

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

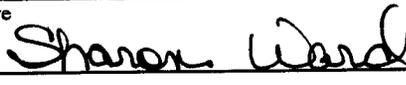
002 APPLICATION FOR PERMIT TO DRILL OR REENTER

1a. Type of Work <input checked="" type="checkbox"/> DRILL <input type="checkbox"/> REENTER		5. Lease Serial No. 66312
1b. Type of Well <input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other <input checked="" type="checkbox"/> Single Zone <input type="checkbox"/> Multiple Zone		6. If Indian, Allottee or Tribe Name
2. Name of Operator Citation Oil & Gas Corp.		7. If Unit or CA Agreement, Name and No. Walker Hollow Unit
3a. Address P O Box 690688 Houston, Texas 77269-0688		8. Lease Name and Well No. Walker Hollow Unit #83
3b. Phone No. (include area code) 281-517-7800		9. API Well No.
4. Location of well (Report location clearly and in accordance with any State requirements. *) At surface SE SW 421' FSL & 1849' FWL At proposed prod. zone SE SW 421' FSL & 1849' FWL		10. Field and Pool, or Exploratory Walker Hollow Green River
11. Sec., T., R., M., or Blk. And Survey or Area Sec. 2, T7S, R23E		12. County or Parish Uintah County
14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE* +/- 27.5 miles East of Vernal Utah		13. State Utah
15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drlg unit line, if any) +/- 6950'	16. No. of Acres in lease 3277.2	17. Spacing Unit dedicated to this well 40
18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft. +/- 938'	19. Proposed Depth +/- 5551'	20. BLM/ BIA Bond No. on file MT 0630
21. Elevations (Show whether DF, RT, GR, etc.) 5407' GR	22. Approximate date work will start* 2004	23. Estimated Duration 8 Days

24. Attachments

The following, completed in accordance with the requirements of Onshore Oil and Gas Order No. 1 shall be attached to this form:

- | | |
|--|--|
| <ul style="list-style-type: none"> 1. Well plat certified by a registered surveyor. 2. A Drilling Plan. 3. A Surface Use Plan (if the location is on National Forest System Lands, the SUPO shall be filed with the appropriate Forest Service Office). | <ul style="list-style-type: none"> 4. Bond to cover the operations unless covered by existing bond on file(see item 20 above). 5. Operator certification. 6. Such other site specific information and/ or plans as may be required by the a authorized officer. |
|--|--|

25. Signature 	Name (Printed/ Typed) Sharon Ward	Date 24-Mar-03
Title Regulatory Administrator		
Approved By (Signature)	Name (Printed/ Typed)	Date
Title	Office	

Application approval does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Conditions of approval, if any, are attached.

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

*(Instructions on reverse)

WALKER HOLLOW UNIT NO. 83
APD INFORMATION
SE SW, Sec. 2, T-7-S, R-23-E
Uintah County, Utah

1. The geologic name of the surface formation: Quaternary Alluvium.
2. The estimated tops of important geological markers:

Green River (G.R.)	3106'
G.R. Du 5	4811'
G.R. Du 6	5036'
G.R. Du 7	5131'
G.R. Du 8	5331'
G.R. Du 8c	5421'
G.R. Du 8d	5506'
G.R. DL1A	5531'
G.R. K	5566'
Total Depth	± 5551'

3. The estimated depths at which anticipated water, oil, gas, or other mineral bearing formations are expected to be encountered:

Fresh Water	Surface - 4811'.
Oil and Gas	4811' - TD.

4. Proposed casing program:

<u>String</u>	<u>Depth Interval</u>	<u>Size</u>	<u>Weight/Grade</u>	<u>Condition</u>
Surface	0 - +/-400'	8 5/8"	24#/ft, J-55	New
Production	0 - ±5551'	5 1/2"	15.5#/ft, J-55	New

5. Minimum specifications for pressure control equipment:

- a. Blowout preventers – Refer to Exhibit "A" for description of BOP stack and choke manifold.
- b. Wellhead Equipment – Slip-on weld type with a 5000 psi rated working pressure. See Exhibit "B"
- c. BOP Control Unit – Unit will be hydraulically operated and have at least 3 control stations.
- d. Testing – When installed on the 8 5/8" surface casing, the BOP stack will be tested to a low pressure (200-300 psi) and a high pressure to 2100 psi. Casing rams will be tested in like manner when installed prior to running production casing. An operational test of the blow-out preventers will be performed on each round trip (but not more than once each day); the annular and pipe ram preventers will be closed on drill pipe, and the blind rams will be closed while pipe is out of the hole.

6. Type and anticipated characteristics of drilling fluid:

<u>Depth Interval</u>	<u>Mud Type</u>
0' - Surface Casing Seat	Fresh Water Spud Mud-Air drill if possible
Surface Casing Seat - +/-3000'	GYP/Water. No Fluid loss control. 8.4 - 8.7 ppg.
+/-3000'-TD	GEL/CHEM. Fluid loss 8-12CC's. 8.7 - 9.5 ppg

7. Auxiliary Control Equipment:

- a. Kelly Cocks: Upper and lower installed on kelly.
- b. Safety Valve: Full opening ball type to fit each type and size of drill pipe in use will be available on rig floor at all times, in open position for stabbing into drill pipe when kelly is not in the string.
- c. If available, a trip tank will be used during the drilling of the production hole to insure the hole is full.

8. Testing, Logging, and Completion Programs:

- a. Logging: Caliper – SFL – DIL – GR from base of surface casing (BSC) – TD.
CNL – LDT – GR from BSC – TD.
Microlog from BSC – TD.
- b. Maximum bottom hole formation pressure is anticipated at 2,200 psi based off formation pressure data acquired within the area through running Repeat Formation Testing Logs.

Completion – Formation: Green River – Zones: Du 8c, Du 8d, and DL1A.

Anticipated Completion Procedure: Selectively perforate from log analysis, acidize perforations with a 7 1/2% - 15% HCl acid, evaluate inflow performance, then sand fracture as deemed necessary for optimal commercial production.

- c. Production method: Rod pump through 2 7/8" tubing.
9. Hydrogen sulfide (H₂S) should not be encountered, and no H₂S hazards are anticipated. The well may be subject to offset waterflood pressure maintenance and therefore may require higher mud weights to control higher formation pressures from injection.
10. Starting date of drilling operations will depend on rig availability. It is anticipated that drilling and completion operations will occur between June through October in 2004.

EXHIBIT "A"

TYPICAL 3,000 PSI MINIMUM REQUIREMENTS BLOWOUT PREVENTER AND CHOKE MANIFOLD SCHEMATIC

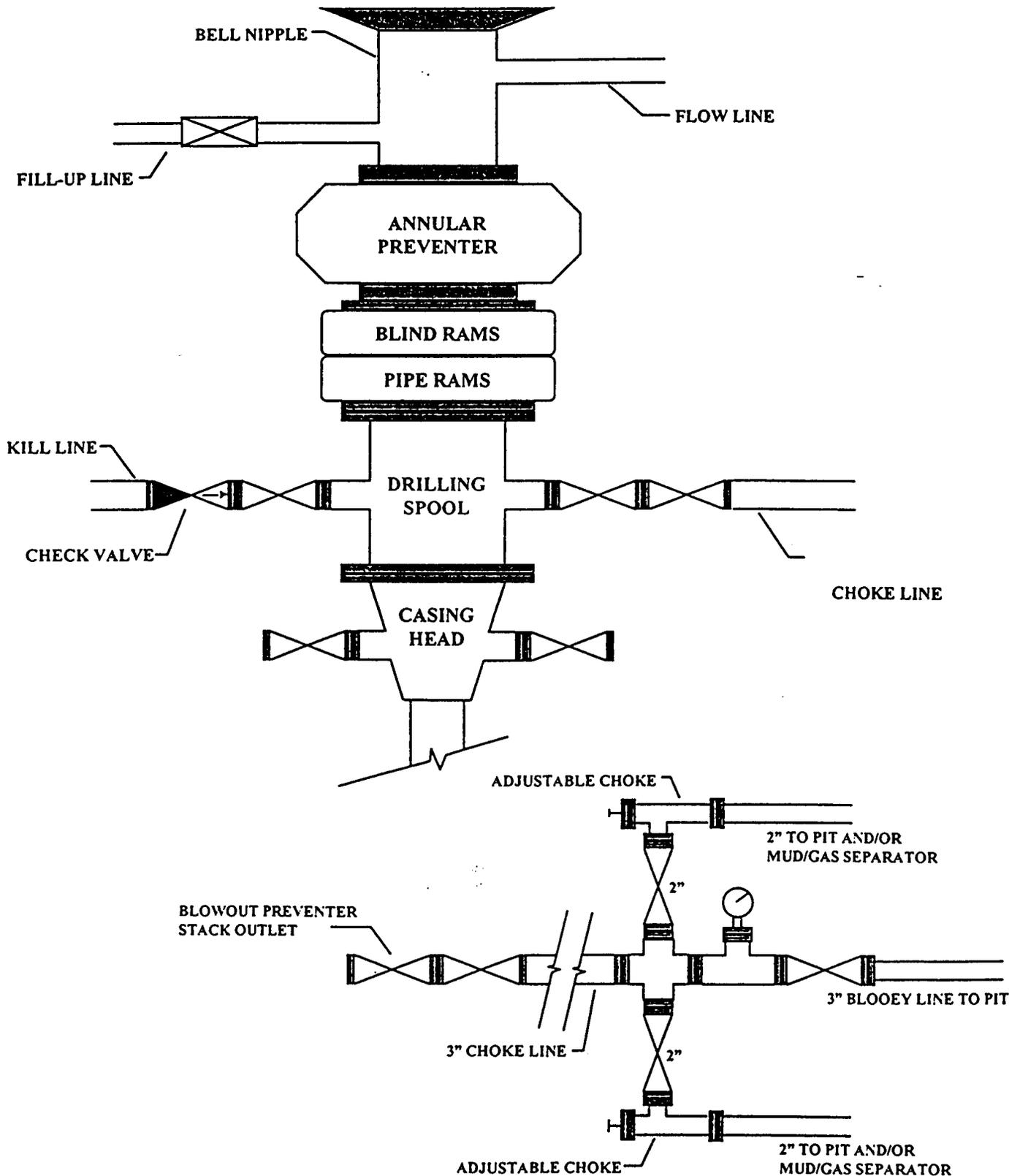
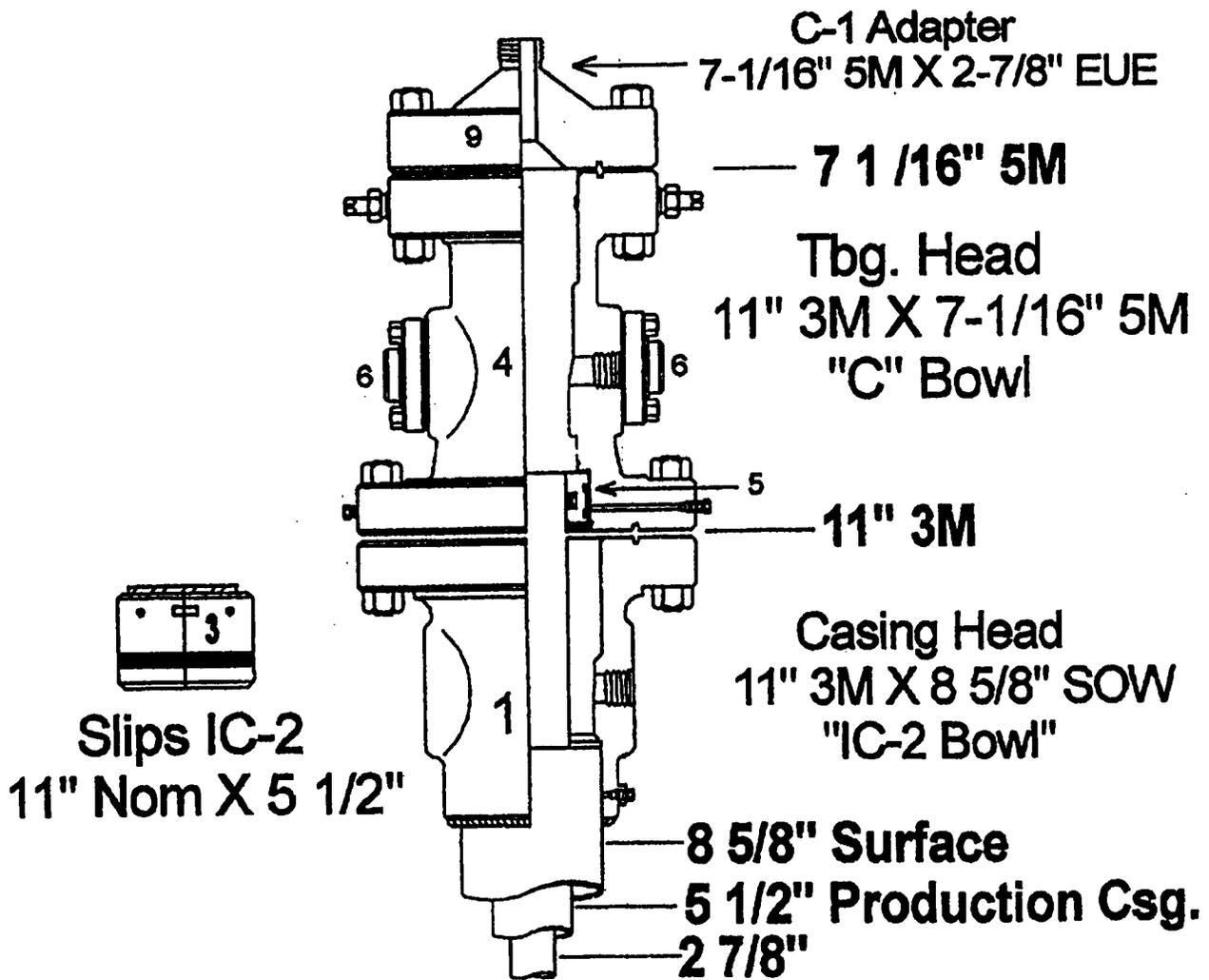


EXHIBIT "B"

Citation Oil & Gas Corp.

**Walker Hollow Field
2003 Drilling Program
8 5/8" X 5 1/2" X 2 7/8"**



I. GENERAL INFORMATION

WELL NAME: WALKER HOLLOW UNIT #83

AREA: WALKER HOLLOW UNIT

SURFACE LOCATION: 421' FSL & 1849' FWL
SE SW, SEC. 2, T-7-S, R-23-E
UINTAH CO., UT

BOTTOM HOLE LOCATION: 421' FSL & 1849' FWL
SE SW, SEC. 2, T-7-S, R-23-E
UINTAH CO., UT

OPERATOR: CITATION OIL & GAS CORPORATION

ENGINEER: JOHN LONG
OFFICE: (307) 682-4853
CELL: (307) 689-3406
HOME: (307) 682-5482

CLASSIFICATION: DEVELOPMENTAL VERTICAL

ELEVATION (GR): 5,407' - ungraded, 5393' - graded

ESTIMATED DEPTH: 5,551' MD

ESTIMATED DRILLING TIME: 8 DAYS

OBJECTIVE: PRIMARY: GREEN RIVER (OIL)

WELL OBJECTIVE

The Walker Hollow Unit #83 is planned as a vertical test well drilled to the Green River Formation at an estimated total depth of 5,551'. It is classified as a development well.

A 12 1/4" surface hole will be drilled to $\pm 400'$, then 8 5/8", 24# surface casing will be set and cemented to surface in accordance with State of Utah/BLM requirements. The production casing will be 5 1/2", 15.5#, J-55 to be set at $\pm 5,551'$. Lost circulation problems may be encountered from the top of the Green River formation at $\pm 3,106'$ to TD.

The surface hole to $\pm 400'$ is intended to be air-drilled using fresh water as needed. The production hole from $\pm 400'$ to $\pm 3000'$ will be drilled with fresh water using viscous sweeps to clean the hole. From $\pm 3000'$ to $\pm 5,551'$ (TD), the hole will be drilled with a gel-polymer fluid of 8.7 - 9.5 ppg to control fluid loss and provide adequate cleaning.

II. OPERATIONAL DRILLING PROGRAM

Construct the location and reserve pit per pad layout plat in the APD. Set 14" conductor pipe at ± 15' with a 6' diameter culvert to accommodate the drilling of the surface hole.

A. 12 1/4" Hole: 8 5/8" Casing (surface to +/-400')

Drill solids: 1 - 2%

Solids control: Reserve/blooiie pit

Fluid system: Air drill/fresh water.

- Notify the BLM and other proper authorities 24 hours prior to spud.
- Air drill a 12 1/4" hole to +/-400'. Foam up if necessary.
- At TD, pump a high viscosity pill & circulate the hole clean. TOH.
- Run 8 5/8", 24 #/ft J-55 ST&C casing to TD and cement according to the attached program. (See D. below)
- Notify proper authorities (at least 24 hours prior to testing) about testing the BOPE.
- WOC a minimum of 4 hrs. Cut off 8 5/8" casing and install casing head. Cut casing off so that the top of the 8 5/8" casing head is at or slightly below ground level.
- Install BOPE, manifold, and control lines. Pressure test the casing head, blind rams, pipe rams, manifold, and 8 5/8" casing to 2100 psi. Pressure test annular preventer to 1500 psi.
- WOC a minimum of 12 hours prior to drilling the float equipment.

*Note: Lost circulation is problematic in this area, especially if mud-up of the system is required for any reason. Keep a good supply of fibrous lost circulation materials on location for any mud losses.

B. 7 7/8" Hole: 400' - ± 3,000'.

Mud weight: 8.3 - 8.7 ppg

Drill solids: 1 - 2%

Solids control: Reserve pit

Fluid system: Fresh water W/appropriate viscosity and flocculent additives.

- Drill out of the 8 5/8" casing with fresh water.
- Use viscous sweeps whenever necessary to ensure adequate hole cleaning while drilling with water.
- Keep the drilled solids to a minimum by using a selective flocculent.
- Use sweep treatments of drilling detergent to provide lubricity and minimize bit balling.
- Lost circulation is problematic in this area, especially if mud-up of the system is required for any reason. Keep a good supply of fibrous lost circulation materials on location for any mud losses.

C. 7 7/8" Hole: ± 3,000' - ± 5,551'.

Mud weight: 8.7 - 9.5 ppg

Drill solids: 4 - 6%

Solids control: Adjustable linear shaker, Centrifuge, Mud Cleaner.

Fluid system: Mud up with a polymer-gel system.

- Mud up with a polymer-gel system. Use caustic soda to achieve a 9.0 - 9.5 pH.
- Additional fluid loss control will be required in this interval. Use fluid loss additives as necessary to maintain the API fluid loss at 8 - 10 cc's/30 min or less.
- Sloughing may become problematic in this interval. If this occurs, reduce the API fluid loss further.
- Run all available solids control equipment to maintain the mud weight and keep solids as low as possible.
- Lost circulation will be problematic when mudded up. Pre-treating with 15 - 25% fibrous LCM is recommended prior to drilling below 3000'.
- The anticipated mud weight of this well is 8.7 - 9.5 ppg, but allow the hole to dictate the mud weight required. Penetrated intervals may be affected by the local waterflood and a higher mud weight may be required.
- For lost circulation, use pill treatments of 25 - 35% fibrous LCM. To fight lost circulation, pull up four stands and while moving pipe, spot a 15 - 20 ppb pill of varied size LCM. Allow the pill to sit and heal the zone prior to drilling ahead.

***NOTE: At +/-4200', notify COGC geology to come to location to choose TD based from mud log sample analysis. The "K" sequence of the Green River formation must not be penetrated!**

D. Proposed Casing Design and Cement:

- **Surface Casing: Surface - +/-400', 8 5/8", 24 #/ft, J-55, ST&C.**
Cement: 20 BBLs pre-flush containing 4 sx Gel followed by 225 sx Class "A" cmt containing 2% CaCl₂ + .25 #/sk Flocele mixed at 15.6 ppg.
- 1. Make sure all connections & csg jts are clean, drifted, & compatible prior to RIH.**
 - 2. Float shoe & insert float collar connections need to be thread locked prior to RIH.**
 - 3. Run centralizers: 1 on float shoe jt, 1 on jt above FC, 1 @ +/-200', then 1 on second to last jt from surface while RIH.**
 - 4. Install cmt head. RU cement service. Test lines to 500 psi.**
 - 5. Pump 1 BBL lse wtr spacer. Mix & pump cmt according to service company's recommendations.**
 - 6. Pump plug. Displace cmt to FC W/lse wtr. Bump plug & hold final pressure for 5 minutes. RD cmt service.**

- Production Casing: Surface – +/-5,551', 5 1/2", 15.5 #/ft, J-55, LT&C.
Cement: **CSG WILL BE ROTATED BUT NOT RECIPROCATED DURING JOB!** Lead system: 165 sx of lightweight grade (11.0 ppg – 3.91 cubic ft/sk) cmt with recommended additives. Tail system: 210 sx of 50:50 Pozmix class "G" + 10% salt + 2% Bentonite Gel + 0.2% Anti-foamer. Cement volumes may vary based upon hole caliper logs.

1. **Make sure all connections & csg jts are clean, drifted, & compatible prior to RIH.**
2. **Run two jts of csg between float shoe & FC.**
3. **All connections from float collar (FC) down need to be thread locked & tack welded prior to RIH.**
4. **Run alternating, left-hand/right-hand positive standoff Turbolizer type centrizers: 2 on float shoe jt & 2 on jt below FC utilizing stop collars to evenly space the centrizers on each jt, then 1 per jt in unproductive intervals or 2 per jt in productive intervals for the next 20 jts, then 1 every 5th jt to +/-30 jts from surface. RIH.**
5. **Install cmt head & swivel. RU cement service. Test lines to 5000 psi. Circ 1 1/2 times csg - hole annular volume to break back mud system.**
6. **Pump 5 BBLs lse wtr spacer. Mix & pump cmt according to service company's recommendations. Rotate pipe throughout cementing. Do not reciprocate pipe.**
7. **Drop plug. Displace cmt to FC W/lse wtr. Bump plug & hold final pressure for 5 minutes. RD cmt service.**

E. Anticipated Bit Program:

1. 12 1/4" IADC Bit #111 – Surface hole to +/-400'.
2. 7 7/8" IADC Bit #517Y, 400 - 3,200'.
3. 7 7/8" IADC Bit #527Y, 3,200 - 4,800'.
4. 7 7/8" IADC Bit #527Y, 4,800 - 5,551'.

SURFACE USE PLAN: WHU #83

Citation Oil & Gas Corporation-Walker Hollow Unit

Well WHU #83: 421' FSL & 1849' FWL, SE SW, Sec. 2, T-7-S, R-23-E, Uintah County, Utah

1. EXISTING ROADS – See enclosed survey package.
 - A. See enclosed survey package for the proposed well site as staked.
 - B. From Vernal, go south-easterly on Highway 45 approximately 21 miles, then easterly approximately 2.6 miles to Red Wash, then approximately 2.2 miles north-easterly to the Walker Hollow field, then on oil field roads approximately 5 miles to the proposed location.
 - C. See enclosed survey package for the new access road to be built:
Approximately 30' of new road will be needed to access Well #83
 - D. See enclosed survey package for the existing roads within a one-mile radius.
 - E. No improvements of existing roads will be required as the roads are being maintained in the oil field.
2. PLANNED ACCESS ROADS – See the enclosed survey package for the new access road.
 - A. The road will be a minimum of 16' wide.
 - B. The maximum grade will be 12 percent or less.
 - C. No turnouts are anticipated.
 - D. Drainage structure will be installed where necessary.
 - E. No culverts will be required.
 - F. The road will be graveled where necessary.
 - G. There will be no gates, cattle-guards, or fence cuts.
 - H. The proposed access road has been staked.
3. LOCATION OF EXISTING WELLS WITHIN A ONE-MILE RADIUS – See enclosed survey package for well numbers and locations.
 - A. Water wells – none.
 - B. Abandoned wells – none.
 - C. Temporarily Abandoned Wells – none.
 - D. Disposal Wells – WHU #26.
 - E. Drilling Wells – WHU #'s: 84, 85, & 87.
 - F. Producing Wells – WHU #'s: 20, 23, 24, 25, 29, 39, 42, 47, 55, 56, 62, 63, 66, 69, 72, 73, 75, 80, 81, 82, & BH #9.
 - G. Shut-in Wells – WHU #'s: 30, 35, 37, 44, 57, 58, 74, & PBH #11.
 - H. Injection Wells – WHU #'s: 17, & 22.
 - I. Monitoring or Observation Wells for Other Resources – none.
4. LOCATION OF EXISTING AND/OR PROPOSED FACILITIES –
 - A. Existing facilities are greater than a one-mile radius from the proposed location.
 1. Satellite Tank Battery – SE SW, Sec. 1, T-7-S, R-23-E.
Tank Battery #2 – SW SE, Sec. 12, T-7-S, R-23-E.
 2. Production facilities are located at the tank battery sites.
 3. Oil and Gas gathering lines, injection lines, and disposal lines where needed are laid along the existing or proposed roads to existing lines or tank battery sites.

4. The oil and gas gathering and fuel supply lines will be laid as shown in the enclosed survey package. These routes may serve for future use for injection or disposal lines.

Flowline: The flowline route will extend from the wellhead along the proposed access road to an existing lease road. It will parallel the lease road then tie into the existing flowline system servicing WHU #75. The total anticipated pipeline length is estimated at +/-1,800' as shown in the enclosed survey package. The line will be a surface line constructed from 2", schedule 40 steel line pipe and laid in conjunction with 2 – 1 1/4", schedule 40, steel heat tracing lines. All three lines will be wrapped with insulation that will subsequently be wrapped in colored tin in accordance with BLM guidelines.

Fuel Line: The fuel line route will extend from the wellhead approximately 550' due south where it will tie into an existing fuel supply line going to the WHU #75 location as presented in the enclosed survey package. The line will be a surface line constructed from 2", SDR 7, polyethylene pipe.

- B. Citation Oil & Gas Corporation will make adjustments to enlarge existing tank batteries servicing the proposed location to accommodate the additional production if necessary.
- C. Rehabilitation will be done on any disturbed areas no longer needed for operations after completion of the production facilities. This will consist of reshaping the existing surface and seeding as specified.

5. LOCATION AND TYPE OF WATER SUPPLY -

- A. Water will be hauled over existing roads or piped alongside existing and proposed roads from the water flood plant or water flood distribution system. The water flood plant is located about 2.5 miles southeast of the proposed location.

1. Fresh water will be hauled in through contract trucking (DALBO, Inc. – water permit number 53617, telephone number 435-789-0743)

- B. No new roads will be needed for the water supply.

6. SOURCE OF CONSTRUCTION MATERIALS - Contractor will furnish gravel and haul from a source outside the area.

7. WASTE DISPOSAL –

- A. Drill cuttings will be disposed of in the reserve pit.
- B. Remaining drilling fluids will be allowed to evaporate in the reserve pit until the pit is dry enough for backfilling. (In the event of a dry hole, pumpable liquid on the surface of the pit will be injected into the well to shorten the pit drying time.)
- C. Water produced during tests will be disposed of in the reserve pit. Oil produced during tests will be stored in test tanks until sold, at which time it will be hauled from site.
- D. Sewage from trailer houses will be collected in a sewage tank. The tank will be cleaned and the contents disposed of at an approved location as determined by the sewage service provider. Portable toilet facilities will also be provided for the rig crews. Waste removal and disposal will be handled by a professional sewage service and disposal provider.

- E. Trash, waste paper, and garbage will be contained in trash baskets covered with small mesh wire to prevent wind scattering. Trash will be hauled from location and disposed of in approved landfill facilities.
 - F. When the rig moves out, all trash and debris left on location will be removed and disposed of appropriately.
8. ANCILLARY FACILITIES – No camps, airstrips, etcetera, will be constructed.
9. WELLSITE LAYOUT –
- A. See enclosed survey package for the proposed well-site layout.
 - B. Included in the proposed well-site layout are: the proposed location of mud tanks, reserve pit, trash baskets, pipe racks, other major rig components, living facilities, stockpile, and turn-in from access road.
 - C. Mud pits in the active circulating system will be steel pits, and the reserve pit is proposed to be lined.
10. RESTORATION OF SURFACE –
- A. Upon completion of the operation and removal of any trash or debris as discussed earlier, pits will be backfilled and leveled or contoured as soon as practical after drying time. The drill-site surface will be re-shaped to combat erosion and stockpiled topsoil will be distributed to the extent available. Prior to leaving the drill-site upon rig move-out, any pit that is to remain open for drying will be fenced and so maintained until backfilled and reshaped.
 - B. Citation Oil & Gas Corp. will rehabilitate the road as per BLM requirements.
 - C. Re-vegetation of the drill pad will comply with the State of Utah Division of Oil, Gas, & Mining and/or BLM specifications.
 - D. Any oil on pits will be removed and taken to the well battery for recovery.
 - E. Rehabilitation operations will start the Spring after completion and finished by the following Fall to the State of Utah Division of Oil, Gas, & Mining and/or BLM specifications.
11. OTHER INFORMATION –
- A. The proposed well pad is located on clay soil. Other than sparse cedar trees, there is little vegetation.
 - B. There is no surface use other than grazing and hunting.
 - C. There are no major dwellings, archaeological, historical, or cultural sites apparent in the area.
 - D. There are no ponds, streams, or water wells in the area.
 - E. There are no buildings of any kind in the area.
12. OPERATOR'S REPRESENTATIVE – Citation Oil & Gas Corporation's contact personnel regarding compliance with the Surface Use Plan are:

Citation Oil & Gas Corporation
Attn: John Long – Petroleum Engineer
1016 E. Lincoln
Gillette, WY 82716

Citation Oil & Gas Corporation
Attn: Robert Eye – Field Foreman
P.O. Box 1026
Vernal, UT 84078

OR

Office Phone: 307-682-4853
Cell Phone: 307-689-3406
Home Phone: 307-682-5482

Office Phone: 435-790-4406
Cell Phone: 435-790-4406
Home Phone: 435-781-4147

13. CERTIFICATION – I hereby certify that I, or persons under my direct supervision, have inspected the proposed drill-site(s) and access route(s); that I am familiar with the conditions which presently exist; that the statements made in this plan are to the best of my knowledge, true and correct; and, that the work associated with the operations proposed herein will be performed by Citation Oil & Gas Corporation and its contractors and subcontractors in conformity with this plan and the terms and conditions under which it is approved. A copy of this plan will be posted at the wellsite during the drilling of the well for reference by all contractors and subcontractors.

Date: 3-23-04

Signed: John R. Long
John Long – Petroleum Engineer
Citation Oil & Gas Corporation



Geological Prognosis

(REVISED-March 18, 2004)

Field: Walker Hollow Unit **Classification:** Development-Oil
Operator: Citation Oil & Gas **Total Depth:** 5551'
Well Name: Walker Hollow Unit #83 **Elevation:** GL 5393'
 KB 5406'
Objective(s): Green River
Geologist: Terry McCance **Backup:** Jerry Greer
 281-517-7384 (W) 281-517-7394(W)
 936-321-1967 (H) 281-353-3704 (H)
 281-851-4053 (C)

Location: Uintah County, Utah
 Surface: 421' FSL & 1849' FWL of Section 2, T-7-S, R-23-E.

<u>Estimated Geological Tops:</u>	<u>This Well</u>	<u>Type Well</u>
<u>Correlation Tops:</u>	<u>WHU #83</u>	<u>WHU #69</u>
	<u>MD/SS</u>	<u>MD/SS</u>
Green River	3106'(+2300)	3058'(+2283)
G.R. Du 5	4811'(+595)	4770'(+571)
G.R. Du 6	5036'(+370)	5000'(+341)
G.R. Du 7	5131'(+275)	5090'(+251)
G.R. Du 8	5331'(+75)	5303'(+38)
G.R. Du 8c	5421'(-15)	5412'(-71)
G.R. Du 8d	5506'(-100)	5481'(-140)
G.R. DL1a	5531'(-125)	5512'(-171)
G.R. K	5566'(-160)	5548'(-207)
Total Depth	5551'	

Note: TD for the WHU #83 is picked 20' into the DL 1a. High porosity K sandstone is expected at the top of the K sequence, which may prevent a good cement job if communicated due to high water potential in the K sandstone. TD will be picked on location.

Objective Zone:

Du 8c 5421'(-15)
 Du 8d 5506'(-100)
 DL 1a 5531'(-125)

Expected Production: 50 BOPD 40 MCFGPD 50 BWPD

Expected Formation Pressure (objective zones): Anticipate 0.433psi/ft gradient, some zones may be higher pressure due to injection.

Wellsite Geologist Depth: BSC to TD (Two Man Unit). **DST's:** None.

Logging Program:

1. Cali - SFL-DIL - GR from BSC - TD.
2. CNL-LDT - GR from BSC - TD.
3. Microlog - BSC - TD.

Approval: Steve K. Amundson **Date:** 3/19/04

Post-It™ Fax Note	7671	Date	3-19	# of pages	5
To	J. Wong	From	McCance		
Co./Dept.		Co.			
Phone #		Phone #			
Fax #		Fax #			

006

DALBO INC. / A-1 TANK RENTAL
 P. O. BOX 1168
 VERNAL, UT 84078
 (435) 789-0743
 FAX (435) 789-9208

TO: John - Citation

FROM: Bugger

DATE: 10/29/02

TOTAL PAGES SENT: 4

PLEASE NOTIFY US IF YOU DO NOT RECEIVE ALL THE ABOVE PAGES. OUR FAX NUMBER IS (435) 789-9208.

17. If application is for domestic purposes, number of persons _____, or families _____

18. If application is for municipal purposes, name of municipality _____

19. If application is for other uses, include general description of proposed uses Making Brine Drilling fluid for drilling oil and gas wells

20. Give place of use by legal subdivision of the United States Land Survey for all uses described in paragraphs 14 to 19, incl. SW $\frac{1}{4}$ SE $\frac{1}{4}$ Sec. 32, T4S, R3E, USB&M

21. The use of water as set forth in this application will consume .015 second-foot and/or acre-feet of water and None second feet and/ or acre feet will be returned to the natural stream or source at a point described as follows: _____

EXPLANATORY

The following additional facts are set forth in order to define more clearly the full purpose of the proposed application:

[Lined area for explanatory text]

(Use page 4 if additional explanatory is needed.)

The quantity of water sought to be appropriated is limited to that which can be beneficially used for the purpose herein described

[Signature]
Signature of Applicant

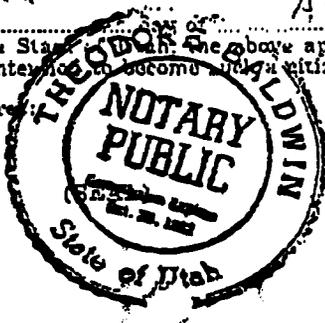
*If applicant is a corporation or other organization, signature must be the name of such corporation or organization by its proper officer, or in the name of the partnership by one of the partners, and the names of the other partners shall be listed. If a corporation or partnership, the affidavit below need not be filled in. If there is more than one applicant, a power of attorney, authorizing one to act for all, should accompany the Application.

DECLARATION OF CITIZENSHIP

STATE OF UTAH, Utah } ss
County of.....

On the 17th day of August, 1979, personally appeared before me, a notary public for the State of Utah, the above applicant who, on oath, declared that he is a citizen of the United States, or has declared his intention to become such a citizen.

My commission expires.....



[Signature]
Notary Public

RECEIVED

FEES FOR APPLICATIONS TO APPROPRIATE WATER IN UTAH AUG 22 1979

Flow rate — c.f.s.	Cost
0.0 to 0.1	\$ 15.00
over 0.1 to 0.5	30.00
over 0.5 to 1.0	45.00
over 1.0 to 15.0	45.00
over 15.0	150.00

plus \$7.50 for each cfs above the first cubic foot per second.

Storage — acre-feet	Cost
0 to 20	22.50
over 20 to 500	45.00
over 500 to 7500	45.00
over 7500	150.00

plus \$7.50 for each 500 a.f. above the first 500 acre feet.

(This section is not to be filled in by applicant)

11:55 a.m

STATE ENGINEER'S ENDORSEMENTS

1. 17 August 1979 Application received ~~by mail~~ over counter in State Engineer's office by 7/11.3
2. Priority of Application brought down to, on account of
3. 8/23/79 Application fee, \$15.00, received by *WLS* Rec. No. 04730
4. 9/24/79 Application microfilmed by Roll No. 874-4
5. 9/12/79 Indexed by *dph* Platted by *WLS* (D-4-3) 32-15-5
6. 17 August 1979 Application examined by 7/11.3
7. Application returned, or corrected by office
8. Corrected Application resubmitted by mail over counter to State Engineer's office.
9. 17 August 1979 Application approved for advertisement by
10. OCT 11 1979 Notice to water users prepared by *WLS*
11. OCT 14 1979 Publication began; was completed NOV 1 1979
Notice published in *Final (82) 1850*
12. 10/19/79 Proof slips checked by *WLS*
13. Application protested by
14. 11/5/79 Publisher paid by M.E.V. No. 631210
15. Hearing held by
16. Field examination by
17. 12/14/79 Application designated for approval rejection *RFH S.G.*
18. 2/1/80 Application copied or photostated by *WLS* proofread by
19. 2/1/80 Application approved ~~rejected~~
20. Conditions:
This Application is approved, subject to prior rights, as follows:
a. Actual construction work shall be diligently prosecuted to completion.
b. Proof of Appropriation shall be submitted to the State Engineer's office by 6/30/82
c.
21. Time for making Proof of Appropriation extended to
22. Proof of Appropriation submitted.
23. Certificate of Appropriation, No., issued

Carl M. Staker
 FOR Dee C. Hansen, State Engineer

Application No. 53617

007



UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
Land Office
Post Office Box No. 777
Salt Lake City 10, Utah

J H M		RECEIVED	W L
E J M		<i>PAZ</i>	E E
W A F		MAR 26 1959	E E
		LEASE RECORDS	L E
		F. B. JORDAN, JR.	

(IN REPLY REFER TO)

March 19, 1959

H. W. ...

*6-132300
cc. record noted
Sheet flagged
A.H. ...*

Serial Number
Salt Lake 066312

Certified Mail

DECISION

The Carter Oil Company

Subject Oil and Gas Lease Segregated as to
School Lands Affected by Public Law 340, as Amended,
Jurisdiction of State Portion of Lease Transferred to State of Utah

Title to a portion of the land in this lease vested in the State of Utah under the Dawson Act, Public Law 340 (68 Stat. 57) as amended. The State has succeeded to the position of lessor as to the State land.

The lessee and the State of Utah are hereby notified that this lease is herewith segregated into two separate leases. The State now has the exclusive right of administration, as lessor, over the lease to the extent it covers land vested in the State. The United States retains exclusive jurisdiction over the lease as to the Federal lands. The Appendix includes a description of the land in each lease as segregated.

The lessee is hereby notified that all future payments or correspondence concerning the segregated State lease shall be made to the Utah State Land Board, 105 State Capitol Building, Salt Lake City. All future payments or correspondence concerning the segregated Federal lease shall continue to be made to the Bureau of Land Management, P. O. Box 777, Salt Lake City 10, Utah.

The State of Utah is notified by an enclosed accounting advice of the allocation of rents or royalties accrued since title vested in the State. Payments already made are not listed. Payment will be made to the State in due course for the balance due.

The right of appeal to the Director, Bureau of Land Management, is allowed in accordance with information in enclosed Form 4-1366 made a part hereof. An appeal filed in accordance with the regulations in attached form 4-1364 will be properly filed.

Ernest E. House
Manager

E. E. House
Acting

Enclosure
Copy to: Utah State Land Board

(2)
APPENDIX

1. Original Federal Lease

Serial Number: Salt Lake 066312
Date Issued: November 1, 1948
Extended by production

2. Segregated State portion

Title to Land vested under Act of June 6, 1955
Date transferred to State: November 1, 1956
Description of lands:

T. 7 S., R. 23 E., S. L. Mer., Utah
Sec. 2: Lots 1 thru 8, S $\frac{1}{2}$ N $\frac{1}{2}$, S $\frac{1}{2}$ (all)

883.36 acres

Uintah County

3. Segregated Federal portion

Description of lands:

T. 7 S., R. 23 E., S. L. Mer., Utah
Sec. 1: Lots 9, 10, 11, 12, S $\frac{1}{2}$ N $\frac{1}{2}$, S $\frac{1}{2}$
Sec. 3: Lots 1 thru 12, S $\frac{1}{2}$ N $\frac{1}{2}$, SE $\frac{1}{4}$
Sec. 4: Lots 1, 2, 7, 8, 9, 10, S $\frac{1}{2}$ NE $\frac{1}{4}$

1644.97 acres

Uintah County

The United States of America,

To all to whom these presents shall come, Greeting:

WHEREAS, There are now deposited in the Bureau of Land Management of the United States an application by the State of Utah and a decision of the Land Office at Salt Lake City, Utah, directing that a patent issue to the State of Utah under the provisions of the Act of Congress approved June 21, 1934 (48 Stat. 1185), entitled "An Act Authorizing the Secretary of the Interior to issue patents to the numbered school sections in place, granted to the State by the Act approved February 22, 1889, by the Act approved January 25, 1927 (44 Stat. 1026), and by any other Act of Congress," for the following numbered school section lands in place, granted for the support of common schools and the title to which vested in the State of Utah under the Act of July 11, 1936 (70 Stat. 529), upon the date of the act:

Salt Lake Meridian, Utah.

T. 7 S., R. 23 E.,

Sec. 2, All.

The area described contains 883.36 acres, according to the Official Plat of the Survey of the said Land, on file in the Bureau of Land Management:

NOW, THEREFORE, KNOW YE, That the UNITED STATES OF AMERICA, in consideration of the premises, and in conformity with the said Act of Congress of June 21, 1934 and as evidence of the title which was granted to and vested in the State of Utah to the above described land on July 11, 1936, for the support of common schools, as aforesaid, and in confirmation of such title for such purpose, HAS GIVEN AND GRANTED, and by these presents DOES GIVE AND GRANT, unto the said State of Utah, and to its assigns, the lands above described; TO HAVE AND TO HOLD the same, together with all the rights, privileges, immunities, and appurtenances, of whatsoever nature, therunto belonging, unto the said State of Utah, and to its assigns forever.

In accordance with subsection (d) of section 1 of the Act of January 25, 1927 (44 Stat. 1026), as amended by the Act of July 11, 1936 (70 Stat. 529; 43 U.S.C. 870 (4) (2)), the State of Utah succeeded to the position of the United States as lessor of oil and gas lease Salt Lake City 066312 at the time the title to the lands described herein vested in the State.

IN TESTIMONY WHEREOF, the undersigned authorized officer of the Bureau of Land Management, in accordance with the provisions of the Act of June 17, 1948 (62 Stat. 476), has, in the name of the United States, caused these letters to be made Patent, and the Seal of the Bureau to be hereunto affixed.

GIVEN under my hand, in the District of Columbia, the ~~EIGHTEENTH~~ day of ~~MAY~~ in the year of our Lord one thousand nine hundred and ~~SIXTY~~ and of the Independence of the United States the one hundred and ~~SIXTY-FOURTH~~.

[SEAL]

For the Director, Bureau of Land Management.

By Ruth W. Talley
Chief, Patents Section.Patent Number 1208696

SEV-3924 (1590)

Form 4-818
(August 1947)

U.S. DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
SALT LAKE CITY, UTAH

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
NONCOMPETITIVE

Office Salt Lake City
Serial 066312 - State

57

LEASE OF OIL AND GAS LANDS UNDER THE ACT OF
FEBRUARY 25, 1920, AS AMENDED *WALK - 30807*

THIS INDENTURE OF LEASE, entered into, in triplicate, as of the day of **NOV 1 1948** by and between the UNITED STATES OF AMERICA, through the Bureau of Land Management, party of the first part, and Fenneken S. Smith, 1442 Leadville Avenue, Salt Lake City, Utah;

party of the second part, hereinafter called the lessee, under, pursuant, and subject to the terms and provisions of the act of February 25, 1920 (41 Stat. 437), as amended, hereinafter referred to as the act, and to all reasonable regulations of the Secretary of the Interior now or hereafter in force when not inconsistent with any express and specific provisions herein, which are made a part hereof, WITNESSETH:

SECTION 1. Rights of Lessee.—That the lessor, in consideration of rents and royalties to be paid, and the conditions and covenants to be observed as herein set forth, does hereby grant and lease to the lessee the exclusive right and privilege to drill for, mine, extract, remove, and dispose of all the oil and gas deposits except helium gas in or under the following-described tracts of land situated in ~~the~~

- ~~Utah:~~
- T. 7 S., R. 23 E., S.L.M., Utah;
 - sec. 1, lots 9,10,11,12, S $\frac{1}{2}$ N $\frac{1}{2}$, S $\frac{1}{2}$;
 - sec. 2, all;
 - sec. 3, lots 1,2,3,4,5,6,7,8,9,10,11,12, S $\frac{1}{2}$ N $\frac{1}{2}$, SE $\frac{1}{4}$;
 - sec. 4, lots 1,2,7,8,9,10, S $\frac{1}{2}$ NE $\frac{1}{4}$.
- x
x
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x

containing 2,528.33 acres, more or less, together with the right to construct and maintain thereupon all works, buildings, plants, waterways, roads, telegraph or telephone lines, pipe lines, reservoirs, tanks, pumping stations, or other structures necessary to the full enjoyment thereof, for a period of 5 years, and so long thereafter as oil or gas is produced in paying quantities; subject to any unit agreement heretofore or hereafter approved by the Secretary of the Interior, the provisions of said agreement to govern the lands subject thereto where inconsistencies with the terms of this lease occur.

SEC. 2. In consideration of the foregoing, the lessee hereby agrees:

(a) Bonds.—(1) To maintain any bond furnished by the lessee as a condition for the issuance of this lease. (2) If the lease is issued noncompetitively, to furnish a bond in a sum double the amount of the \$1 per acre annual rental, but not less than \$1,000 nor more than \$5,000, upon the inclusion of any part of the leased land within the geologic structure of a producing oil or gas field. (3) To furnish prior to beginning of drilling operations and maintain at all times thereafter as required by the lessor a bond in the penal sum of \$5,000 with approved corporate surety, or with deposit of United States bonds as surety therefor, conditioned upon compliance with the terms of this lease, unless a bond in that amount is already being maintained or unless such a bond furnished by an approved operator of the lease is accepted.

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16-50705-2

Until a general lease bond is filed a noncompetitive lessee will be required to furnish and maintain a bond in the penal sum of not less than \$1,000 in those cases in which a bond is required by law for the protection of the owners of surface rights. In all other cases where a bond is not otherwise required, a \$1,000 bond must be filed for compliance with the lease obligations not less than 90 days before the due date of the next unpaid annual rental, but this requirement may be successively dispensed with by payment of each successive annual rental not less than 90 days prior to its due date.

(b) Cooperative or unit plan.—Within 30 days of demand, or if the land is within an approved unit plan, in the event such a plan is terminated prior to the expiration of this lease, within 30 days of demand made thereafter, to subscribe to and to operate under such reasonable cooperative or unit plan for the development and operation of the area, field, or pool, or part thereof, embracing the lands included herein as the Secretary of the Interior may determine to be practicable and necessary or advisable, which plan shall adequately protect the rights of all parties in interest, including the United States.

(c) Wells.—(1) To drill and produce all wells necessary to protect the leased land from drainage by wells on lands not the property of the lessor or lands of the United States leased at a lower royalty rate, or in lieu of any part of such drilling and production, with the consent of the Director of the Geological Survey, to compensate the lessor in full each month for the estimated loss of royalty through drainage in the amount determined under instructions of said Secretary; (2) at the election of the lessee, to drill and produce other wells in conformity with any system of well spacing or production allotments affecting the field or area in which the leased lands are situated, which is authorized and sanctioned by applicable law or by the Secretary of the Interior; and (3) promptly after due notice in writing to drill and produce such other wells as the Secretary of the Interior may require to insure diligence in the development and operation of the property.

(d) Rentals and royalties.—(1) To pay the rentals and royalties set out in the rental and royalty schedule attached hereto and made a part hereof.

(2) It is expressly agreed that the Secretary of the Interior may establish reasonable minimum values for purposes of computing royalty on any or all oil, gas, natural gasoline, and other products obtained from gas; due consideration being given to the highest price paid for a part or for a majority of production of like quality in the same field, to the price received by the lessee, to posted prices and to other relevant matters and, whenever appropriate, after notice and opportunity to be heard.

(3) When paid in value, such royalties on production shall be due and payable monthly on the last day of the calendar month next following the calendar month in which produced. When paid in amount of production, such royalty products shall be delivered in merchantable condition on the premises where produced without cost to lessor, unless otherwise agreed to by the parties hereto, at such times and in such tanks provided by the lessee as reasonably may be required by the lessor, but in no case shall the lessee be required to hold such royalty oil or other products in storage beyond the last day of the calendar month next following the calendar month in which produced. The lessee shall not be responsible or held liable for the loss or destruction of royalty oil or other products in storage from causes over which he has no control.

(4) Royalties shall be subject to reduction on the entire leasehold or on any portion thereof segregated for royalty purposes if the Secretary of the Interior finds that the lease cannot be successfully operated upon the royalties fixed herein, or that such action will encourage the greatest ultimate recovery of oil or gas or promote conservation.

(e) Contracts for disposal of products.—Not to sell or otherwise dispose of oil, gas, natural gasoline, and other products of the lease except in accordance with a contract or other arrangement first approved by the Director of the Geological Survey or his representative, such approval to be subject to review by the Secretary of the Interior but to be effective unless and until revoked by the Secretary or the approving officer, and to file with such officer all contracts or full information as to other arrangements for such sales.

(f) Statements, plats, and reports.—At such times and in such form as the lessor may prescribe, to furnish detailed statements showing the amounts and quality of all products removed and sold from the lease, the proceeds therefrom, and the amounts used for production purposes or unavoidably lost; a plat showing development work and improvements on the leased lands and a report with respect to stockholders, investment, depreciation, and costs.

(g) Well records.—To keep a daily drilling record, a log, and complete information on all well surveys and tests in form acceptable to or prescribed by the lessor of all wells drilled on the leased lands, and an acceptable record of all subsurface investigations affecting said lands, and to furnish them, or copies thereof to the lessor when required.

(h) Inspection.—To keep open at all reasonable times for the inspection of any duly authorized officer of the Department, the leased premises and all wells, improvements, machinery, and fixtures thereon and all books, accounts, maps, and records relative to operations and surveys or investigations on the leased lands or under the lease.

(i) Payments.—Unless otherwise directed by the Secretary of the Interior, to make rental, royalty, or other payments to the lessor, to the order of the Treasurer of the United States, such payments to be tendered to the manager of the district land office in the district in which the lands are located or to the Director of the Bureau of Land Management if there is no district land office in the State in which the lands are located.

(j) Diligence—Prevention of waste—Health and safety of workmen.—To exercise reasonable diligence in drilling and producing the wells herein provided for unless consent to suspend operations temporarily is granted by the lessor; to carry on all operations in accordance with approved methods and practice as provided in the operating regulations, having due regard for the prevention of waste of oil or gas or damage to deposits or formations containing oil, gas, or water or to coal measures or other mineral deposits, for conservation of gas energy, for the preservation and conservation of the property for future productive operations, and for the health and safety of workmen and employees; to plug properly and effectively all wells before abandoning the same; to carry out at expense of the lessee all reasonable orders of the lessor relative to the matters in this paragraph, and that on failure of the lessee so to do the lessor shall have the right to enter on the property and to accomplish the purpose of such orders at the lessee's cost: Provided, that the lessee shall not be held responsible for delays or casualties occasioned by causes beyond lessee's control.

(k) Taxes and wages—Freedom of purchase.—To pay when due, all taxes lawfully assessed and levied under the laws of the State or the United States upon improvements, oil, and gas produced from the lands hereunder, or other rights, property, or assets of the lessee; to accord all workmen and employees complete freedom of purchase, and to pay all wages due workmen and employees at least twice each month in the lawful money of the United States.

(l) Nondiscrimination.—Not to discriminate against any employee or applicant for employment because of race, creed, color, or national origin, and to require an identical provision to be included in all subcontracts.

(m) Assignment of oil and gas lease or interest therein.—To file within 30 days from the date of final execution any instrument of transfer made of this lease, or any interest therein, including assignments of record title, working or royalty interests, operating agreements and subleases for approval, such instrument to take effect upon its final approval by the Director, Bureau of Land Management, as of the first day of the lease month following the date of filing in the proper land office.

(n) Pipe lines to purchase or convey at reasonable rates and without discrimination.—If owner, or operator, or owner of a controlling interest in any pipe line or of any company operating the same which may be operated accessible to the oil or gas derived from lands under this lease, to accept and convey and, if a purchaser of such products, to purchase at reasonable rates and without discrimination the oil or gas of the Government or of any citizen or company not the owner of any pipe line.

operating a lease or purchasing or selling oil, gas, natural gasoline, or other products under the provisions of the act.

(o) Reserved deposits.—To comply with all statutory requirements and regulations thereunder, if the lands embraced herein have been or shall hereafter be disposed of under the laws reserving to the United States the deposits of oil and gas therein, subject to such conditions as are or may hereafter be provided by the laws reserving such oil or gas.

(p) Reserved or segregated lands.—If any of the land included in this lease is embraced in a reservation or segregated for any particular purpose, to conduct operations thereunder in conformity with such requirements as may be made by the Director, Bureau of Land Management, for the protection and use of the land for the purpose for which it was reserved or segregated, so far as may be consistent with the use of the land for the purpose of this lease, which latter shall be regarded as the dominant use unless otherwise provided herein or separately stipulated.

(q) Overriding royalties.—To limit the obligation to pay overriding royalties or payments out of production in excess of 5 percent to periods during which the average production per well per day is more than 15 barrels on an entire leasehold or any part of the area thereof or any zone segregated for the computation of royalties.

(r) Deliver premises in cases of forfeiture.—To deliver up the premises leased, with all permanent improvements thereon, in good order and condition in case of forfeiture of this lease; but this shall not be construed to prevent the removal, alteration, or renewal of equipment and improvements in the ordinary course of operations.

SEC. 3. The lessor expressly reserves:

(a) Rights reserved—Easements and rights-of-way.—The right to permit for joint or several use easements or rights-of-way, including easements in tunnels upon, through, or in the lands leased, occupied, or used as may be necessary or appropriate to the working of the same or of other lands containing the deposits described in the act, and the treatment and shipment of products thereof by or under authority of the Government, its lessees or permittees, and for other public purposes.

(b) Disposition of surface.—The right to lease, sell, or otherwise dispose of the surface of any of the lands embraced within this lease which are owned by the United States under existing law or laws hereafter enacted, insofar as said surface is not necessary for the use of the lessee in the extraction and removal of the oil and gas therein.

(c) Monopoly and fair prices.—Full power and authority to promulgate and enforce all orders necessary to insure the sale of the production of the leased lands to the United States and to the public at reasonable prices, to protect the interests of the United States, to prevent monopoly, and to safeguard the public welfare.

(d) Helium.—Pursuant to section 1 of the act, and section 1 of the act of March 3, 1927 (44 Stat. 1387), as amended, the ownership and the right to extract helium from all gas produced under this lease, subject to such rules and regulations as shall be prescribed by the Secretary of the Interior. In case the lessor elects to take the helium the lessee shall deliver all gas containing same, or portion thereof desired, to the lessor at any point on the leased premises in the manner required by the lessor, for the extraction of the helium in such plant or reduction works for that purpose as the lessor may provide, whereupon the residue shall be returned to the lessee with no substantial delay in the delivery of gas produced from the well to the purchaser thereof. The lessee shall not suffer a diminution of value of the gas from which the helium has been extracted, or loss otherwise, for which he is not reasonably compensated, save for the value of the helium extracted. The lessor further reserves the right to erect, maintain, and operate any and all reduction works and other equipment necessary for the extraction of helium on the premises leased.

(e) Taking of royalties.—All rights pursuant to section 36 of the act, to take royalties in amount or in value of production.

16-50705-4

(f) Casing.—All rights pursuant to section 40 of the act to purchase casing and lease or operate valuable water wells.

(g) Fissionable materials.—Pursuant to the provisions of the act of August 1, 1946 (Public Law 585, 79th Congress) all uranium, thorium, or other material which has been or may hereafter be determined to be peculiarly essential to the production of fissionable materials, whether or not of commercial value, together with the right of the United States through its authorized agents or representatives at any time to enter upon the land and prospect for, mine and remove the same, making just compensation for any damage or injury occasioned thereby.

SEC. 4. Drilling and producing restrictions.—It is covenanted and agreed that the rate of prospecting and developing and the quantity and rate of production from the lands covered by this lease shall be subject to control in the public interest by the Secretary of the Interior, and in the exercise of his judgment the Secretary may take into consideration, among other things, Federal laws, State laws, and regulations issued thereunder, or lawful agreements among operators regulating either drilling or production, or both. After unitization, the Secretary of the Interior, or any person, committee, or State or Federal officer or agency so authorized in the unit plan, may alter or modify from time to time, the rate of prospecting and development and the quantity and rate of production from the lands covered by this lease.

SEC. 5. Surrender and termination of lease.—The lessee may surrender this lease or any legal subdivision thereof by filing in the proper land office a written relinquishment, in triplicate, which shall be effective as of the date of filing subject to the continued obligation of the lessee and his surety to make payment of all accrued rentals and royalties and to place all wells on the land to be relinquished in condition for suspension or abandonment in accordance with the regulations and the terms of the lease, to be accompanied by a statement that all wages and moneys due and payable to the workmen employed on the land relinquished have been paid.

SEC. 6. Purchase of materials, etc., on termination of lease.—Upon the expiration of this lease, or the earlier termination thereof pursuant to the last preceding section, the lessor or another lessee may, if the lessor shall so elect, within 3 months from the termination of the lease, purchase all materials, tools, machinery, appliances, structures, and equipment placed in or upon the land by the lessee, and in use thereon as a necessary or useful part of an operating or producing plant, on the payment to the lessee of such sum as may be fixed as a reasonable price therefor by a board of three appraisers, one of whom shall be chosen by the lessor, one by the lessee, and the other by the two so chosen; pending such election all equipment shall remain in normal position. If the lessor, or another lessee, shall not within 3 months elect to purchase all or any part of such materials, tools, machinery, appliances, structures, and equipment, the lessee shall have the right at any time, within a period of 90 days thereafter to remove from the premises all the material, tools, machinery, appliances, structures, and equipment which the lessor shall not have elected to purchase, save and except casing in wells and other equipment or apparatus necessary for the preservation of the well or wells. Any materials, tools, machinery, appliances, structures, and equipment, including casing in or out of wells on the leased lands, shall become the property of the lessor, on expiration of the period of 90 days above referred to or such extension thereof as may be granted on account of adverse climatic conditions throughout said period.

SEC. 7. Proceedings in case of default.—If the lessee shall not comply with any of the provisions of the act or the regulations thereunder or make default in the performance or observance of any of the terms, covenants, and stipulations hereof and such default shall continue for a period of 30 days after service of written notice thereof by the lessor, the lease may be canceled by the Secretary of the Interior in accordance with section 31 of the act, as amended, and all materials, tools, machinery, appliances, structures, equipment, and wells shall thereupon become the property of the lessor, except that if said lease covers lands known to contain valuable deposits of oil or gas, the lease may be canceled only by judicial proceedings in the manner provided in section 31 of the act; but this provision shall not be construed to prevent the exercise by the lessor of any legal or equitable remedy which the lessor might otherwise have. A waiver of any particular

18-50708-1

cause of forfeiture shall not prevent the cancellation and forfeiture of this lease for any other cause of forfeiture, or for the same cause occurring at any other time.

SEC. 8. Heirs and successors in interest.—It is further covenanted and agreed that each obligation hereunder shall extend to and be binding upon, and every benefit hereof shall inure to, the heirs, executors, administrators, successors, or assigns of the respective parties hereto.

SEC. 9. Unlawful interest.—It is also further agreed that no Member of, or Delegate to, Congress, or Resident Commissioner, after his election or appointment, or either before or after he has qualified, and during his continuance in office, and that no officer, agent, or employee of the Department of the Interior, shall be admitted to any share or part in this lease or derive any benefit that may arise therefrom; and the provisions of section 3741 of the Revised Statutes of the United States, and sections 114, 115, and 116 of the Codification of the Penal Laws of the United States approved March 4, 1909 (35 Stat. 1109), relating to contracts, entered into and form a part of this lease so far as the same may be applicable.

IN WITNESS WHEREOF:

THE UNITED STATES OF AMERICA.

By L. E. Henshaw
Director of the Bureau of Land Management.

[Signature]
Witness to signature of lessee.

[Signature]
Witness to signature of lessee.

Fernando S. Smith
Lessee.

Witnesses to signature of lessee.

Lessee.

Schedule "A"

RENTALS AND ROYALTIES

Rentals.—To pay the lessor in advance on the first day of the month in which the lease issues a rental at the following rates:

(a) If the lands are wholly outside the known geologic structure of a producing oil or gas field:

- (1) For the first lease year, a rental of 50 cents per acre.
- (2) For the second and third lease years, no rental.
- (3) For the fourth and fifth years, 25 cents per acre.
- (4) For the sixth and each succeeding year, 50 cents per acre.

(b) On leases wholly or partly within the geologic structure of a producing oil or gas field:

- (1) Beginning with the first lease year after 30 days' notice that all or part of the land is included in such a structure and for each year thereafter, prior to a discovery of oil or gas on the lands herein, \$1 per acre.
- (2) On the lands committed to an approved cooperative or unit plan which includes a well capable of producing oil or gas and contains a general provision for allocation of production, for the lands not within the participating area an annual rental of 50 cents per acre for the first and each succeeding lease year following discovery.

Minimum royalty.—To pay the lessor in lieu of rental at the expiration of each lease year after discovery a minimum royalty of \$1 per acre or, if there is production, the difference between the actual royalty paid during the year and the prescribed minimum royalty of \$1 per acre, provided that on unitized leases, the minimum royalty shall be payable only on the participating acreage.

Royalty on production.—To pay the lessor 12½ percent royalty on the production removed or sold from the leased lands.

The average production per well per day for oil and for gas shall be determined pursuant to 30 CFR, Part 221, "Oil and Gas Operating Regulations."

In determining the amount or value of gas and liquid products produced, the amount or value shall be net after an allowance for the cost of manufacture. The allowance for cost of manufacture may exceed two-thirds of the amount or value of any product only on approval by the Secretary of the Interior.

008

CULTURAL RESOURCE INVENTORY OF CITATION OIL AND
GAS CORPORATION'S 5 WELL LOCATIONS IN
WALKER HOLLOW OIL FIELD, UINTAH COUNTY, UTAH

Keith R. Montgomery

**CULTURAL RESOURCE INVENTORY OF CITATION OIL AND GAS
CORPORATION'S 5 WELL LOCATIONS IN WALKER HOLLOW
OIL FIELD, UINTAH COUNTY, UTAH**

By:

Keith R. Montgomery

Prepared For:

**Bureau of Land Management
Vernal Field Office
and
State Institutional Trust Lands Administration (SITLA)
Salt Lake City, Utah**

Prepared Under Contract With:

**Citation Oil and Gas Corporation
1016 East Lincoln St.
Gillette, Wyoming 82716**

Prepared By:

**Montgomery Archaeological Consultants
P.O. Box 147
Moab, Utah 84532**

March 25, 2004

MOAC Report No. 04-55

**United States Department of Interior (FLPMA)
Permit No. 03-UT-60122**

**State of Utah Antiquities Project (Survey)
Permit No. U-04-MQ-0258b,s**

INTRODUCTION

A cultural resource inventory was conducted by Montgomery Archaeological Consultants (MOAC) for Citation Oil and Gas proposed well locations WHU #83, WHU #84, WHU #85, WHU # 86, and WHU #87 in the Walker Hollow Oil Field. The project area is located in and around Walker Hollow, to the north of Red Wash, east of Vernal, Uintah County, Utah. The survey was implemented at the request of Mr. John Long, Citation Oil and Gas Corporation, Vernal, Utah. The project includes a total of 57.2 acres, 23.6 of which are situated on public land administered by the Bureau of Land Management (BLM), Vernal Field Office, and 33.6 acres which are administered by the State of Utah, School and Institutional Trust Land Administration (SITLA).

The objective of the inventory was to locate, document, and evaluate any cultural resources within the project area in order to comply with Section 106 of 36 CFR 800, the National Historic Preservation Act of 1966 (as amended). Also, the inventories were implemented to attain compliance with a number of federal and state mandates, including the National Environmental and Policy Act of 1969, the Archaeological and Historic Conservation Act of 1972, the Archaeological Resources Protection Act of 1979, the American Indian Religious Freedom Act of 1978, and the Utah State Antiquities Act of 1973 (amended 1990).

The fieldwork was performed on March 18 and 19, 2004 by Keith Montgomery, under the auspices of U.S.D.I. (FLPMA) Permit No. 03-UT-60122, State of Utah Antiquities Permit (Survey) No. U-04-MQ-0258b,s issued to Montgomery Archaeological Consultants, Moab, Utah.

A file search for previous cultural resource inventories and archaeological sites was conducted by Marty Thomas at Utah Division of State History on March 19, 2004. This consultation indicated that several archaeological inventories have been conducted in the vicinity of the project area; no archaeological sites are documented within the project area. Archeological-Environmental Research Corporation (AERC) conducted an archaeological inventory of proposed oil and gas well locations for Exxon Corporation in the Walker Hollow area in 1978, finding no cultural resources (Hauck 1978). In 1979, Nickens and Associates conducted a 10 percent stratified random sampling of the 128,000-acre Red Wash Cultural Resources Study Tract in Uintah County, Utah (Larralde and Nickens 1980). For this study, 320 40-acre parcels were surveyed, resulting in the documentation of 26 archaeological sites. One historic site, the Kennedy Stage Stop (42Un799), of the Uintah Railway System, was recorded. The remaining 25 sites are prehistoric, and include temporary camps, lithic scatters, a lithic and ceramic scatter, and a quarry (42Un795-820). AERC conducted an inventory of a proposed drill pad, access road, tank battery and borrow area in 1980 for Exxon (Hauck 1980a). The proposed tank battery occurs at the location for the current proposed well WHU #84. No cultural resources were found. Also in 1980, AERC evaluated seven proposed well locations in the Walker Hollow Field, finding

no cultural resources (Hauck 1980b). In 1981, AERC conducted archaeological evaluations of five flowline corridors and well location #54 for Exxon Corporation, finding no cultural resources (Hauck 1981a). That same year, AERC conducted an additional five projects pertaining to oil and gas development in the Walker Hollow area (Hauck 1981b, 1981c, 1981d, 1981e, 1981f). These investigations yielded a finding of no cultural resources, with the exception of an isolated find (obsidian secondary flake) documented during the inventory of the Kienitz Federal No. 3 and 4 well locations. AERC in 1984 surveyed a proposed well location in the Walker Hollow Locality (Milsen Federal No. 1) finding no cultural resources (Hauck 1984). In 1986, AERC inventoried a proposed access route between well locations #79 and #80 for Exxon Corporation, finding no cultural resources (Hauck 1986).

PROJECT AREA

Citation Oil and Gas Corporation's proposed well locations WHU #83, WHU #84, WHU #85, WHU #86, and WHU #87 with associated access roads are located in the Walker Hollow Oil Field, Uintah County, Utah (Figure 1). Well location WHU #83 is located in T 7S, R 23E, Section 2, 421 ft FSL and 1849 ft FWL. Well location WHU #84 is located in T 7S, R 23E, Section 1, 1985 ft FSL and 673 ft FWL. Well location WHU #85 is located in T 7S R 23E, Section 2, 1908 ft FSL and 1996 ft FEL. Well location WHU #86 is located in T7S, R23E, Section 1, 3541 ft FSL and 2085 ft FWL. Well location WHU #87 is located in T7S, R23E, Section 2, 3087 ft FSL and 750 ft FEL.

The project area lies within the Uinta Basin physiographic unit, a distinctly bowl-shaped geologic structure (Stokes 1986:231). The entire Uinta Basin ecosystem is within the Green River drainage, considered to be the northernmost extension of the Colorado Plateau. Red Wash occurs within the Central Badlands District of the Uintah Basin, which is an area of broad erosional benches with extensive badland rims along the drainages. The heavily eroded benches and mesas are capped with sand and silt which erode downslope forming areas of sand dunes, sand sheets, and colluvial clays. The elevation of the project area is 5180 to 5380 feet a.s.l.

Specifically, the inventory area is situated in and around Walker Hollow, to the north of Red Wash and Deadman Bench. Geologically, the area includes recent alluvial deposits, older alluvial terrace deposits, and rock outcrops of the Upper Eocene Uinta Formation. The Uinta Formation occurs as eroded outcrops formed by fluvial deposited stream laid interbedded sandstone and mudstone. This formation is known for its fossil vertebrate turtles, crocodilians, fish, and mammals. Vegetation in the project area includes juniper, greasewood, shadscale, rabbitbrush, Mormon tea, snakeweed, and prickly pear cactus. Modern disturbances include livestock grazing, roads, and oil/gas development.

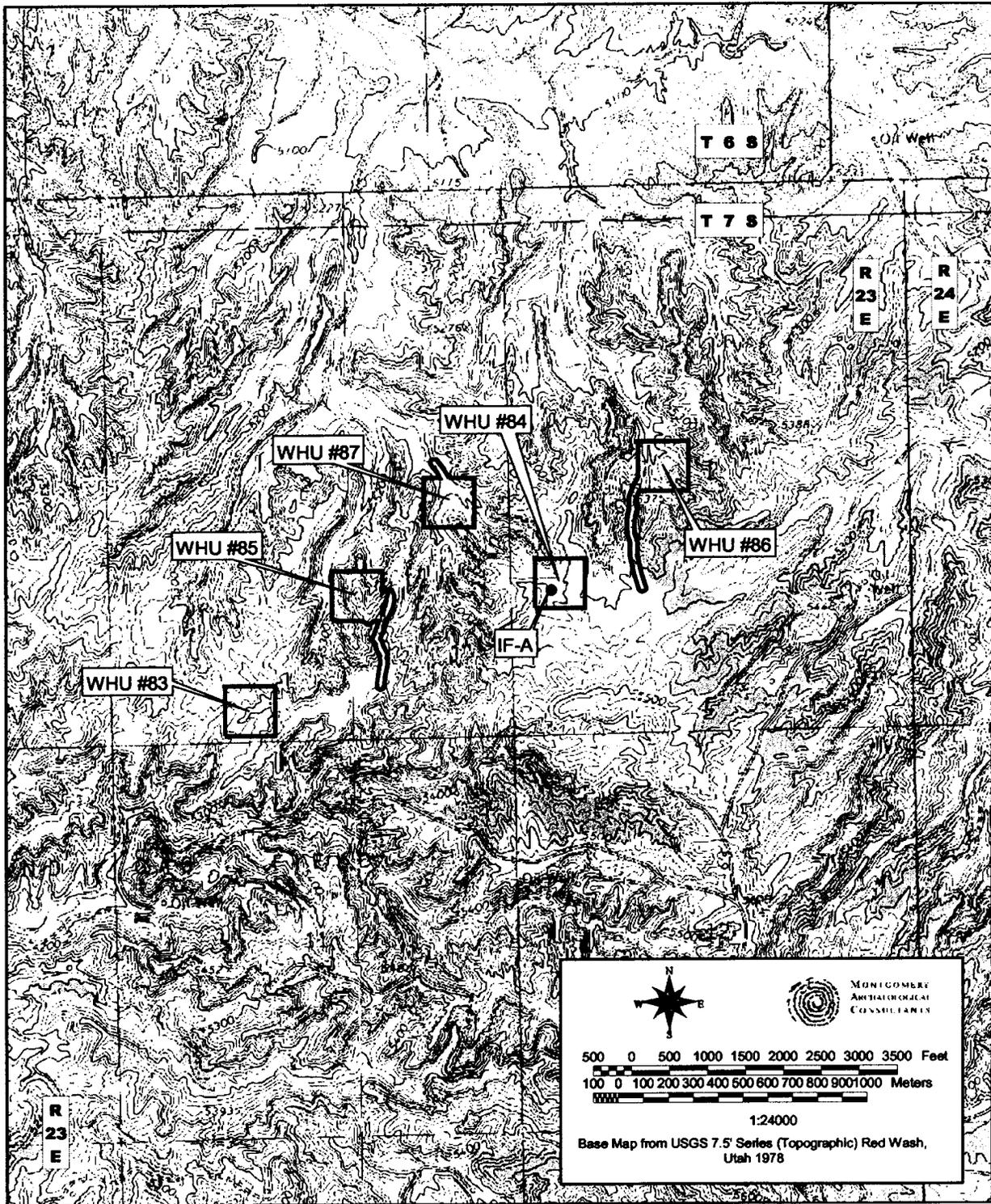


Figure 1. Citation Oil and Gas Corporation's Five Well Locations in Walker Hollow, Uintah County, UT. USGS Red Wash, UT 7.5', 1968.

SURVEY METHODOLOGY

An intensive pedestrian survey was completed for this project which is considered 100% coverage. The survey was performed by Keith Montgomery, Principal Investigator of MOAC. At the proposed well locations, a 10 acre square was defined, centered on the well pad center stake. The interior of the well location was examined for cultural resources by the archaeologist walking parallel transects. The access road corridors were surveyed to a width of 30 m (100 ft). Ground visibility was considered good. A total of 57.2 acres was inventoried, 23.6 of which are situated on public land administered by the Bureau of Land Management (BLM), Vernal Field Office, and 33.6 acres which are administered by the State of Utah, School and Institutional Trust Land Administration (SITLA).

RESULTS AND RECOMMENDATIONS

The inventory of Citation Oil and Gas Corporation's proposed five well locations in Walker Hollow resulted in a finding of one isolated find of artifact within the 10-acre parcel at proposed well location #84. Isolated Find A (IF-A) is a white semitranslucent chert secondary flake exhibiting unifacial use on the slightly convex ventral margin. It measures 4.9x3.6x0.7 cm. The UTM coordinates of IF-A are 646128E/4455212N. Isolated finds are not considered to be eligible cultural resources for inclusion to the NRHP. On the basis of this finding, a determination of "no historic properties affected" is recommended for the project pursuant to Section 106, CFR 800.

REFERENCES CITED

Hauck, F. Richard

- 1978 Exxon Corporation-Proposed Oil and Gas Well Locations in Walker Hollow-Red Wash Locality in Uintah County, Utah. Archeological-Environmental Research Corporation, Bountiful, Utah. Project No. U-78-Af-0329b.
- 1980a Cultural Resource Inventory of Drill Pads, Access Roads, Tank Batteries and Borrow Areas in the Red Wash Locality of Uintah County, Utah. Archeological-Environmental Research Corporation, Bountiful, Utah. Project No. U-80-Af-0472b.
- 1980b Archeological Evaluations of Proposed Well Locations in the Walker Hollow Oil and Gas Field of Uintah County, Utah. Archeological-Environmental Research Corporation, Bountiful, Utah. Project No. U-80-Af-0474b.
- 1981a Archeological Evaluations of Five Flowline Corridors and Well Location No. 54 in the Walker Hollow Locality of Uintah County, Utah. Archeological-Environmental Research Corporation, Bountiful, Utah. Project No. U-81-Af-0632b.
- 1981b Archeological Reconnaissance of Drill Locations and Access Roads in the Fort Duchesne and Walker Hollow Localities of Uintah County, Utah. Archeological-Environmental Research Corporation, Bountiful, Utah. Project No. U-81-Af-0578b.
- 1981c Archeological Reconnaissance of Drill Locations and Access Roads in the Red Wash Locality of Uintah County, Utah. Archeological-Environmental Research Corporation, Bountiful, Utah. Project No. U-81-Af-0631b.
- 1981d Cultural Resource Evaluations in the Red Wash Locality of Uintah County, Utah. Archeological-Environmental Research Corporation, Bountiful, Utah. Project No. U-81-Af-0634b.
- 1981e Cultural Resource Inventory of a Proposed Flowline in the Walker Hollow Locality of Uintah County, Utah. Archeological-Environmental Research Corporation, Bountiful, Utah. Project No. U-81-Af-0636b.
- 1981f Archeological Evaluations in the Walker Hollow Oil and Gas Field of Uintah County, Utah. Archeological-Environmental Research Corporation, Bountiful, Utah. Project No. U-81-Af-0640b

Hauck, F. Richard

- 1984 Cultural Resource Evaluation of Proposed Well Location in the Walker Hollow Locality of Uintah County, Utah. Archeological-Environmental Research Corporation, Bountiful, Utah. Project No. U-84-Af-0894b
- 1986 Cultural Resource Evaluations of a Proposed Access Route Between Walker Hollow Units No. 79 and 80 in the Red Wash Locality of Uintah County, Utah. Archeological-Environmental Research Corporation, Bountiful, Utah. Project No. U-86-Af-0133b,s.

Larralde, Signa L. and Nickens, Paul R.

- 1980 Sample Inventories of Oil & Gas Fields in Eastern Utah 1978-1979. Utah Bureau of Land Management, Cultural Resource Series No. 5. Bureau of Land Management Utah State Office, Salt Lake City, Utah.

Stokes, W.L.

- 1986 *Geology of Utah*. Utah Museum of Natural History and Utah Geological and Mineral Survey, Salt Lake City.

CITATION OIL & GAS CORP.

WHU #83

LOCATED IN UINTAH COUNTY, UTAH
SECTION 2, T7S, R23E, S.L.B.&M.

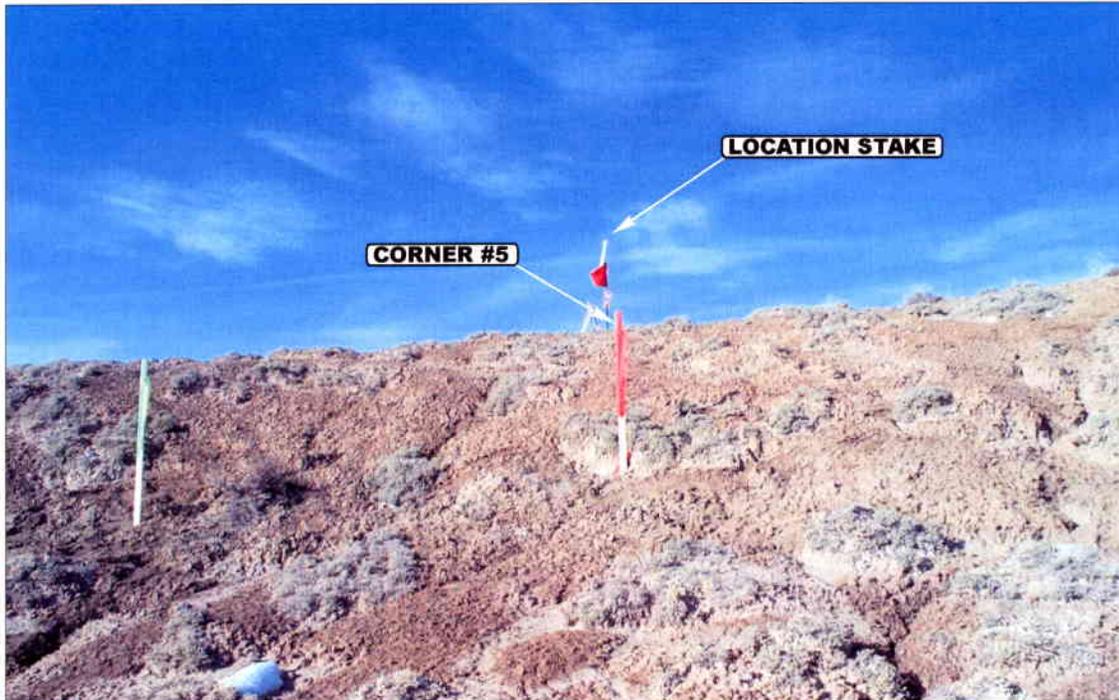


PHOTO: VIEW FROM CORNER #5 TO LOCATION STAKE

CAMERA ANGLE: NORTHWESTERLY



PHOTO: VIEW FROM BEGINNING OF PROPOSED ACCESS

CAMERA ANGLE: SOUTHWESTERLY



- Since 1964 -

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

LOCATION PHOTOS	02	02	04	PHOTO
TAKEN BY: B.B.	MONTH	DAY	YEAR	
DRAWN BY: T.H.	REVISED: 00-00-00			

UNION PACIFIC OIL & GAS CORP.

FIGURE #1

LOCATION LAYOUT FOR

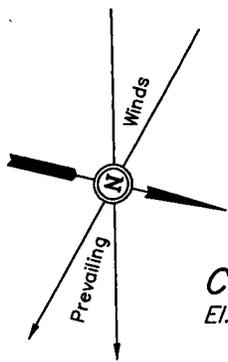
WHU #83

SECTION 2, T7S, R23E, S.L.B.&M.

421' FSL 1849' FWL
 F-13.6' Existing Drainage
 El. 379.5'

El. 384.9'
 F-8.2'

Sta. 3+50



SCALE: 1" = 50'
 DATE: 01-28-04
 Drawn By: D.R.B.

APPROX. TOP OF CUT SLOPE

Round Corners as Needed

Existing Drainage

NOTE:
 FLARE PIT IS TO BE LOCATED A MINIMUM OF 125' FROM THE WELL HEAD.

Total Pit Capacity W/2' of Freeboard = 4,210 Bbls. ±
 Total Pit Volume = 1,210 Cu. Yds.

El. 389.7'
 C-8.6' (Btm. Pit)

El. 392.9'
 C-11.8' (Btm. Pit)

El. 399.4'
 C-6.3'

C-13.6'
 El. 406.7'

El. 400.8'
 C-7.7'

C-12.9'
 El. 406.0'

C-18.5'
 El. 411.6'

Sta. 1+50

El. 379.2'
 F-13.9'

Sta. 0+78

APPROX. TOE OF FILL SLOPE

Sta. 0+00

El. 393.1'
 GRADE

El. 387.9'
 F-5.2'

Proposed Access Road

Elev. Ungraded Ground at Location Stake = 5406.7'

Elev. Graded Ground at Location Stake = 5393.1'

UINTAH ENGINEERING & LAND SURVEYING

Exist. Road 85 So. 200 East * Vernal, Utah 84078 * (435) 789-1017

UNION PACIFIC OIL & GAS CORP.

TYPICAL CROSS SECTIONS FOR

WHU #83

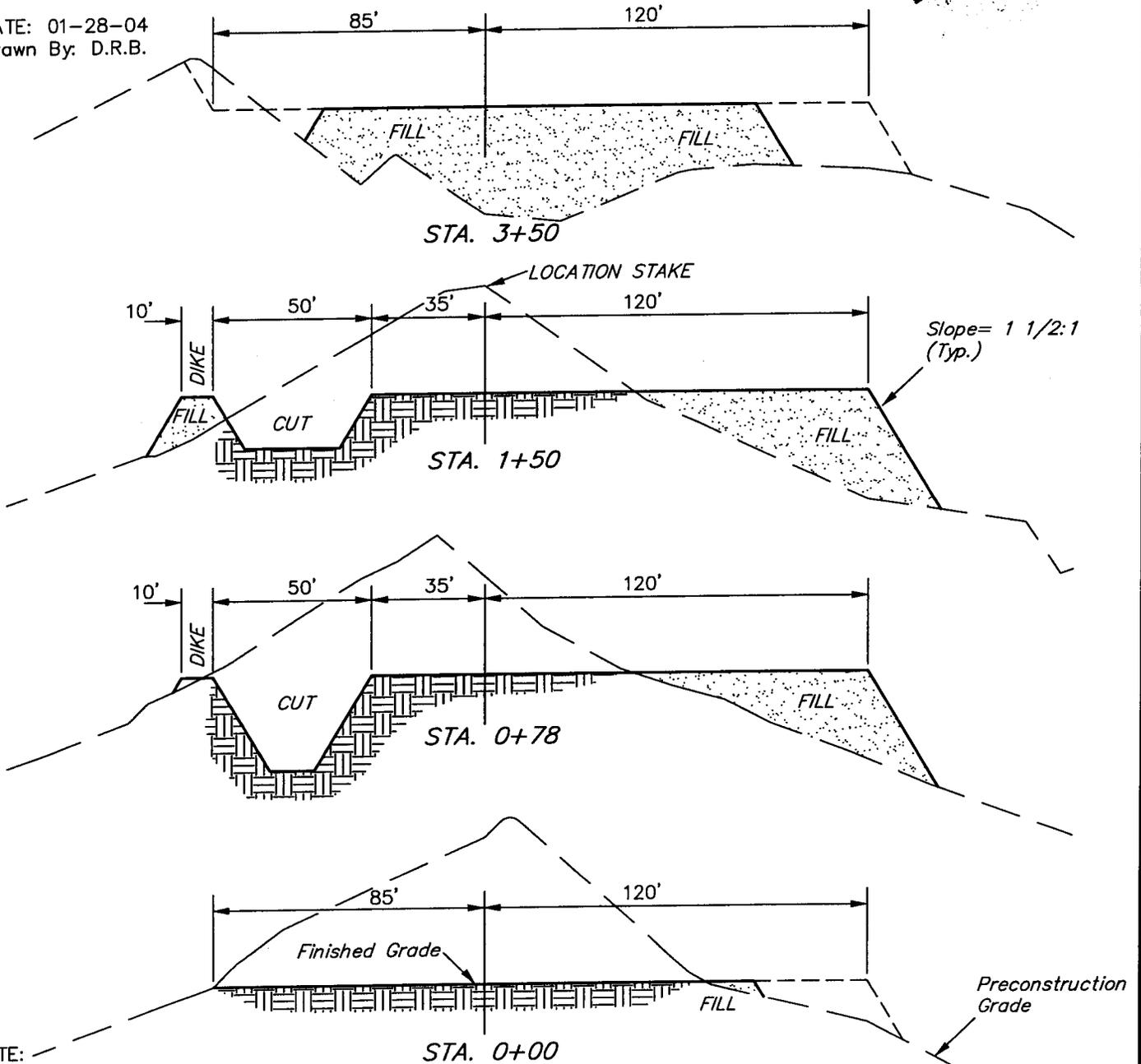
SECTION 2, T7S, R23E, S.L.B.&M.

421' FSL 1849' FWL

[Handwritten Signature]

1" = 20'
X-Section Scale
1" = 50'

DATE: 01-28-04
Drawn By: D.R.B.



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

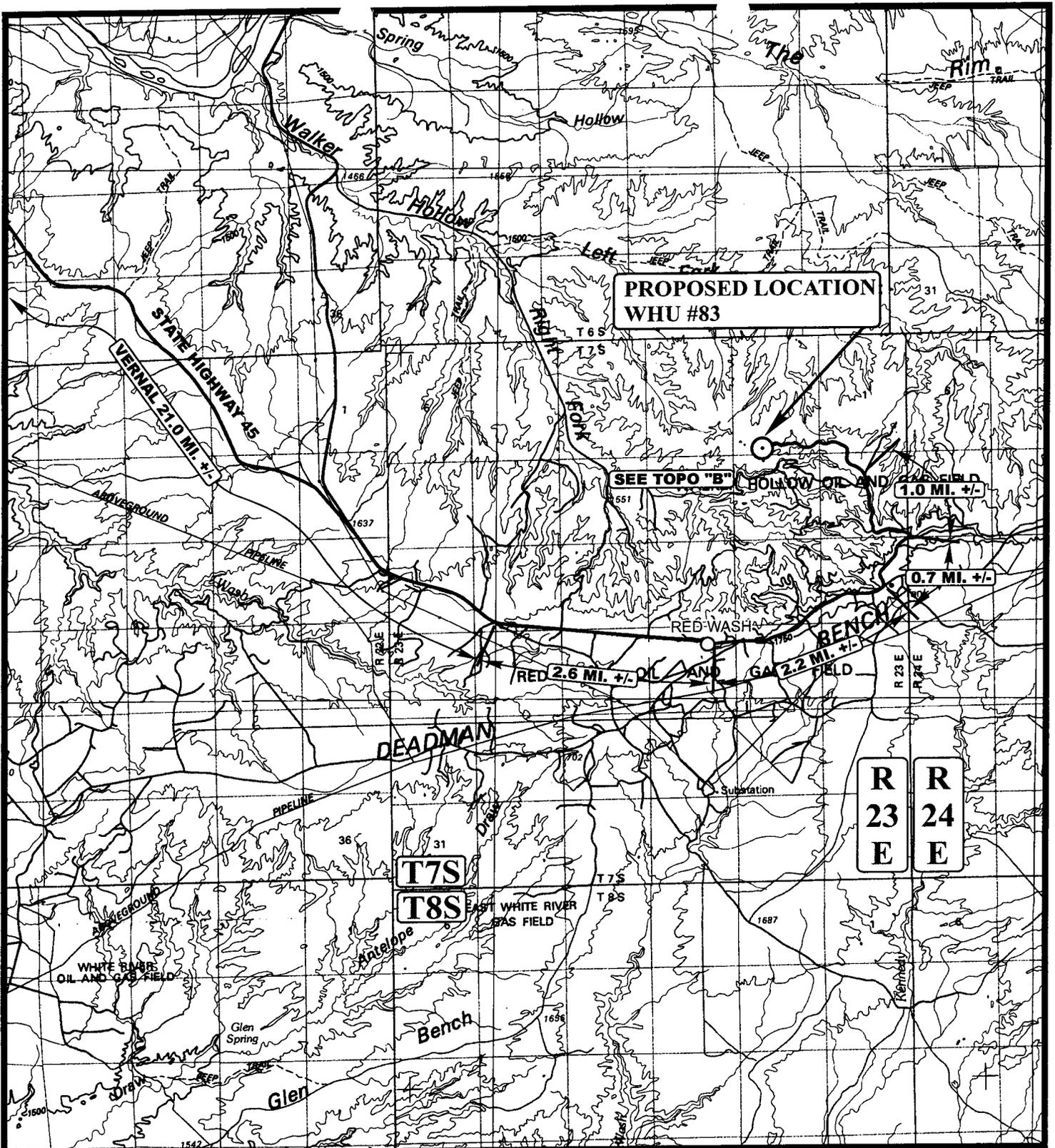
FIGURE #2

APPROXIMATE YARDAGES

CUT	
(6") Topsoil Stripping	= 1,350 Cu. Yds.
Remaining Location	= 12,660 Cu. Yds.
TOTAL CUT	= 14,010 CU.YDS.
FILL	= 11,450 CU.YDS.

EXCESS MATERIAL AFTER 5% COMPACTION	= 1,960 Cu. Yds.
Topsoil & Pit Backfill (1/2 Pit Vol.)	= 1,960 Cu. Yds.
EXCESS MATERIAL After Reserve Pit is Backfilled & Topsoil is Re-distributed	= 0 Cu. Yds.

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



**PROPOSED LOCATION
WHU #83**

**SEE TOPO "B" HOLLOW OIL AND GAS FIELD
1.0 MI. +/-**

0.7 MI. +/-

RED 2.6 MI. +/- OIL AND GAS FIELD

2.2 MI. +/-

**T7S
T8S**

**R
23
E**

**R
24
E**

LEGEND:

○ PROPOSED LOCATION



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



CITATION OIL & GAS CORP.

**WHU #83
SECTION 2, T7S, R23E, S.L.B.&M.
421' FSL 1849' FWL**

TOPOGRAPHIC MAP
02 02 04
MONTH DAY YEAR
SCALE: 1:100,000 DRAWN BY: T.H. REVISED: 00-00-00



R 23 E
R 24 E

**PROPOSED LOCATION:
WHU #83**

1.4 MI. +/-

PROPOSED ACCESS 30' +/-

1.0 MI. +/-

0.7 MI. +/-

STATE HIGHWAY 45 4.8 MI. +/-
VERNAL 25.8 MI. +/-

T7S

LEGEND:

- EXISTING ROAD
- - - PROPOSED ACCESS ROAD



CITATION OIL & GAS CORP.

WHU #83
SECTION 2, T7S, R23E, S.L.B.&M.
421' FSL 1849' FWL



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

**TOPOGRAPHIC
MAP**

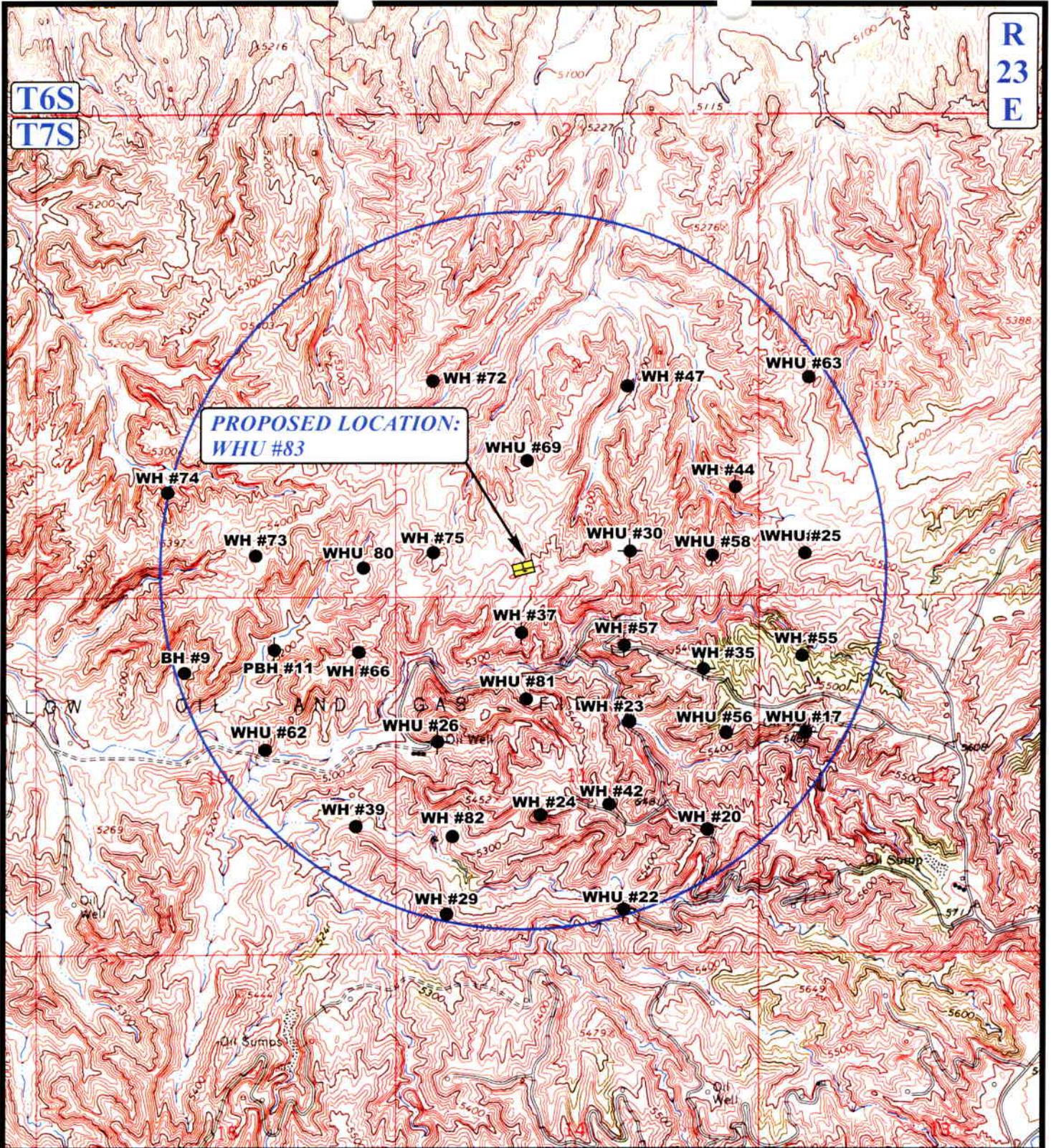
02 02 04
MONTH DAY YEAR

SCALE: 1" = 2000' DRAWN BY: T.H. REVISED: 00-00-00



R
23
E

T6S
T7S



PROPOSED LOCATION:
WHU #83

LEGEND:

- ⊗ DISPOSAL WELLS
- PRODUCING WELLS
- SHUT IN WELLS
- ⊗ WATER WELLS
- ABANDONED WELLS
- TEMPORARILY ABANDONED



CITATION OIL & GAS CORP.

WHU #83
SECTION 2, T7S, R23E, S.L.B.&M.
421' FSL 1849' FWL



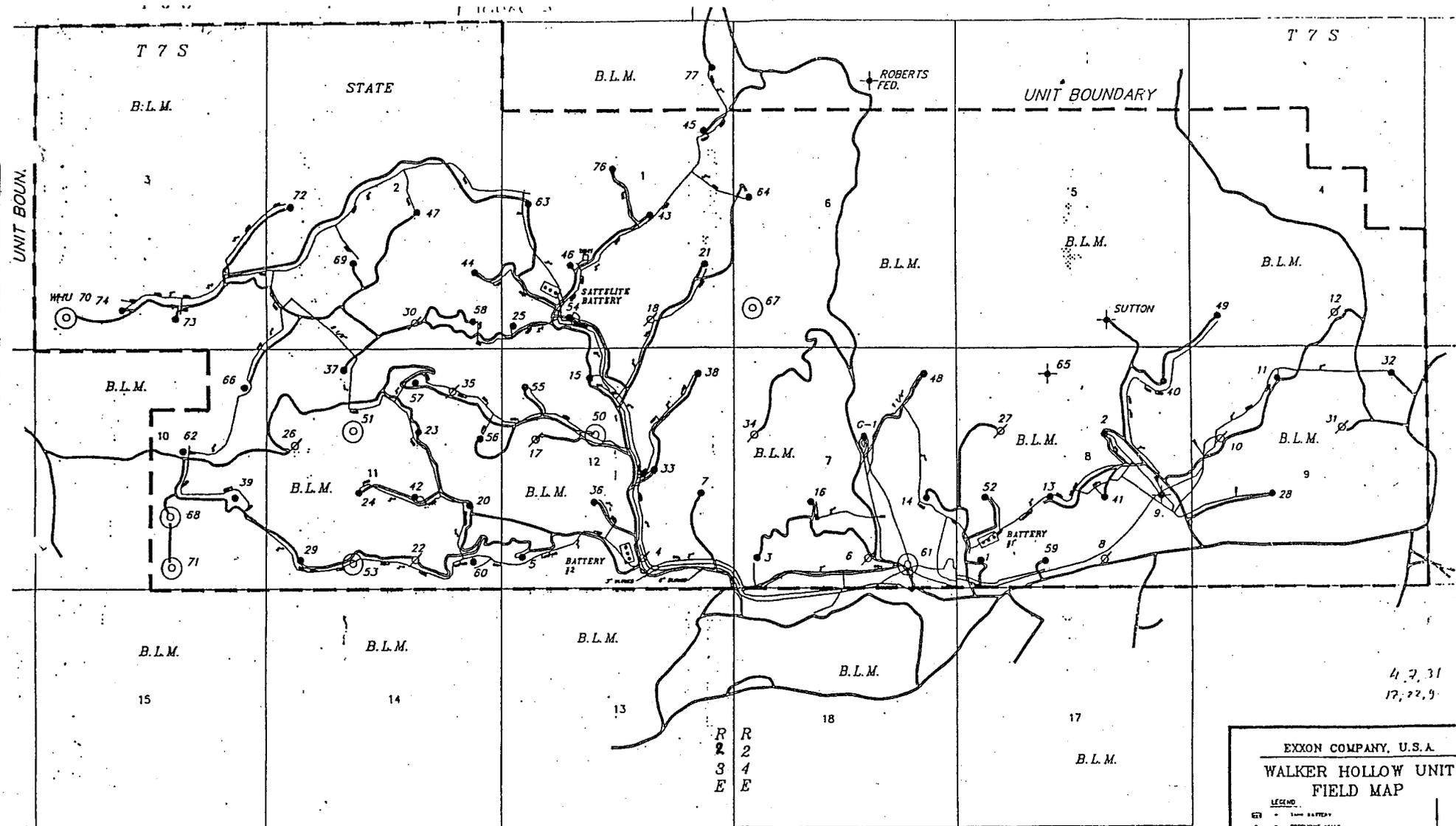
Uintah Engineering & Land Surveying
 85 South 200 East Vernal, Utah 84078
 (435) 789-1017 * FAX (435) 789-1813

TOPOGRAPHIC
MAP

02	02	04
MONTH	DAY	YEAR

SCALE: 1" = 2000' DRAWN BY: T.H. REVISED: 00-00-00





4, 7, 31
17, 22, 9

EXXON COMPANY, U.S.A.

**WALKER HOLLOW UNIT
FIELD MAP**

LEGEND

- - TIME BATTERY
- - PRODUCTION WELLS
- - SHUT-IN WELLS
- ⊕ - TEMPORARILY ABANDONED WELLS
- ⊖ - ABANDONED WELLS
- ⊙ - PROPOSED WELLS
- ⊗ - SHUT-IN EXXON WELLS
- ⊘ - WINDMILL WELLS
- ⊙ - WINDMILL WELLS

1000'
500'
0'
SCALE

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to re-enter an abandoned well. Use Form 3160-3 (APD) for such proposals.

003

SUBMIT IN TRIPLICATE - Other instructions on reverse side

1. Type of Well
 Oil Well Gas Well Other

2. Name of Operator
CITATION OIL & GAS CORP.

3a. Address
P.O. Box 690688, Houston, Texas 77269-0688

3b. Phone No. (include area code)
(281) 517-7800

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
1849' FWL & 421' FSL SE SW Section 2-7S-23E

5. Lease Serial No.
UTSL 066312

6. If Indian, Allottee or Tribe Name

7. If Unit or CA/Agreement, Name and/or No.
Walker Hollow Unit

8. Well Name and No.
Walker Hollow Unit #83

9. API Well No.

10. Field and Pool, or Exploratory Area
Walker Hollow Green River

11. County or Parish, State
Uintah County UT

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

TYPE OF SUBMISSION	TYPE OF ACTION			
<input checked="" type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input checked="" type="checkbox"/> Other <u>Surface</u>
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	<u>Commingle</u>
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	

13. Describe Proposed or Completed Operations (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recomplete horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompletion in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.)

Citation Oil & Gas Corp. currently has approval to surface commingle the production from the Walker Hollow Unit and U S A Pearl Broadhurst at the production battery 3 via pipeline.

Citation requests permission to commingle the production from the Walker Hollow Unit 83 with the existing production from the Walker Hollow Unit and U S A Pearl Broadhurst leases. The wells will be tested at each lease and the production from the 82 well will be sold in common with the Walker Hollow Unit production. The oil will continue to be gauged at the USA Pearl Broadhurst lease then transferred to the Walker Hollow Unit production battery (3) via pipeline. All production will be sold at the Lact Unit. The U S A Pearl Broadhurst tickets are split out from the total sales giving both leases their share of production. Then each well is allocated back by well tests.

OK. See Email 4/26/2004 from Sharon Ward for additional information DRD

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

Name (Printed/Typed)

Sharon Ward

Signature

Sharon Ward

Title

Regulatory Administrator

Date

March 26, 2004

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

Title

Date

Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Office

WORKSHEET

APPLICATION FOR PERMIT TO DRILL

009

APD RECEIVED: 04/01/2004

API NO. ASSIGNED: 43-047-35610

WELL NAME: WHU 83

OPERATOR: CITATION OIL & GAS CORP (N0265)

CONTACT: SHARON WARD

PHONE NUMBER: 281-517-7309

PROPOSED LOCATION:

SESW 02 070S 230E
SURFACE: 0421 FSL 1849 FWL
BOTTOM: 0421 FSL 1849 FWL
UINTAH
WALKER HOLLOW (700)

Table with 3 columns: Tech Review, Initials, Date. Rows include Engineering (DKD, 5/10/04), Geology, and Surface.

LEASE TYPE: 3 - State

LEASE NUMBER: UTSL 066312 OK

SURFACE OWNER: 3 - State

PROPOSED FORMATION: GRRV

COALBED METHANE WELL? NO

LATITUDE: 40.23233

LONGITUDE: 109.29643

RECEIVED AND/OR REVIEWED:

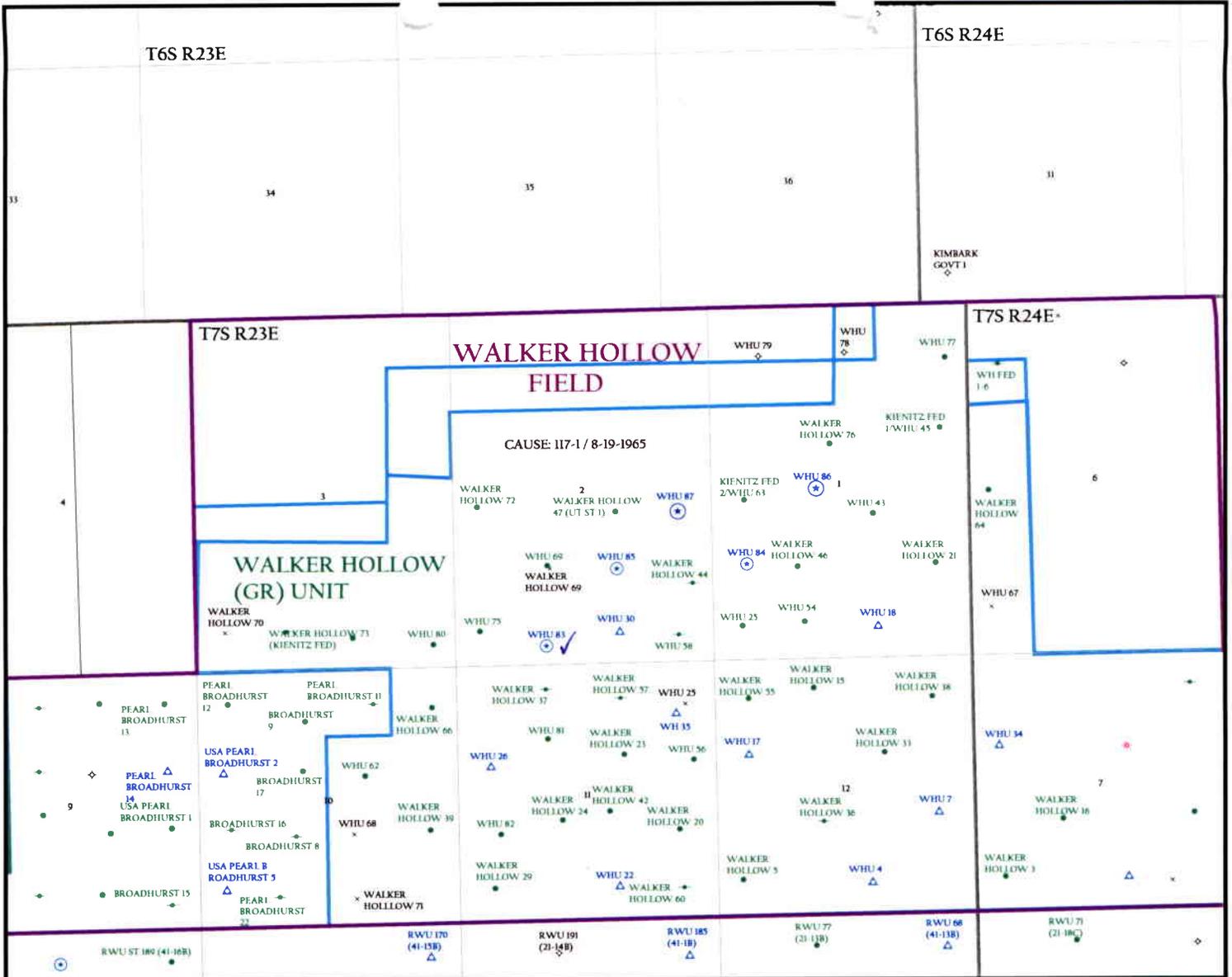
- Plat
Bond: Fed[] Ind[] Sta[3] Fee[] (No. MT 0630)
Potash (Y/N)
Oil Shale 190-5 (B) or 190-3 or 190-13
Water Permit (No. 53617)
RDCC Review (Y/N) (Date:)
Fee Surf Agreement (Y/N)

LOCATION AND SITING:

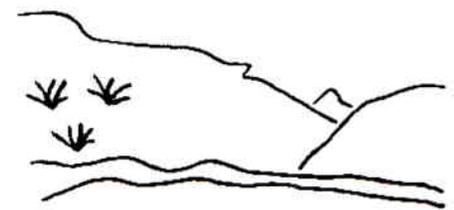
- R649-2-3.
Unit WALKER HOLLOW
R649-3-2. General
Siting: 460 From Qtr/Qtr & 920' Between Wells
R649-3-3. Exception
Drilling Unit
Board Cause No: 112-1
Eff Date: 8-19-1965
Siting: 460' fr u boundary, 920' fr other wells
R649-3-11. Directional Drill

COMMENTS: Needs Permit (4-13-04)

STIPULATIONS: STATEMENT OF BASIS



OPERATOR: CITATION O&G CORP (N0265)
 SEC. 2 T.7S, R.23E
 FIELD: WALKER HOLLOW (700)
 COUNTY: UINTAH
 CAUSE: 117-1 / 8-19-1965



Utah Oil Gas and Mining

Well Status

- ↗ GAS INJECTION
- ◊ GAS STORAGE
- × LOCATION ABANDONED
- ⊕ NEW LOCATION
- ◊ PLUGGED & ABANDONED
- ✱ PRODUCING GAS
- PRODUCING OIL
- ◊ SHUT-IN GAS
- ✱ SHUT-IN OIL
- ✱ 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: 2-APRIL-2004

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

FORM 3

001

AMENDED REPORT
 (highlight changes)

APPLICATION FOR PERMIT TO DRILL

1A. TYPE OF WORK: DRILL <input checked="" type="checkbox"/> REENTER <input type="checkbox"/> DEEPEN <input type="checkbox"/>		5. MINERAL LEASE NO: 066312	6. SURFACE: State
B. TYPE OF WELL: OIL <input checked="" type="checkbox"/> GAS <input type="checkbox"/> OTHER _____ SINGLE ZONE <input checked="" type="checkbox"/> MULTIPLE ZONE <input type="checkbox"/>		7. IF INDIAN, ALLOTTEE OR TRIBE NAME:	
2. NAME OF OPERATOR: Citation Oil & Gas Corp.		8. UNIT or CA AGREEMENT NAME: Walker Hollow Unit	
3. ADDRESS OF OPERATOR: P O Box 690688 CITY Houston STATE TX ZIP 77269		9. WELL NAME and NUMBER: Walker Hollow Unit 83	
4. LOCATION OF WELL (FOOTAGES) AT SURFACE: 1849' FWL & 421' FSL Latitude: 40 13' 56.76" Longitude: 109 17' 49.77" AT PROPOSED PRODUCING ZONE: 1849' FWL & 421' FSL 4454726Y 40.23233 644930X -109.29643		10. FIELD AND POOL, OR WILDCAT: Walker Hollow Green River	
14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE: +/- 27.5 East of Vernal Utah		12. COUNTY: Uintah	13. STATE: UTAH
15. DISTANCE TO NEAREST PROPERTY OR LEASE LINE (FEET) 6950' ±	16. NUMBER OF ACRES IN LEASE: 3277.20	17. NUMBER OF ACRES ASSIGNED TO THIS WELL: 40	
18. DISTANCE TO NEAREST WELL (DRILLING, COMPLETED, OR APPLIED FOR) ON THIS LEASE (FEET) 938 ±	19. PROPOSED DEPTH: ± 5,551	20. BOND DESCRIPTION: MT 0630	
21. ELEVATIONS (SHOW WHETHER DF, RT, GR, ETC.): 5407	22. APPROXIMATE DATE WORK WILL START: 2004	23. ESTIMATED DURATION: 8 Days	

PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	CASING SIZE, GRADE, AND WEIGHT PER FOOT			SETTING DEPTH	CEMENT TYPE, QUANTITY, YIELD, AND SLURRY WEIGHT	
12 1/4	8 5/8	J-55	24 ppf	400	Class A + additives	225 sxs
7 7/8	5 1/2	J-55	15.5ppf	5,551	Class G + additives	373 sxs

RECEIVED

APR 01 2004

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 type="checkbox"/> FORM 5, IF OPERATOR IS PERSON OR COMPANY OTHER THAN THE LEASE OWNER |

NAME (PLEASE PRINT) Sharon Ward TITLE Regulatory Administrator
 SIGNATURE Sharon Ward DATE 3/24/2004

(This space for State use only)

API NUMBER ASSIGNED: 43-047-35610

APPROVAL:

**Approved by the
 Utah Division of
 Oil, Gas and Mining**
 Date: 05-11-04
 By: [Signature]

Sec. 35
EAST - 5280.00' (G.L.O.)

T6S
T7S

CITATION OIL & GAS CORP.

Well location, WHU #83, located as shown in the SE 1/4 SW 1/4 of Section 2, T7S, R23E, S.L.B.&M. Uintah County, Utah

BASIS OF ELEVATION

SPOT ELEVATION AT AN INTERSECTION LOCATED IN THE NE 1/4 OF SECTION 12, T7S, R23E, S.L.B.&M. TAKEN FROM THE RED WASH QUADRANGLE, UTAH, UINTAH COUNTY, 7.5 MINUTE QUAD. (TOPOGRAPHIC MAP) PUBLISHED BY THE UNITED STATES DEPARTMENT OF THE INTERIOR, GEOLOGICAL SURVEY. SAID ELEVATION IS MARKED AS BEING 5608 FEET.

BASIS OF BEARINGS

BASIS OF BEARINGS IS A G.P.S. OBSERVATION.

(AUTONOMOUS NAD 83)

LATITUDE = 40°13'56.76" (40.232433)

LONGITUDE = 109°17'49.77" (109.297158)



SCALE

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 H. Kay

REGISTERED LAND SURVEYOR
REGISTRATION NO. 161319
STATE OF UTAH

UINTAH ENGINEERING & LAND SURVEYING

85 SOUTH 200 EAST - VERNAL, UTAH 84078

(435) 789-1017

SCALE 1" = 1000'	DATE SURVEYED: 01-14-03	DATE DRAWN: 01-28-04
PARTY B.B. T.H. D.R.B.	REFERENCES G.L.O. PLAT	
WEATHER COLD	FILE CITATION OIL & GAS CORP.	

N00°02'W - 4649.70' (G.L.O.)

N00°01'10"E - 2639.25' (Meas.)

N00°01'W - 7285.74' (G.L.O.)

LOT 4 LOT 3 LOT 2 LOT 1

LOT 5 **T7S, R23E, S.L.B.&M.** LOT 8

LOT 12 LOT 11 LOT 10 LOT 9

2

LEGEND:

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

1936 Brass Cap
0.3' High, Pile
of Stones

1936 Brass Cap
0.8' High, Pile
of Stones

1936 Brass Cap
1.2' High, Pile
of Stones

1936 Brass Cap
0.3' High, Pile
of Stones

WHU #83
Elev. Ungraded Ground = 5407'

1849'

421'

N89°57'16"W - 2637.34' (Meas.)

N89°56'43"W - 2638.06' (Meas.)



April 2, 2004

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

Attn: Diana Whitney

RE: Exception to Location
Walker Hollow Unit #83
SE SW Section 2, T7S, R23E
Uintah County, Utah

Dear Ms. Whitney :

Citation Oil & Gas Corp. requests an exception to location for the Walker Hollow Unit #83 well located the SE SW Section 2, T7S, R23E under Cause No. 117-1. Due to the terrain of the area this location could not be placed in the 400' window allowed by rule 649-3-2.

There are no other owners within 460' of the location of the Walker Hollow Unit #83 well. Section 2 is covered under federal lease number UTSL-066312, which Citation owns 100%.

Citation submits a topo map showing the location of all Walker Hollow wells completed or proposed within section 2.

If you require additional information, please contact the undersigned, at 281-517-7309. Thank you.

Sincerely,

Sharon Ward
Regulatory Administrator
Citation Oil & Gas Corp.

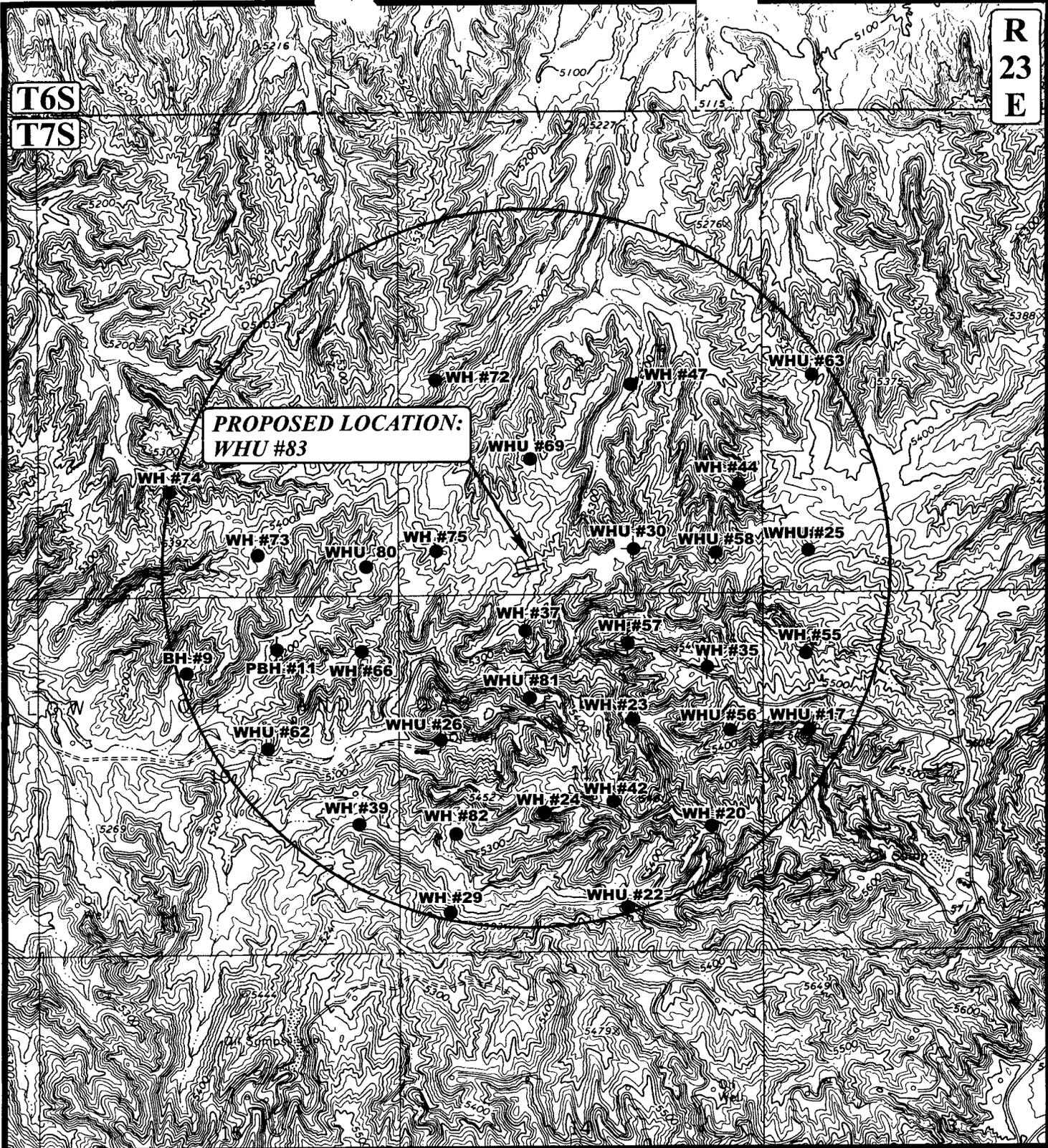
RECEIVED

APR 08 2004

DIV. OF OIL, GAS & MINING

T6S
T7S

R
23
E



LEGEND:

- ∅ DISPOSAL WELLS
- PRODUCING WELLS
- SHUT IN WELLS
- ∅ WATER WELLS
- ABANDONED WELLS
- TEMPORARILY ABANDONED



CITATION OIL & GAS CORP.

WHU #83
SECTION 2, T7S, R23E, S.L.B.&M.
421' FSL 1849' FWL



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

TOPOGRAPHIC MAP 02 02 04
MONTH DAY YEAR
SCALE: 1" = 2000' DRAWN BY: T.H. REVISED: 00-00-00



From: Ed Bonner
To: Whitney, Diana
Date: 4/5/2004 10:49:38 AM
Subject: Re: Citation's Bond

Citations Bond is currently Bond No. 587800 in the amount of \$80,000, although they have indicated that a new replacement bond is in the works.

United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Utah State Office
P.O. Box 45155
Salt Lake City, Utah 84145-0155

IN REPLY REFER TO:
3160
(UT-922)

April 5, 2004

Memorandum

To: Assistant District Manager Minerals, Vernal District
From: Michael Coulthard, Petroleum Engineer
Subject: 2004 Plan of Development Walker Hollow Unit
Uintah County, Utah.

Pursuant to email between Diana Whitney, Division of Oil, Gas and Mining, and Mickey Coulthard, Utah State Office, Bureau of Land Management, the following wells are planned for calendar year 2003 within the Walker Hollow Unit, Uintah County, Utah.

API #	WELL NAME	LOCATION
(Proposed PZ Green River)		
43-047-35607	WHU 86 Sec 1	T07S R23E 3541 FSL 2085 FWL
43-047-35608	WHU 84 Sec 1	T07S R23E 1985 FSL 0673 FWL
43-047-35609	WHU 85 Sec 2	T07S R23E 1908 FSL 1996 FEL
43-047-35610	WHU 83 Sec 2	T07S R23E 0421 FSL 1849 FWL
43-047-35611	WHU 87 Sec 2	T07S R23E 3087 FSL 0750 FEL

This office has no objection to permitting the wells at this time.

/s/ Michael L. Coulthard

bcc: File - Walker Hollow Unit
Division of Oil Gas and Mining
Agr. Sec. Chron
Fluid Chron

MCoulthard:mc:4-5-04

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

OPERATOR: CITATION OIL & GAS CORP.
WELL NAME & NUMBER: WHU #83
API NUMBER: 43-047-35610
LOCATION: 1/4,1/4 SE/SW Sec: 2 TWP: 7S RNG: 23E 1849' FWL 421' FSL

Geology/Ground Water:

Citation proposes to set 400 feet of surface casing cemented to the surface. The base of the moderately saline water is estimated at 5,400 feet. A search of Division of Water Rights records shows 6 water wells within a 10,000 foot radius of the proposed location. These wells are owned by Chevron USA and are used as a water supply wells for the Red Wash secondary recovery project. These wells are almost to the edge of the 10,000' radius. The surface formation at this location is the Uinta Formation. The Uinta Formation is made up of discontinuous sands interbedded with shales and are not expected to produce prolific aquifers. The proposed surface casing should adequately protect any near surface aquifers.

Reviewer: Brad Hill **Date:** 04-22-04

Surface:

The predrill investigation of the surface was performed on 4/13/2004. Floyd Bartlett with DWR and Ed Bonner with SITLA were invited to this investigation on 4/06/2004. Both were present. Neither had any concerns regarding the construction of this location or the drilling of this well. There are several sandstone outcroppings in this area but they don't appear to be numerous or thick enough to require blasting to construct the reserve pit. Small existing drainages crossing this site will be re-routed to the east and west. This site appears to be the best site for a location in the immediate area.

Reviewer: David W. Hackford **Date:** 04/13/2004

Conditions of Approval/Application for Permit to Drill:

1. A 12 mil liner and felt sub-liner shall be properly installed and maintained in the reserve pit.

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

OPERATOR: CITATION OIL & GAS CORP.
WELL NAME & NUMBER: WHU# 83
API NUMBER: 43-047-35610
LEASE: 066312 **FIELD/UNIT:** WALKER HOLLOW
LOCATION: 1/4, 1/4 SE/SW Sec: 2 TWP: 7S RNG: 23E 1849' FWL 421' FSL
LEGAL WELL SITING: 460' from unit boundary and 920' from another well.
GPS COORD (UTM): 4454739N 644930E **SURFACE OWNER:** STATE OF UTAH

PARTICIPANTS

DAVID W. HACKFORD (DOGM), JOHN LONG, ROBERT EYE (CITATION), FLOYD BARTLETT (DWR), ED BONNER (SITLA).

REGIONAL/LOCAL SETTING & TOPOGRAPHY

SITE IS ON A LOW RIDGE RUNNING TO THE WEST. THERE ARE SHALLOW DRAWS TO THE NORTH AND SOUTH WHICH RUN TO THE WEST AND MEET 600' WEST OF THIS SITE. AT THIS POINT, THIS DRAINAGE CONTINUES TO THE NORTH AND ENTERS LEFT FORK OF WALKER HOLLOW 1.25 MILES AWAY. WALKER HOLLOW RUNS TO THE NORTHWEST AND ENTERS THE GREEN RIVER SEVEN MILES AWAY.

CURRENT SURFACE USE: WILDLIFE AND LIVESTOCK GRAZING, HUNTING.

PROPOSED SURFACE DISTURBANCE: LOCATION WILL BE 350' BY 205'. ACCESS ROAD WILL BE 30 FEET.

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

LOCATION OF PRODUCTION FACILITIES AND PIPELINES: EMULSION FROM THIS WELL WILL BE PIPELINED TO AN EXISTING CO-MINGLE BATTERY. THE ONLY EQUIPMENT ON LOCATION WILL BE A PUMPJACK AND LINE HEATER. PIPELINE WILL RUN TO THE SOUTH TO AN EXISTING PIPELINE 500' AWAY.

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

ANCILLARY FACILITIES: NONE WILL BE REQUIRED.

WASTE MANAGEMENT PLAN:

DRILLED CUTTINGS WILL BE SETTLED INTO THE RESERVE PIT. LIQUIDS FROM PIT WILL BE ALLOWED TO EVAPORATE OR TRUCKED FROM LOCATION. 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: SALTBRUSH, SAGE, SHADSCALE, GREASEWOOD, PRICKLY PEAR, WILD ONION: PRONGHORN, COYOTES, SONGBIRDS, RAPTORS, RODENTS, RABBITS, DEER.

SOIL TYPE AND CHARACTERISTICS: LIGHT BROWN CLAY.

EROSION/SEDIMENTATION/STABILITY: EROSION AND STABILITY COULD BOTH BE A PROBLEM AT THIS SITE BECAUSE OF THE STEEP SIDEHILLS AND LOOSE SOIL.

PALEONTOLOGICAL POTENTIAL: NONE OBSERVED.

RESERVE PIT

CHARACTERISTICS: RESERVE PIT WILL BE 100' BY 50' AND 12' DEEP.

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

SURFACE RESTORATION/RECLAMATION PLAN

AS PER SITLA.

SURFACE AGREEMENT: AS PER SITLA.

CULTURAL RESOURCES/ARCHAEOLOGY: SITE WAS INSPECTED BY MOAC ARCHAEOLOGY. A REPORT OF THIS INVESTIGATION WILL BE PLACED ON FILE.

OTHER OBSERVATIONS/COMMENTS

THIS PREDRILL INVESTIGATION WAS CONDUCTED ON A WARM, SUNNY DAY WITH NO SNOW COVER.

ATTACHMENTS

PHOTOS OF THIS SITE WERE TAKEN AND PLACED ON FILE.

DAVID W. HACKFORD
DOGM REPRESENTATIVE

4/13/04. 11:30 AM
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>0</u>
Distance to Surf. Water (feet)		
>1000	0	
300 to 1000	2	
200 to 300	10	
100 to 200	15	
< 100	20	<u>2</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>20</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	

Final Score 27 (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.







State Online Services

Agency List

Business.utah.gov

Search Utah.gov

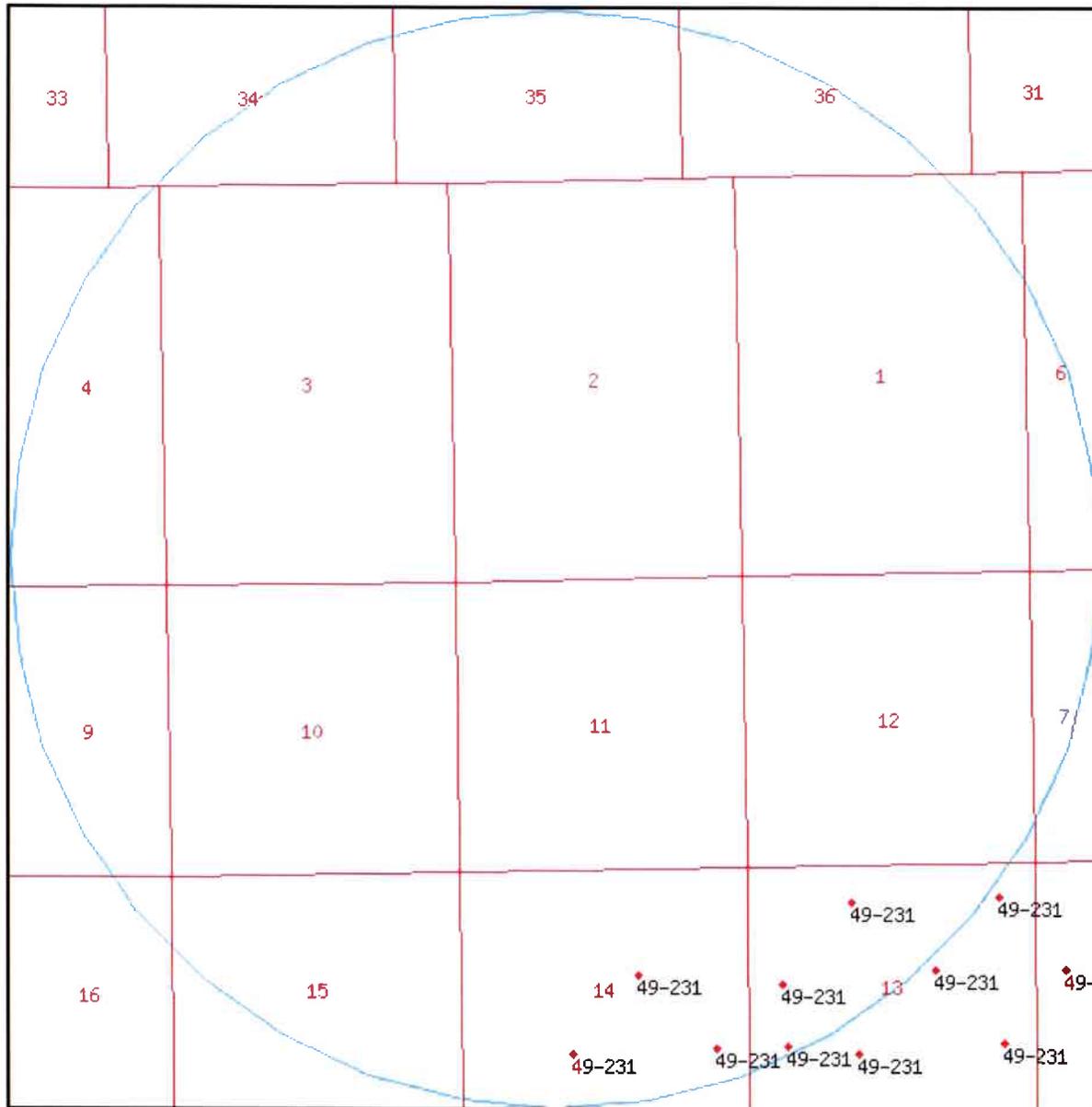
GO

UTAH DIVISION OF WATER RIGHTS

WRPLAT Program Output Listing

Version: 2004.03.26.00 Rundate: 04/22/2004 10:54 AM

Radius search of 10000 feet from a point N421 E1849 from the SW corner, section 02, Township 7S, Range 23E, SL b&m
Criteria:wrtypes=W,C,E podtypes=U status=U,A,P usetypes=all



Water Rights

WR Number	Diversion Type/Location	Well Log Status	Priority	Uses	CFS	ACFT	Owner Name
<u>49-231</u>	Underground S660 W660 NE 13 7S 23E SL	A	19600418	O	1.000	0.000	Chevron U.S.A. Inc. 11002 East 17500 South
<u>49-231</u>	Underground N1980 W660 SE 13 7S 23E SL	A	19600418	O	1.000	0.000	Chevron U.S.A. Inc. 11002 East 17500 South
<u>49-231</u>	Underground S655 E1923 NW 13 7S 23E SL	A	19600418	O	1.000	0.000	Chevron U.S.A. Inc. 11002 East 17500 South
<u>49-231</u>	Underground N1889 E1924 SW 13 7S 23E SL	A	19600418	O	1.000	0.000	Chevron U.S.A. Inc. 11002 East 17500 South
<u>49-231</u>	Underground S1980 W1840 NE 13 7S 23E SL	A	19600418	O	1.000	0.000	Chevron U.S.A. Inc. 11002 East 17500 South
<u>49-231</u>	Underground S2132 E631 NW 13 7S 23E SL	A	19600418	O	1.000	0.000	Chevron U.S.A. Inc. 11002 East 17500 South
<u>49-231</u>	Underground N2002 E627 SW 13 7S 23E SL	A	19600418	O	1.000	0.000	Chevron U.S.A. Inc. 11002 East 17500 South
<u>49-231</u>	Underground S1980 W1980 NE 14 7S 23E SL	A	19600418	O	1.000	0.000	Chevron U.S.A. Inc. 11002 East 17500 South
<u>49-231</u>	Underground N1980 W660 SE 14 7S 23E SL	A	19600418	O	1.000	0.000	Chevron U.S.A. Inc. 11002 East 17500 South
<u>49-231</u>	Underground N1980 E1980 SW 14 7S 23E SL	A	19600418	O	1.000	0.000	Chevron U.S.A. Inc. 11002 East 17500 South
<u>49-231</u>	Underground S1980 E587 NW 18 7S 24E SL	A	19600418	O	1.000	0.000	Chevron U.S.A. Inc. 11002 East 17500 South

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

04-04 Citation WHU 83

Casing Schematic

Uinter

Surface

8-5/8"
MW 8.4
Frac 19.3

TOC @
38.

w/ 19% Washout

Surface
400. MD

$(0.052)(9.5)(5551) = 2742$
Anticipate 2200

$(.12)(5551) = 666$

MASP = 2076

BOP = 3,000 proposed ✓

$2950 \times .7 = 2065$

proposed Test @ 1000# ✓

Adequate DKO 5/10/04

TOC @
2254.

3106 Green River

w/ 15% Washout

Mod Saline ≈ 5400'

5-1/2"
MW 9.5

Production
5551. MD

Well name:	04-04 Citation WHU 83		
Operator:	Citation O&G Corp	Project ID:	43-047-35610
String type:	Surface		
Location:	Uintah County		

Design parameters:

Collapse

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

Burst

Max anticipated surface pressure: 144 psi
 Internal gradient: 0.468 psi/ft
 Calculated BHP: 331 psi

No backup mud specified.

Minimum design factors:

Collapse:

Design factor 1.125

Burst:

Design factor 1.00

Tension:

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

Tension is based on air weight.
 Neutral point: 349 ft

Environment:

H2S considered? No
 Surface temperature: 65 °F
 Bottom hole temperature: 71 °F
 Temperature gradient: 1.40 °F/100ft
 Minimum section length: 200 ft

Cement top: 38 ft

Non-directional string.

Re subsequent strings:

Next setting depth: 5,551 ft
 Next mud weight: 9.500 ppg
 Next setting BHP: 2,739 psi
 Fracture mud wt: 19.250 ppg
 Fracture depth: 400 ft
 Injection pressure: 400 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	400 ✓	8.625 ✓	24.00 ✓	J-55 ✓	ST&C	400	400	7.972	19.3
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	175	1370	7.851 ✓	331	2950	8.91 ✓	10	244	25.42 J ✓

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

Phone: 801-538-5281
 FAX: 801-359-3940

Date: April 26, 2004
 Salt Lake City, Utah

Remarks:

Collapse is based on a vertical depth of 400 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:	04-04 Citation WHU 83		
Operator:	Citation O&G Corp	Project ID:	43-047-35610
String type:	Production		
Location:	Uintah County		

Design parameters:

Collapse

Mud weight: 9.500 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: 143 °F
 Temperature gradient: 1.40 °F/100ft
 Minimum section length: 368 ft

Cement top: 2,254 ft

Burst

Max anticipated surface pressure: 144 psi
 Internal gradient: 0.468 psi/ft
 Calculated BHP 2,739 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: 4,753 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 ³)
1	5551	5.5	15.50	J-55	LT&C	5551	5551	4.825	174
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	2739	4040	1.475	2739	4810	1.76	86	217	2.52 J

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

Phone: 801-538-5281
 FAX: 801-359-3940

Date: April 26, 2004
 Salt Lake City, Utah

Remarks:
 Collapse is based on a vertical depth of 5551 ft, a mud weight of 9.5 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.

From: "Sharon Ward" <SWard@cogc.com>
To: <clintondworshak@utah.gov>
Date: 4/26/2004 12:04:18 PM
Subject: Walker Hollow Unit APD's

Per your request for the yield for the surface casing and the tail of the production casing:

Surface casing: 1.18 cubic feet/sack yield and a 15.6 ppg cement density

Production casing: Lead Cement - 3.91 cubic feet/sack yield and a 11.0 ppg cement density

Tail Cement - 1.36 cubic feet/sack yield
and a 14.1 ppg cement density

Per your request for the testing of production and water:

As far as the produced water is concerned, we will be transferring all oil, gas, and water to centralized production facilities where we will have the capability of producing into gross separators and heater treaters or testing the wells on an individual basis for oil, gas, and water volumes. The wells are planned to be tested for 24 hour periods, through test separator facilities, on a monthly basis and reported as such.

If you require additional information, please advise.

Thank you,

Sharon Ward

Regulatory Administrator

Citation Oil & Gas Corp.

281-517-7309

Fax 281-469-9667

011

43.047.35610
T.7S, R.23E, S.2

From: Ed Bonner
To: Whitney, Diana
Date: 5/3/2004 9:34:38 AM
Subject: Well Clearance

The following wells have been given cultural resource clearance by the Trust Lands Cultural Resources Group:

The Houston Exploration Company
Bonanza 4D-16

Citation Oil & Gas Corporation
Walker Hollow Unit 83
Walker Hollow Unit 85
Walker Hollow Unit 87

QEP Uinta Basin Inc
WH 13G-2-7-24

EOG Resources Inc
Chapita Wells Unit 862-32

ConocoPhillips Company
Utah 5-224

If you have any questions regarding this matter please give me a call.

CC: Garrison, LaVonne; Hill, Brad; Hunt, Gil



State of Utah

Department of
Natural Resources

Division of
Oil, Gas & Mining

ROBERT L. MORGAN
Executive Director

LOWELL P. BRAXTON
Division Director

May 11, 2004

Citation Oil & Gas Corporation
P O Box 690688
Houston, TX 77269

Re: Walker Hollow Unit 83 Well, 421' FSL, 1849' FWL, SE SW, Sec. 2,
T. 7 South, R. 23 East, Uintah County, Utah

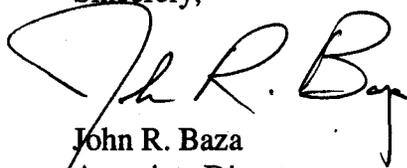
Gentlemen:

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 43-047-35610.

Sincerely,



John R. Baza
Associate Director

pab
Enclosures

cc: Uintah County Assessor
SITLA
Bureau of Land Management – Vernal District Office

Operator: Citation Oil & Gas Corporation
Well Name & Number Walker Hollow Unit 83
API Number: 43-047-35610
Lease: UTSL-066312

Location: SE SW **Sec.** 2 **T.** 7 South **R.** 23 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 State of Utah Antiquities Act forbids disturbance of archeological, historical, or paleontological remains. Should archeological, historical or paleontological remains be encountered during your operations, you are required to immediately suspend all operations and immediately inform the Trust Lands Administration and the Division of State History of the discovery of such remains.

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

DIVISION OF OIL, GAS AND MINING

SPUDDING INFORMATION

Name of Company: CITATION OIL & GAS CORPORATION

Well Name: WHU 83

Api No: 43-047-35610 Lease Type: STATE

Section 02 Township 07S Range 23E County UINTAH

Drilling Contractor _____ RIG # _____

SPUDDED:

Date 07/17/04

Time _____

How DRY

Drilling will commence: _____

Reported by JOHN LONG

Telephone # 1-307-682-4853

Date 07/20/2004 Signed CHD

013

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

RECEIVED FORM 8

JUL 29 2004

ENTITY ACTION FORM

DIV. OF OIL, GAS & MINING

Operator: Citation Oil & Gas Corp. Operator Account Number: N 0265
 Address: P.O. Box 690688
city Houston
state TX zip 77269-0688 Phone Number: (281) 517-7194

Well 1

API Number	Well Name	QQ	Sec	Twp	Rng	County
4304735810	Walker Hollow Unit 83	SESW	2	7S	23E	Uintah
Action Code	Current Entity Number	New Entity Number	Spud Date	Entity Assignment Effective Date		
B	99999	610	7/20/2004	7/29/04		
Comments: <u>New well being drilled in the Walker Hollow Unit GRU</u> CONFIDENTIAL as of 9/9/04 ER						

Well 2

API Number	Well Name	QQ	Sec	Twp	Rng	County
4304735809	Walker Hollow Unit 85	NWSE	2	7S	23E	Uintah
Action Code	Current Entity Number	New Entity Number	Spud Date	Entity Assignment Effective Date		
B	99999	610	7/28/2004	7/29/04		
Comments: <u>New well being drilled in the Walker Hollow Unit GRU</u> CONFIDENTIAL as of 9/7/04 ER						

Well 3

API Number	Well Name	QQ	Sec	Twp	Rng	County
Action Code	Current Entity Number	New Entity Number	Spud Date	Entity Assignment Effective Date		
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)

Debra Harris

Name (Please Print)

Debra Harris

Signature

Prod/Reg Coordinator

7/29/2004

Title

Date

STATE OF UTAH
DIVISION OF OIL, GAS AND MINING

014

SUNDRY NOTICES AND REPORTS ON WELLS

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

5. Lease Designation and Serial Number:

UT SL 006312

6. If Indian, Allottee or Tribe Name:

7. Unit Agreement Name:

Walker Hollow Unit

8. Well Name and Number:

Walker Hollow Unit #83

9. API Well Number:

43-047-35610

10. Field and Pool, or Wildcat:

Walker Hollow Green River

1. Type of Well:

OIL GAS OTHER: _____

2. Name of Operator

Citation Oil & Gas Corp.

3. Address and Telephone Number:

P O Box 690688, Houston, Texas 77269 (281) 517-7800

4. Location of Well

Footages: **1849 FWL & 421 FSL**
QQ, Sec., T., R., M.: **SEC. 2-T7S-R23E SE SW**

County: **Uintah**

State: **Utah**

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

NOTICE OF INTENT
(Submit in Duplicate)

- | | |
|---|---|
| <input type="checkbox"/> Abandonment | <input type="checkbox"/> New Construction |
| <input type="checkbox"/> Casing Repair | <input type="checkbox"/> Pull or Alter Casing |
| <input checked="" type="checkbox"/> Change of Plans | <input type="checkbox"/> Recompletion |
| <input type="checkbox"/> Conversion to Injection | <input type="checkbox"/> Shoot or Acidize |
| <input type="checkbox"/> Fracture Treat | <input type="checkbox"/> Vent or Flare |
| <input type="checkbox"/> Multiple Completion | <input type="checkbox"/> Water Shut-Off |
| <input checked="" type="checkbox"/> Other <u>Re-route of flowline</u> | |

Approximate date work will start _____

SUBSEQUENT REPORT
(Submit Original Form Only)

- | | |
|--|---|
| <input type="checkbox"/> Abandonment* | <input type="checkbox"/> New Construction |
| <input type="checkbox"/> Casing Repair | <input type="checkbox"/> Pull or Alter Casing |
| <input type="checkbox"/> Change of Plans | <input type="checkbox"/> Shoot or Acidize |
| <input type="checkbox"/> Conversion to Injection | <input type="checkbox"/> Vent or Flare |
| <input type="checkbox"/> Fracture Treat | <input type="checkbox"/> Water Shut-Off |
| <input type="checkbox"/> Other _____ | |

Date of work completion _____

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

* Must be accompanied by a cement verification report.

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

Citation Oil & Gas request permission to re-route the flowline by directing it off the NW/4 of the pad site and run it to the existing connecting line. The flowline sizes will remain the same as filed in the application for permit to drill and will run above ground. There will be no significant surface disturbance with this procedure.

COPY SENT TO OPERATOR

Date: 9-8-04

Initials: CHD

13.

Name & Signature:

Sharon Ward

Sharon Ward

Title:

Regulatory Administrator

Date:

8/27/04

(This space for State use only)

(12192)

APPROVED BY THE STATE
OF UTAH DIVISION OF
OIL, GAS, AND MINING
DATE: 9/8/04
BY: [Signature]

(See Instructions on Reverse Side)

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SEP 01 2004

DIV. OF OIL, GAS & MINING



October 4, 2004

State of Utah
Division of Oil, Gas and Mining
1594 West North Temple, Suite 1210
Sale Lake City, Utah 84114-5801

Re: "CONFIDENTIALITY"
Walker Hollow Green River Unit
Well #83 – API 43-047-35610
SE SW Sec. 2, T7S, R23E
Uintah County, Utah

Gentlemen:

Citation Oil & Gas Corp. requests "CONFIDENTIALITY" under State of Utah DOGM R649-2-11., for the recently drilled and completed well which is referenced above. All items have been stamped "CONFIDENTIAL" in red as required by the rule.

I have enclosed Form 8 – Well Completion Report and Log. The logs were submitted previously by the logging company, so they were not stamped 'CONFIDENTIAL'. Please advise if these previously submitted logs can also be kept confidential as well as the completion forms.

If you need additional information, please contact me at (281) 517-7194.

Sincerely,

Debra Harris
Production/Regulatory Coordinator

/dkh

Enclosures

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OCT 07 2004

DIV. OF OIL, GAS & MINING

CONFIDENTIAL

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

ENDED REPORT FORM 8
(highlight changes)

015

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 _____

2. NAME OF OPERATOR: Citation Oil & Gas Corp.

3. ADDRESS OF OPERATOR: P.O. Box 690688 CITY Houston STATE TX ZIP 77269-0688 PHONE NUMBER: (281) 517-7194

4. LOCATION OF WELL (FOOTAGES)
AT SURFACE: 1849' FWL & 421' FSL
AT TOP PRODUCING INTERVAL REPORTED BELOW: Same
AT TOTAL DEPTH: Same

14. DATE SPUNDED: 7/20/2004 15. DATE T.D. REACHED: 7/30/2004 16. DATE COMPLETED: 8/31/2004 ABANDONED READY TO PRODUCE

18. TOTAL DEPTH: MD 5,563 TVD 5,563 19. PLUG BACK T.D.: MD 5,554 TVD 5,554 20. IF MULTIPLE COMPLETIONS, HOW MANY? * N/A

22. TYPE ELECTRIC AND OTHER MECHANICAL LOGS RUN (Submit copy of each) *BR*
CBL/GR/CCL (previously submitted by logging company)
COMP 2-DEN/CN/GR W/DOE, F.W.D/GR/CCL

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

HOLE SIZE	SIZE/GRADE	WEIGHT (#/ft)	TOP (MD)	BOTTOM (MD)	STAGE CEMENTER DEPTH	CEMENT TYPE & NO. OF SACKS	SLURRY VOLUME (BBL)	CEMENT TOP **	AMOUNT PULLED
12-1/4"	8-5/8 J55	24#	0	401		A 225	47	Surface	N/A
7-7/8"	5-1/2 J55	15.5#	0	5,556		G 515		3070	N/A

25. TUBING RECORD

SIZE	DEPTH SET (MD)	PACKER SET (MD)	SIZE	DEPTH SET (MD)	PACKER SET (MD)	SIZE	DEPTH SET (MD)	PACKER SET (MD)
2-7/8"	5554'	--						

26. PRODUCING INTERVALS

FORMATION NAME	TOP (MD)	BOTTOM (MD)	TOP (TVD)	BOTTOM (TVD)	INTERVAL (Top/Bot - MD)	SIZE	NO. HOLES	PERFORATION STATUS
(A) Green River	5,425	5,556	5,425	5,556	5,425 - 5,556	4"		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
5540' - 5556'	Acidized with 800 gals 7.5% HCl and 50# RS, flushed with 32 bbls 2% KCl
5507' - 5524'	Frac'd with 39391# tagged sand in 583 bbls x-l gelled wtr
5425' - 5472'	Frac'd with 48M# 20/40 IR-192 tagged sand in 717 bbls x-l gelled wtr

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

30. WELL STATUS:
Producing

(5/2000)

(CONTINUED ON BACK)

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31. INITIAL PRODUCTION

INTERVAL A (As shown in item #26)

DATE FIRST PRODUCED: 9/11/2004		TEST DATE: 9/12/2004		HOURS TESTED: 24		TEST PRODUCTION RATES: →		OIL - BBL: 120	GAS - MCF: 15	WATER - BBL: 376	PROD. METHOD: Pumping
CHOKE SIZE: N/A	TBG. PRESS. 225	CSG. PRESS. 195	API GRAVITY 26.00	BTU - GAS —	GAS/OIL RATIO 125	24 HR PRODUCTION RATES: →		OIL - BBL: 120	GAS - MCF: 15	WATER - BBL: 376	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.)

Used for fuel

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	5,425	5,556	Oil/Gas/Water	Green River	5,425

35. ADDITIONAL REMARKS (Include plugging procedure)

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

NAME (PLEASE PRINT) Debra Harris TITLE Production/Regulatory Coordinator
 SIGNATURE *Debra Harris* DATE 10/1/2004

This report must be submitted within 30 days of

- completing or plugging a new well
- reentering a previously plugged and abandoned well
- drilling horizontal laterals from an existing well bore
- significantly deepening an existing well bore below the previous bottom-hole depth
- recompleting to a different producing formation
- 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 Phone: 801-538-5340
 1594 West North Temple, Suite 1210
 Box 145801 Fax: 801-359-3940
 Salt Lake City, Utah 84114-5801

Citation Oil & Gas Corp.

016

RMA

WALKER HOLLOW UNIT 83

WALKER HOLLOW FIELD

UINTAH COUNTY, UT

Drill & Complete A Green River Infill Development Well

*T09S R23E S-02
43-049-35610*

CapBudget#: 322
AFE#: 040245
AFE Cost: \$770,000
COG WI: 100 %
STATUS: F 9/24/2004

CONFIDENTIAL

Prior Production:	BOPD	MCFPD	BWPD
Proj. Production:	50 BOPD	40 MCFPD	BWPD
Prior Lease:	BOPD	MCFPD	BWPD

7/17/2004 Day: 1 /

Present Operation: Waiting on Drilling Rig

Build location. MIRU rathole rig. Drill mouse, rat & surface. Run 400.50' of 8 5/8" csg. Cmt w/ 225 sx class A type 5 @ 15.4 ppg. Displace w/ fresh wtr. Circ 8 bbl slurry to sfc. Cmt stayed @ sfc. Set rig anchors.

DROP FROM REPORT PENDING FURTHER ACTIVITY.

COST CORRECTION

DC: \$53,735 CC: \$53,735 TD: PBTB:

7/20/2004 Day: 2 /

Present Operation: Finish Rigging Up

Move in & rig up Union #17.

DC: \$28,820 CC: \$82,555 TD: 401 PBTB:

7/21/2004 Day: 3 /

Present Operation: Drilling 7 7/8" hole w/ PDC bit.

14 hrs to Complete rig up/ NU & test BOPs. 1 hr to rpr mud pump. 2 hrs to RU & drill rat hole. 4 hrs to RD rathole equipment. 2 hrs to drill cement, fit equipment & shoe. 1 hr to drilling formation.

DC: \$4,516 CC: \$87,071 TD: 460 PBTB:

7/22/2004 Day: 4 /

Present Operation: Drilling

Mud: Wt: 8.4, Vis: 32, Type: wtr. 23 hrs-Drilling. 1 hr-survey & rig service.

DC: \$33,099 CC: \$120,170 TD: 1,715 PBTB:

7/23/2004 Day: 5 /

Present Operation: Drilling

Mud: Wt: 9.1, Vis: 40, Type: LSND. Depth: 2290, Angle: 3. Depth: 2814, Angle: 4. 21.5 hrs-Drilling. 2 hrs-Survey & rig service. 1/2 hr-Pump rpr. Mud up, went to daywork @ 3:30 AM on 7-23-04. Some light mud seepage.

DC: \$34,654 CC: \$154,824 TD: 3,181 PBTB:

7/24/2004 Day: 6 /

Present Operation: Survey

Mud: Wt: 9, Vis: 40, WI: 12, Type: LSND. 10.25 hrs-Drilling. 1.5 hrs-Circ for trip. 8.5 hrs-bit trip. 1 hr-Change out bit & mud motor. 2.5 hrs-ream to btm. 1/4 hr-Rig service.

DC: \$29,598 CC: \$184,422 TD: 3,350 PBTB:

7/25/2004 Day: 7 /

Present Operation: Drilling

Mud: Wt: 9, Vis: 40, WI: 12, Type: LSND. Depth: 3290, Angle: 5. Depth: 3560, Angle: 4. 22.5 hrs-Drilling. 1.5 hrs-Survey & Rig service.

DC: \$27,955 CC: \$212,377 TD: 3,795 PBTB:

7/26/2004 Day: 8 /

Present Operation: Drilling

Mud: Wt: 9.2, Vis: 50, WI: 8, Type: LSND. Depth: 3998, Angle: 2 3/4. 12 hrs-Drilling. 1.5 hrs-Circ for trip. 7 hrs- bit trip. 1.5 hrs- Rig repair. 1 hr- Wash to btm. 1 hrs-Survey & Rig service.

DC: \$24,611 CC: \$236,988 TD: 4,130 PBTB:

7/27/2004 Day: 9 /

Present Operation: Drilling

Mud: Wt: 9.5, Vis: 38, WI: 8, Type: LSND. Depth: 4490, Angle: 1.5. 23 hrs-Drilling. 1 hr-Survey & Rig service.

DC: \$17,993 CC: \$254,981 TD: 4,795 PBTB:

7/28/2004 Day: 10 /

Present Operation: Drilling

Mud: Wt: 9.7, Vis: 36, WI: 8.2, Type: LSND. Depth: 4916, Angle: 1.5. 20 hrs-Drilling. 1 hr-Rig service. 1 hr-Survey. 2 hrs-Rig repair. The DC has been corrected to show correct CC cost.

DC: \$26,464 CC: \$281,445 TD: 5,280 PBTB:

7/29/2004 Day: 11 /

Present Operation: Drilling

Mud: Wt: 9.7, Vis: 40, WI: 8, Type: LSND. 13.5 hrs-Drilling. 5.5 hrs-Pump pill, TOOH f/ bit. 3.5 hrs-TIH. 1.5 hrs-W & R 136' to btm.

DC: \$16,785 CC: \$298,230 TD: 5,627 PBTB:

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RMA**WALKER HOLLOW UNIT 83**

WALKER HOLLOW FIELD

UINTAH COUNTY, UT

Drill & Complete A Green River Infill Development Well

CapBudget#: 322

AFE#: 040245

AFE Cost: \$770,000

COG WI: 100 %

STATUS: F 9/24/2004

7/30/2004 Day: 12 /

Present Operation: Lay Down Drill Pipe

Mud: Wt: 9.8, Vis: 40, WI: 8.8, Type: LSND. 1/2 hr-Drilling. 6 hrs-Condition hole f/ logs. 6 hrs-TOOH f/ logs. 4 hrs-log. 4 hrs-TIH. 2.5 hrs-Condition hole. 1 hr-LDDP.

DC: \$39,392 CC: \$337,622 TD: 5,145 PBTB:

7/31/2004 Day: 13 /

Present Operation: Drop Until Completion Starts

TD corrected to 5563' KB. 5 hrs-LDDP. 5 3/4 hrs-RU & run 5 1/2" PU bit & tag @ 558 rd ST&C to 5556' KB. 3 1/4 hrs-cmt w/ 190 sx lead of 11 ppg Lite, tail w/ 32 1/2" 4.1 ppg 50/50 POZ. 1/2 hr-set slips. 2 1/2 hrs-clean tanks. Release rig from WHU 85 @ midnight. Note: 75 bbls into lead/ lost returns. 75 bbls into Flush Re-established to 900 psi. Bumped plug to 1425 psi & held for 5 min, no leak off.

DROP FROM REPORT PENDING FURTHER ACTIVITY.

DC: \$88,430 CC: \$426,052 TD: 5,563 PBTB:

8/17/2004 Day: 14 /

Present Operation: Finish Drilling Out

Completion Day: 1

MIRU. PU 4 3/4" bit, 6 - 3 1/2" drill collars & tbg to FC @ 5464'. RU power swivel & drill out to 5514'. SDFN.

DC: \$3,181 CDC: \$429,233
Cum Completion Cost: \$9,921

DC: \$13,102 CC: \$439,154 TD: PBTB:

8/18/2004 Day: 15 /

Present Operation: TIH Talleying

Completion Day: 2

Finish drilling out to float shoe @ 5554'. Circ hole clean. TOOH. TIH w/ bit & scraper to PBTB @ 5554'. TOOH. MIRU wireline. Run CBL-GR-CCL. Log from PBTB to 300' above what looks like TOC @ 3070'. Difference between SLM & wireline of 7'. SLM PBTB @ 5554', wireline btm @ 5548'. Perfs changed after contact w/ geologist, but have not enough room or correct info to shoot btm perfs. RD wireline. SDFN.

DDC: \$-0- CDC: \$429,233
Cum Completion Cost: \$18,167

DC: \$8,246 CC: \$447,400 TD: PBTB:

8/19/2004 Day: 16 /

Present Operation: TIH w/ Pkr

Completion Day: 3

PU bit & sub & TIH w/ tbg talleying in hole, found that 1st tally was 5.71' longer than today's. Today's talley put drilled depth to 5548' not 5554'. Drilled to float shoe @ 5554' & drilled +/- 6" & saw metal shavings in returns. Drill through shoe to 5558.50' & fell through to open hole. Circ hole clean @ 5558.65'. PU 6" sub & tag @ 5561. Pulled up 4 jts then swabbed 23 bbls. MIRU wireline. Tag btm @ 5562' WL depth. Correlate w/ collars from bond log & perf from 5540' - 46' & 5552' - 56'. RDMO wireline. PU treating pkr & RIH w/ 20 jts. SDFN.

DDC: \$-0- CDC: \$429,233
Cum Completion Cost: \$27,914

DC: \$9,747 CC: \$457,147 TD: PBTB:

8/20/2004 Day: 17 /

Present Operation: Swabbing

Completion Day: 4

Finish TIH w/ pkr, drop ball & test tbg to 2000 psi, held ok. Pump ball out of tbg, set pkr @ 5497'. Load & test csg to 2000 psi, held ok. Start swabbing DL1A perfs. Recovered 31.5 bbls w/ no oil in 8 runs. MIRU BJ Services. Acidize w/ 800 gls 7.5% HCL w/ additives & 50# rock salt diverter. Flush w/ 32 bbls 2 % KCL. 64 BLTR. Max psi 1550, Avg psi 1100, ISIP-574. Avg inj rate-3.5 bpm. Start swabbing well. IFL @ surface. Recovered 37 bbls in 6 runs. 27 BLTR. SDFN.

DDC: \$-0- CDC: \$429,233
Cum Completion Cost: \$39,855

DC: \$11,941 CC: \$469,088 TD: PBTB:

RMA**WALKER HOLLOW UNIT 83**

WALKER HOLLOW FIELD

UINTAH COUNTY, UT

Drill & Complete A Green River Infill Development Well

CONFIDENTIAL
 CapBudget#: 322
 AFE#: 040245
 AFE Cost: \$770,000
 COG WI: 100 %
 STATUS: F 9/24/2004

8/21/2004 Day: 18 /

Present Operation: Shut Down for Weekend

Completion Day: 5

SITP 60 psi. Bleed well. IFL 3000'. Swab well dn in 3 runs & swab until 12:00 PM.
 Recover total of 16 bbls, 11 BLTR. Shut dn until Tuesday.

 DDC: \$-0- CDC: \$429,233
 Cum Completion Cost: \$42,365

DC: \$2,510 CC: \$471,598 TD: PBTD:

8/22/2004 Day: 19 /

Present Operation: Shut dn for Weekend

Completion Day: 6

Shut dn until Tuesday.

 DDC: \$-0- CDC: \$429,233
 Cum Completion Cost: \$42,970

DC: \$605 CC: \$472,203 TD: PBTD:

8/23/2004 Day: 20 /

Present Operation: Shut dn for Weekend

Completion Day: 7

Shut dn until Tuesday.

 DDC: \$-0- CDC: \$429,233
 Cum Completion Cost: \$43,575

Corrected Cost

DC: \$605 CC: \$472,808 TD: PBTD:

8/24/2004 Day: 21 /

Present Operation: Swab

Completion Day: 8

Shut dn until Tuesday.

 DDC: \$-0- CDC: \$429,233
 Cum Completion Cost: \$44,180

DC: \$605 CC: \$473,413 TD: PBTD:

8/25/2004 Day: 22 /

Present Operation: Frac DU8D

Completion Day: 9

SITP 160 psi. RU swab, IFL @ 1600'. Made 6 runs, rec 32 bbl fluid. FFL @ 5491'. RD swab. Release RPB & TOOH. MIRU wireline. TIH w/ RBP & perf gun. Set RBP @ 5535', test RBP to 2000 psi. Perf DU8D using 4" HEGS gun @ 4 jspf from 5507'-15' & 5519'-24'. TOOH RDMO wireline. PU & TIH w/ retrieving head, pkr & sn. Set pkr @ 5428', load & test csg w/ 2% KCL to 2000 psi. Break dn perms w/ 2% KCL. Broke @ 1100 psi, got a rate of 5 bpm @ 1500 psi. SDFN.

 DDC: \$-0- CDC: \$429,233
 Cum Completion Cost: \$87,737

DC: \$43,557 CC: \$516,970 TD: PBTD:

8/26/2004 Day: 23 /

Present Operation: TIH & Set Pkr

Completion Day: 10

MIRU BJ. Test lines to 6000 psi. Perform mini frac fluid leak off test. Adjust volumes accordingly. Frac well w/ 39391 lbs. tagged sand in 583 bbls of 17 lb X-linked gelled wtr from 1# to 4# gal in 4 stages @ 11.5 bpm avg & 4150 psi max pressure. Avg pressure 2850 psi. Displace 32 bbls treated wtr. ISIP = 1830 psi, 5 min=1624 psi, 10 min=1577 psi, 15 min=1520 psi. Wait for 30 min to let gel break. Well had 1000 psi & bleed 50 bbls to pit, fluid did not break well, had some sand come to pit. Total LTR is 569 bbls. RIH w/ retrieving head & tbg. Tag sand @ 5519', reverse circ dn to RBP & clean w/ 2% KCL. Release RBP & PU to 5493' & set RBP. Test RBP to 2000 psi. TOOH w/ pkr. Perf DU8B & DU8C using 4" HEGS csg gun @ 4 jspf. 90 degree phasing from 5425'-32', 5440'-48', 5451'-58', 5461'-64' & 5467'-72'. Start TIH w/ pkr. SDFN.

 DDC: \$-0- CDC: \$429,233
 Cum Completion Cost: \$142,025

DC: \$54,288 CC: \$571,258 TD: PBTD:

RMA**WALKER HOLLOW UNIT 83**

WALKER HOLLOW FIELD

UINTAH COUNTY, UT

Drill & Complete A Green River Infill Development Well

CONFIDENTIAL

CapBudget#: 322

AFE#: 040245

AFE Cost: \$770,000

COG WI: 100 %

STATUS: F 9/24/2004

8/27/2004 Day: 24 /

Present Operation: Release RBP

Completion Day: 11

Finish TIH w/ tbg & pkr, set @ 5298'. Pressure test lines to 7500 psi. Perform mini frac fluid leak off test. Adjust volumes accordingly. Frac well w/ 48000 lbs 20/40 IR-192 zw tagged sand in 717 bbls X-linked gelled wtr from 0.5# to 5# gal in 4 stages. ATR 14.5 bpm & avg pressure 3250 psi. 3500 psi max pressure. Displace sand w/ 33 bbls treated wtr. ISIP=1380 psi. 5 min=986 psi, 10 min=746 psi, 15 min=512 psi. Wait 1 hr to let gel break. Well on slight vac. 833 Frac BLTR. Release pkr & RIH w/ retrieving head & tbg. Tag sand @ 5462', try rev circ dn to RBP, well taking fluid. TOOH w/ pkr. PU & TIH w/ retrieving head & bailer. Bail sand dn to plug. Got latched on but could not release. Got off plug & TOOH w/ bailer & retrieving head. LD bailer. Start TIH w/ retrieving head. 983 BLTR. SDFN.

DDC: \$-0- CDC: \$429,233

Cum Completion Cost: \$195,588

DC: \$53,563

CC: \$624,821

TD:

PBSD:

8/28/2004 Day: 25 /

Present Operation: Swabbing

Completion Day: 12

Well had 200 psi on tbg, bleed off & finish TIH. Dump 40 bbls wtr dn tbg. Tag & release RBP. TOOH, PU & TIH w/ bailer, tag fill @ 5556'. Bail to 5565'. TOOH w/ bailer. MIRU wireline & run tracer log from 5565' to 5250'. RDMO wireline. PU & TIH w/ MA, 8' perf sub & SN to 5420'. SDFN.

DDC: \$-0- CDC: \$429,233

Cum Completion Cost: \$201,902

DC: \$6,314

CC: \$631,135

TD:

PBSD:

8/29/2004 Day: 26 /

Present Operation: Shut dn for Sunday

Completion Day: 13

RU to swab. IFL @ 1600'. Made 13 runs in 4 hrs. Recovered 143 bbls total fluid. Final cut 30% oil, 70% wtr, trace sand. FFL @ 3100'. RD swab. TIH & tag @ 5565'. TOOH. PU & start TIH w/ prod string. SDFN.

DDC: \$-0- CDC: \$429,233

Cum Completion Cost: \$206,783

DC: \$4,881

CC: \$636,016

TD:

PBSD:

8/30/2004 Day: 27 /

Present Operation: Run Production Tbg

Completion Day: 14

Shut dn for weekend.

DDC: \$-0- CDC: \$429,233

Cum Completion Cost: \$206,783

DC: \$0

CC: \$636,016

TD:

PBSD:

8/31/2004 Day: 28 /

Present Operation: RDMO. WO Crew to Start FL Construction

Completion Day: 15

TP= 50 psi. CP= 40 psi. Finish TIH w/ tbg. ND BOP. Set TAC w/ 12K tension. NU WH. PU 1-3/4" RHAC pump. RIH w/ rod string. Space out rods.

DDC: \$-0- CDC: \$429,233

Cum Completion Cost: \$232,898

DROP FROM REPORT UNTIL FURTHER ACTIVITY.

DC: \$26,115

CC: \$662,131

TD:

PBSD:

9/1/2004 Day: 29 /

Present Operation: Wait On FL Construction & PU Delivery

Completion Day: 16

Load & test well. Unseat pump & load tbg w/ Xysol. Space out well. RDMO.

DDC: \$-0- CDC: \$429,233

Cum Completion Cost: \$256,530

DROP FROM REPORT UNTIL FURTHER ACTIVITY.

DC: \$23,632

CC: \$685,763

TD:

PBSD:

RMA

WALKER HOLLOW UNIT 83

WALKER HOLLOW FIELD
UINTAH COUNTY, UT
Drill & Complete A Green River Infill Development Well

CapBudget#: 322
AFE#: 040245
AFE Cost: \$770,000
COG WI: 100 %
STATUS: F 9/24/2004

CONFIDENTIAL

9/12/2004	Day: 30 /	Present Operation: Producing Completion Day: 17 14 hrs: Prod: 69 BO, 8 MCF, 187 BW. 2868' FAP. DDC: \$-0- CDC: \$429,233 Cum Completion Cost: \$256,530 DC: \$0 CC: \$685,763 TD: PBTB:
9/13/2004	Day: 31 /	Present Operation: Producing Completion Day: 18 24 hrs: Prod: 120 BO, 15 MCF, 376 BW. 2086' FAP. DDC: \$-0- CDC: \$429,233 Cum Completion Cost: \$256,530 DC: \$0 CC: \$685,763 TD: PBTB:
9/14/2004	Day: 32 /	Present Operation: Producing Completion Day: 19 24 hrs: Prod: 97 BO, 15 MCF, 373 BW. 1499' FAP. DDC: \$-0- CDC: \$429,233 Cum Completion Cost: \$256,530 DC: \$0 CC: \$685,763 TD: PBTB:
9/15/2004	Day: 33 /	Present Operation: Producing Completion Day: 20 24 hrs: Prod: 93 BO, 20 MCF, 346 BW. 1271' FAP. DDC: \$-0- CDC: \$429,233 Cum Completion Cost: \$256,530 DC: \$0 CC: \$685,763 TD: PBTB:
9/16/2004	Day: 34 /	Present Operation: Producing Completion Day: 21 24 hrs: Prod: 96 BO, 29 MCF, 417 BW. 717' FAP. 227 BOL. DDC: \$-0- CDC: \$429,233 Cum Completion Cost: \$256,530 DC: \$0 CC: \$685,763 TD: PBTB:
9/17/2004	Day: 35 /	Present Operation: Producing Completion Day: 22 24 hrs: Prod: 87 BO, 32 MCF, 377 BW. 880' FAP. DDC: \$-0- CDC: \$429,233 Cum Completion Cost: \$256,530 DC: \$0 CC: \$685,763 TD: PBTB:
9/18/2004	Day: 36 /	Present Operation: Producing Completion Day: 23 24 hrs: Prod: 53 BO, 15 MCF, 343 BW. 880' FAP. DDC: \$-0- CDC: \$429,233 Cum Completion Cost: \$256,530 DC: \$0 CC: \$685,763 TD: PBTB:
9/19/2004	Day: 37 /	Present Operation: Producing Completion Day: 24 24 hrs: Prod: 81 BO, 17 MCF, 376 BW. 343' FAP. DDC: \$-0- CDC: \$429,233 Cum Completion Cost: \$256,530 DC: \$0 CC: \$685,763 TD: PBTB:

RMA

WALKER HOLLOW UNIT 83

WALKER HOLLOW FIELD

UINTAH COUNTY, UT

Drill & Complete A Green River Infill Development Well

CapBudget#: 322

AFE#: 040245

AFE Cost: \$770,000

COG WI: 100 %

STATUS: F 9/24/2004

CONFIDENTIAL

9/20/2004	Day: 38 /	Present Operation: Producing Completion Day: 25 24 hrs: Prod: 82 BO, 23 MCF, 322 BW. 66' FAP. DDC: \$-0- CDC: \$429,233 Cum Completion Cost: \$256,530 DC: \$0 CC: \$685,763 TD: PBTD:
9/21/2004	Day: 39 /	Present Operation: Producing Completion Day: 26 24 hrs: Prod: 57 BO, 12 MCF, 307 BW. 0' FAP. DDC: \$-0- CDC: \$429,233 Cum Completion Cost: \$256,530 DC: \$0 CC: \$685,763 TD: PBTD:
9/22/2004	Day: 40 /	Present Operation: Producing Completion Day: 27 24 hrs: Prod: 58 BO, 2 MCF, 268 BW. 0' FAP. DDC: \$-0- CDC: \$429,233 Cum Completion Cost: \$256,530 DC: \$0 CC: \$685,763 TD: PBTD:
9/23/2004	Day: 41 /	Present Operation: Producing Completion Day: 28 24 hrs: Prod: 57 BO, 6 MCF, 287 BW. 0' FAP. DDC: \$-0- CDC: \$429,233 Cum Completion Cost: \$256,530 DC: \$0 CC: \$685,763 TD: PBTD:
9/24/2004	Day: 42 /	Present Operation: Producing Completion Day: 29 24 hrs: Prod: 61 BO, 12 MCF, 281 BW. 65' FAP. DDC: \$-0- CDC: \$429,233 Cum Completion Cost: \$256,530 FINAL REPORT DC: \$0 CC: \$685,763 TD: PBTD:

CONFIDENTIAL

WHU 83 – Workover Procedure. 2-18-05

1. MIRU. TOH with rods and pump.
2. TIH with tbg to check fill depth. TOH. Bail fill as necessary.
3. TIH with bit and scraper to **no deeper** than 5540 KB. TOH.
4. RUWL. RIH with CICR, correlate to WellServe CBL dated 8-17-04. Set CICR at 5535 KB. POH, RDWL.
5. TIH with stinger and tbg. Flush tbg as necessary to remove wax. Sting in. Establish injection rate and pressure into DL1a perms. Squeeze DL1a perms with 30 sx G. Max pressure 1000 psi. Displace cement $\pm 1/2$ bbl short of stinger. Sting out, reverse circulate clean on top of CICR. TOH, LD stinger.
6. TIH with production tbg. Plan to leave out the joint between the Mother Hubbard and the OPMA. Land TAC as before.
7. TIH with pump and rods. RDMO, RTP. Turn well to test.

017

SUNDRY NOTICES AND REPORTS ON WELLS

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

5. Lease Designation and Serial Number:

UT SL 066312

6. If Indian, Allottee or Tribe Name:

7. Unit Agreement Name:

Walker Hollow Unit

8. Well Name and Number:

Walker Hollow #83

9. API Well Number:

43-047-35610

10. Field and Pool, or Wildcat:

Walker Hollow Green River

1. Type of Well:

OIL

GAS

OTHER:

CONFIDENTIAL

2. Name of Operator

Citation Oil & Gas Corp.

3. Address and Telephone Number:

P.O. Box 690688, Houston, Texas 77269-0688 (281) 517-7194

4. Location of Well

Footages: **1849 FWL & 421 FSL**

QQ, Sec., T., R., M.: **SE SW Sec.2-T7S-R23E**

County: **Uintah**

State: **Utah**

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

NOTICE OF INTENT

(Submit in Duplicate)

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

Approximate date work will start _____

SUBSEQUENT REPORT

(Submit Original Form Only)

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

Date of work completion _____

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

* Must be accompanied by a cement verification report.

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

Citation Oil & Gas requests permission to plug back the above named well to the DL1A in an attempt to shut off the high water volumes with the attached procedure.

COPY SENT TO OPERATOR
Date: 3-3-05
Initials: CHO

13.

Name & Signature:

Bridget Lisenbe

Bridget Lisenbe

Title:

Regulatory Assistant

Date:

2/21/05

(This space for State use only)

(12/92)

APPROVED BY THE STATE
OF UTAH DIVISION OF
OIL, GAS, AND MINING
DATE: 3/1/05
BY: [Signature]

RECEIVED
FEB 25 2005

DIV. OF OIL, GAS & MINING

Citation Oil & Gas Corporation - Walker Hollow Unit #83

Wellbore Diagram - Present Status

Date: 2-18-05 BC

Ground Elevation = 5393'

RKB = 5408'

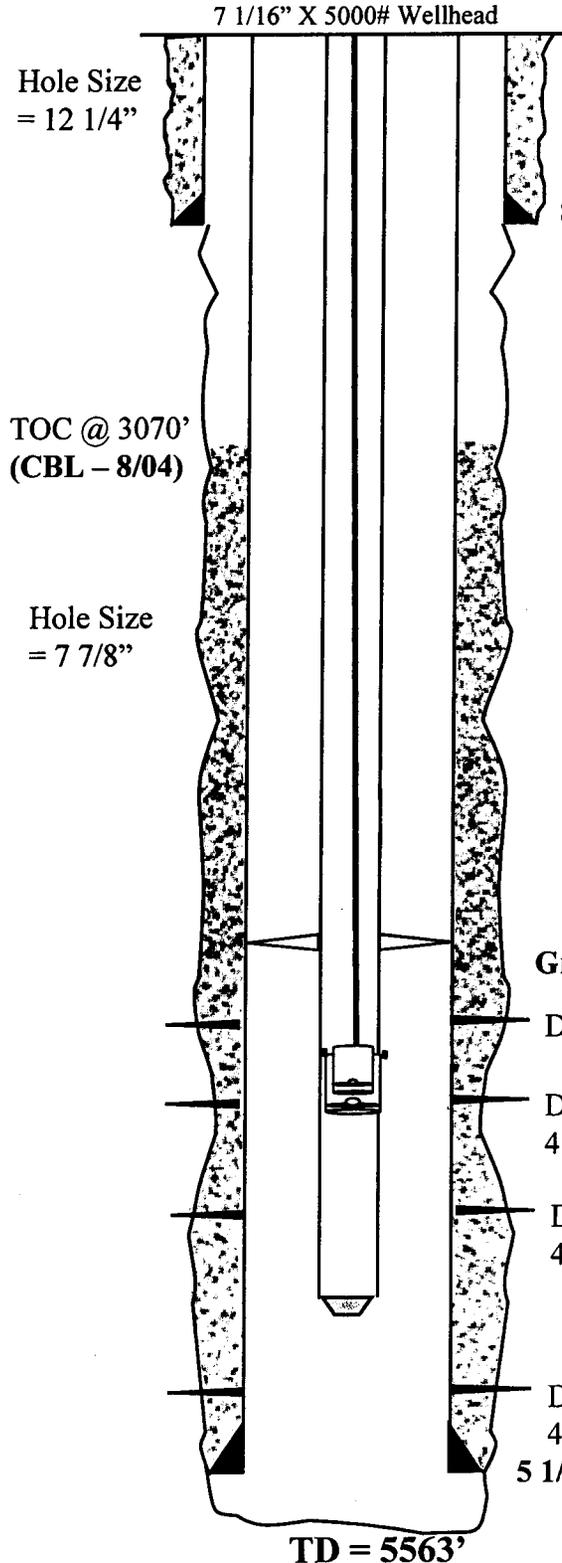
KB = 15'



American C640-305-144

Surface Location

421' FSL & 1849' FWL
NE/SW Section 2- T7S- R23E
Uintah County, UT



8 5/8" 24# J-55 Csg @ 413' cmt'd W/225 sx 7-04

Tbg 11-04: 166 jts 2-7/8" 6.5-lb J-55 8rd
TAC landed at 5402 KB
1 jt 2-7/8" 6.5-lb J-55 8rd
SN landed at 5438 KB
1 jt 2-7/8" 6.5-lb J-55 8rd
Mother Hubbard, intake at 5474 KB
1 jt 2-7/8" 6.5-lb J-55 8rd
30' OPMA, bottom at 5555 KB

Rods 11-04: 1-1/2" x 30' polished rod
2', 4', 6', 6' x 1" D ponies
62 - 1" D
70 - 7/8" D
74 - 3/4" D
10 - 1" D
2-1/2" x 1-3/4" x 20' x 22-1/2" RHAC

Green River

Du8b: 5425' - 32', 4 spf, frac 8-04

Du8c: 5440' - 48', 5451' - 58', 5461' - 64', 5467' - 72',
4 spf, frac 8-04

Du8d: 5507' - 15' & 5519' - 24',
4 spf, frac, 8-04

DL1a: 5540' - 46 & 5552' - 56',
4 JSPF, acid, 8-04

5 1/2" 15.5# J-55 Csg @ 5556' cmt'd W/415 sx 8-04

TD = 5563'

TOC @ 3070'
(CBL - 8/04)

Hole Size
= 7 7/8"

Hole Size
= 12 1/4"

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

CONFIDENTIAL FORM 9

SUNDRY NOTICES AND REPORTS ON WELLS		5. LEASE DESIGNATION AND SERIAL NUMBER: UTSL 066312
Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.		6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
1. TYPE OF WELL OIL WELL <input checked="" type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER _____		7. UNIT or CA AGREEMENT NAME: UTU66837A Walker Hollow
2. NAME OF OPERATOR: Citation Oil & Gas Corp.		8. WELL NAME and NUMBER: Walker Hollow Unit #83
3. ADDRESS OF OPERATOR: P.O. Box 690688 CITY Houston STATE TX ZIP 77269		9. API NUMBER: 4304735610
4. LOCATION OF WELL FOOTAGES AT SURFACE: 421' FSL & 1849' FWL		10. FIELD AND POOL, OR W/LDCAT: Walker Hollow Green River
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: SESW 2 7S 23E		COUNTY: Uintah STATE: UTAH

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

TYPE OF SUBMISSION	TYPE OF ACTION		
<input type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: _____ <input checked="" type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion: 3/10/2005	<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 checked="" type="checkbox"/> WATER SHUT-OFF
	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input checked="" type="checkbox"/> OTHER: <u>Plug back to shut off high water volumes</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.

MIRU service unit, unseated pump and flushed with 50 bbls hot water - flushed out wax with hot water and TOH to 3200'. Flushed out wax with 40 bbls hot water. TOH to 1650', rods stuck in wax and put 70 bbls hot water down casing. TOH with rods and tubing. TIH - tagged fill @5561' (TD 5563'). TIH with bit and scraper to 5545' and TOH. TH o.e. to 5540' and circulated hot water to clean oil from casing. MIRU WL and TIH with CICR - set @5535'. Halliburton squeezed perms 5540' - 5556' with 30 sx cement below CICR with 1/2 bbl on top. Rev circ clean and TIH with production assembly. Flushed tubing with 35 bbls hot water and spotted 10 bbls Xysol 1/2 in and 1/2 out of tubing. TIH with pump and rods, loaded and tested to 1000 psi and RDMO.

NAME (PLEASE PRINT) <u>Debra Harris</u>	TITLE <u>Production/Regulatory Coordinator</u>
SIGNATURE <u><i>Debra Harris</i></u>	DATE <u>4/7/2005</u>

(This space for State use only)

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APR 11 2005

DIV. OF OIL, GAS & MINING