the cessation, or abandonment, of its operations shall be conducted in a good and workmanlike manner and in accordance with standard oil field practices and in accordance with all applicable federal, state and local statutes and regulations including specifically, but not by way of limitation, such laws and regulations governing the operation, maintenance and reclamation of well sites, pipelines, tank batteries, and other related facilities as may be utilized by \_\_\_\_\_ and its operations hereunder. \_\_\_\_\_ shall further adhere to and abide by all federal, state and local environmental statutes and regulations addressing air, water, and solid waste pollution and the handling storage, storage, use and disposal of hazardous substances as prescribed in The Comprehensive Environmental Response, Compensation and Liability Act of 1980, 42 U.S.C. & 9601, et seq. (CERCLA). \_\_\_\_\_ shall provide Grantor with copies of all applications for environmental permits, notices of violation or alleged violations of any environmental laws, governmental requests for any information pertaining to environmental issues relating to the Land or products produced therefrom or \_\_\_\_\_'s use thereof, copies of any responses from \_\_\_\_\_'s to said requests, and any environmental investigations, reports, or studies involving the Land or products produced therefrom or the use thereof by \_\_\_\_\_ which, from time to time, may be obtained by \_\_\_\_\_.
- XX. \_\_\_\_\_ also agrees to abide by the laws or regulations of the State of Utah designed to protect either coal seams or oil shale deposits, including but not limited to those specific rules set forth the in the General Rules and Regulations of the Utah Board of Oil, Gas and Mining, as amended, pertaining to such matters. \_\_\_\_\_ acknowledges that the Land under this agreement was designated as an "Oil Shale Area" on August 22, 1985, amended in May of 2001, and \_\_\_\_\_ hereby agrees to follow the Board's procedure for wells drilled in designated "Oil Shale Areas" as set forth in the aforementioned General Rules and Regulations as amended in 2001.
- XXI. The provisions hereof shall be considered as covenants running with the Land during the life of the Agreement and all modifications thereof, and any assignment of the Agreement shall be subject to the provisions thereof.
- XXII. This Agreement constitutes the entire Agreement between the parties hereto as to the subject matters herein set forth and supersedes all prior written or oral agreements relative thereto except for said LETTER AGREEMENT entitled GENERAL RIGHT-OF-WAY and SURFACE DAMAGE AGREEMENT entered into and signed between \_\_\_\_\_ and Cliffs Synfuels Corporation dated July 1<sup>st</sup>, 2001 as this agreement will be subordinate to that said agreement. No change, modification, alteration or amendment to this Agreement shall be binding upon the parties hereto except as specifically expressed in writing and signed by each party agreeing to be bound thereby.

CLIFFS SYNFUEL CORP.

By: \_\_\_\_\_  
Gary D. Aho, President

By: \_\_\_\_\_

WORKSHEET  
APPLICATION FOR PERMIT TO DRILL

APD RECEIVED: 10/20/2003

API NO. ASSIGNED: 43-047-35299

WELL NAME: QUEST 13-22

OPERATOR: TCC ROYALTY CORPORATION ( N1995 )

CONTACT: STEVE TEDESCO

PHONE NUMBER: 303-617-7242

PROPOSED LOCATION:

SWSW 22 110S 250E

SURFACE: 0374 FSL 0727 FWL

BOTTOM: 0374 FSL 0727 FWL

UINTAH

KICKER ( 619 )

LEASE TYPE: 4 - Fee

LEASE NUMBER: FEE

SURFACE OWNER: 4 - Fee

PROPOSED FORMATION: WSTC

INSPECT LOCATN BY: / /

Tech Review	Initials	Date
Engineering	DKD	11/12/03
Geology		
Surface		

LATITUDE: 39.84137

LONGITUDE: 109.11056

RECEIVED AND/OR REVIEWED:

- Plat
- Bond: Fed[] Ind[] Sta[] Fee[4]  
(No. 0621469550 )
- Potash (Y/N)
- Oil Shale 190-5 (B) or 190-3 or 190-13
- Water Permit  
(No. 1639 )
- RDCC Review (Y/N)  
(Date: )
- Fee Surf Agreement (Y/N)

LOCATION AND SITING:

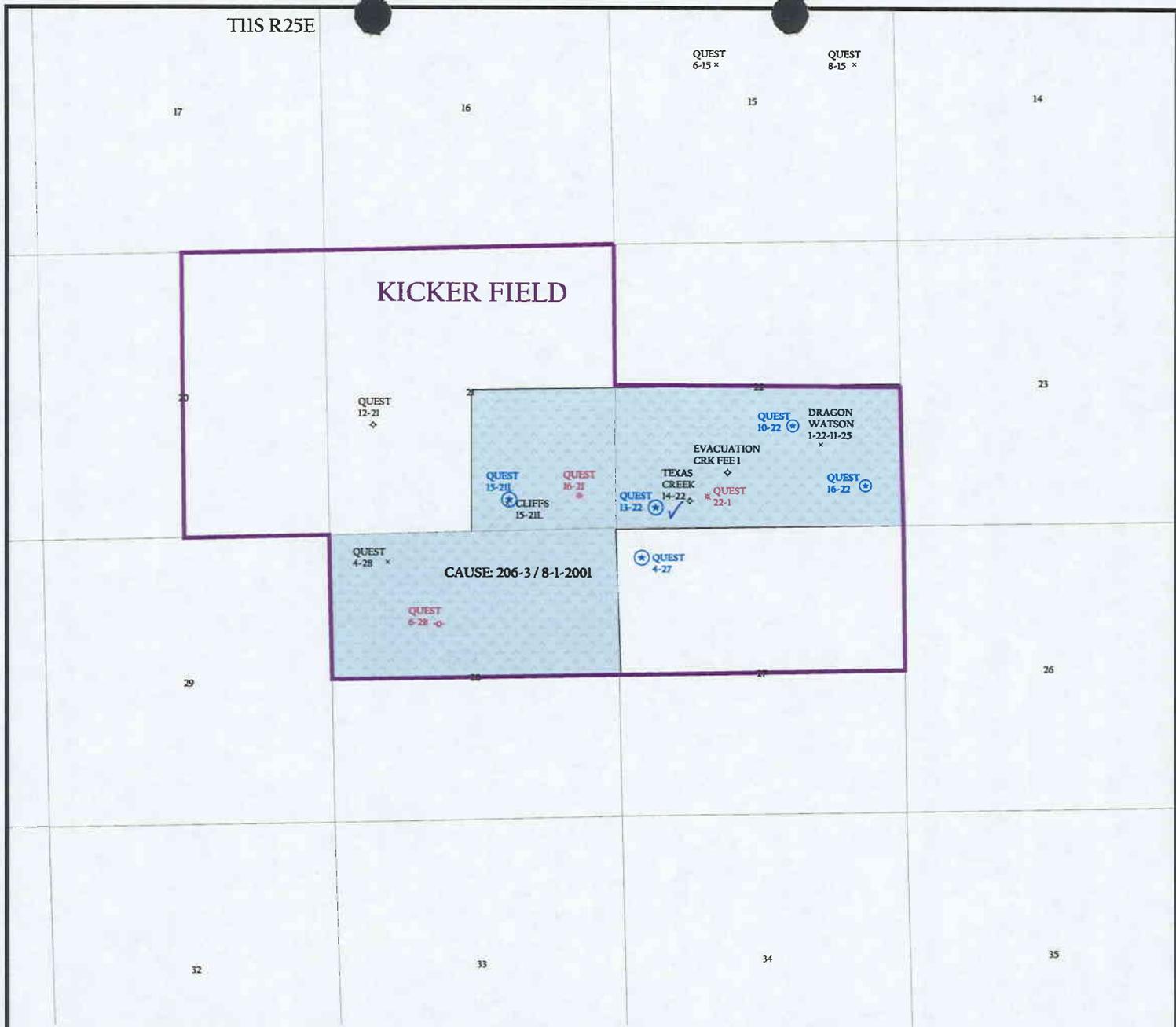
- R649-2-3.  
Unit \_\_\_\_\_
- R649-3-2. General  
Siting: 460 From Qtr/Qtr & 920' Between Wells
- R649-3-3. Exception
- Drilling Unit  
Board Cause No: 206-3  
Eff Date: 8-9-01  
Siting: 460' fr 1/4 1/4 boundary line & 920' fr corner wells
- R649-3-11. Directional Drill

COMMENTS:

Needs Permit (11-03-03)

STIPULATIONS:

Oil Shale  
STATEMENT OF BASIS



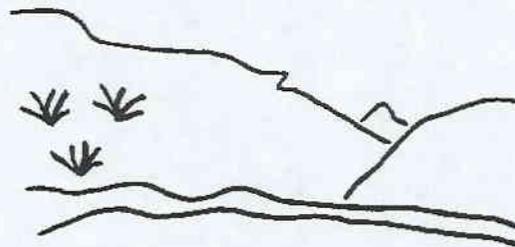
OPERATOR: TCC ROYALTY CORP (N1995)

SEC. 22 T.11S, R.25E

FIELD: KICKER (619)

COUNTY: UINTAH

CAUSE: 206-3 / 8-9-2001



Utah Oil Gas and Mining

Wells

- GAS INJECTION
- GAS STORAGE
- LOCATION ABANDONED
- ⊙ NEW LOCATION
- PLUGGED & ABANDONED
- PRODUCING GAS
- PRODUCING OIL
- SHUT-IN GAS
- SHUT-IN OIL
- x TEMP. ABANDONED
- TEST WELL
- ▲ WATER INJECTION
- WATER SUPPLY
- WATER DISPOSAL

Unit Status

- EXPLORATORY
- GAS STORAGE
- NF PP OIL
- NF SECONDARY
- PENDING
- PI OIL
- PP GAS
- PP GEOTHERML
- PP OIL
- SECONDARY
- TERMINATED

Field Status

- ABANDONED
- ACTIVE
- COMBINED
- INACTIVE
- PROPOSED
- STORAGE
- TERMINATED



PREPARED BY: DIANA WHITNEY  
DATE: 22-OCTOBER-2003

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

**OPERATOR:** TCC ROYALTY CORP.  
**WELL NAME & NUMBER:** QUEST 13-22  
**API NUMBER:** 43-047-35299  
**LOCATION:** 1/4,1/4 SW/SW Sec: 22 TWP: 11S RNG:25E 727' FWL 374' FSL

**Geology/Ground Water:**

TCC proposes to set 500' of surface casing at this location. The depth to the base of the moderately saline water at this location is estimated to be at a depth of 5700' (below the proposed depth for the well in question). A search of Division of Water Rights records shows 5 water wells within a 10,000 foot radius of the proposed location. All are industrial use wells with depths ranging from 100-750'. The surface formation at this site is the Green River Formation. The Green River Formation is made up of interbedded limestones, shales and sandstones. The proposed casing and cementing program should adequately protect any underground sources of useable water.

**Reviewer:** Brad Hill **Date:** 11-04-03

**Surface:**

The predrill investigation of the surface was performed on 11/03/03. This site is on land belonging to Cliffs Synfuel Corp. Gary Aho was present representing Cliffs Synfuel. Mr. Aho had no specific concerns regarding the construction of this location or the drilling of this well. This site is on an extremely steep slope. Location construction will require a 48.6' cut on one side of the location and 33.0' of fill on the opposite side of the location. This site appears to be the best site for a location in this quarter/quarter.

**Reviewer:** David W. Hackford **Date:** 11/04/03

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

1. A synthetic liner with a minimum thickness of 12 mils shall be properly installed and maintained in the reserve pit.

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

**OPERATOR:** TCC ROYALTY CORPORATION  
**WELL NAME & NUMBER:** QUEST 13-22  
**API NUMBER:** 43-047-35299  
**LEASE:** FEE **FIELD/UNIT:** KICKER  
**LOCATION:** 1/4, 1/4 SW/SW Sec: 22 TWP: 11S RNG: 25E 727' FWL 374' FSL  
**LEGAL WELL SITING:** 460 F UNIT BOUNDARY; 920 F ANOTHER WELL.  
**GPS COORD (UTM):** 4411650N 12661664E **SURFACE OWNER:** CLIFFS SYNFUEL CORP.

**PARTICIPANTS**

DAVID W. HACKFORD (DOGM), GARY AHO (CLIFFS SYNFUEL), SAM GARDNER, (TCC).

**REGIONAL/LOCAL SETTING & TOPOGRAPHY**

SITE IS ON THE SOUTH SLOPE OF AN EXTREMELY STEEP RIDGE WHICH RUNS EAST TO WEST. THE BOTTOM OF PARK CANYON IS 500' TO THE SOUTH. PARK CANYON RUNS INTO EVACUATION CREEK CANYON ONE MILE TO THE WEST. THE TOP OF THIS RIDGE IS 0.5 MILES TO THE NORTH. THERE IS AN OIL SHALE OUTCROPPING 100' NORTH AND ABOVE SITE.

**SURFACE USE PLAN**

CURRENT SURFACE USE: WILDLIFE AND LIVESTOCK GRAZING, HUNTING.

PROPOSED SURFACE DISTURBANCE: LOCATION WILL BE 300' BY 210'. ACCESS ROAD WILL BE 0.2 MILES.

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

LOCATION OF PRODUCTION FACILITIES AND PIPELINES: ALL PRODUCTION FACILITIES WILL BE ON LOCATION AND ADDED AFTER DRILLING WELL. PIPELINE WILL BE SURVEYED AND PERMITTED IF NEEDED.

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: JUNIPER, NATIVE GRASSES, GREASEWOOD, CHEATGRASS, SHADSCALE, SAGE: RODENTS, COYOTE, SONGBIRDS, RAPTORS, DEER, ELK, COUGAR, BEAR.

SOIL TYPE AND CHARACTERISTICS: LIGHT BROWN SANDY CLAY.

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

PALEONTOLOGICAL POTENTIAL: NONE OBSERVED.

**RESERVE PIT**

CHARACTERISTICS: 80' BY 40' AND EIGHT FEET DEEP.

LINER REQUIREMENTS (Site Ranking Form attached): A 12 MIL LINER WILL BE  
REQUIRED FOR RESERVE PIT.

**SURFACE RESTORATION/RECLAMATION PLAN**

AS PER LANDOWNER AGREEMENT.

SURFACE AGREEMENT: A SURFACE AGREEMENT HAS BEEN SIGNED.

CULTURAL RESOURCES/ARCHAEOLOGY: SITE IS ON FEE LAND.

**OTHER OBSERVATIONS/COMMENTS**

THIS PREDRILL INVESTIGATION WAS CONDUCTED ON A COLD DAY WITH FOUR INCHES  
OF SNOW COVER.

**ATTACHMENTS**

PHOTOS OF THIS SITE WERE TAKEN AND PLACED ON FILE.

DAVID W. HACKFORD  
DOGM REPRESENTATIVE

11/03/03. 12:15 PM  
DATE/TIME

**Evaluation Ranking Criteria and Ranking Score  
For Reserve and Onsite 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	20	<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>10</u>
Fluid Type		
Air/mist	0	
Fresh Water	5	
TDS >5000 and <10000	10	
TDS >10000 or Oil Base Mud Fluid	15	
containing significant levels of hazardous constituents	20	<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**      20      (Level I Sensitivity)

Sensitivity Level I = 20 or more; total containment is required.

Sensitivity Level II = 15-19; lining is discretionary.

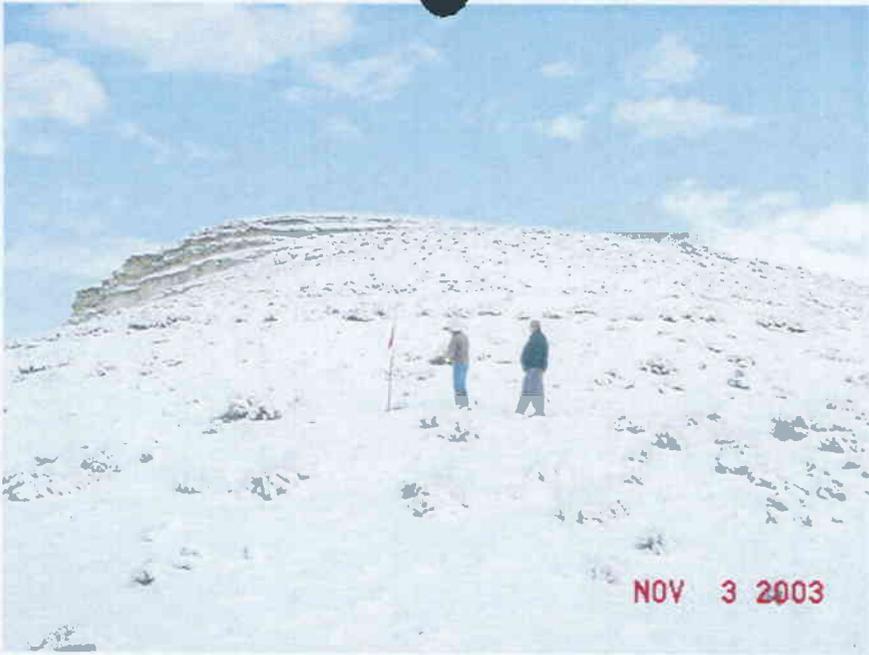
Sensitivity Level III = below 15; no specific lining is required.



NOV 3 2003



NOV 3 2003



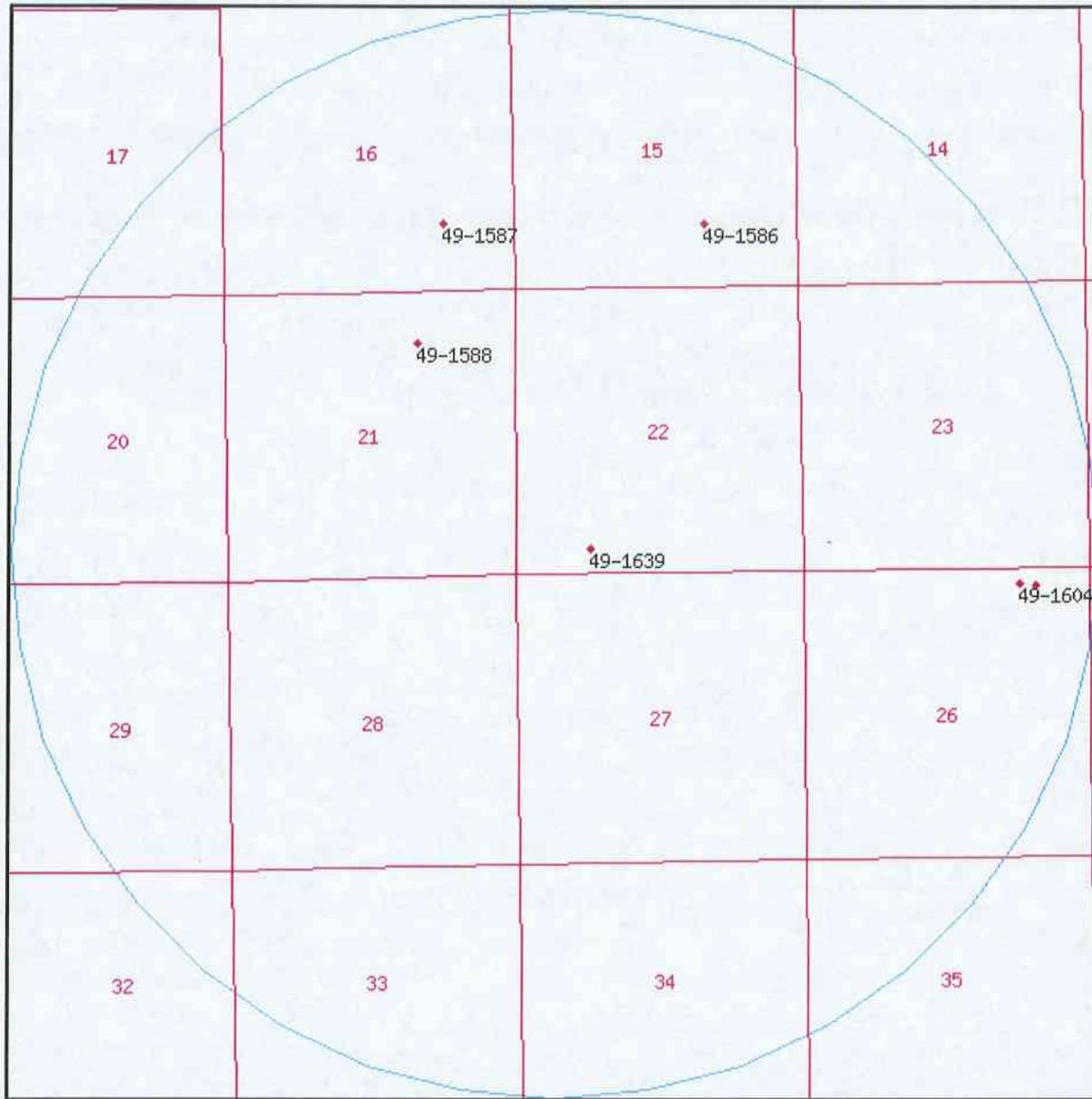
utah gov State Online Services Agency List Search Utah.gov go

# UTAH DIVISION OF WATER RIGHTS

## WRPLAT Program Output Listing

Version: 2003.10.25.00 Rundate: 11/04/2003 02:37 PM

● Radius search of 10000 feet from a point N374 E727 from the SW corner, section 22, Township 11S, Range 25E, SL b&m  
Criteria:wrtypes=W,C,E podtypes=U status=all usetypes=all



## Water Rights

WR Number	Diversion Type/Location	Well Log	Status	Priority	Uses	CFS	ACFT	Owner Name
49-1481	Underground S350 W1000 NE 26 11S 25E SL		T	19900727	O	0.000	10.000	TXO Production Corp. 1800 Linclon Center Bldg.
49-1543	Underground S350 W1000 NE 26 11S 25E SL		T	19940608	O	0.000	10.000	Mitchell Energy Corp. P.O. Box 4000
49-1557	Underground N465 E1363 SW 22 11S 25E SL	well info	T	19950501	O	0.000	2.000	Anschutz Exploration Corporation 555 Seventeenth Street
49-1586	Underground N1121 W1735 SE 15 11S 25E SL		T	19951026	O	0.000	1.930	Anschutz Exploration Corp. 555 Seventeenth Street
49-1587	Underground N1200 W1320 SE 16 11S 25E SL		T	19951026	O	0.000	1.930	Anschutz Exploration Corp. 555 Seventeenth Street
49-1588	Underground S1000 W1800 NE 21 11S 25E SL		T	19951026	O	0.000	1.930	Anschutz Exploration Corp. 555 Seventeenth Street
49-1604	Underground S300 W1300 NE 26 11S 25E SL		A	19970421	S	0.000	0.470	Cripple Cowboy Outfit P. O. Box 40
49-1614	Underground N465 E1363 SW 22 11S 25E SL	well info	T	19980617	O	0.000	2.000	Cliffs Synfuel Corporation P.O. Box 1211, 818 Taughenbaugh Blvd.
49-1639	Underground N465 E1363 SW 22 11S		A	20000127	O	0.000	48.000	Cliffs Synfuel Corp.

25E SL

P.O. Box 1211

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

Casing Schematic

Green River

Surface

8-5/8"  
MW 8.4  
Frac 19.3

TOC @  
0.

TOC @  
0.

w/ 18% Washout

Surface  
500. MD

BHP

$$(0.52)(2400)(10.7) = 1335$$

Max Anticipated 1300

Air

$$(0.1)(2400) = 288$$

$$MASP = 1047$$

BOPE = 2M proposed  
w/ rotating head

Adequate

DVD

11/12/03

1463 Washout

w/ 15% Washout

Ohio Creek 2364

4-1/2"  
MW 10.7

Production  
2400. MD

Well name:

11-03 TCC Quest 13-22

Operator: TCC Royalty Corp

String type: Surface

Project ID:  
43-047-35299

Location: Uintah

**Design parameters:**

**Collapse**

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

**Minimum design factors:**

**Collapse:**

Design factor 1.125

**Burst:**

Design factor 1.00

**Environment:**

H2S considered? No  
Surface temperature: 75 °F  
Bottom hole temperature: 82 °F  
Temperature gradient: 1.40 °F/100ft  
Minimum section length: 499 ft

Cement top: Surface

**Burst**

Max anticipated surface pressure: 440 psi  
Internal gradient: 0.120 psi/ft  
Calculated BHP 500 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 buoyed weight.  
Neutral point: 437 ft

Non-directional string.

**Re subsequent strings:**

Next setting depth: 2,400 ft  
Next mud weight: 10.700 ppg  
Next setting BHP: 1,334 psi  
Fracture mud wt: 19.250 ppg  
Fracture depth: 500 ft  
Injection pressure 500 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 (ft <sup>3</sup> )
1	500	8.625	24.00	J-55	ST&C	500	500	7.972	24.1

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	218	1370	6.279	500	2950	5.90	10	244	23.27 J

Prepared by: Clinton Dworshak  
Utah Div. of Oil & Mining

Phone: 801-538-5280  
FAX: 801-359-3940

Date: November 7, 2003  
Salt Lake City, Utah

Remarks:

Collapse is based on a vertical depth of 500 ft, a mud weight of 8.4 ppg. The casing is considered to be evacuated for collapse purposes. Collapse strength is based on the Westcott, Dunlop & Kemler method of biaxial correction for tension.

Burst strength is not adjusted for tension.

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

Well name:

11-03 TCC Quest 13-22

Operator: TCC Royalty Corp

String type: Production

Project ID:  
43-047-35299

Location: Uintah

**Design parameters:**

**Collapse**

Mud weight: 10.700 ppg  
Design is based on evacuated pipe.

**Minimum design factors:**

**Collapse:**

Design factor 1.125

**Burst:**

Design factor 1.00

**Environment:**

H2S considered? No  
Surface temperature: 75 °F  
Bottom hole temperature: 109 °F  
Temperature gradient: 1.40 °F/100ft  
Minimum section length: 1,500 ft

Cement top: Surface

**Burst**

Max anticipated surface pressure: 1,046 psi  
Internal gradient: 0.120 psi/ft  
Calculated BHP 1,334 psi

No backup mud specified.

**Tension:**

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

Non-directional string.

Tension is based on buoyed weight.

Neutral point: 2,018 ft

Run Seq	Segment Length (ft)	Size (in)	Nominal Weight (lbs/ft)	Grade	End Finish	True Vert Depth (ft)	Measured Depth (ft)	Drift Diameter (in)	Internal Capacity (ft <sup>3</sup> )
1	2400	4.5	10.50	J-55	ST&C	2400	2400	3.927	50.1

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	1334	4010	3.006	1334	4790	3.59	21	132	6.23 J

Prepared by: Clinton Dworshak  
Utah Div. of Oil & Mining

Phone: 801-538-5280  
FAX: 801-359-3940

Date: November 7, 2003  
Salt Lake City, Utah

Remarks:

Collapse is based on a vertical depth of 2400 ft, a mud weight of 10.7 ppg. The casing is considered to be evacuated for collapse purposes. Collapse strength is based on the Westcott, Dunlop & Kemler method of biaxial correction for tension.

Burst strength is not adjusted for tension.

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



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

1594 West North Temple, Suite 1210  
PO Box 145801  
Salt Lake City, Utah 84114-5801  
(801) 538-5340 telephone  
(801) 359-3940 fax  
(801) 538-7223 TTY  
www.nr.utah.gov

Michael O. Leavitt  
Governor  
Robert L. Morgan  
Executive Director  
Lowell P. Braxton  
Division Director

November 13, 2003

TCC Royalty Corporation  
14550 E Easter #1000  
Englewood, CO 80112

Re: Quest 13-22 Well, 374' FSL, 727' FWL, SW SW, Sec. 22, T. 11 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 well 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 well is 43-047-35299.

Sincerely,

John R. Baza  
Associate Director

pab  
Enclosures

cc: Uintah County Assessor

Operator: TCC Royalty Corporation  
Well Name & Number Quest 13-22  
API Number: 43-047-35299  
Lease: Fee

Location: SW SW                      Sec. 22      T. 11 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 well:

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

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 Wells requesting approval of change of plans or other operational actions.

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

#### 5. In accordance with Order in Cause No. 190-5(b) dated October 28, 1982, the Operator shall comply with requirements of Rules R649-3-31 and R649-3-27 pertaining to Designated Oil Shale Areas. Additionally, the operator shall ensure that the surface and/or production casing is properly cemented over the entire oil shale interval as defined by Rule R649-3-31. The Operator shall report the actual depth the oil shale is encountered to the Division.

**EXACT Engineering, Inc.**  
 415 S. Boston Ave., Suite 734  
 Tulsa, Oklahoma 74103

**EXACT Engineering, Inc.**

[www.exactengineering.com](http://www.exactengineering.com)

**Steven R. Hash, P.E.**

**office 918.599.9400**  
**office fax 918.599.9401**

**Steve 24/7 & mobil 918.599.9801**  
**stevehash@exactengineering.com**

## **Fax**

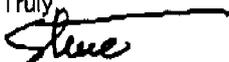
<b>To:</b> Utah DOGM – Attn: Dustin Doucet	<b>From:</b> Steve Hash
<b>Fax:</b> 801-359-3940	<b>Pages:</b> 3 total
<b>Phone:</b> 801-538-5281	<b>Date:</b> Feb 19, 2004
<b>Re:</b> TCC Royalty Corp – proposed Quest 13-22 well	<b>CC:</b>

Dustin,

Please find attached a sundry notice to alter the hole and casing sizes for the subject proposed well. The original will be placed in the U.S. Mail to you as we discussed. We plan to spud this well (preset 9-5/8") tomorrow and then the Quest 4-27 on Saturday. I anticipate the rotary moving immediately thereafter. Thanks for your help on this matter. I will follow up immediately with a sundry for the 4-27 well.

Yours Truly,

Steve



**Xc:** David Hackford – DOGM field inspector, Vernal, UT fax 435-722-3417  
 Steven Tedesco – TCC Royalty Corp, Denver, CO fax 303-617-7442

**FEB 19 2004**

Petroleum Engineering Consulting, Personnel & Jobsite Supervision  
 drilling, completion, production, pipelines, compression, evaluations, acquisitions,  
 due diligence, procedures, cost estimates, expert testimony

**EXACT Engineering, Inc.**  
415 S. Boston Ave., Suite 734  
Tulsa, Oklahoma 74103

**EXACT Engineering, Inc.**

www.exactengineering.com

Steven R. Hash, P.E.

office 918.599.9400  
office fax 918.599.9401

Steve 24/7 & mobil 918.599.9801  
stevehash@exactengineering.com

**Fax**

*DOGMA - For your information + driving directions  
Thank you*

To:	From: Steve Hash
Fax:	Pages:
Phone:	Date:
Re: Client: TCC Royalty Corp	CC:

Gentlemen,

EXACT Engineering, Inc. will provide engineering and wellsite supervision services for the drilling and completion of the following well(s) operated by **TCC Royalty Corporation**. Your company may be contacted by one of our authorized representative(s) and requested to provide a portion of the materials or services required for this project. TCC Royalty Corporation, as the well operator, will remain responsible for payment of all invoices.

If you are interested in providing materials or services to TCC Royalty for this project please send proof of current general liability, worker's compensation and automotive insurance coverage to EXACT Engineering in order to be considered an Approved Vendor. Requests for banking or other financial information from TCC Royalty should be directed to: **Steven A. Tedesco, TCC Royalty Corporation, 14550 E. Easter Ave, #1000, Englewood, CO. 80112; offc (303) 617-7242 or email [stedesco@atoka.com](mailto:stedesco@atoka.com)**

Project or well(s) – all in Uintah County, UT:

No	Wellname	Location	ATD
1	Quest 13-22	SW SW Sec 22 T11S R25E	2400'
2	Quest 4-27	NW NW Sec 27 T11S R25E	2300'
3	Quest 2-28	NW NE Sec 28 T11S R25E	2300'
4	Quest 15-21	SW SE Sec 21 T11S R25E	2400'

Directions to lease: From east edge of Vernal, UT take HW 45 south (Bonanza HW) for 40 miles on blacktop to Baxter Canyon sign on left (Duck Rock). Turn left & go 10.2 miles on dirt Baxter Pass Road (stay right @ Hells Hole sign; stay left @ Baxter Pass sign & stay right @ next fork). After 10.2 miles turn left @ blue gas compressor immediately before cattleguard (do not cross cattleguard) then...

Quest 13-22 ...go 1 mile & turn left thru yellow cattleguard, then go 1/2 mile up hill to location.

Quest 4-27 ...

Quest 2-28 ...

Quest 15-21 ...

Please direct all invoices for goods and services (with a signed delivery ticket) directly to TCC Royalty Corporation at the above address. Field activity is presently scheduled to begin on or about **Feb 16, 2004**. Please feel free to contact us for engineering and/or field operations related questions or for more information. Thanks and we look forward to working with you!

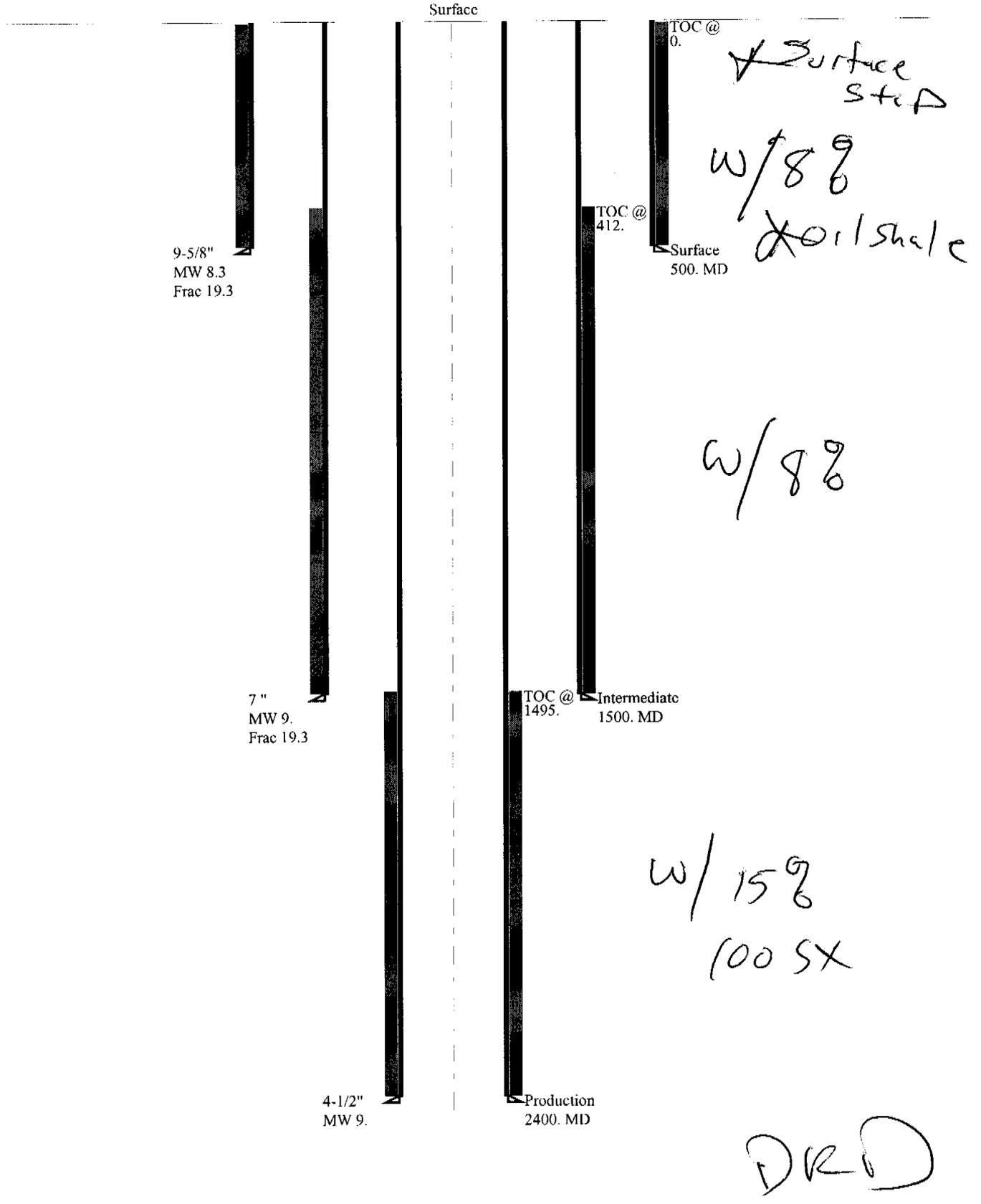
Sincerely,

Steve Hash

Petroleum Engineering Consulting, Personnel & Jobsite Supervision  
drilling, completion, production, pipelines, compression, evaluations, acquisitions,  
due diligence, procedures, cost estimates, expert testimony

FEB 19 2004

02-04 TCC Royalty Quest 22  
Casing Schematic



Well name:

**02-04 TCC Royalty Quest 13-22**

Operator: **TCC Royalty**

String type: **Surface**

Project ID:

43-047-35299

Location: **Uintah Co.**

**Design parameters:**

**Collapse**

Mud weight: 8.330 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: 72 °F  
Temperature gradient: 1.40 °F/100ft  
Minimum section length: 185 ft

Cement top: Surface

**Burst**

Max anticipated surface pressure: 440 psi  
Internal gradient: 0.120 psi/ft  
Calculated BHP 500 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: 439 ft

Non-directional string.

**Re subsequent strings:**

Next setting depth: 1,500 ft  
Next mud weight: 9.000 ppg  
Next setting BHP: 701 psi  
Fracture mud wt: 19.250 ppg  
Fracture depth: 500 ft  
Injection pressure 500 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	500	9.625	32.30	H-40	ST&C	500	500	8.876	31.7

Run Seq	Collapse Load (psi)	Collapse Strength (psi)	Collapse Design Factor	Burst Load (psi)	Burst Strength (psi)	Burst Design Factor	Tension Load (Kips)	Tension Strength (Kips)	Tension Design Factor
1	216	1370	6.33	500	2270	4.54	16	254	15.73 J

Prepared by: DKD  
Utah Dept. of Natural Resources

Date: February 19,2004  
Salt Lake City, Utah

**ENGINEERING STIPULATIONS: NONE**

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

Collapse is based on a vertical depth of 500 ft, a mud weight of 8.33 ppg The casing is considered to be evacuated for collapse purposes.

Burst strength is not adjusted for tension.

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

Well name:	<b>02-04 TCC Royalty Quest 13-22</b>	
Operator:	<b>TCC Royalty</b>	Project ID:
String type:	Intermediate	43-047-35299
Location:	Uintah Co.	

**Design parameters:**

**Collapse**

Mud weight: 9.000 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: 86 °F  
 Temperature gradient: 1.40 °F/100ft  
 Minimum section length: 500 ft

Cement top: 412 ft

**Burst**

Max anticipated surface pressure: 834 psi  
 Internal gradient: 0.120 psi/ft  
 Calculated BHP 1,014 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: 1,297 ft

Non-directional string.

**Re subsequent strings:**

Next setting depth: 2,400 ft  
 Next mud weight: 9.000 ppg  
 Next setting BHP: 1,122 psi  
 Fracture mud wt: 19.250 ppg  
 Fracture depth: 1,500 ft  
 Injection pressure 1,500 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	1500	7	17.00	H-40	ST&C	1500	1500	6.456	51.2

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	701	1420	2.02	1014	2310	2.28	25	122	4.78 J

Prepared by: DKD  
 Utah Dept. of Natural Resources

Date: February 19, 2004  
 Salt Lake City, Utah

**ENGINEERING STIPULATIONS: NONE**

Collapse strength is based on the Westcott, Dunlop & Kemler method of biaxial correction for tension.  
 Collapse is based on a vertical depth of 1500 ft, a mud weight of 9 ppg. The casing is considered to be evacuated for collapse purposes.  
 Burst strength is not adjusted for tension.

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

Well name:	<b>02-04 TCC Royalty Quest 13-22</b>	
Operator:	<b>TCC Royalty</b>	Project ID:
String type:	Production	43-047-35299
Location:	Uintah Co.	

**Design parameters:**

**Collapse**

Mud weight: 9,000 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: 99 °F  
 Temperature gradient: 1.40 °F/100ft  
 Minimum section length: 1,500 ft

Cement top: 1,495 ft

**Burst**

Max anticipated surface pressure: 834 psi  
 Internal gradient: 0.120 psi/ft  
 Calculated BHP 1,122 psi

No backup mud specified.

**Tension:**

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

Non-directional string.

Tension is based on air weight.  
 Neutral point: 2,078 ft

Run Seq	Segment Length (ft)	Size (in)	Nominal Weight (lbs/ft)	Grade	End Finish	True Vert Depth (ft)	Measured Depth (ft)	Drift Diameter (in)	Internal Capacity (ft <sup>3</sup> )
1	2400	4.5	10.50	J-55	ST&C	2400	2400	3.927	50.2

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	1122	4010	3.57	1122	4790	4.27	25	132	5.24 J

Prepared by: DKD  
 Utah Dept. of Natural Resources

Date: February 19,2004  
 Salt Lake City, Utah

**ENGINEERING STIPULATIONS: NONE**

Collapse strength is based on the Westcott, Dunlop & Kemler method of biaxial correction for tension.  
 Collapse is based on a vertical depth of 2400 ft, a mud weight of 9 ppg The casing is considered to be evacuated for collapse purposes.  
 Burst strength is not adjusted for tension.

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

007

FORM 9

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

5. LEASE DESIGNATION AND SERIAL NUMBER:  
FEE

6. IF INDIAN, ALLOTTEE OR TRIBE NAME:  
N/A

7. UNIT or CO AGREEMENT NAME:  
FEE

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:  
Quest 13-22

2. NAME OF OPERATOR:  
TCC Royalty Corporation

9. API NUMBER:  
43-047-35299

3. ADDRESS OF OPERATOR:  
14550 E. Easter Ave CITY #1000 Englewood STATE CO ZIP 80112

PHONE NUMBER:  
(303) 617-7242

10. FIELD AND POOL, OR WILDCAT:  
Kicker Field

4. LOCATION OF WELL  
FOOTAGES AT SURFACE: 727' fwl and 374' fsl

COUNTY: Uintah

QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: SWSW 22 11S 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: <u>2/20/2004</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 checked="" 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 PLANE	<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"/> COMMINGLED 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.

Alter hole size /casing size /cement program to the following (note: NO DEPTH CHANGES)

- 1) drill 12-1/4" hole to 500'; set 9-5/8" 32.3ppf H40 csg @ 500'; cement to surface w/ 50:50 POZ @ 1.55 cfps; 235 cf or 150 sx (50% excess)
- 2) drill 8-3/4" hole to 1500'; set 7" 17ppf WT50 csg @ 1500'; cement to surface w/ 50:50 POZ @ 1.55 cfps; 315 cf or 200 sx (50% excess in open hole)
- 3) drill 6-1/4" hole to 2400'; either hang 2-3/8" tbg or set 4-1/2" 10.5ppf J55 csg @ 2400' & cement to 1500'

*2/20/04  
CHD*

NAME (PLEASE PRINT) Steven R Hash, P.E. (918) 599-9400

TITLE President, EXACT Eng'g, Inc. & Agent for TCC

SIGNATURE *Steven R. Hash*

DATE 2/19/2004

(This space for State use only)

(2/2000)

(See instructions on Reverse Side)

*02/19/04  
D. R. King  
\* Surface casing shall be cemented to surface  
\* Oil shale cause No. 190-3*

FEB 19 2004

**DIVISION OF OIL, GAS AND MINING**

**SPUDDING INFORMATION**

Name of Company: TCC ROYALTY COMPANY

Well Name: QUEST 13-22

Api No: 43-047-35299 Lease Type: FEE

Section 22 Township 11S Range 25E County UINTAH

Drilling Contractor \_\_\_\_\_ RIG # \_\_\_\_\_

**SPUDDED:**

Date 02/23/04

Time \_\_\_\_\_

How ROTARY

**Drilling will commence:** \_\_\_\_\_

Reported by STEVE HASH

Telephone # 1-918-599-9400

Date 03/10/2004 Signed CHD

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

009

ENTITY ACTION FORM

Operator: TCC Royalty Corporation Operator Account Number: N 1995  
 Address: 14550 East Easter Ave Ste 1000  
city Centennial  
state CO zip 80112 Phone Number: (303) 617-8919

Well 1

API Number	Well Name	CG	Sec	Twp	Rng	County
047-35299	Quest 13-22	SWSW	22	11	25	Uintah
Action Code	Current Entity Number	New Entity Number	Spud Date		Entity Assignment Effective Date	
A	99999	14058	2/23/2004		3/3/04	
Comments: We have set 500' 9 5/8" casing. No oil shale encountered, we are below the oil shale outcrop WSTC						

Well 2

API Number	Well Name	CG	Sec	Twp	Rng	County
047-35298	Quest 4-27	NwNw	27	11	25	Uintah
Action Code	Current Entity Number	New Entity Number	Spud Date		Entity Assignment Effective Date	
A	99999	14059	2/25/2004		3/3/04	
Comments: We have set 500' 9 5/8" casing. No oil shale encountered, we are below the oil shale outcrop WSTC						

Well 5

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

ACTION CODES:

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

Steven A. Tedesco

Name (Please Print)

Signature  
Vice President

2/27/2004

Title

Date

(02/200)

FEB 27 2004

010

CONFIDENTIAL

TCC Royalty Corporation  
14550 East Easter Ave., Ste 1000  
Centennial, CO 80112  
303 617-7242  
303 617-7442 (Fax)

~~CONFIDENTIAL~~

To: Carol Daniels Fax: Fax: 801-359-3940

---

From: Steve Tedesco Date: 3/1/2004

---

Re: Entity form Pages: 6 including cover

---

CC:

---

Urgent     For Review     Please Comment     Please Reply     Please Recycle

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Carol

Please find enclosed the daily drilling reports as of yesterday for the 13-22, AP# 43-047-35299; all data is confidential. Please let me know if you have any questions or I need to make changes. Thanks.  
Steve Tedesco

*THIS R25E SEC-22*

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MAR 01 2004

DIV. OF OIL, GAS & MINING

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CONFIDENTIAL

T119 R25E S-22

Engineering & Supervision		<b>EXACT Engineering, Inc.</b>				(918) 500-0400	
Operator: TCC Royalty Corp		DAILY DRILLING REPORT				THIS REPORT CONFIDENTIAL	
DATE: 02/27/04		WELL: Quest 13-22		CONTRACTOR: Union Drilling # 14		COUNTY, STATE: Uintah, Utah	
WELL NO: 1		WELL OPERATOR: Drilling		TOTAL DEPTH: 848'		DRILLING TIME: 3.5 hrs	
WELL TYPE: Drilling		FORMATION: Green River		ROD DEPTH: 42.3 fth		MUD GRAV: 2400	
MUD DATA							
WT	VAL	WL	GR	PH	SPGR	WATER	W/WT
BIT DATA							
BIT NO.	SIZE	TYPE	MANUFACTURER	WELL NO.	DEPTH (ft)	TIME (hrs)	CONDITION
1	8 3/4"	Varel	CH-84M	537	180152	20	20
HYDRAULICS							
PUMP NO.	MANUFACTURER	LINE	SIZE	LENGTH	DEPTH	TIME	CONDITION
1	PZ-6	6"	5"	2.79	0	0	1
2					0	0	2
Both				2.79	0	0	
DRILL STRING				GEOLOGIC			
SIZE	DEPTH	LOG	FORMATION	NO.	DEPTH	LOG	FORMATION
8 3/4" BIT	1.00'		Green River				
8 1/2" BK Sub	3.18'						
19 - 6" Drill Collars	670.37'						
4 3/4" XJ	2.50'						
TOTAL EHA: 677.05'				GENERAL INFO			
WELL NO.	WELL TYPE	WELL STATUS	WELL DEPTH	WELL DATE	WELL TIME	WELL COST	WELL OPERATOR
84,000	42,000		672'	12	674'	9-3/8" @ 500'	7" @ 1500'
SURVEYS							
NO.	DATE	BY	DESCRIPTION	WELL NO.	WELL DATE	WELL TIME	WELL COST
DAILY ACTIVITY							
FROM	TO	BY	DESCRIPTION				
6:00	4:00	10:00	Finish rig up. Nipple up 11" x 2000 psi BOP & choke manifold w/ choke & panic lines. Fill water tank w/ city water & pits w/ river water.				
4:00	6:00	2:00	MIRU Quick Test - Test 9 5/8" casing to 1500 psi 30 min. good. Test BOP. Choke manifold, Upper Kelly cock & stabbing valve to 250 psi and 2000 psi all good.				
6:00	10:00	4:00	Finish nipple up - as Per DOGMA do fair pit w/ catch back to reserve pit. Lay choke & panic lines to fair pit.				
10:00	11:30	1:00	PU, MU, & RH BHA #1 - Tag out at 491'				
11:30	1:00	1:00	Work on booster pump. Blow hole dry.				
1:00	2:30	1:30	Drill out out & shoe. Drilling new formation at 2:30 AM 02/27/04.				
2:30	6:30	3:50	Drilling 8h @ 500' to end				
6:00							
2:30			NOTES: Ripped up Paccon Drilling monitoring system.				
0:00			Ripped up satellite internet system @ Mountain West.				
0:00							
0:00							
0:00							
0:00							
0:00							
0:00							
Daily Total		24.00					

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 MAR 01 2004  
 DIV. OF OIL, GAS & MIN.





011

TCC Royalty Corporation  
14350 East Easter Ave., Ste 1000  
Centennial, CO 80112  
303 617-7242  
303 617-7442 (Fax)

Facsimile Transmitted

CONFIDENTIAL

To: Carol Daniels Fax: Fax: 801-359-3940

---

From: Steve Tedesco Date: 3/12/2004

---

Re: Daily Drilling Reports Pages: 32 including cover

---

CC:

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API #43-047-35299

Carol  
Please find enclosed the daily drilling reports as of yesterday for the Quest 13-22 located in the Sw Sw Section 22 T11S R25E and the Quest 4-27 located in the Nw Nw Section 27, T11S R25E, all data is confidential. Please let me know if you have any questions or I need to make changes. Thanks.  
Steve Tedesco

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Daily Drilling\Completion\Workover Report  
Quest 13-22

2 Utah  
Sw Sw Section 21 T11S R25E

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API# 43-047-35299

02/09/03

Building location.

02/10/04

Building location.

02/11/04

Building location

02/11/04

Building location - remove part of the hill with explosives

02/12/04

Building location.

02/13/04

Building location

02/14/04

Building location

02/15/04

Building location, awaiting explosives for more blasting, moved to the Quest 4-27 to build location.

02/17/04

Moved back from the Quest 4-27, building location

02/18/04

Building location

TCC Royalty Corporation

Supervisor: Steven A. Tedesco

Drilling Engineer: Steve Hash

Geologist: Mike Connelly\Chris Ryan

1 (303) 617-7242

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Completion Engineer: Trent Green

Pumper: Sam Gardner

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Daily Drilling\Completion\Workover Report  
Quest 13-22

Utah  
Sw Sw Section 21 T11S R25E  
API #43-047 35299

02/29/04

MUD DATA																	
WT	VIS	WL	CK	PH	SAND	SOLIDS %	PV	YP	GELS	DEPTH	DATE/TIME	CHLORIDES	CALCIUM	MBT	SALT PPM		
8.4	27	nc		9.5	nil	nil				1550'	9:00 AM		120		22,000		
BIT DATA																	
BIT NO.	SIZE	MFG.	TYPE	MDC CODE	SERIAL NO.	JETS (1/32nd" or TFA)	IN	OUT	FOOTAGE	HOURS	ROP	MTR	RPM RT+MTR	WOB	DULL CON.		
															T	B	
2	6.250	Varel	ETD35A	537	188211	none	1550										
											#DIV/0!						
											#DIV/0!						
											#DIV/0!						
											#DIV/0!						
HYDRAULICS													SLOW PUMP				
PUMP NO.	MANUFACTURER	LINER	STROKE LENGTH	GAL / STK	SPM	GPM	AV DP	AV DC	PUMP PRESS.	MTR DIFF PRESS.	FRIP / IN'	ECD	SLOW PUMP				
													60 spm	80 spm	100 spm		
1	PZ 8	6"	8"	2.79		0							1				
2						0							2				
Both				2.79	0	0											
DRILL STRING				GEOLOGIC				GENERAL INFO									
BOTTOMHOLE ASSEMBLY		LENGTH	O.D.	ID.	FORMATION	MD	TVD	LITHOLOGY		RIG INFO							
6 1/4" Bit		1.00'								Rig No:		918-					
4 3/4" Bit Sub		2.72'								Cell No.		630-					
10 - 4 3/4" Drill Collars		304.76'								Last BOP Test		2/28					
				GAS DATA													
BOTTOMS UP TIME		BO GAS	CONN GAS		TRIP GAS			Next BOP Test									
				SHOWS				Last Safety Meeting									
GAS LIMITS		FROM	TO		ROP (FT/HR)			Last BOP Drill									
								Last Operate Pipe Rams									

TCC Royalty Corporation  
Supervisor: Steven A. Tedesco  
Drilling Engineer: Steve Hash  
Geologist: Mike Connelly\Chris Ryan

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CONFIDENTIAL  
Completion Engineer: Trent Green  
Pumper: Sam Gardner

PAGE 03

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3036177442

03/12/2004 12:05

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Daily Drilling/Completion/Workover Report  
 Quest 13-22

Utah  
 Sw Sw Section 2<sup>2</sup> T11S R25E  
 API # 43-047-35289

HYDRAULICS

PUMP NO.	MANUFACTURER	LINER	STROKE LENGTH	GAL/STK	SPM	GPM	AV/DP	AV/DC	PUMP PRESS.	MTR DIFF PRESS.	HHP/IN <sup>2</sup>	ECD	SLOW PUMP			
													40 spm	50 spm	100 spm	
1	PZ 8	6"	8"	2.70		0										
2	FXN	6"	14"	5.32	65	346	242	343	800				1	430	600	
Both				8.11	65	346							2			

DRILL STRING

GEOLOGIC

GENERAL INFO

DRILL STRING					GEOLOGIC				GENERAL INFO		
BOTTOMHOLE ASSEMBLY	LENGTH	O.D.	I.D.		FORMATION	MD	TYD	LITHOLOGY		RIG INFO	
6 1/4" Bit	1.00'									Rig No:	
4 3/4" Bit Sub	2.72'	4.75	2.250							Cell No.	918-630-5871
10 - 4 3/4" Drill Collars	582.81'	4.750	2.250							Last BOP Test	2/28
					GAS DATA						
					BOTTOMS UP TIME	BS GAS	CONY GAS	TRIP GAS		Next BOP Test	
						5	125	2,000		Last Safety Meeting	
					SHOWS						
					GAS UNITS	FROM	TO	ROP (FT/HR)		Last BOP Drill	
										3/1	
										Last Operate Pipe Rams	
										Last Operate Blind Rams	
										Last Operate Annular	
										LAST CASING	
										NEXT CASING	
										7" @ 1550'	
										4 1/2" @ TD	
Total BHA:					586.53'						
STRING WT.	BHA WT.	PU WT.	SO WT.	ROT. TORQUE	GRD. ELEVATION	GL TO KB	KB ELEVATION	INTERMEDIATE CSG			
60,000	30,000				5732'	13'	5745'				

SURVEYS

MD	INCL.	AZIMUTH	TYD	SECTION	N+/-	E+/-	DLS	TOOL	MD	INCL.	AZIMUTH	TYD	SECTION	N+/-	E+/-	DLS	TOOL
1700'	1.00							SS									SS
								SS									SS

TCC Royalty Corporation  
 Supervisor: Steven A. Tedesco  
 Drilling Engineer: Steve Hash  
 Geologist: Mike Connelly/Chris Ryan

10 (303) 617-7242  
**CONFIDENTIAL**  
 Completion Engineer: Trent Green  
 Pumper: Sam Gardner

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3836177442

03/12/2004 12:05

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Daily Drilling\Completion\Workover Report  
Quest 13-22

Utah  
Sw Sw Section 21 T11S R25E  
API# 43-047-35299

DAILY ACTIVITY			
FROM	TO	HRS	LAST 24 HOURS:
6:00	8:00	2.00	Drig. F/ 1700' to 1717' Made 17' in 2 hrs. WOB 15 pts RPM 70 ROP 8.5 FPH.
8:00	11:00	3.00	Bit bailing - PU & spin drill string 90 to 100 rpm, PU - drop & catch, Cut pump to 55 stks pressure 550 psi and cont. to drill F/ 1717' to 1747'. Made 30 ft in 3 hrs WOB 15 pts RPM 70 ROP 10 FPH.
11:00	12:00	1.00	Survey @ 1700' 1 degree.
12:00	1:00	1.00	TOH to PU drill collars. BIT #2 2-2-2 E G
1:00	3:30	2.50	PU & MU 6 1/4" bit #2, 4 3/4" bit sub, 9 spir 4 3/4" Drill Collars, 10 slick drill collars & T.H. Tag fill at 1665'.
3:30	7:00	3.50	Wash & ream bridges f/ 1665' to 1747'.
7:00	6:00	11.00	Drig. F/ 1747' to 1884' Made 137' in 11 hrs. WOB 25 pts RPM 60-70 ROP 12.5 FPH.
NOTE: Bit bailing due to heavy 2' to 3' bentonite sections - dropping 1 soap sticks as needed.			
Off- load 61 lbs. 4 1/2" 10.5# J-55 8rd ST&C R-3 class A casing.			

03/03/04

MUD DATA															
WT	VIS.	WL	CK	PH	SAND	SOLIDS %	FV	YP	GELS	DEPTH	DATE/TIME	CHLORIDES	CALCIUM	MBT	SALT PPM
9.0	57	8.4	2	9.8	0.01	4.3	20	22	6/15	1924	9:30 AM	9,000	80		

BIT DATA																		
BIT NO.	SIZE	MFG.	TYPE	IWC CODE	SERIAL NO.	JETS (1/32nd" or IFA)		IR	DUT	FOOTAGE	HOURS	ROP	MTR	RPM RT+MTR	WOB	DILL CONDITION		
																T	B	G
2	6.250	Varel	ETD35A	537	188211	none		1550		286	24.00	11.9		70+	25			
												#DIV/O!						
												#DIV/O!						
												#DIV/O!						

TCC Royalty Corporation  
Supervisor: Steven A. Tedesco  
Drilling Engineer: Steve Hash  
Geologist: Mike Connelly/Chris Ryan

11 (303) 617-7242  
CONFIDENTIAL  
Completion Engineer: Trent Green  
Pumper: Sam Gardner

PAGE 07

ATOKA

3836177442

03/12/2004 12:05

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Daily Drilling\Completion\Workover Report  
Quest 13-22

2 Utah  
Sw Sw Section 21 T11S R25E  
API # 43-047-35299

3/4/04

MUD DATA															
WT	VIS.	WL	CK	PH	SAND	SOLIDS %	PV	YP	GELS	DEPTH	DATE/TIME	CHLORIDES	CALCIUM	MBT	SALT PPM
8.9	55	7.6	2	10.5	0.01	3.7	19	14	4/12	2350	13:00	7,000	80		

BIT DATA																		
BIT NO.	SIZE	MFG.	TYPE	IADC CODE	SERIAL NO.	JETS (1/32nd")		IN	OUT	FOOTAGE	HOURS	ROP	MTR	RPM	WOB	DULL CONDITION		
						or TFA										T	B	G
2	6.250	Varel	ETD35A	537	186211		none	1550	2438	888	64.00	13.9		60	25			
												#DIV/0!						
												#DIV/0!						
												#DIV/0!						

HYDRAULICS													SLOW PUMP			
PUMP NO.	MANUFACTURER	LINER	STROKE LENGTH	GAL / STK	SPM	GPM	AVDP	AVDC	PUMP PRESS.	MTR/OFF PRESS.	HHP / IN <sup>2</sup>	ECD	40 spm	50 spm	100 spm	
1	PZ B	6"	8"	2.79		0							1	420	600	
2	FXN	6"	14"	5.32	55	293	227	322	840				2			
Both				8.11	55	293										

DRILL STRING				GEOLOGIC				GENERAL INFO	
BOTTOMHOLE ASSEMBLY	LENGTH	O.D.	I.D.	FORMATION	MD	TVD	LITHOLOGY	RIG INFO	
6 1/4" Bit	1.00'			OHIO CREEK			SHALE & SS	Rig No:	435-790-7327
4 3/4" Bit Sub	2.72'	4.75	2.250					Cell No.	307-259-6261
19 - 4 3/4" Drill Collars	582.81'	4.750	2.250					Last BOP Test	2/28
				GAS DATA				Next BOP Test	
				BOTTOMS UP TIME	BG GAS	CONK GAS	TRIP GAS	3/7	

TCC Royalty Corporation  
Supervisor: Steven A. Tedesco  
Drilling Engineer: Steve Hash  
Geologist: Mike Connelly/Chris Ryan

13 (303) 617-7242  
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Completion Engineer: Trent Green  
Pumper: Sam Gardner

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12:05

03/12/2004

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Daily Drilling/Completion/Workover Report  
Quest 13-22

Utah  
Sw Sw Section 28 T11S R25E  
API # 43-049-35289

03/05/04

MUD DATA															
WT	VIS.	WL	CK	PH	SAND	SOLIDS %	PV	YP	GELS	DEPTH	DATE/TIME	CHLORIDES	CALCIUM	MBT	SALT PPM
8.9	55	7.6	2	10.5	0.01	3.7	19	14	4/12	2350	13:00	7,000	80		

BIT DATA																		
BIT NO.	SIZE	MFG.	TYPE	MDC CODE	SERIAL NO.	JETS (1/32") or TFA		IN	OUT	FOOTAGE	HOURS	ROP	MTR	RPM WT+2IR	WOB	DULL CONDITION		
																T	B	G
2	6.250	Varel	ETD35A	537	188211		none	1550	2438	888	64.00	13.9		60	25			
												#DIV/0!						
												#DIV/0!						
												#DIV/0!						

HYDRAULICS													SLOW PUMP			
PUMP NO.	MANUFACTURER	LINER	STROKE LENGTH	GAL/STK	SPM	GPM	AV/DP	AV/DC	PUMP PRESS.	MTR DIFF. PRESS.	HHP/IN <sup>2</sup>	ECD	40	50	100	
													SPM	SPM	SPM	
1	PZ 8	8"	8"	2.79		0										
2	FXN	6"	14"	5.32	55	293	227	322	840				1	420	600	
Both				8.11	55	293							2			

DRILL STRING				GEOLOGIC				GENERAL INFO	
BOTTOMHOLE ASSEMBLY	LENGTH	O.D.	I.D.	FORMATION	MD	TVD	LITHOLOGY	RTG INFO	
6 1/4" Bit	1.00'			OHIO CREEK			SHALE & SS	Rig No:	435-790-7327
4 3/4" Bit Sub	2.72'	4.75	2.250					Cell No.	307-259-6261
19 - 4 3/4" Drill Collars	582.81'	4.750	2.250					Last BOP Test	2/28
				GAS DATA				Next BOP Test	
				BOTTOMS UP TIME	SG GAS	CONV GAS	TRIP GAS	3/7	

TCC Royalty Corporation  
Supervisor: Steven A. Tedesco  
Drilling Engineer: Steve Hash  
Geologist: Mike Connelly/Chris Ryan

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Completion Engineer: Trent Green  
Pumper: Sam Gardner

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03/12/2004

Daily Drilling\Completion\Workover Report  
Quest 13-22

Utah  
Sw Sw Section 21 T11S R25E

API# 43-047-35389

CONFIDENTIAL

HYDRAULICS

PUMP NO.	MANUFACTURER	LINER	STROKE LENGTH	GAL/STK	SPM	GPM	AVDP	AVDC	PUMP PRESS.	MTR OFF PRESS.	HP/IN <sup>2</sup>	ECD
1	PZ 8	6"	8"	2.79		0						
2	FXN	6"	14"	5.32	55	293	227	322	840			
Both				8.11	55	293						

DRILL STRING				GEOLOGIC				GENERAL INFO	
BOTTOMHOLE ASSEMBLY	LENGTH	O.D.	I.D.	FORMATION	MD	TVD	LITHOLOGY	REG INFO	
6 1/4" Bit	1.00'			OHIO CREEK			SHALE & SS	Rtg No:	435-790-7327
4 3/4" Bit Sub	2.72'	4.75	2.250					Cell No.	307-259-6261
19 - 4 3/4" Drill Collars	582.81'	4.750	2.250					Last BOP Test	2/28
				GAS DATA				Next BOP Test	3/7
				BOTTOMS UP TIME	BG GAS	CDM GAS	TRIP GAS	Last Safety Meeting	3/4
				84				Last BOP Drill	3/4
				SHOWS				Last Operate Pipe Rams	
				GAS UNITS	FROM	TO	ROP (FT/HR)	Last Operate Blind Rams	3/4
								Last Operate Annular	
Total BHA:	586.53'							LAST CASING	NEXT CASING
STRING WT.	BHA WT.	PU WT.	SO WT.	ROT. TORQUE	GRD. ELEVATION	GL TO KB	KB ELEVATION	INTERMEDIATE CSG	
84,000	30,000				5732'	13'	5745'	1650'	7" @ 1550' 4 1/2" @ TD

DAILY ACTIVITY

FROM	TO	HRS	LAST 24 HOURS:
6:00	7:00	1.00	TOH F/LOGS
7:00	XXXXX		RAU PHOENIX SURVEYS, INC. TO LOG - RUN TRIPLE COMBO(HI-RES INDUCTION, COMP NEUTRON,

TCC Royalty Corporation  
Supervisor: Steven A. Tedesco  
Drilling Engineer: Steve Hash  
Geologist: Mike Connelly/Chris Ryan

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Completion Engineer: Trent Green  
Pumper: Sam Gardner

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Daily Drilling\Completion\Workover Report  
Quest 13-22

Utah  
Sw Sw Section 21 T11S R25E  
APF #43-047-35299

XXXXX	XXXXX		LITHO DENSITY W/GAMMA RAY, MICROLOG, CALIPER) & BOND LOG 7" - HAD TO CLOSE
XXXXX	11:30	4.50	CALIPERS @ 1650 +/- FOR TIGHT HOLE - R/D LOGGERS
11:30	13:00	1.50	TIH - 10' FILL
13:00	14:30	1.50	CIRC & COND F/CASING - TRIP GAS 6200 UNITS
14:30	17:00	2.50	TOH - L/D DRILL PIPE & DRILL COLLARS
17:00	18:00	1.00	SAFETY MTNG - R/U T&M CASERS - CHANGE OUT PIPE RAMS
18:00	20:30	2.50	RUN 4 1/2" CASING - 8' FILL - CIRCULATED PIPE TO BOTTOM(2438')
20:30	21:30	1.00	CIRC FOR CEMENT
21:30	22:30	1.00	CEMENT CASING W/ BIG 4 - BUMPED PLUG W/1000 PSI - FLOAT HELD
22:30	23:30	1.00	BROKE BOP BOLTS, LIFT STACK SET SLIPS W/ 20,000 #, CUT OFF
23:30	6:00	6.50	CLEAN PITS, NDBOPE, RIG DOWN
6:00			
0:00			RIG RELEASED @ 2:00 A.M.

Awaiting cement to cure and completion rig, about ten days to two weeks.

TCC Royalty Corporation  
Supervisor: Steven A. Tedesco  
Drilling Engineer: Steve Hash  
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Completion Engineer: Trent Green  
Pumper: Sam Gardner

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12:05

03/12/2004

# TEC ROYALTY CORPORATION

April 30, 2004

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

RE: Form 8 for the Quest 13-22  
Sw Sw Section 22 T11S R25E  
API No. 4304735299

SENT EXPRESS MAIL

To Whom It May Concern:

Please find enclosed Form 8, mechanical logs, cement summaries and mud logs for the above well. We request confidentiality of all data for this well one year.

Please call me if you have any questions or need more information. Thank you.

Sincerely,



Steven A. Tedesco

SATkwt

Enclosures

RECEIVED  
MAY 03 2004  
DIV. OF OIL, GAS & MINING

012

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

AMENDED REPORT  FORM 8  
(highlight changes)

WELL COMPLETION OR RECOMPLETION REPORT AND LOG

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

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

CONFIDENTIAL

2. NAME OF OPERATOR: TCC Royalty Corp

3. ADDRESS OF OPERATOR: 14550 E Easter #1000 CITY Cenetennial STATE CO ZIP 80112  
PHONE NUMBER: (303) 617-7242

4. LOCATION OF WELL (FOOTAGES)  
AT SURFACE 727 FWL 374 FSL  
AT TOP PRODUCING INTERVAL REPORTED BELOW: same  
AT TOTAL DEPTH: same

PERIOD EXPIRED ON 5-18-05

5. LEASE DESIGNATION AND SERIAL NUMBER: Fee

6. IF INDIAN, ALLOTTEE OR TRIBE NAME: NA

7. UNIT or CA AGREEMENT NAME: NA

8. WELL NAME and NUMBER: Quest 13-22

9. API NUMBER: 4304735299

10. FIELD AND POOL, OR WILDCAT: Kicker

11. QTR/CTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: SWSW 22 11 25 E

12. COUNTY: Uintah 13. STATE: UTAH

14. DATE SPUNDED: 2/23/2004 15. DATE T.D. REACHED: 3/5/2004 16. DATE COMPLETED: 4/18/2004  
ABANDONED  READY TO PRODUCE  17. ELEVATIONS (DF, RKB, RT, GL): 5745 GL

18. TOTAL DEPTH: MD TVD 2,438 19. PLUG BACK T.D.: MD TVD NA 20. IF MULTIPLE COMPLETIONS, HOW MANY? \* NA 21. DEPTH BRIDGE MD PLUG SET: TVD

22. TYPE ELECTRIC AND OTHER MECHANICAL LOGS RUN (Submit copy of each)  
Compensated Density/Compensate Neutron/Thermal Decay  
MUD LOGS END

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	SIZEGRADE	WEIGHT (#/L)	TOP (MD)	BOTTOM (MD)	STAGE CEMENTER DEPTH	CEMENT TYPE & NO. OF SACKS	SLURRY VOLUME (BBL)	CEMENT TOP **	AMOUNT PULLED
See									
Attached									
Sheets									

25. TUBING RECORD

SIZE	DEPTH SET (MD)	PACKER SET (MD)	SIZE	DEPTH SET (MD)	PACKER SET (MD)	SIZE	DEPTH SET (MD)	PACKER SET (MD)
2 3/8	2,232							

26. PRODUCING INTERVALS

FORMATION NAME	TOP (MD)	BOTTOM (MD)	TOP (TVD)	BOTTOM (TVD)	INTERVAL (Top/Bot - MD)	SIZE	NO. HOLES	PERFORATION STATUS
(A) Wasatch			2,244	2,265		0.5	6	Open <input checked="" 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
2242-2265	450 barrels of KCL water

29. ENCLOSED ATTACHMENTS:  ELECTRICAL/MECHANICAL LOGS  GEOLOGIC REPORT  DST REPORT  DIRECTIONAL SURVEY  
 SUNDRY NOTICE FOR PLUGGING AND CEMENT VERIFICATION  CORE ANALYSIS  OTHER: cement reports

30. WELL STATUS: Producing

31. INITIAL PRODUCTION

INTERVAL A (As shown in Item #26)

DATE FIRST PRODUCED: 4/18/2004		TEST DATE:		HOURS TESTED: 6		TEST PRODUCTION RATES: →		OIL - BBL: 0	GAS - MCF: 78	WATER - BBL: 0	PROD. METHOD: Flowing
CHOKE SIZE: 19	TBG. PRESS. 240	CSG. PRESS. 240	API GRAVITY 0.00	BTU - GAS	GAS/OIL RATIO	24 HR PRODUCTION RATES: →	OIL - BBL: 0	GAS - MCF: 350	WATER - BBL: 0	INTERVAL STATUS: Producing	

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.)  
Into Sales line

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.

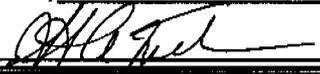
34. FORMATION (Log) MARKERS:

Formation	Top (MD)	Bottom (MD)	Descriptions, Contents, etc.	Name	Top (Measured Depth)
Green River	0	1,426	see mud log		
Green River					
Limestone	1,426	1,503			
Wasatch	1,503	2,334			
Ohio Creek	2,334	2,438			

35. ADDITIONAL REMARKS (Include plugging procedure)

None

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

NAME (PLEASE PRINT) Steven A. Tedesco TITLE Vice President  
 SIGNATURE  DATE 4/30/2004

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

Operator: **TCC Royalty Corp**

**DAILY DRILLING REPORT**

API# 43-047-35299

DATE 02/29/04	WELL Quest 13-22	CONTRACTOR Union Drilling # 14	COUNTY, STATE Uintah, Utah	SPUD DATE 02/23/04	AFE	SUPERVISOR Mike Gray
DAYS F/SPUD 3	PRESENT OPERATIONS Drilling out shoe jt.	TOTAL DEPTH 1,550	PROGRESS 0	DRILLING TIME ROP	FORMATION Green River	ALTH. DEPTH 2400'

**MUD DATA**

WT	VIS.	WL	CK	PH	SAND	SOLIDS %	PV	YP	GELS	DEPTH	DATE/TIME	CHLORIDES	CALCIUM	MBT	SALT PPM
8.4	27	nc		9.5	nil	nil				1550'	9:00 AM		120		22,000

**BIT DATA**

BIT NO.	SIZE	MFG.	TYPE	IADC CODE	SERIAL NO.	JETS (1/32nd) or TFA	IN	OUT	FOOTAGE	HOURS	ROP	MTR	RPM	WOB	DULL CONDITION			
															T	B	G	
2	6.250	Varel	ETD35A	537	188211	none												
											#DIV/0!							
											#DIV/0!							
											#DIV/0!							
											#DIV/0!							

**HYDRAULICS**

**SLOW PUMP**

PUMP NO.	MANUFACTURER	LINER	STROKE LENGTH	GAL / STK	SPM	GPM	AV DP	AV DC	PUMP PRESS.	MTR DIFF PRESS.	HHP / IN <sup>2</sup>	ECD	60 spm	80 spm	100 spm
1	PZ 8	6"	8"	2.79		0							1		
2						0							2		
Both				2.79	0	0									

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**DRILL STRING**

**GEOLOGIC**

**GENERAL INFO**

BOTTOMHOLE ASSEMBLY	LENGTH	O.D.	I.D.	FORMATION	MD	TVD	LITHOLOGY	RIG INFO	
6 1/4" Bit	1.00'							Rig No	
4 3/4" Bit Sub	2.72'							Cell Nr	918-630-5871
10 - 4 3/4" Drill Collars	304.76'							Last BOP Test	2/28
								Next BOP Test	
								Last Safety Meeting	
								Last BOP Drill	
								Last Operate Pipe Ran	
								Last Operate Blind Ra	
								Last Operate Annular	
Total BHA:	308.48'							LAST CASING	NEXT CASING
STRING WT.	BHA WT.	PU WT.	SO WT.	ROT. TORQUE	GRD. ELEVATION	GL TO KB	KB ELEVATION	INTERMEDIATE CSG	
52,000	15,000				5732'	13'	5745'		9-5/8" @ 500' 7" @ 1500'

**SURVEYS**

MD	INCL.	AZIMUTH	TVD	SECTION	N+ / S-	E+ / W-	DLS	TOOL	MD	INCL.	AZIMUTH	TVD	SECTION	N+ / S-	E+ / W-	DLS	TOOL
								SS									SS
								SS									SS

**DAILY ACTIVITY**

FROM	TO	HRS	LAST 24 HOURS:
6:00	7:00	1.00	RDMO T&M Casing Tools. MIRU Big 4 Cementing.
7:00	8:00	1.00	Big 4 Cmt 7" at 1550' w/ 145 sx Premium cmt. As follows: Pump 20 bbls FW followed by 60 sx + 16% gel + 10#/sx Gilsomite + 3% salt + 3 #/sx GR-3 + 1/4 #/sx cello flakes Mixed to 11.0 ppg Yield 3.82 cf/sx & Tall In w/ 85 sx Premium + 2% Ca Cl + 1/4 #/sx cello flakes.
8:00			Drop plug & displace w/ 2% KCL. Plug down 8:00AM. Full returns thruout. Did not circulate cmt to surface. RDMO Big 4.
8:00	12:00	4.00	WOC
12:00	2:00	2.00	ND BOP. Make rough cut on 7". Cut out 9 5/8". Dress 7". Weld on 7" bell nipple, MU 7" collar, MU 7" x 4 1/2" x 3000 psi W-92 csg head
2:00	3:30	1.50	MIRU Oil Well Perforators & run temp survey f/ surface to 1400' Temp break at 1080'. POH - will re-run temp survey at 10:00 PM.
3:30	10:00	6.50	WOC - Nipple up BOP
10:00	11:30	1.50	Run Temp survey f/ surface to 1400' Slight temp increase at 700' good kick at 1080'. RDMO OWP.
11:30	1:00	1.50	B & C Quick Test - test casing and BOP to 250 psi and 2000 psi - Good. RDMO QT. Change out 4 3/4" spiril drill collars to 4 3/4" slick DC
1:00	4:00	3.00	TIH bit #2 on 10 4 3/4" DC & 3 1/2" DP. Tag cmt at 1450'.
4:00	6:00	2.00	Drill out cmt.
6:00			CSG Detail: 1. 7" guide shoe 1.50' NOTE: casing is 7" 17# WT-50 8 rd ST&C Range 3 class A
0:00			2. 1 jt 7" csg 39.30' Tally w/t 42 jts 1623.70' wo/t 1610.79'
0:00			3. 7" Float Collar 1.50' This AM cmt cup samples: tail cmt is hard. Lead cmt set up
0:00			4. 39 jts 7" casing 1513.05' and is firm but had little compressive strength.
0:00			Total Pipe 1555.35'
			Above KB 5.35'
Daily Total	24.00		Depth Set 1550.00'

**COST DATA**

AFE DHC \$	DAILY MUD \$	DAILY DRILLING COST \$
------------	--------------	------------------------





# TEC MINERAL CORPORATION

CONFIDENTIAL

August 11, 2004

Ms. Carol Daniels  
State of Utah  
Division Oil, Gas & Mining  
P.O. Box 145801  
Salt Lake City, UT 84114-5801

RE: Quest 13-22 API No. 4304735299

T. 11S R. 25E S. 22

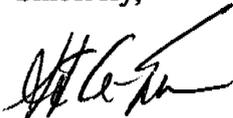
SENT FEDEX

Dear Carol:

Please find enclosed cased hole logs for the above captioned well. This well is presently under confidential status.

Please let me know if you have any questions. Thank you.

Sincerely,



Steven A. Tedesco

SAT\kwt  
Enclosures

RECEIVED  
AUG 13 2004  
DIV. OF OIL, GAS & MINING

COPY 1  
FMS 110  
DMM - LAD

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:
2. NAME OF OPERATOR: TCC Royalty Corporation <i>N1995</i>		6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
3. ADDRESS OF OPERATOR: 14550 E Easter Ave., Ste 100 CITY Denver STATE CO ZIP 80202		7. UNIT or CA AGREEMENT NAME:
4. LOCATION OF WELL FOOTAGES AT SURFACE: S.L.B. & M. COUNTY: Uintah QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: STATE: UTAH		8. WELL NAME and NUMBER: See Attachment
PHONE NUMBER: (303) 617-7242		9. API NUMBER:
		10. FIELD AND POOL, OR WILDCAT:

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>10/1/2005</u>	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> REPERFORATE CURRENT FORMATION
<input type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion:	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> SIDETRACK TO REPAIR WELL
	<input type="checkbox"/> CASING REPAIR	<input type="checkbox"/> NEW CONSTRUCTION	<input type="checkbox"/> TEMPORARILY ABANDON
	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input 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.

Effective: October 1, 2005

Enduring Resources, LLC *N2750* Operator No. N 2750  
475 17th Street, Suite 1500 Utah State Bond #RLB0008031  
Denver, Colorado 80202

Contact: Frank Hutto 303-350-5102

ENDURING RESOURCES, LLC

BY: *[Signature]* Frank Hutto, Vice President - Operations  
*ALEX CAMPBELL* *LAMP*

DATE: 10-24-2005

NAME (PLEASE PRINT) CHRISTINE Tedesco TITLE XXXXXXXX

SIGNATURE *[Signature]* DATE \_\_\_\_\_

(This space for State use only)

**APPROVED** 10/31/05

*Earlene Russell*  
Division of Oil, Gas and Mining  
Earlene Russell, Engineering Technician

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

**RECEIVED**  
OCT 26 2005  
DIV. OF OIL, GAS & MINING

## TRANSFER OF OPERATOR

From: TCC Royalty Corp. - To: Enduring Resources, LLC

	API Number	Well Name	Status	Field	County	State	Qtr-Qtr	Section	TwN-Rge
1	43-047-33935-00-00	QUEST 12-21	Shut-In	Kicker	Uintah	Utah	NWSW	21	11S-25E
2	43-047-33693-00-00	QUEST 22-1	Producing	Kicker	Uintah	Utah	SESW	22	11S-25E
3	43-047-33803-00-00	QUEST 6-28	Producing	Kicker	Uintah	Utah	SESW	22	11S-25E
4	43-047-33805-00-00	QUEST 16-21	Producing	Kicker	Uintah	Utah	SESE	21	11S-25E
5	43-047-33801-00-00	QUEST 4-28	Location Abandoned	Kicker	Uintah	Utah	NWNW	28	11S-25E
6	43-047-34118-00-00	QUEST 14-10	Drilling Operations Suspended	Wildcat	Uintah	Utah	SESW	10	11S-25E
7	43-047-35299-00-00	QUEST 13-22	Producing	Kicker	Uintah	Utah	SWSW	22	11S-25E
8	43-047-35298-00-00	QUEST 4-27	Spudded (Drilling commenced: Not yet completed)	Kicker	Uintah	Utah	NWNW	27	11S-25E
9	43-047-35310-00-00	QUEST 2-28	Drilling Operations Suspended	Kicker	Uintah	Utah	NWNE	28	11S-25E
10	43-047-35297-00-00	QUEST 15-21L	Drilling Operations Suspended	Kicker	Uintah	Utah	SWSE	21	11S-25E

**RECEIVED**

OCT 26 2005

DIV. OF OIL, GAS & MINING



6c. Reports current for Production/Disposition & Sundries on: \_\_\_\_\_

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

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

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

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

**DATA ENTRY:**

- Changes entered in the Oil and Gas Database on: 10/31/2005
- Changes have been entered on the Monthly Operator Change Spread Sheet on: 10/31/2005
- Bond information entered in RBDMS on: 10/31/2005
- Fee/State wells attached to bond in RBDMS on: 10/31/2005
- Injection Projects to new operator in RBDMS on: n/a
- Receipt of Acceptance of Drilling Procedures for APD/New on: n/a

**FEDERAL WELL(S) BOND VERIFICATION:**

- Federal well(s) covered by Bond Number: n/a

**INDIAN WELL(S) BOND VERIFICATION:**

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

**FEE & STATE WELL(S) BOND VERIFICATION:**

- (R649-3-1) The NEW operator of any fee well(s) listed covered by Bond Number RLB0008031
- The FORMER operator has requested a release of liability from their bond on: not yet  
The Division sent response by letter on: \_\_\_\_\_

**LEASE INTEREST OWNER NOTIFICATION:**

- (R649-2-10) The FORMER operator of the fee wells has been contacted and informed by a letter from the Division of their responsibility to notify all interest owners of this change on: 10/31/2005

**COMMENTS:**

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_



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

July 30, 2008

CERTIFIED MAIL NO.: 7004 2510 0004 1824 5834

Mr. Alvin Arlian  
Enduring Resources, LLC  
475 17<sup>th</sup> Street, Suite 1500  
Denver, CO 80202

43 047 35299  
Quest 11-25-A-22  
11S 25E 22

Re: Extended Shut-in and Temporarily Abandoned Requirements for Wells on Fee or State Leases

Dear Mr. Arlian:

Enduring Resources, LLC has eighteen (18) Fee Lease Wells and eleven (11) Mineral Lease Wells (see attachment A) that are currently in non-compliance for extended shut-in and temporary abandonment (SI/TA) status. Wells SI/TA beyond twelve (12) consecutive months require the filing of a Sundry Notice in accordance with R649-3-36-1 for Utah Division of Oil, Gas & Mining ("Division") approval. Wells with five (5) years non-activity or non-productivity shall be plugged, unless the Division grants approval for extended shut-in time upon a showing of good cause by the operator (R649-3-36-1.3.3).

This is a second notice of non-compliance for wells 1 through 14 listed on Attachment A. The Division notified the previous operators, TCC Royalty, Ranken Energy, Mak-J Energy and Houston Exploration, on several occasions by certified mail about these wells non-compliance issues. Several plans to produce or plug were submitted, but no action has been taken to date on these wells. It has also come to the Divisions attention that Enduring no longer holds a valid lease for the DWR wells (wells 1 through 9 on Attachment A). Immediate action is required on these wells. The Division feels that sufficient time has passed to make a decision on these wells.

Please submit your plans to produce or plug these wells. If this is not addressed within 30 days, a Notice of Violation will be issued for these wells. A similar response is required for the other fifteen wells listed in Attachment A.



Page 2  
Mr. Arlian  
July 30, 2008

For extended SI/TA consideration the operator shall provide the Division with the following:

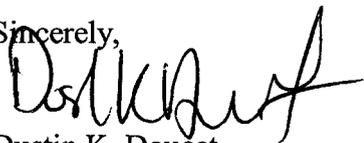
1. Reasons for SI/TA of the well (R649-3-36-1.1).
2. The length of time the well is expected to be SI/TA (R649-3-36-1.2), and
3. An explanation and supporting data if necessary, for showing the well has integrity, meaning that the casing, cement, equipment condition, static fluid level, pressure, existence 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)

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 will be initiated. If you have any questions concerning this matter, please contact me at (801) 538-5281.

Sincerely,



Dustin K. Doucet  
Petroleum Engineer

JP:js  
Enclosure

cc: Compliance File  
Well File  
Jim Davis, SITLA

### Attachment A

	Well Name	API	Lease Type	Years Inactive
1	DWR 12-23-13-22	4304733345	FEE	7 YEARS 6 MONTHS
2	DWR 12-23-34-16	4304733346	FEE	7 YEARS 3 MONTHS
3	DWR 12-23-41-21	4304733480	FEE	8 YEARS 1 MONTH
4	DWR 12-23-13-28	4304733481	FEE	7 YEARS 8 MONTHS
5	DWR 12-23-24-16	4304733482	FEE	8 YEARS 1 MONTH
6	DWR 12-23-24-28	4304733483	FEE	7 YEARS 8 MONTHS
7	DWR 12-23-31-21	4304733484	FEE	8 YEARS 2 MONTHS
8	DWR 12-23-42-29	4304733487	FEE	7 YEARS 11 MONTHS
9	DWR 12-23-44-16	4304733489	FEE	7 YEARS 8 MONTHS
10	QUEST 11-25-13-21	4304733935	FEE	4 YEARS 6 MONTHS
11	QUEST 11-25-24-10	4304734118	FEE	7 YEARS 0 MONTHS
12	QUEST 11-25-31-28	4304735310	FEE	4 YEARS 4 MONTHS
13	QUEST 11-25-34-21	4304735297	FEE	4 YEARS 4 MONTHS
14	QUEST 11-25-11-27	4304735298	FEE	4 YEARS 5 MONTHS
15	QUEST 11-25-14-22	4304735299	FEE	2 YEARS 9 MONTHS
16	HOSS 9-25-34-20	4304734756	ML-45558	2 YEARS 7 MONTHS
17	BONANZA 9-24-22-36	4304735860	ML-46527	2 YEARS 6 MONTHS
18	BONANZA 9-24-11-36	4304735861	ML-46527	1 YEAR 5 MONTHS
19	BONANZA 9-25-13-20	4304735929	ML-45558	2 YEARS 11 MONTHS
20	RAINBOW 11-24-31-16	4304736184	ML-47080	1 YEAR 1 MONTH
21	SOUTHAM CYN 10-25-21-32	4304736421	ML 47065	1 YEAR 10 MONTHS
22	AGENCY DRAW 12-21-31-36	4304736424	ML 47086	2 YEARS 1 MONTH
23	BONANZA 9-24-32-22	4304736753	FEE	2 YEARS 6 MONTHS
24	ARCHY BENCH 12-23-22-16	4304736800	ML-48957	2 YEARS 0 MONTHS
25	ARCHY BENCH 11-24-24-32	4304736819	ML-49762	1 YEAR 4 MONTHS
26	ASPHALT WASH 11-24-42-16	4304736875	ML47080	2 YEARS 2 MONTHS
27	SOUTHAM CYN 9-24-23-36	4304736880	FEE	1 YEARS 1 MONTH
28	SOUTHAM CYN 10-25-11-6	4304736933	FEE	1 YEAR 3 MONTHS
29	BUCK CYN 12-21-43-16	4304737091	ML-47085	2 YEARS 9 MONTHS

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

<b>SUNDRY NOTICES AND REPORTS ON WELLS</b>		5. LEASE DESIGNATION AND SERIAL NUMBER: Fee
		6. IF INDIAN, ALLOTTEE OR TRIBE NAME: N/A
		7. UNIT or CA AGREEMENT NAME: N/A
1. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER _____		8. WELL NAME and NUMBER: Quest 11-25-14-22
2. NAME OF OPERATOR: Enduring Resources, LLC		9. API NUMBER: 4304735299
3. ADDRESS OF OPERATOR: 475 17th Street, Suite 1500 CITY Denver STATE CO ZIP 80202		10. FIELD AND POOL, OR WILDCAT: Wildcat
PHONE NUMBER: (303) 350-5114		
4. LOCATION OF WELL FOOTAGES AT SURFACE: 374' FSL - 727' FWL		COUNTY: Uintah
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: SWSW 22 11S 25E S		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 checked="" type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion: _____	<input type="checkbox"/> CHANGE WELL NAME	<input type="checkbox"/> PLUG BACK	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> PRODUCTION (START/RESUME)	<input type="checkbox"/> WATER SHUT-OFF
	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input checked="" type="checkbox"/> OTHER: <u>Well Status Report</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.

This well had 0 psig SITP and SICP in August 2008.

Enduring is requesting a 30 day extension to finish up an evaluation. There appears to be a behind pipe Wasatch zone at 1571-84'.

COPY SENT TO OPERATOR

Date: 1-28-2009

Initials: KS

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

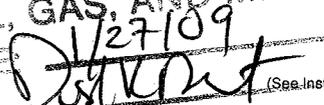
SIGNATURE  DATE 8/29/2008

**RECEIVED**

SEP 04 2008

DIV. OF OIL, GAS & MINING

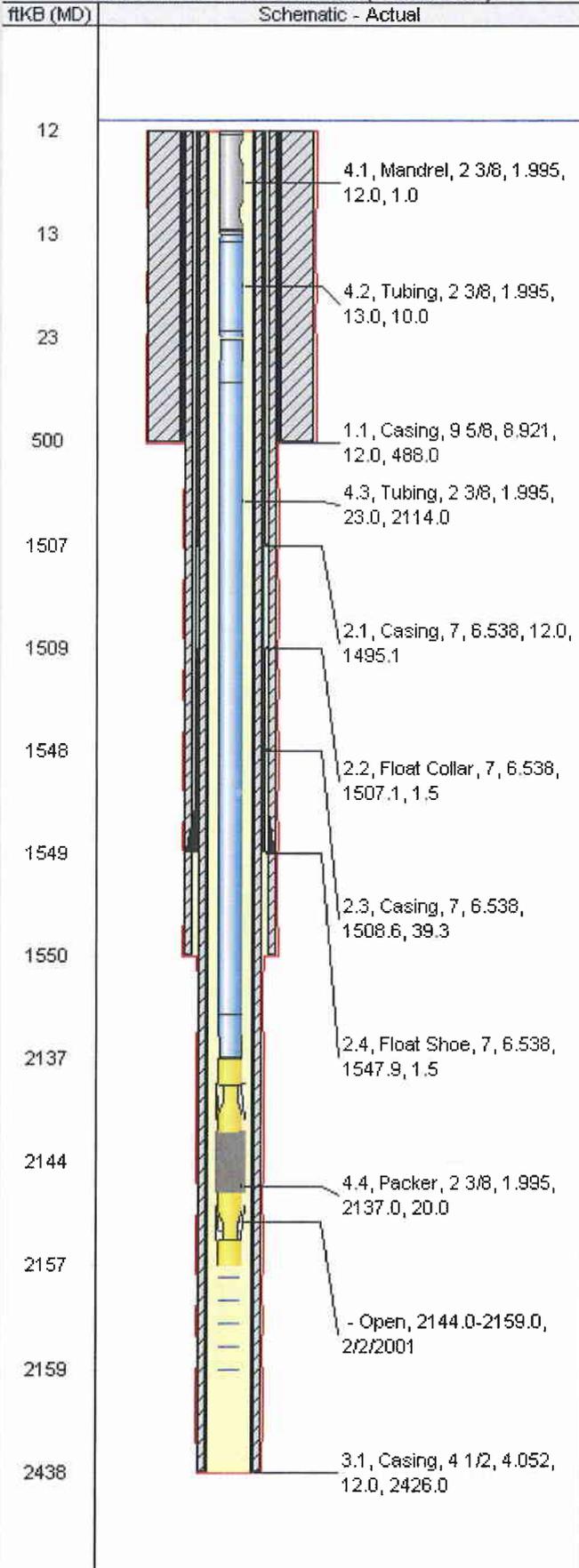
(This space for State use only)

APPROVED BY THE STATE  
OF UTAH DIVISION OF  
OIL, GAS, AND MINING  
DATE: 1/27/09  
BY: 

(See Instructions on Reverse Side)



QUEST 11-25-14-22: 8/27/2008 (KB-Grd: 0.0ft)



WellName								WellUserID		
QUEST 11-25-14-22								UT0214.01		
APICode				County						
430473529900				UINTAH, UT						
Sec	Twn	Rge	Qtr1	Qtr2	Qtr3	XLoc	YLoc	Latitude	Longitude	
Feet From				Line		Feet From				Line
Engineer			Technician			Pumper				
SpudDate		Comp Date		KB Height		TD Drill Dept		TD Log Dept		TVD
2/23/2004						0		0		0

Date In	Casing Type	Hole Dia	Size	Wt	Grade	Depth	Jts	Ft
2/23/2004	Conducto	16.000	9.625	36.00	H-40	500.00	0.00	0.00
2/29/2004	3. Surface	8.750	7.000	17.00	H-40	1549.35	10.00	1534.35
3/5/2004	Productio	6.250	4.500	10.50	J-55	2438.00	61.00	0.00

Date In	Size	Wt	Grade	Cou OD	ID	Depth	Avg Jt	Intake
2/3/2001	2.375	4.7	J-55	2.91	1.995	2157	32.18	0

Sucker Rods

Formations

Upper	Lower	Formation	Date	Status	Gun Sz	Shot/Ft	Phasg
2144	2159		2/2/2001	Open		6	

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

FORM 9

**SUNDRY NOTICES AND REPORTS ON WELLS**

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

		5. LEASE DESIGNATION AND SERIAL NUMBER: <b>Fee</b>
		6. IF INDIAN, ALLOTTEE OR TRIBE NAME: <b>N/A</b>
		7. UNIT or CA AGREEMENT NAME: <b>N/A</b>
1. TYPE OF WELL <b>OIL WELL</b> <input type="checkbox"/> <b>GAS WELL</b> <input type="checkbox"/> <b>OTHER</b> _____		8. WELL NAME and NUMBER: <b>Quest 11-25-14-22</b>
2. NAME OF OPERATOR: <b>Enduring Resources, LLC</b>		9. API NUMBER: <b>4304735299</b>
3. ADDRESS OF OPERATOR: <b>475 17th Street, Suite 1500</b> CITY <b>Denver</b> STATE <b>CO</b> ZIP <b>80202</b>		10. FIELD AND POOL, OR WILDCAT: <b>Wildcat</b>
4. LOCATION OF WELL FOOTAGES AT SURFACE: <b>374' FSL - 727' FWL</b>		COUNTY: <b>Uintah</b>
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: <b>SWSW 22 11S 25E S</b>		STATE: <b>UTAH</b>

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 checked="" type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only)  Date of work completion: <b>12/2/2008</b>	<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"/> CHANGE WELL NAME	<input type="checkbox"/> PLUG BACK	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> PRODUCTION (START/RESUME)	<input type="checkbox"/> WATER SHUT-OFF
	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input checked="" type="checkbox"/> OTHER: <u><b>Well Status Report</b></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.

Well Shut-in.

There appears to be a behind pipe Wasatch zone at 1571-84'.

Currently making a completion attempt on the Quest 11-25-31-28. If this completion is successful, will make a similar completion attempt on this well.

NAME (PLEASE PRINT) <u>Alvin R. (Al) Arlian</u>	TITLE <u>Landman - Regulatory Specialist</u>
SIGNATURE	DATE <u>12/2/2008</u>

(This space for State use only)

**RECEIVED**

**DEC 08 2008**

**DIV. OF OIL, GAS & MINING**

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

FORM 9

**SUNDRY NOTICES AND REPORTS ON WELLS**

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

<b>1. TYPE OF WELL</b> OIL WELL <input type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER _____		<b>5. LEASE DESIGNATION AND SERIAL NUMBER:</b> Fee
<b>2. NAME OF OPERATOR:</b> Enduring Resources, LLC		<b>6. IF INDIAN, ALLOTTEE OR TRIBE NAME:</b> N/A
<b>3. ADDRESS OF OPERATOR:</b> 475 17th Street, Suite 1500    CITY Denver    STATE CO    ZIP 80202		<b>7. UNIT or CA AGREEMENT NAME:</b> N/A
<b>4. LOCATION OF WELL</b> FOOTAGES AT SURFACE: 374' FSL - 727' FWL  QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: SWSW 22 11S 25E S		<b>8. WELL NAME and NUMBER:</b> Quest 11-25-14-22
PHONE NUMBER: (303) 350-5114		<b>9. API NUMBER:</b> 4304735299
COUNTY: Uintah		<b>10. FIELD AND POOL, OR WILDCAT:</b> Wildcat
STATE: UTAH		

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

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<input checked="" type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only)  Date of work completion: 1/2/2009	<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
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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.

Well Shut-in.

Waiting completion attempt on the Quest 11-25-31-28 results.

NAME (PLEASE PRINT) <u>Alvin R. (Al) Arlian</u>	TITLE <u>Landman - Regulatory Specialist</u>
SIGNATURE	DATE <u>1/2/2009</u>

(This space for State use only)

**RECEIVED**  
**JAN 05 2009**  
**DIV. OF OIL, GAS & MINING**

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

FORM 9

<b>SUNDRY NOTICES AND REPORTS ON WELLS</b>		5. LEASE DESIGNATION AND SERIAL NUMBER: <b>Fee</b>
Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.		6. IF INDIAN, ALLOTTEE OR TRIBE NAME: <b>N/A</b>
		7. UNIT or CA AGREEMENT NAME: <b>N/A</b>
1. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER _____		8. WELL NAME and NUMBER: <b>Quest 11-25-14-22</b>
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QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: <b>SWSW 22 11S 25E S</b>		STATE: <b>UTAH</b>

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"/> ALTER CASING <input type="checkbox"/> CASING REPAIR <input type="checkbox"/> CHANGE TO PREVIOUS PLANS <input type="checkbox"/> CHANGE TUBING <input type="checkbox"/> CHANGE WELL NAME <input type="checkbox"/> CHANGE WELL STATUS <input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS <input type="checkbox"/> CONVERT WELL TYPE	<input type="checkbox"/> DEEPEN <input type="checkbox"/> FRACTURE TREAT <input type="checkbox"/> NEW CONSTRUCTION <input type="checkbox"/> OPERATOR CHANGE <input type="checkbox"/> PLUG AND ABANDON <input type="checkbox"/> PLUG BACK <input type="checkbox"/> PRODUCTION (START/RESUME) <input type="checkbox"/> RECLAMATION OF WELL SITE <input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION	<input type="checkbox"/> REPERFORATE CURRENT FORMATION <input type="checkbox"/> SIDETRACK TO REPAIR WELL <input type="checkbox"/> TEMPORARILY ABANDON <input type="checkbox"/> TUBING REPAIR <input type="checkbox"/> VENT OR FLARE <input type="checkbox"/> WATER DISPOSAL <input type="checkbox"/> WATER SHUT-OFF <input checked="" type="checkbox"/> OTHER: <u>Well Status Report</u>
<input checked="" type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only)  Date of work completion: <b>1/30/2009</b>			

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

Well Shut-in.

Waiting completion attempt on the Quest 11-25-31-28 results.

NAME (PLEASE PRINT) <u>Alvin R. (Al) Arlian</u>	TITLE <u>Landman - Regulatory Specialist</u>
SIGNATURE	DATE <u>1/30/2009</u>

(This space for State use only)

**RECEIVED**

**FEB 03 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.

		5. LEASE DESIGNATION AND SERIAL NUMBER: <b>Fee</b>
		6. IF INDIAN, ALLOTTEE OR TRIBE NAME: <b>N/A</b>
		7. UNIT or CA AGREEMENT NAME: <b>N/A</b>
1. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER _____		8. WELL NAME and NUMBER: <b>Quest 11-25-14-22</b>
2. NAME OF OPERATOR: <b>Enduring Resources, LLC</b>		9. API NUMBER: <b>4304735299</b>
3. ADDRESS OF OPERATOR: <b>475 17th Street, Suite 1500</b> CITY <b>Denver</b> STATE <b>CO</b> ZIP <b>80202</b>		10. FIELD AND POOL, OR WILDCAT: <b>Wildcat</b>
4. LOCATION OF WELL FOOTAGES AT SURFACE: <b>374' FSL - 727' FWL</b>		COUNTY: <b>Uintah</b>
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: <b>SWSW 22 11S 25E S</b>		STATE: <b>UTAH</b>

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

TYPE OF SUBMISSION	TYPE OF ACTION		
<input type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: _____	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> REPERFORATE CURRENT FORMATION
	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> SIDETRACK TO REPAIR WELL
	<input type="checkbox"/> CASING REPAIR	<input type="checkbox"/> NEW CONSTRUCTION	<input type="checkbox"/> TEMPORARILY ABANDON
	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> TUBING REPAIR
	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> VENT OR FLARE
<input checked="" type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion: <b>4/1/2009</b>	<input type="checkbox"/> CHANGE WELL NAME	<input type="checkbox"/> PLUG BACK	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> PRODUCTION (START/RESUME)	<input type="checkbox"/> WATER SHUT-OFF
	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input checked="" type="checkbox"/> OTHER: <u>Well Status Report</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.

**MONTHLY WELL STATUS REPORT:**

This well shall continue to be shut-in for the month of April, 2009.

1. Enduring is preparing an "Action Plan" for this and other shut-in wells.
2. By May 1, 2009, the Action Plan is to be submitted for the approval of the DOG&M.

NAME (PLEASE PRINT) <u>Alvin R. (Al) Arlian</u>	TITLE <u>Landman - Regulatory Specialist</u>
SIGNATURE	DATE <u>3/30/2009</u>

(This space for State use only)

**RECEIVED**  
**APR 02 2009**  
**DIV. OF OIL, GAS & MINING**

<b>STATE OF UTAH</b> DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS, AND MINING	<b>FORM 9</b>  <b>5. LEASE DESIGNATION AND SERIAL NUMBER:</b> FEE
<b>SUNDRY NOTICES AND REPORTS ON WELLS</b>  Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.	<b>6. IF INDIAN, ALLOTTEE OR TRIBE NAME:</b>  <b>7. UNIT or CA AGREEMENT NAME:</b>
<b>1. TYPE OF WELL</b> Gas Well	<b>8. WELL NAME and NUMBER:</b> QUEST 11-25-14-22
<b>2. NAME OF OPERATOR:</b> Enduring Resources, LLC	<b>9. API NUMBER:</b> 43047352990000
<b>3. ADDRESS OF OPERATOR:</b> 475 17th Street, Suite 1500 , Denver, CO, 80202	<b>PHONE NUMBER:</b> 303 350-5114 Ext
<b>4. LOCATION OF WELL</b> <b>FOOTAGES AT SURFACE:</b> 0374 FSL 0727 FWL <b>QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN:</b> Qtr/Qtr: SWSW Section: 22 Township: 11.0S Range: 25.0E Meridian: S	<b>9. FIELD and POOL or WILDCAT:</b> KICKER  <b>COUNTY:</b> UINTAH  <b>STATE:</b> UTAH

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

TYPE OF SUBMISSION	TYPE OF ACTION		
<input type="checkbox"/> <b>NOTICE OF INTENT</b> Approximate date work will start:	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> CASING REPAIR
<input checked="" type="checkbox"/> <b>SUBSEQUENT REPORT</b> Date of Work Completion: 5/29/2009	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> CHANGE WELL NAME
<input type="checkbox"/> <b>SPUD REPORT</b> Date of Spud:	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> CONVERT WELL TYPE
<input type="checkbox"/> <b>DRILLING REPORT</b> Report Date:	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> NEW CONSTRUCTION
	<input type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> PLUG BACK
	<input type="checkbox"/> PRODUCTION START OR RESUME	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input type="checkbox"/> RECOMPLETE DIFFERENT FORMATION
	<input type="checkbox"/> REPERFORATE CURRENT FORMATION	<input type="checkbox"/> SIDETRACK TO REPAIR WELL	<input type="checkbox"/> TEMPORARY ABANDON
	<input type="checkbox"/> TUBING REPAIR	<input type="checkbox"/> VENT OR FLARE	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> WATER SHUTOFF	<input checked="" type="checkbox"/> SI TA STATUS EXTENSION	<input type="checkbox"/> APD EXTENSION
	<input type="checkbox"/> WILDCAT WELL DETERMINATION	<input type="checkbox"/> OTHER	OTHER: <input type="text" value="Monthly Status Report"/>

**12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.**  
 5-29-2009 Pursuant to an Action Plan submitted to DOG&M May-2009, this well shall continue to be shut-in while six other wells are being plugged commencing June-2009.

Accepted by the  
 Utah Division of  
 Oil, Gas and Mining  
**FOR RECORD ONLY**  
 June 01, 2009

<b>NAME (PLEASE PRINT)</b> Alvin Arlian	<b>PHONE NUMBER</b> 303 350-5114	<b>TITLE</b> Landman-Regulatory
<b>SIGNATURE</b> N/A		<b>DATE</b> 5/29/2009

<b>STATE OF UTAH</b> DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS, AND MINING	<b>FORM 9</b>  <b>5. LEASE DESIGNATION AND SERIAL NUMBER:</b> FEE
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<b>1. TYPE OF WELL</b> Gas Well	<b>8. WELL NAME and NUMBER:</b> QUEST 11-25-14-22
<b>2. NAME OF OPERATOR:</b> Enduring Resources, LLC	<b>9. API NUMBER:</b> 43047352990000
<b>3. ADDRESS OF OPERATOR:</b> 475 17th Street, Suite 1500 , Denver, CO, 80202	<b>PHONE NUMBER:</b> 303 350-5114 Ext
<b>4. LOCATION OF WELL</b> <b>FOOTAGES AT SURFACE:</b> 0374 FSL 0727 FWL <b>QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN:</b> Qtr/Qtr: SWSW Section: 22 Township: 11.0S Range: 25.0E Meridian: S	<b>9. FIELD and POOL or WILDCAT:</b> KICKER  <b>COUNTY:</b> UINTAH  <b>STATE:</b> UTAH

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

TYPE OF SUBMISSION	TYPE OF ACTION		
<input type="checkbox"/> NOTICE OF INTENT Approximate date work will start:	<input type="checkbox"/> ACIDIZE <input type="checkbox"/> CHANGE TO PREVIOUS PLANS <input type="checkbox"/> CHANGE WELL STATUS <input type="checkbox"/> DEEPEN <input type="checkbox"/> OPERATOR CHANGE <input type="checkbox"/> PRODUCTION START OR RESUME <input type="checkbox"/> REPERFORATE CURRENT FORMATION <input type="checkbox"/> TUBING REPAIR <input type="checkbox"/> WATER SHUTOFF <input type="checkbox"/> WILDCAT WELL DETERMINATION	<input type="checkbox"/> ALTER CASING <input type="checkbox"/> CHANGE TUBING <input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS <input type="checkbox"/> FRACTURE TREAT <input type="checkbox"/> PLUG AND ABANDON <input type="checkbox"/> RECLAMATION OF WELL SITE <input type="checkbox"/> SIDETRACK TO REPAIR WELL <input type="checkbox"/> VENT OR FLARE <input type="checkbox"/> SI TA STATUS EXTENSION <input checked="" type="checkbox"/> OTHER	<input type="checkbox"/> CASING REPAIR <input type="checkbox"/> CHANGE WELL NAME <input type="checkbox"/> CONVERT WELL TYPE <input type="checkbox"/> NEW CONSTRUCTION <input type="checkbox"/> PLUG BACK <input type="checkbox"/> RECOMPLETE DIFFERENT FORMATION <input type="checkbox"/> TEMPORARY ABANDON <input type="checkbox"/> WATER DISPOSAL <input type="checkbox"/> APD EXTENSION OTHER: Monthly Status Report
<input checked="" type="checkbox"/> SUBSEQUENT REPORT Date of Work Completion: 6/30/2009			
<input type="checkbox"/> SPUD REPORT Date of Spud:			
<input type="checkbox"/> DRILLING REPORT Report Date:			

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

6-30-2009 Pursuant to an Action Plan submitted to and approved by the DOG&M in May-2009, this well shall continue to be shut-in while six other wells are being plugged commencing June-2009.

**Accepted by the**  
**Utah Division of**  
**Oil, Gas and Mining**  
**FOR RECORD ONLY**  
 June 30, 2009

<b>NAME (PLEASE PRINT)</b> Alvin Arlian	<b>PHONE NUMBER</b> 303 350-5114	<b>TITLE</b> Landman-Regulatory
<b>SIGNATURE</b> N/A		<b>DATE</b> 6/30/2009

STATE OF UTAH DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS, AND MINING		FORM 9
<b>SUNDRY NOTICES AND REPORTS ON WELLS</b>		<b>5. LEASE DESIGNATION AND SERIAL NUMBER:</b> FEE
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<b>2. NAME OF OPERATOR:</b> Enduring Resources, LLC	<b>9. API NUMBER:</b> 43047352990000	
<b>3. ADDRESS OF OPERATOR:</b> 475 17th Street, Suite 1500 , Denver, CO, 80202	<b>PHONE NUMBER:</b> 303 350-5114 Ext	<b>9. FIELD and POOL or WILDCAT:</b> KICKER
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		<b>STATE:</b> UTAH
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<b>TYPE OF SUBMISSION</b>	<b>TYPE OF ACTION</b>	
<input checked="" type="checkbox"/> <b>NOTICE OF INTENT</b> Approximate date work will start: 4/8/2011  <input type="checkbox"/> <b>SUBSEQUENT REPORT</b> Date of Work Completion:  <input type="checkbox"/> <b>SPUD REPORT</b> Date of Spud:  <input type="checkbox"/> <b>DRILLING REPORT</b> Report Date:	<input type="checkbox"/> ACIDIZE <input type="checkbox"/> ALTER CASING <input type="checkbox"/> CASING REPAIR <input type="checkbox"/> CHANGE TO PREVIOUS PLANS <input type="checkbox"/> CHANGE TUBING <input type="checkbox"/> CHANGE WELL NAME <input type="checkbox"/> CHANGE WELL STATUS <input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS <input type="checkbox"/> CONVERT WELL TYPE <input type="checkbox"/> DEEPEN <input type="checkbox"/> FRACTURE TREAT <input type="checkbox"/> NEW CONSTRUCTION <input type="checkbox"/> OPERATOR CHANGE <input checked="" type="checkbox"/> PLUG AND ABANDON <input type="checkbox"/> PLUG BACK <input type="checkbox"/> PRODUCTION START OR RESUME <input type="checkbox"/> RECLAMATION OF WELL SITE <input type="checkbox"/> RECOMPLETE DIFFERENT FORMATION <input type="checkbox"/> REPERFORATE CURRENT FORMATION <input type="checkbox"/> SIDETRACK TO REPAIR WELL <input type="checkbox"/> TEMPORARY ABANDON <input type="checkbox"/> TUBING REPAIR <input type="checkbox"/> VENT OR FLARE <input type="checkbox"/> WATER DISPOSAL <input type="checkbox"/> WATER SHUTOFF <input type="checkbox"/> SI TA STATUS EXTENSION <input type="checkbox"/> APD EXTENSION <input type="checkbox"/> WILDCAT WELL DETERMINATION <input type="checkbox"/> OTHER                                  OTHER: <input style="width: 50px;" type="text"/>	
12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.		
Upon approval from DOG&M, plan to plug well as set forth in the attached Proposed P & A Procedure.		
<b>Approved by the Utah Division of Oil, Gas and Mining</b>  <b>Date:</b> 04/13/2011 <b>By:</b> <u><i>Dark K. Quist</i></u>		
<b>NAME (PLEASE PRINT)</b> Alvin Arlian	<b>PHONE NUMBER</b> 303 350-5114	<b>TITLE</b> Landman-Regulatory
<b>SIGNATURE</b> N/A	<b>DATE</b> 3/23/2011	



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

- State of Utah  
- Department of Natural Resources

Electronic Permitting System - Sundry Notices

**Sundry Conditions of Approval Well Number 43047352990000**

- 1. Notify the Division at least 24 hours prior to conducting abandonment operations. Please call Dan Jarvis at 801-538-5338.**
- 2. Amend Plug #3: Plug shall be extended to cover the 9 5/8" casing shoe as required by Board Cause No. 190-13. Perf at 500' and circulate cement to surface ( $\pm$  91 sx).**
- 3. All balanced plugs shall be tagged to ensure that they are at the depth specified.**
  - 4. All annuli shall be cemented from a minimum depth of 100' 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.**

4/13/2011

# Wellbore Diagram

r263

**API Well No:** 43-047-35299-00-00 **Permit No:**  
**Company Name:** ENDURING RESOURCES, LLC  
**Location:** Sec: 22 T: 11S R: 25E Spot: SWSW  
**Coordinates:** X: 661664 Y: 4411650  
**Field Name:** KICKER  
**County Name:** Uintah

**Well Name/No:** QUEST 11-25-14-22

### String Information

String	Bottom (ft sub)	Diameter (inches)	Weight (lb/ft)	Length (ft)	Capacity (cf/ct)
HOL1	500	12.25			
SURF	500	9.625	32.3	500	
HOL2	1550	8.75			
II	1550	7	17		
HOL3	2438	6.25			
PROD	2438	4.5	11.6	2438	11.459
TI	2232	2.375			

7" x 4 1/2"

8.150

Cement from 500 ft. to surface  
 Surface: 9.625 in. @ 500 ft.  
 Hole: 12.25 in. @ 500 ft.

500' ~~A~~ Amend Plug #3

Per Case No. 190-13  
 Perf @ 500' circ cut to surf.  
 out 500' / (1.15) (8.150) = 53.5x  
 in 500' / (1.15) (11.459) = 38.2x

915x reqd.

### Cement Information

String	BOC (ft sub)	TOC (ft sub)	Class	Sacks
II	1550	0	UK	290
PROD	2438	800	PC	200
SURF	500	0	PM	225

### Perforation Information

Top (ft sub)	Bottom (ft sub)	Shts/Ft	No Shts	Dt Squeeze
2144	2159			

### Formation Information

Formation	Depth
WSTC	1503
OHCRK	2334

Cement from 1550 ft. to surface  
 Intermediate: 7 in. @ 1550 ft.  
 Hole: 8.75 in. @ 1550 ft.

1600'

Plug #2  
 (20x) (1.15) (11.459) = 263'  
 TOC

Cement from 2438 ft. to 800 ft.  
 Tubing: 2.375 in. @ 2232 ft.  
 Production: 4.5 in. @ 2438 ft.

2275'

Plug #1  
 (40x) (1.15) (11.459) = 527'  
 TOC 1747'

Hole: 6.25 in. @ 2438 ft.

**TD:** 2438 **TVD:** 2438 **PBTD:**

**Quest #11-25-14-22 (was #13-22) Proposed P&A Procedure**

9 5/8" @ 500' TOC at Surface

7" 17# (Casing ID 6.538") @ 1,550' TOC at Surface

4 1/2" (Coupling OD 5") @ 2,438' TOC @ unknown, calculated at 800'

Open Perfs: 2,244' - 2,265'

Tubing 2 3/8 at 2,095'

PBTD @ 2,393'

Prior to move in rig up, check anchors and blow down the well

NDWH, NUBOP

Lay down rods

POH with tubing and check

RIH to 2,275' spot 40 sacks of cement across perfs

POH and WOC

Tag cement

Cement should be 100' above the perfs, add cement if necessary

Roll hole with produced water and corrosion inhibitor

Pressure test casing, if it fails call for orders

POH to 1,600'

Spot 20 sacks (100') across shoe

Perforate at 100'

ND BOP

Circulate cement to surface

Cut off wellhead

Top off cement in all annuluses if necessary

Weld Plate

RDMO

<b>STATE OF UTAH</b> DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS, AND MINING		<b>FORM 9</b>
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		<b>7. UNIT or CA AGREEMENT NAME:</b>
<b>1. TYPE OF WELL</b> Gas Well	<b>8. WELL NAME and NUMBER:</b> QUEST 11-25-14-22	
<b>2. NAME OF OPERATOR:</b> Enduring Resources, LLC	<b>9. API NUMBER:</b> 43047352990000	
<b>3. ADDRESS OF OPERATOR:</b> 475 17th Street, Suite 1500 , Denver, CO, 80202	<b>PHONE NUMBER:</b> 303 350-5114 Ext	<b>9. FIELD and POOL or WILDCAT:</b> KICKER
<b>4. LOCATION OF WELL</b> <b>FOOTAGES AT SURFACE:</b> 0374 FSL 0727 FWL <b>QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN:</b> Qtr/Qtr: SWSW Section: 22 Township: 11.0S Range: 25.0E Meridian: S	<b>COUNTY:</b> UINTAH	
		<b>STATE:</b> UTAH
11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA		
<b>TYPE OF SUBMISSION</b>	<b>TYPE OF ACTION</b>	
<input type="checkbox"/> NOTICE OF INTENT Approximate date work will start:	<input type="checkbox"/> ACIDIZE <input type="checkbox"/> CHANGE TO PREVIOUS PLANS <input type="checkbox"/> CHANGE WELL STATUS <input type="checkbox"/> DEEPEN <input type="checkbox"/> OPERATOR CHANGE <input type="checkbox"/> PRODUCTION START OR RESUME <input type="checkbox"/> REPERFORATE CURRENT FORMATION <input type="checkbox"/> TUBING REPAIR <input type="checkbox"/> WATER SHUTOFF <input type="checkbox"/> WILDCAT WELL DETERMINATION	<input type="checkbox"/> ALTER CASING <input type="checkbox"/> CHANGE TUBING <input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS <input type="checkbox"/> FRACTURE TREAT <input checked="" type="checkbox"/> PLUG AND ABANDON <input type="checkbox"/> RECLAMATION OF WELL SITE <input type="checkbox"/> SIDETRACK TO REPAIR WELL <input type="checkbox"/> VENT OR FLARE <input type="checkbox"/> SI TA STATUS EXTENSION <input type="checkbox"/> OTHER
<input checked="" type="checkbox"/> SUBSEQUENT REPORT Date of Work Completion: 9/15/2011		<input type="checkbox"/> CASING REPAIR <input type="checkbox"/> CHANGE WELL NAME <input type="checkbox"/> CONVERT WELL TYPE <input type="checkbox"/> NEW CONSTRUCTION <input type="checkbox"/> PLUG BACK <input type="checkbox"/> RECOMPLETE DIFFERENT FORMATION <input type="checkbox"/> TEMPORARY ABANDON <input type="checkbox"/> WATER DISPOSAL <input type="checkbox"/> APD EXTENSION OTHER: <input type="text"/>
<input type="checkbox"/> SPUD REPORT Date of Spud:		
<input type="checkbox"/> DRILLING REPORT Report Date:		
12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.		
Subsequent Plugging Report Attached.		
<b>Accepted by the Utah Division of Oil, Gas and Mining FOR RECORD ONLY</b>		
<b>NAME (PLEASE PRINT)</b> Alvin Arlian	<b>PHONE NUMBER</b> 303 350-5114	<b>TITLE</b> Landman-Regulatory
<b>SIGNATURE</b> N/A	<b>DATE</b> 9/20/2011	

Quest 11-25-14-22 Subsequent Plugging Report.

9-15-2011 MIRU Western Wellsite Workover Rig. Pre-job safety meeting. Blow down well. ND WH. NU BOPE. TOO H tallying 70 joints tubing. TIH w/ bit to 2166. TOO H LD bit. PU 4.5" CICR and set @2166'. Load hole with 30 bbls fresh water with corrosion inhibitor. Pressure test casing to 1000 psi. SDFN.

9-16-2011 Pre-job safety meeting. Mix and pump 40 sacks Class G cement, 30 under 10 on top of CICR @2166'. TOO H to 1604'. Mix and pump 20 sacks Class G cement. TOO H. RU Perforators Wireline and perforate 4.5" casing @500'. Break circulation in 4.5" X 7" annulus. Rig Down Western Wellsite Workover Rig. Dig out WH. Mix and pump 100 sacks Class G cement down 4.5" casing and up 7" annulus to surface. Cut off WH. Run 1" down 7" X 9.5/8" annulus to 50'. Fill with 20 sacks Class G cement. All strings standing full. SDFN.

9-17-2011 Weld on information plate. Release rig and move off Western Wellsite Workover Rig.

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<b>SUNDRY NOTICES AND REPORTS ON WELLS</b>  Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.	<b>6. IF INDIAN, ALLOTTEE OR TRIBE NAME:</b>  <b>7. UNIT or CA AGREEMENT NAME:</b>
<b>1. TYPE OF WELL</b> Gas Well	<b>8. WELL NAME and NUMBER:</b> QUEST 11-25-14-22
<b>2. NAME OF OPERATOR:</b> Enduring Resources, LLC	<b>9. API NUMBER:</b> 43047352990000
<b>3. ADDRESS OF OPERATOR:</b> 511-16th Street, Suite 700 , Denver, CO, 80202	<b>PHONE NUMBER:</b> 303 350-5114 Ext
<b>4. LOCATION OF WELL</b> <b>FOOTAGES AT SURFACE:</b> 0374 FSL 0727 FWL <b>QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN:</b> Qtr/Qtr: SWSW Section: 22 Township: 11.0S Range: 25.0E Meridian: S	<b>9. FIELD and POOL or WILDCAT:</b> KICKER  <b>COUNTY:</b> UINTAH  <b>STATE:</b> UTAH

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

TYPE OF SUBMISSION	TYPE OF ACTION		
<input type="checkbox"/> NOTICE OF INTENT Approximate date work will start:	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> CASING REPAIR
<input checked="" type="checkbox"/> SUBSEQUENT REPORT Date of Work Completion: 10/18/2011	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> CHANGE WELL NAME
<input type="checkbox"/> SPUD REPORT Date of Spud:	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> CONVERT WELL TYPE
<input type="checkbox"/> DRILLING REPORT Report Date:	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> NEW CONSTRUCTION
	<input type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> PLUG BACK
	<input type="checkbox"/> PRODUCTION START OR RESUME	<input checked="" type="checkbox"/> RECLAMATION OF WELL SITE	<input type="checkbox"/> RECOMPLETE DIFFERENT FORMATION
	<input type="checkbox"/> REPERFORATE CURRENT FORMATION	<input type="checkbox"/> SIDETRACK TO REPAIR WELL	<input type="checkbox"/> TEMPORARY ABANDON
	<input type="checkbox"/> TUBING REPAIR	<input type="checkbox"/> VENT OR FLARE	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> WATER SHUTOFF	<input type="checkbox"/> SI TA STATUS EXTENSION	<input type="checkbox"/> APD EXTENSION
	<input type="checkbox"/> WILDCAT WELL DETERMINATION	<input type="checkbox"/> OTHER	OTHER: <input style="width: 50px;" type="text"/>

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

Reclaim location per Gary Aho, Enefit instruction. Reseeded the location and gas pipeline ROW with the following seed mix as per Gary Aho, Enefit: 24# Russian Wild Rye 24# Crested Wheat Grass 8.5 # Four Wing Salt Bush 8# Lewis Blue Flax 8# Indian Rice Grass 8# Tall Wheat Grass Closed road to location per Gary Aho, Enefit request. Final Report.

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

<b>NAME (PLEASE PRINT)</b> Alvin Arian	<b>PHONE NUMBER</b> 303 350-5114	<b>TITLE</b> Landman-Regulatory
<b>SIGNATURE</b> N/A		<b>DATE</b> 10/20/2011