

003



**Slate River Resources, LLC**

1600 Broadway, Suite 900  
Denver, Colorado 80202

Page 1 of 1

March 2, 2005

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

Re: Exception Location  
Uintah Oil Association 1321-7A  
T13S-R21E  
Sec 7: NE/4NE/4 (372' FNL, 972' FEL)  
Uintah County, Utah  
Agency Draw Prospect

RECEIVED  
MAR 04 2005  
DIV. OF OIL, GAS & MINING

Dear Ms. Whitney:

Slate River Resources, LLC is a newly formed oil and gas exploration company made up of ex-Westport employees that have been active in the Uinta Basin. Slate River and our partner Mustang Fuel Corporation propose drilling the captioned well. The well is an exception to State Rule 649-3-2 because of topography. Slate River and Mustang own the offset leasehold and do not have an objection to the exception location.

The survey plats and application are being sent to you from Vernal. Please approve the request for a well permit at your convenience.

Sincerely,

  
Bruce E. Johnston  
Vice President Land  
BEJ/112

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

FORM 3

AMENDED REPORT   
(highlight changes)

<b>APPLICATION FOR PERMIT TO DRILL</b>			5. MINERAL LEASE NO: <del>UT40000.00</del> <i>fee</i>	6. SURFACE: Fee
1A. TYPE OF WORK: DRILL <input checked="" type="checkbox"/> REENTER <input type="checkbox"/> DEEPEN <input type="checkbox"/>			7. IF INDIAN, ALLOTTEE OR TRIBE NAME:	
B. TYPE OF WELL: OIL <input type="checkbox"/> GAS <input checked="" type="checkbox"/> OTHER _____ SINGLE ZONE <input type="checkbox"/> MULTIPLE ZONE <input checked="" type="checkbox"/>			8. UNIT or CA AGREEMENT NAME:	
2. NAME OF OPERATOR: SLATE RIVER RESOURCES, LLC			9. WELL NAME and NUMBER: UINTAH OIL ASSOC. 1321-7A	
3. ADDRESS OF OPERATOR: 418 E. MAIN ST CITY VERNAL STATE UT ZIP 84078		PHONE NUMBER: (435) 781-1871	10. FIELD AND POOL, OR WLD CAT: <i>Widcat</i>	
4. LOCATION OF WELL (FOOTAGES) AT SURFACE: 372' FNL & 972' FEL <i>619756x</i> AT PROPOSED PRODUCING ZONE: SAME AS ABOVE <i>4396003y</i>			11. QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NENE 7 13S 21E <i>39. 707376</i> <i>-109. 603048</i>	
14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE: 68.9 MILES SOUTH OF VERNAL, UT			12. COUNTY: UINTAH	13. STATE: UTAH
15. DISTANCE TO NEAREST PROPERTY OR LEASE LINE (FEET) 327'	16. NUMBER OF ACRES IN LEASE: 2038.96	17. NUMBER OF ACRES ASSIGNED TO THIS WELL: 40		
18. DISTANCE TO NEAREST WELL (DRILLING, COMPLETED, OR APPLIED FOR) ON THIS LEASE (FEET) 2800'	19. PROPOSED DEPTH: 8,000	20. BOND DESCRIPTION: B-001556		
21. ELEVATIONS (SHOW WHETHER DF, RT, GR, ETC.): 5915.0' GR	22. APPROXIMATE DATE WORK WILL START: 4/1/2005	23. ESTIMATED DURATION: 30 DAYS		

24. **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	9 5/8	H-40	32#	2,000	CEMENT "V"	180 SKS	3.82CF	15.8PPG
					CEMENT "G"	225 SKS	1.15 CF	15.8 PPG
7 7/8	4 1/2	M-80	11.6#	8,000	PREMIUM CEMENT	140 SKS	3.82 CF	11.0 PPG
					CLASS "G"	580 SKS	1.26 CF	14.15 PPG

25. **ATTACHMENTS** CONFIDENTIAL

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

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

NAME (PLEASE PRINT) GINGER STRINGHAM TITLE AGENT

SIGNATURE *Ginger Stringham* DATE 3/11/2005

(This space for State use only)

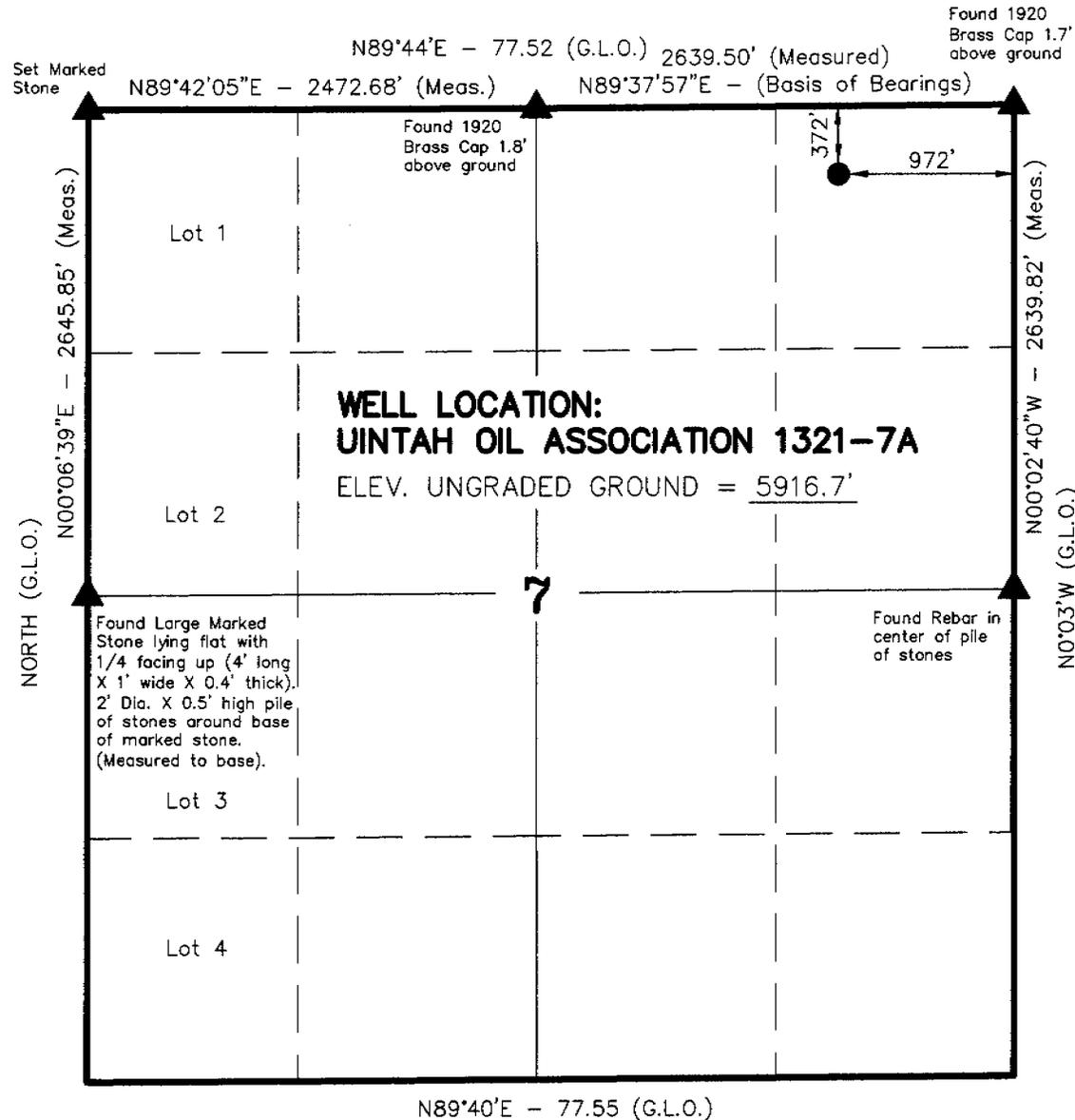
API NUMBER ASSIGNED: 43-047-36372

APPROVAL:

**RECEIVED**  
**MAR 09 2005**  
DIV. OF OIL, GAS & MINING

# T13S, R21E, S.L.B.&M.

# SLATE RIVER RESOURCES, LLC



WELL LOCATION, UINTAH OIL ASSOCIATION 1321-7A, LOCATED AS SHOWN IN THE NE 1/4 NE 1/4 OF SECTION 7, T13S, R21E, S.L.B.&M. UINTAH COUNTY, UTAH.

**NOTES:**

1. Well footages are measured at right angles to the Section Lines.
2. Bearings are based on Global Positioning Satellite observations.



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

REGISTERED LAND SURVEYOR  
 No. 362251  
 KOLBY R. KAY  
 KAY  
 REGISTERED LAND SURVEYOR  
 REGISTRATION No. 362251  
 STATE OF UTAH

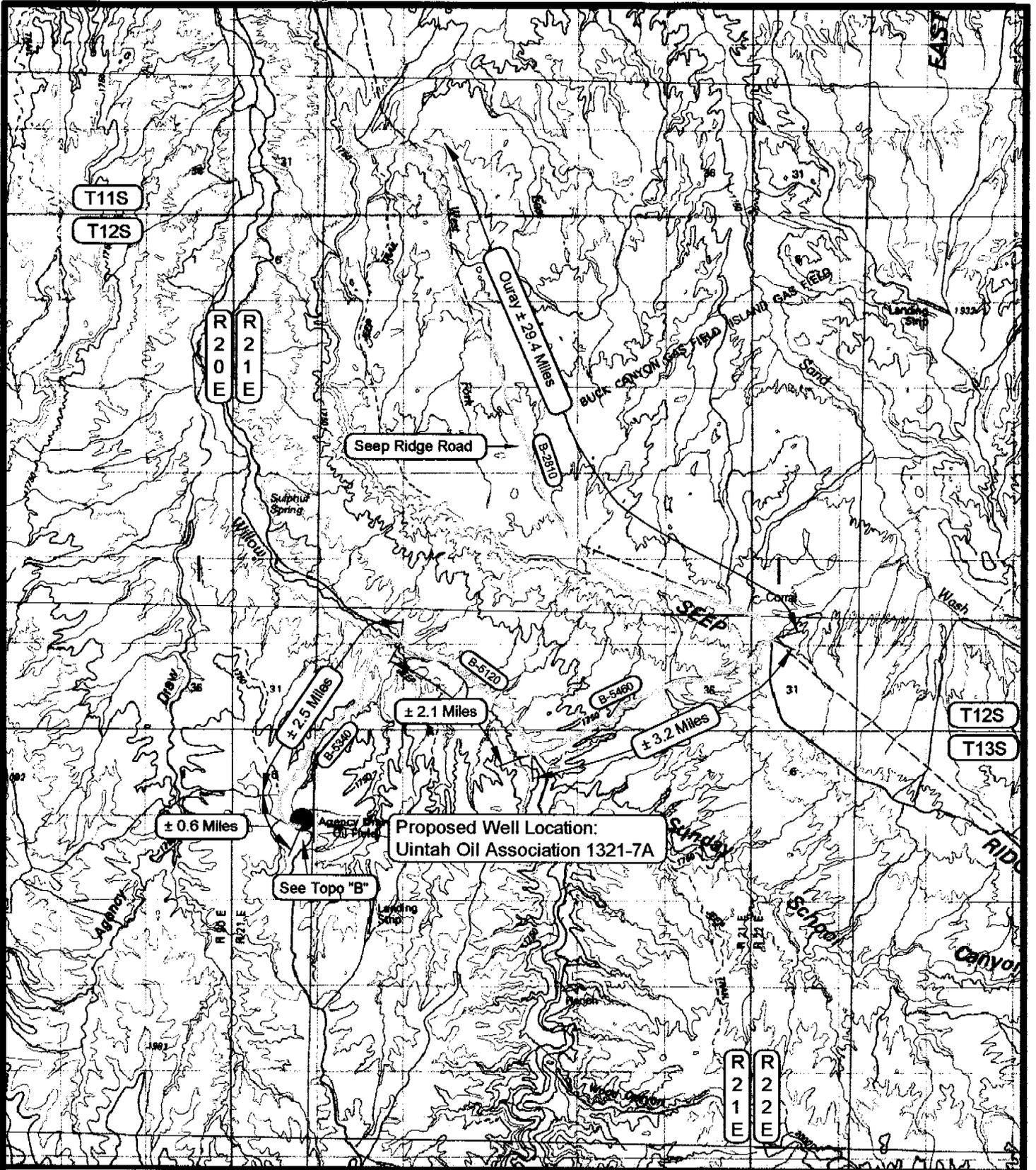
▲ = SECTION CORNERS LOCATED  
 BASIS OF ELEVATION IS BENCH MARK 66 WF 1952 LOCATED IN THE NE 1/4 OF SECTION 6, T13S, R21E, S.L.B.&M. THE ELEVATION OF THIS BENCH MARK IS MARKED ON THE AGENCY DRAW NE 7.5 MIN. QUADRANGLE AS BEING 5812'.

**UINTAH OIL ASSOCIATION 1321-7A**  
 (Proposed Well Head)  
 NAD 83 Autonomous  
 LATITUDE = 39° 42' 26.5"  
 LONGITUDE = 109° 36' 13.5"

**TIMBERLINE LAND SURVEYING, INC.**

38 WEST 100 NORTH. - VERNAL, UTAH 84078  
 (435) 789-1365

DATE SURVEYED: 2-23-05	SURVEYED BY: K.K.	<b>SHEET</b> <b>1</b> <b>OF 10</b>
DATE DRAWN: 2-27-05	DRAWN BY: J.R.S.	
SCALE: 1" = 1000'	Date Last Revised:	



**LEGEND**

- = PROPOSED WELL LOCATION
- = EXISTING ROAD
- = EXISTING ROAD (TO BE IMPROVED)
- = PROPOSED ACCESS ROAD
- B-5480 = COUNTY ROAD CLASS & NUMBER

**TOPOGRAPHIC MAP "A"**

SCALE: 1:100,000

DRAWN BY: J.R.S.

DATE SURVEYED: 2-23-05

DATE DRAWN: 2-27-05

REVISED:

**SLATE RIVER RESOURCES, LLC**

**Uintah Oil Association 1321-7A  
SECTION 7, T13S, R21E, S.L.B.&M.  
372' FNL & 972' FEL**

**Timberline Land Surveying, Inc.**  
38 West 100 North Vernal, Utah 84078  
(435) 789-1365

**SHEET  
6  
OF 10**

Slate River Resources  
418 E. Main  
Vernal, UT 84078  
435-781-1871

Please hold all information associated with this Application for Permit to Drill  
confidential for one year.

RECEIVED  
MAR 09 2005  
DIV. OF OIL, GAS & MINING

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

FORM 3

AMENDED REPORT   
(highlight changes)

001

APPLICATION FOR PERMIT TO DRILL

fee

5. MINERAL LEASE NO: ~~UT10003.00~~  
6. SURFACE: Fee

7. IF INDIAN, ALLOTTEE OR TRIBE NAME:

8. UNIT or CA AGREEMENT NAME:

9. WELL NAME and NUMBER:  
UINTAH OIL ASSOC. 1321-7A

10. FIELD AND POOL, OR WILDCAT:  
Wildcat

11. QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN:  
NENE 7 13S 21E

12. COUNTY: UINTAH  
13. STATE: UTAH

17. NUMBER OF ACRES ASSIGNED TO THIS WELL: 40

20. BOND DESCRIPTION:  
B-001556

23. ESTIMATED DURATION:  
30 DAYS

1A. TYPE OF WORK: DRILL  REENTER  DEEPEN

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

2. NAME OF OPERATOR:  
SLATE RIVER RESOURCES, LLC

3. ADDRESS OF OPERATOR:  
418 E. MAIN ST CITY VERNAL STATE UT ZIP 84078  
PHONE NUMBER: (435) 781-1871

4. LOCATION OF WELL (FOOTAGES)  
AT SURFACE: 372' FNL & 972' FEL 619756X 39.707376  
AT PROPOSED PRODUCING ZONE: SAME AS ABOVE 4396003Y -109.603048

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68.9 MILES SOUTH OF VERNAL, UT

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327'

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2800'

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			CEMENT "G" 225 SKS 1.15 CF 15.8 PPG
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NAME (PLEASE PRINT) GINGER STRINGHAM TITLE AGENT

SIGNATURE *Ginger Stringham* DATE 3/11/2005

(This space for State use only)

API NUMBER ASSIGNED: 43-047-36372

Approved by the  
Utah Division of  
Oil, Gas and Mining

Date: 04-21-05

By: *[Signature]*

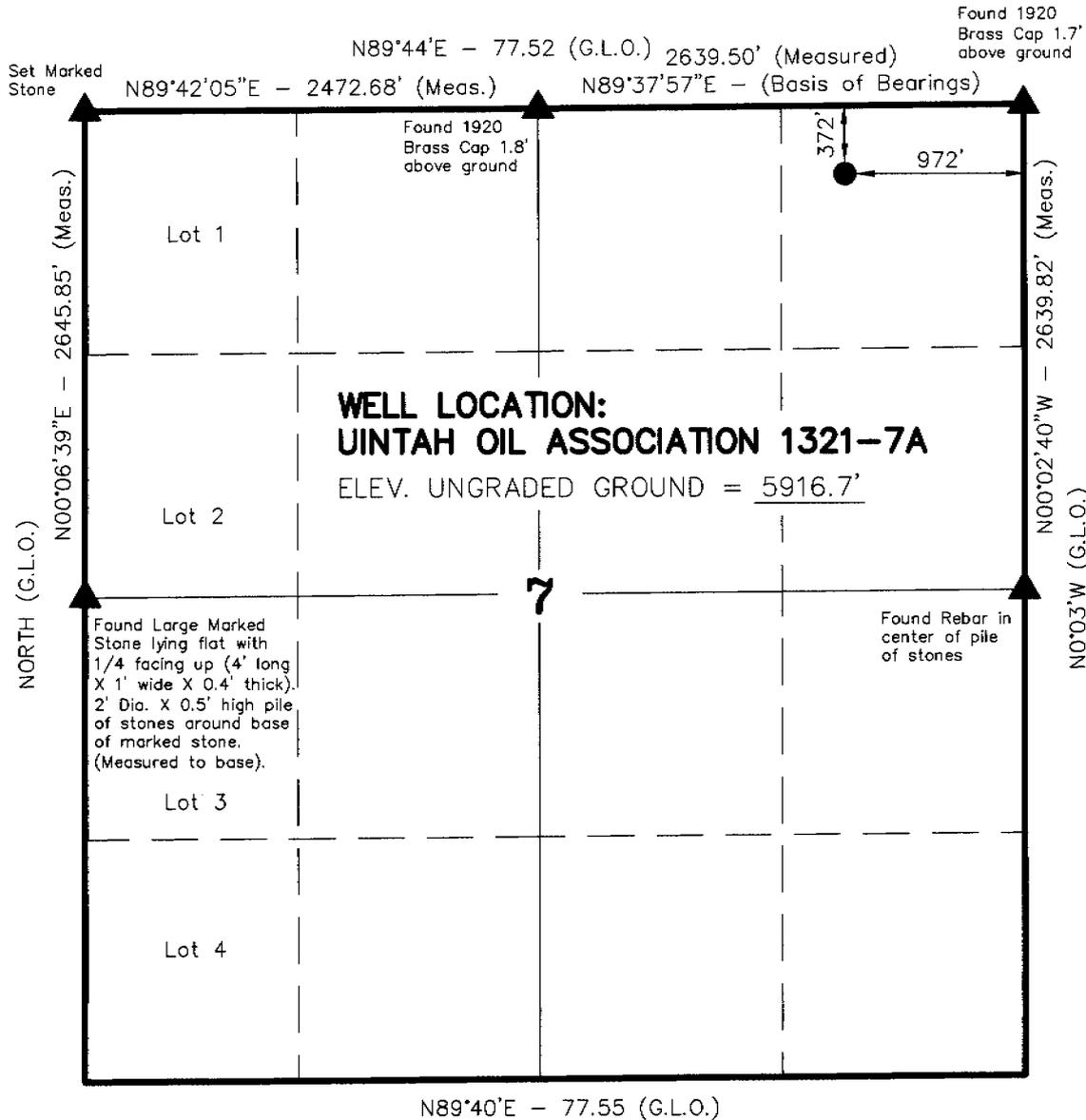
RECEIVED

MAR 09 2005

DIV. OF OIL, GAS & MINING

# T13S, R21E, S.L.B.&M.

## SLATE RIVER RESOURCES, LLC



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**NOTES:**

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*Kolby R. Kay*  
 REGISTERED LAND SURVEYOR  
 REGISTRATION No. 362251  
 STATE OF UTAH  
 KOLBY R. KAY

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SCALE: 1" = 1000'	Date Last Revised:	

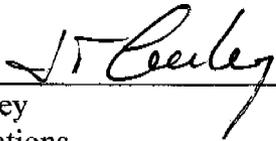
AFFIDAVIT OF SURFACE OWNER USE AGREEMENT

Slate River Resources, LLC has in place, agreements with the surface owners of the following leases. Slate River Resources, LLC is the operator and makes this certification that the agreements provide for management of the Fee surface lands under development.

**Eagle Minerals Ltd. Oil and Gas Lease**

**Uintah Oil Association Oil & Gas Lease**

**Utah Oil Shales, Inc. Oil & Gas Lease**



---

J.T. Conley  
VP Operations  
Slate River Resources, LLC  
418 East Main  
Vernal, UT 84078  
435-781-1871

WORKSHEET  
APPLICATION FOR PERMIT TO DRILL

APD RECEIVED: 03/09/2005

API NO. ASSIGNED: 43-047-36372

WELL NAME: UINTAH OIL ASSOC 1321-7A

OPERATOR: SLATE RIVER RESOURCES ( N2725 )

CONTACT: GINGER STRINGHAM

PHONE NUMBER: 435-790-4163

PROPOSED LOCATION:

NENE 07 130S 210E

SURFACE: 0372 FNL 0972 FEL

BOTTOM: 0372 FNL 0972 FEL

UINTAH

WILDCAT ( 1 )

LEASE TYPE: 4 - Fee

LEASE NUMBER: FEE

SURFACE OWNER: 4 - Fee

PROPOSED FORMATION: MNCS

COALBED METHANE WELL? NO

INSPECT LOCATN BY: / /

Tech Review	Initials	Date
Engineering	DKG	4/21/05
Geology		
Surface		

LATITUDE: 39.70738

LONGITUDE: -109.6031

RECEIVED AND/OR REVIEWED:

- Plat
- Bond: Fed[] Ind[] Sta[] Fee[]  
(No. B001556 )
- Potash (Y/N)
- Oil Shale 190-5 (B) or 190-3 or 190-13
- Water Permit  
(No. 49-2179 )
- RDCC Review (Y/N)  
(Date: 04/02/2005 )
- Fee Surf Agreement (Y/N)

LOCATION AND SITING:

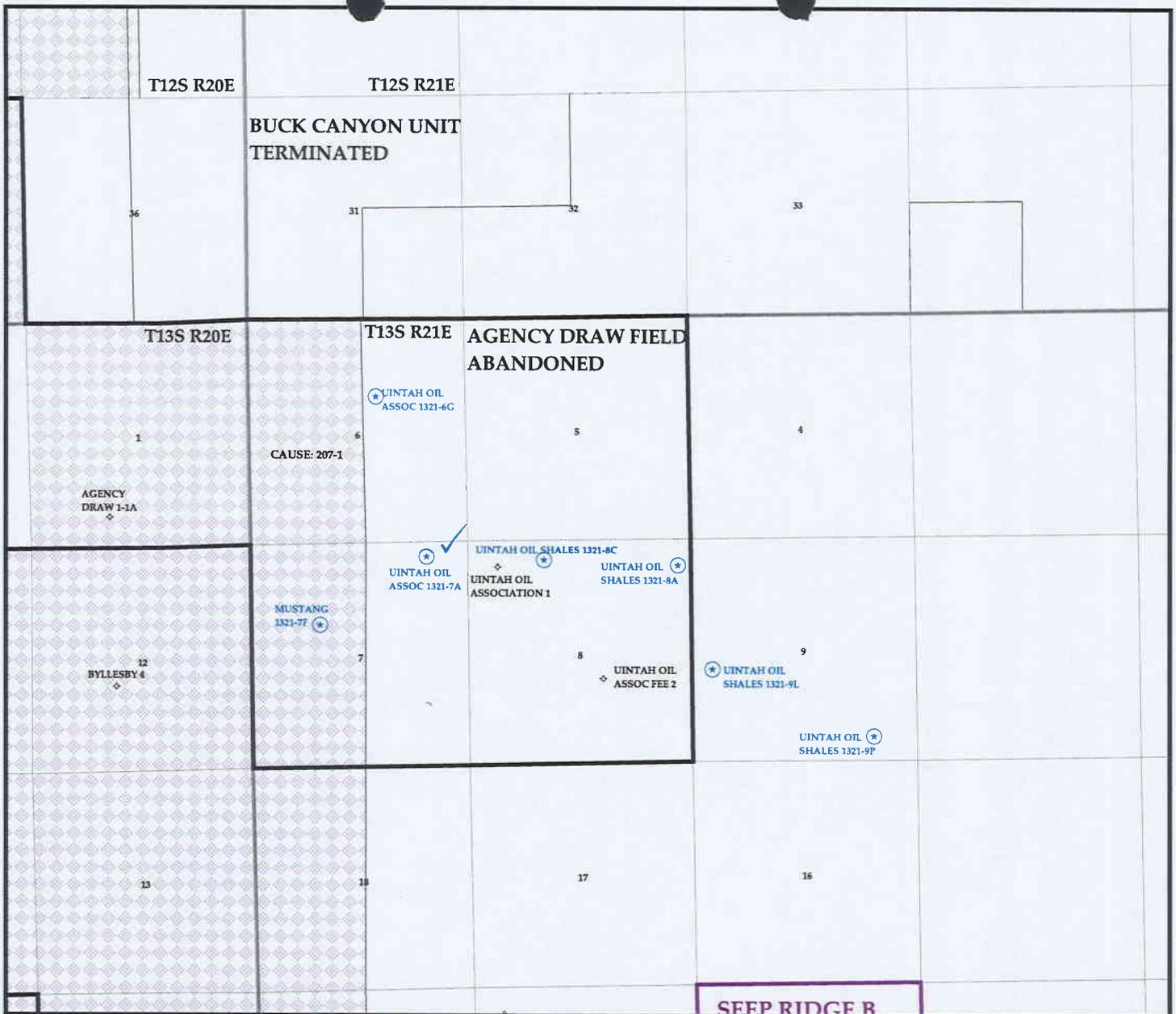
- R649-2-3.  
Unit \_\_\_\_\_
- R649-3-2. General  
Siting: 460 From Qtr/Qtr & 920' Between Wells
- R649-3-3. Exception
- Drilling Unit  
Board Cause No: \_\_\_\_\_  
Eff Date: \_\_\_\_\_  
Siting: \_\_\_\_\_
- R649-3-11. Directional Drill

COMMENTS:

Needs Pres-u (04-08-05)

STIPULATIONS:

- 1- Spacing Strip
- 2- STATEMENT OF BASIS
- 3- Cement Strip #3 - 4 1/2" production string cemented back to 2000' as indicated
- 4 RDCC COMMENTS



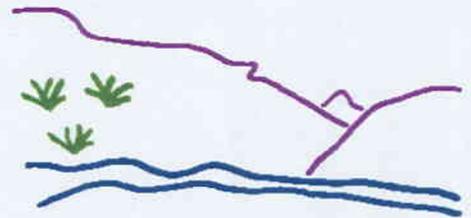
OPERATOR- SLATE RIVER RES LLC (N2725)

SEC. 7 T.13S R.21E

FIELD: WILDCAT (001)

COUNTY: UINTAH

SPACING: R649-3-3 / EXCEPTION LOCATION



Utah Oil Gas and Mining

Wells	Units.shp	Fields.shp
⊕ GAS INJECTION	□ EXPLORATORY	□ ABANDONED
⊙ GAS STORAGE	□ GAS STORAGE	□ ACTIVE
× LOCATION ABANDONED	□ NF PP OIL	□ COMBINED
⊙ NEW LOCATION	□ NF SECONDARY	□ INACTIVE
⊕ PLUGGED & ABANDONED	□ PENDING	□ PROPOSED
⊕ PRODUCING GAS	□ PI OIL	□ STORAGE
⊕ PRODUCING OIL	□ PP GAS	□ TERMINATED
⊕ SHUT-IN GAS	□ PP GEOTHERML	
⊕ SHUT-IN OIL	□ PP OIL	
× TEMP. ABANDONED	□ SECONDARY	
⊙ TEST WELL	□ TERMINATED	
⊕ WATER INJECTION		
⊕ WATER SUPPLY		
⊕ WATER DISPOSAL		



PREPARED BY: DIANA WHITNEY  
DATE: 11-MARCH-2005

**Surface Owners: Fee Lands**  
Slate River Resources, L.L.C

**Utah Oil Shales 1321-8C**  
c/o Edward M. Bown  
1972 E Claremont Way  
Salt Lake City, UT 84108  
801-281-0930

**Uintah Oil Association 1321-7A**  
c/o Edward M. Bown  
1972 E Claremont Way  
Salt Lake City, UT 84108  
801-281-0930

**Utah Oil Shales 1321-8A**  
c/o Edward M. Bown  
1972 E Claremont Way  
Salt Lake City, UT 84108  
801-281-0930

**Mustang 1321-7F**  
c/o David Salter  
13439 Broadway Extension  
Oklahoma City, OK 73114-2202  
405-748-9464

**Mustang 1320-12A**  
c/o David Salter  
13439 Broadway Extension  
Oklahoma City, OK 73114-2202  
405-748-9464

**Uintah Oil Shales 1321-6G**  
c/o Edward M. Bown  
1972 E Claremont Way  
Salt Lake City, UT 84108  
801-281-0930

**Utah Oil Shales 1321-9P**  
c/o Edward M. Bown  
1972 E Claremont Way  
Salt Lake City, UT 84108  
801-281-0930

**Utah Oil Shales 1321-9L**  
c/o Edward M. Bown  
1972 E Claremont Way  
Salt Lake City, UT 84108  
801-281-0930

**Mustang 1320-11**  
c/o David Salter  
13439 Broadway Extension  
Oklahoma City, OK 73114-2202  
405-748-9464

**Mustang 1321-6C**  
c/o David Salter  
13439 Broadway Extension  
Oklahoma City, OK 73114-2202  
405-748-9464

RECEIVED  
MAR 15 2005  
DIV. OF OIL, GAS & MINING

DESIGNATION OF AGENT OR OPERATOR

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

LEASE NAME: Fee Leases, see attached

LEASE NUMBER: Fee, no numbers assigned

and hereby designates

NAME: Ginger Stringham, Paradigm Consulting Inc.

ADDRESS: PO Box 790203

city Vernal state UT zip 84078

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

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

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

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

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

Effective Date of Designation: 03/01/2005

BY: (Name) J.T. Conley  
(Signature) *J.T. Conley*  
(Title) VP Operations  
(Phone) (435) 781-1871

OF: (Company) Slate River Resources, LLC  
(Address) 418 East Main  
city Vernal  
state UT zip 84078

UT10001.000

Eagle Minerals Ltd. Oil and Gas Lease

Dated February 1, 2005

Recorded Book 914, Page 535 Uintah County, Utah

**DESCRIPTION OF LEASED PREMISES:**

TOWNSHIP 12 SOUTH, RANGE 20 EAST, S.L.M.

Section 21:	All (640.00 acres)	Serial Number: 10:079:0001
Section 22:	All (640.00 acres)	Serial Number: 10:080:0001
Section 23:	All (640.00 acres)	Serial Number: 10:081:0001
Section 24:	W/2 (320.00 acres)	Serial Number: 10:082:0001
Section 25:	W/2 (320.00 acres)	Serial Number: 10:083:0001
Section 26:	All (640.00 acres)	Serial Number: 10:084:0001
Section 27:	All (640.00 acres)	Serial Number: 10:085:0001
Section 28:	All (640.00 acres)	Serial Number: 10:086:0001
Section 29:	All (640.00 acres)	Serial Number: 10:087:0001
Section 35:	All (640.00 acres)	Serial Number: 10:089:0001

TOWNSHIP 12 SOUTH, RANGE 21 EAST, S.L.M.

Section 31:	Lots 3, 4, E/2SW/4 (SW/4) (149.66 acres)	Serial Number: 10:093:0002
-------------	--	----------------------------

TOWNSHIP 13 SOUTH, RANGE 20 EAST, S.L.M.

Section 1:	Lots 1,2,3,4, S/2N/2, S/2 (All) (640.24 acres)	Serial Number: 11:004:0001
Section 3:	Lots 1,2,3,4, S/2N/2, S/2 (All) (641.80 acres)	Serial Number: 11:005:0001
Section 4:	Lots 1,2,3,4, S/2N/2, S/2 (All) (642.00 acres)	Serial Number: 11:006:0001
Section 5:	Lots 1,2,3,4, S/2N/2, S/2 (All) (641.40 acres)	Serial Number: 11:007:0001
Section 6:	Lots 1,2,3,8,10,11,13, S/2 NE/4, SE/4NW/4, E/2SW/4, SE/4 (585.52 acres)	Serial Number: 11:008:0001
Section 7:	Lots 2,3,4,5, E/2W/2, E/2 (All) (636.15 acres)	Serial Number: 11:009:0001
Section 8:	All (640 acres)	Serial Number: 11:010:0001
Section 9:	All (640 acres)	Serial Number: 11:011:0001
Section 10:	All (640 acres)	Serial Number: 11:012:0001
Section 11:	All (640 acres)	Serial Number: 11:013:0001
Section 12:	All (640 acres)	Serial Number: 11:014:0001
Section 13:	All (640 acres)	Serial Number: 11:015:0001
Section 14:	All (640 acres)	Serial Number: 11:016:0001
Section 15:	E/2 (320 acres)	Serial Number: 11:017:0001
Section 22:	E/2 (320 acres)	Serial Number: 11:018:0001
Section 23:	All (640 acres)	Serial Number: 11:019:0001
Section 24:	All (640 acres)	Serial Number: 11:020:0001
Section 25:	All (640 acres)	Serial Number: 11:021:0001
Section 26:	All (640 acres)	Serial Number: 11:022:0001
Section 27:	NE/4 (160 acres)	Serial Number: 11:023:0001

TOWNSHIP 13 SOUTH, RANGE 21 EAST, S.L.M.

Section 6:	Lots 3,4,5,6,7, SE/4NW/4, E/2SW/4 (W/2) (299.60 acres)	Serial Number: 11:026:0002
Section 7:	Lots 1,2,3,4, E/2W/2 (W/2) (300.28 acres)	Serial Number: 11:027:0002
Section 18:	Lots 1,2,3,4, E/2W/2 (W/2) (301.64 acres)	Serial Number: 11:033:0001
Section 19:	Lots 1,2,3,4, E/2W/2 (W/2) (303.44 acres)	Serial Number: 11:034:0001
Section 30:	Lots 1,2,3,4, E/2W/2 (W/2) (304.80 acres)	Serial Number: 11:038:0001
Section 31:	Lots 1,2, E/2NW/4 (NW/4) (153.27 acres)	Serial Number: 11:039:0001

UINTAH COUNTY, UTAH  
containing a total of 19,199.80 acres, more or less

**UT10002.000**

**Uintah Oil Association Oil & Gas Lease**

**Dated September 15, 2004**

**Recorded Book 904, Page 1 Uintah County, Utah**

**Description of Leased Premises**

Township 12 South, Range 21 East

Sec 31: SE/4

Sec 32: S/2

Township 13 South, Range 21 East

Sec 5: Lots 2,3,4, S/2NW/4, SW/4NE/4, SW/4, W/2SE/4

Sec 6: Lots 1,2, S/2NE/4, SE/4

Sec 7: E/2

Sec 8: W/2, W/2NE/4, NW/4SE/4

Uintah County, Utah

2,038.96 acres

**UT10003.000**

**Utah Oil Shales, Inc. Oil & Gas Lease**

**Dated September 15, 2004**

**Recorded Book 904, Page 9 Uintah County, Utah**

**Description of Leased Premises**

Township 13 South, Range 21 East

Sec 4: Lots 1,2,3,4, S/2N/2, S/2

Sec 5: Lot 1, SE/4NE/4, E/2SE/4

Sec 8: E/2E/2, SW/4SE/4

Sec 9: All

Sec 16: W/2

Sec 17: E/2

Uintah County, Utah

2,278.69 acres

**Ten Point Plan****Slate River Resources, LLC****Uintah Oil Association 1321-7A****Section 7, Township 13 South, Range 21 East, NE/NE****1. Surface Formation**

Green River

**2. Estimated Formation Tops and Datum:**

<u>Formation</u>	<u>Depth</u>	<u>Datum</u>
Green River	Surface	5915.0'G.R.
Wasatch	2300'	3615.0'
Mesaverde	4700'	1215.0'
Castlegate	6680'	-765.0'
Mancos	7300'	-1385.0'
TD	8000'	-2085.0'

A 12 ¼ hole will be drilled to 2,000' +/- . The hole depth will depend on the depth that the Birds Nest Zone is encountered. The hole will be drilled 400' beyond the top of the Birds Nest.

**3. Producing Formation Depth:**

Formation objective includes the Green River, Wasatch, Mesaverde and its sub-members.

Off Set Well information (Wells within a one-mile radius)

**Drilling/Permitted:**

· Uintah Oil Association 1321-6G  
 · Mustang 1321-7F  
 · Mustang 1321-6N  
 Uintah Oil Association 1321-8C

**Abandon Well:**

UOA #1  
 Fee #1

Mustang 1320-12A  
 Mustang 1320-1I

**4. Proposed Casing:**

<u>Hole Size</u>	<u>Casing Size</u>	<u>Weight/FT</u>	<u>Grade</u>	<u>Coupling &amp; Tread</u>	<u>Casing Depth</u>	<u>New/Used</u>
12 ¼	9 5/8	32#	H-40	ST&C	2000	NEW
7 7/8	4 ½	11.6#	M-80	LT&C	T.D.	NEW

**Cement Program:**

The Surface Casing will be cemented to the Surface as follows:

	<u>Casing Size</u>	<u>Cement Type</u>	<u>Cement Amounts</u>	<u>Cement Yield</u>	<u>Cement Weight</u>
Lead:	9 5/8	Cement "V" Gel 16% BWOC Gilsonite 10#/sk Salt 3% BWOC GR-3 3#/sk Flocele ¼#/sk	180 sks +/-	3.82 ft³/sk	15.8 ppg
Tail:	9 5/8	Cement "G" Calcium Chloride 2% BWOC Flocele ¼ #/sk 0.1% R-3 2% Bentonite	225 sks. +/-	1.15 ft³/sk	15.8 ppg
Top Out:	9 5/8	Cement "G" Calcium Chloride 3%BWOC Flocele ¼ #/sk	100 sks +/-	1.15 ft³/sk	15.8 ppg

Production casing will be cemented to 2,000' or higher as follows:

	<u>Casing Size</u>	<u>Cement Type</u>	<u>Cement Amounts</u>	<u>Cement Yield</u>	<u>Cement Weight</u>
Lead:	4 1/2	Premium Cement 100% Gel 16% BWOC Salt 3% BWOC Gilsonite 10#/sk Flocele ¼ #/sk GR-3 3#/sk	140 sks +/-	3.82ft³/sk	11.0 ppg
Tail:	4 1/2	Class "G" 50% POZ 50% Gel 2% BWOC Salt 10%BWOC Dispersant .2% BWOC Fluid loss .3% Flocele ¼ #/sk	580 sks +/-	1.26ft³/sk	14.15 ppg

#### 5. BOP and Pressure Containment Data:

The anticipated bottom hole pressure will be less than 3600 psi.

A 3000-psi WP BOP system as described in the BOP and Pressure Containment Data (attached) will be installed and maintained from the 9 5/8" surface casing. The BOP system including the casing will be pressure tested to minimum standards set forth in "On Shore Order #2". The BOP will be mechanically checked daily during the drilling operation.

#### 6. Mud Program:

<u>Interval</u>	<u>Mud weight lbs./gal.</u>	<u>Viscosity Sec./OT.</u>	<u>Fluid Loss Ml/30 Mins.</u>	<u>Mud Type</u>
0-2000	Air/Mist	-----	No Control	Air/Air mist
2000-T.D.	8.4-12.0	30	8-10	Water/Gel

## 7. Auxiliary Equipment

Upper Kelly cock, full opening stabbing valve, 2 ½" choke manifold and pit level indicator.

## 8. Testing, Coring, Sampling and Logging:

- a) Test: None are anticipated.
- b) Coring: There is the possibility of sidewall coring.
- c) Sampling: Every 25' from 2000' to T.D.
- d) Logging: 

Type	Interval
DLL/SFL W/GR and SP	T.D. to Surf. Csg
FDC/CNL W/GR and CAL	T.D. to Surf. Csg

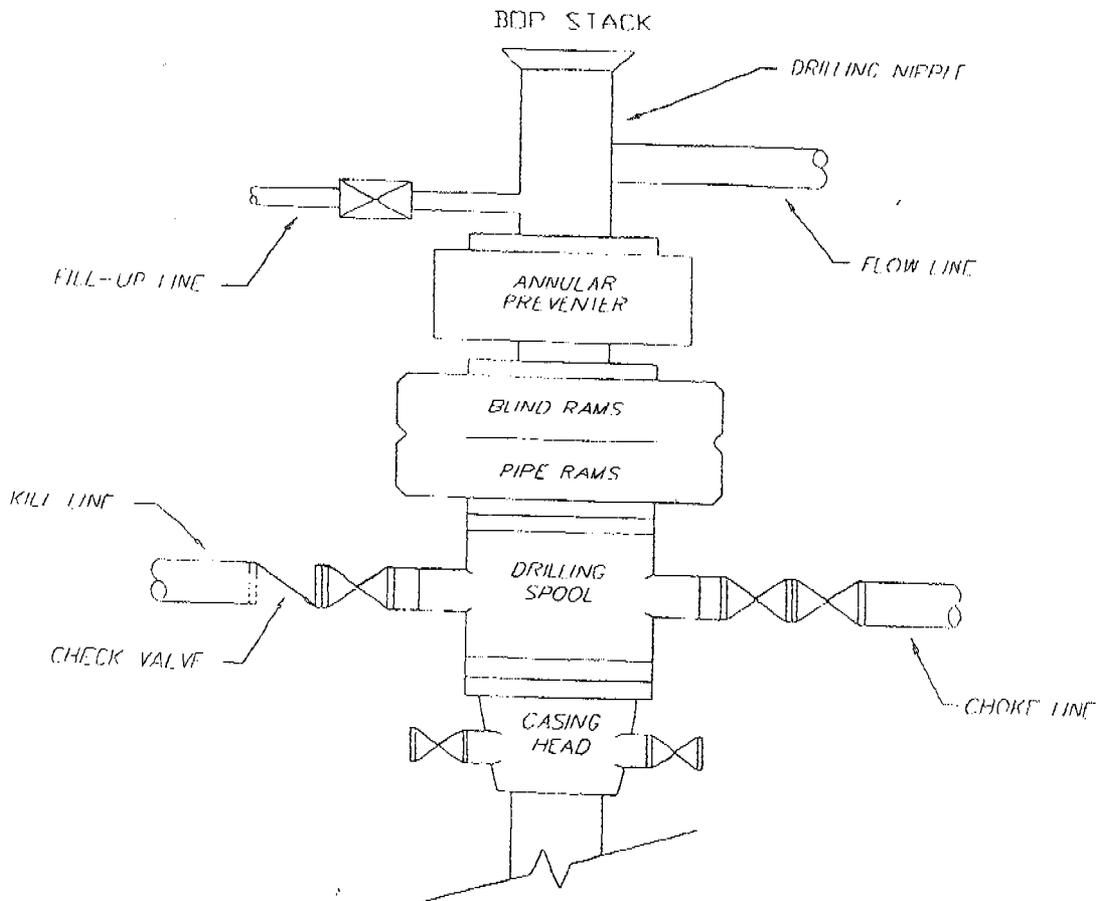
## 9. Abnormalities (including sour gas):

No abnormal pressures, temperatures or other hazards are anticipated. Oil and gas shows are anticipated in the Wasatch Formation. Other wells drilled in the area have not encountered over pressured zones or H<sub>2</sub>S.

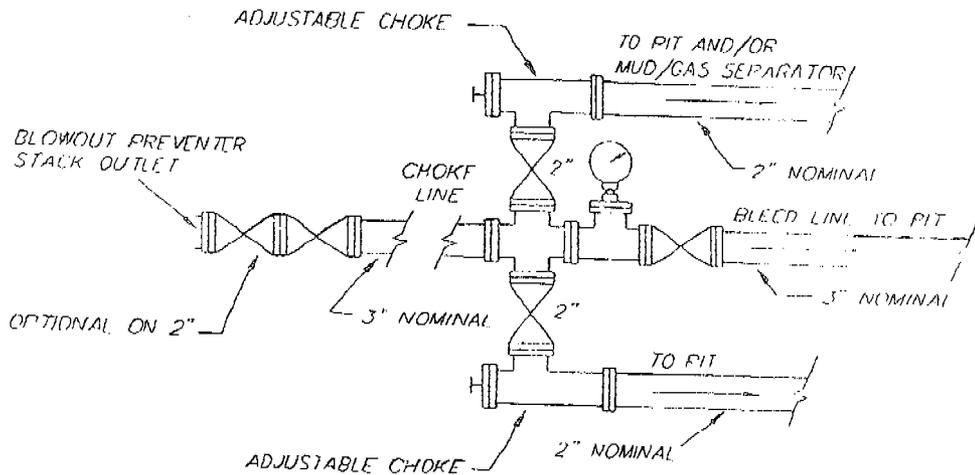
## 10. Drilling Schedule:

The anticipated starting date is April 1, 2005. Duration of operations is expected to be 30 days.

TYPICAL 3,000 p.s.i.  
BLOWOUT PREVENTER SCHEMATIC



TYPICAL 3,000 p.s.i.  
CHOKER MANIFOLD SCHEMATIC



**SLATE RIVER RESOURCES, LLC**

**13 POINT SURFACE USE PLAN**

**FOR WELL**

**UINTAH OIL ASSOCIATION 1321-7A**

**LOCATED IN THE NE ¼ NE ¼**

**SECTION 7, TOWNSHIP 13 SOUTH, RANGE 21 EAST S.L.B.& M.**

**UINTAH COUNTY, UT**

**LEASE NUMBER: UT10003.000**

**SURFACE OWNERSHIP: FEE**

1. Existing Roads:

SLATE RIVER RESOURCES, LLC  
Uintah Oil Association 1321-7A  
Section 7, T13S, R21E, S.L.B.&M.

PROCEED IN A WESTERLY DIRECTION FROM VERNAL, UTAH ALONG U.S. HIGHWAY 40 APPROXIMATELY 14 MILES TO THE JUNCTION OF STATE HIGHWAY 88; EXIT LEFT AND PROCEED IN A SOUTHERLY DIRECTION ALONG STATE HIGHWAY 88 APPROXIMATELY 17 MILES TO OURAY, UTAH; FROM OURAY, PROCEED IN A SOUTHERLY DIRECTION ALONG THE SEEP RIDGE ROAD (COUNTY B ROAD 2810) APPROXIMATELY 29.4 MILES TO ITS INTERSECTION WITH THE BUCK CANYON ROAD (COUNTY B ROAD 5460); EXIT RIGHT AND PROCEED IN A SOUTHWESTERLY DIRECTION ALONG THE BUCK CANYON ROAD APPROXIMATELY 3.2 MILES TO WILLOW CREEK; TURN RIGHT AND PROCEED IN A NORTHWESTERLY DIRECTION ALONG THE WILLOW CREEK ROAD (COUNTY B ROAD 5120) APPROXIMATELY 2.1 MILES TO ITS INTERSECTION WITH THE AGENCY DRAW ROAD (COUNTY B ROAD 5340); EXIT LEFT AND PROCEED IN A WESTERLY THEN SOUTHERLY DIRECTION ALONG THE AGENCY DRAW ROAD APPROXIMATELY 2.5 MILES TO ITS INTERSECTION WITH THE FLAT ROCK ROAD (COUNTY B ROAD 5450); EXIT LEFT AND PROCEED SOUTHERLY ALONG THE FLAT ROCK ROAD APPROXIMATELY 0.6 MILES TO THE PROPOSED ACCESS ROAD; FOLLOW ROAD FLAGS IN NORTHERLY DIRECTION APPROXIMATELY 370 FEET TO THE PROPOSED LOCATION.

TOTAL DISTANCE FROM VERNAL, UTAH TO THE PROPOSED WELL LOCATION IS APPROXIMATELY 68.9 MILES.

All existing roads to the proposed location are State of Utah, BLM maintained or County Class D roads. Please see the attached map for additional details.

2. Planned access road

The proposed access road will be approximately 370' +/- of new construction on lease. The road will be graded once per year minimum and maintained.

A) Approximate length	370 ft
B) Right-of-Way width	30 ft
C) Running surface	18 ft
D) Surface material	Native soil
E) Maximum grade	5%
F) Fence crossing	None
G) Culvert	None
H) Turnouts	None
I) Major cuts and fills	None
J) Road Flagged	Yes
K) Access road surface ownership	Fee
L) All new construction on lease	Yes
M) Pipe line crossing	No

Please see the attached location plat for additional details.

An off lease Right-of-Way will not be required.

All surface disturbances for the road and location will be within the lease boundary.

3. Location of existing wells

The following wells are located within a one-mile radius of the location site.

- |                                   |      |
|-----------------------------------|------|
| A) Producing well                 | None |
| B) Water well                     | None |
| C) Abandoned well                 |      |
| UOA #1                            |      |
| Fee #1                            |      |
| D) Temp. abandoned well           | None |
| E) Disposal well                  | None |
| F) Drilling /Permitted well       |      |
| Uintah Oil Association 1321-6G    |      |
| Mustang 3121-6N                   |      |
| Mustang 1320-12A                  |      |
| Mustang 1320-1I                   |      |
| Mustang 1321-7F                   |      |
| Uintah Oil Association 1321-8C    |      |
| G) Shut in wells                  | None |
| H) Injection well                 | None |
| I) Monitoring or observation well | None |

Please see the attached map for additional details.

4. Location of tank batteries, production facilities and production gathering service lines.

All production facilities are to be contained within the proposed location site. Please see the attached plat plan for a typical gas well separator installation and well site piping.

All permanent (on site for more than six months or longer) structures constructed or installed will be painted a **Carlsbad Canyon or Olive Green** color. Facilities required to comply with O.S.H.A.

(Occupational Safety and Health Act) will be excluded.

All tanks will be surrounded by a dike of sufficient capacity to contain the storage capacity of the largest tank in the battery. The integrity of the dike will be maintained.

The operator will adhere to all site security guidelines and regulation identified in 43 cfr 3126.7.

All off lease storage, off lease measurement, commingling on lease or off lease, of production, will have prior written approval from the authorized officer.

If the well is capable of economic production a surface gas line will be required.

**Approximately 300' +/- of 3" pipeline would be constructed on Private Lands. The line would tie into the proposed pipeline in Section 7, T13S, R21E. The line will be strung and boomed to the north of the location.**

**An off lease Right-of-Way will not be required.**

Please see the attached location diagrams for pipeline location. There will be no additional surface disturbances required for the installation of a gathering line.

The gas meter run will be located within 500' of the wellhead. The gas line will be buried or anchored down from the wellhead to the meter. Meter runs will be housed and/or fenced.

The gas meter will be calibrated and the tank strapped in place prior to any deliveries. Tests for meter accuracy will be conducted monthly for the first three months on new meter installations and at least quarterly thereafter. The authorized officer will be provided with a date and time for the initial meter calibration and all future meter-proving schedules. A copy of the meter calibration report will be submitted to the BLM's Vernal District office and State of Utah, Division of Oil, Gas, and Mining. All measurement facilities will conform to API (American Petroleum Institute) and AGA (American Gas Association) standards for gas and liquid hydrocarbon measurement.

5. Location and type of water supply

**Water for drilling and cementing will come from Willow Creek Permit # - T75377.**

6. Source of construction materials

All construction material for this location site and access road shall be borrow material accumulated during construction of the location site and access road. Additional road gravel or pit lining material will be obtained from private resources.

7. Methods for handling waste disposal

A) Pit construction and liners:

The reserve pit will be approximately **8 ft.** deep and most of the depth shall be below the surface of the existing ground. Please see the attached plat for details.

The reserve pit will be lined.

The reserve pit will be used to store water for drilling. A semi-closed system will be used to drill the well. All fresh water for drilling will come from a frac tank placed on location and from the rig tank. The pit will be used to hold non-flammable materials such as cuttings, salt, drilling fluids, chemicals, produced fluids, etc.

B) Produced fluids:

Produced water will be confined to the reserve pit, or if deemed necessary, a storage tank for a period not to exceed 120 days after initial production. During the 120-day period an application for approval for permanent disposal method and location will be submitted to the authorized officer.

C) Garbage:

A trash cage fabricated from expanded metal will be used to hold trash on location and will be removed to an authorized landfill location.

D) Sewage:

A portable chemical toilet will be supplied for human waste.

E) Site clean-up:

After the rig is moved off the location the well site area will be cleaned and all refuse removed.

8. Ancillary facilities

There are no ancillary facilities planned at this time and none are foreseen for the future.

9. Well-site layout

Location dimensions are as follows:

- A) Pad length            **340 ft**
- B) Pad width             **250 ft**
- C) Pit depth             **8 ft**
- D) Pit length            **160 ft**
- E) Pit width             **60 ft**
- F) Max cut              **17.7 ft**
- G) Max fill              **10.7 ft**
- H) Total cut yds.   **7,650 cu yds**
- I) Pit location           **east side**
- J) Top soil location     **east side**
- K) Access road location **south side**
- L) Flare Pit              **corner C**

Please see the attached location diagram for additional details.

All pits will be fenced according to the following minimum standards:

- A) Thirty nine inch net wire shall be used with at least one strand of wire on top of the net wire. Barbed wire is not necessary if pipe or some type of reinforcement rod is attached to the top of the entire fence.

- B) The net wire shall be no more than 2 inches above the ground. The barbed wire shall be 3 inches above the net wire. Total height of the fence shall be at least 42 inches.

- C) Corner posts shall be cemented and/or braced in such a manner to keep the fence tight at all times.

- D) Standard steel, wood or pipe posts shall be used between the corner braces. Maximum distance between any two posts shall be no greater than 16 ft.

- E) All wire shall be stretched by using a stretching device before it is attached to the corner posts.

10. Plans for restoration of the surface

Prior to construction of the location, the top 6 inches of soil material will be stripped off the location and the pit area. The topsoil removed and piled will amount to approximately **1,570** cubic yards of material. Topsoil will be stockpiled in one distinct pile. Placement of the topsoil is noted on the attached location plat. The topsoil pile from the location will be seeded as soon as the soil is stock piled with the seed mix listed. When all drilling and completion activities have been completed and the pit back-filled the topsoil from the pit area will be spread on the pit area. The pit area will be seeded when the soil has been spread. The unused portion of

the location (the area outside the dead men) will be re-contoured.

The dirt contractor will be provided with an approved copy of the surface use plan prior to construction activities.

Changes to the drainage during the construction activities shall be restored to its original line of flow or as near as possible when the pit is back-filled

All disturbed areas will be re-contoured to the approximate natural contours. Prior to back filling the pit the fences around the reserve pit will be removed.

The reserve pit will be reclaimed within 120 days of well completion. If the reserve pit has not dried sufficiently to allow back filling, an extension on the time requirement for back filling the pit will be requested. Once reclamation activities have begun, they shall be completed within 30 days.

After the reserve pit has been reclaimed, no depressions in the soil covering the reserve pit will be allowed. The objective is to keep seasonal rainfall and run off from seeping into the soil used to cover the reserve pit. Diversion ditches and water bars will be used to divert the run off as needed.

When restoration activities have been completed, the location site and new access road cuts and shoulders shall be reseeded. Prior to reseeded, all disturbed areas will

be scarified. And left with a rough surface.

A) Seeding dates:

Seed will be spread when topsoil is stock piled and when reclamation work is performed.

The seed mix and quantity list will be used whether the seed is broadcast or drilled.

B) Seed Mix

**To be determined by surface owner or will reflect the native vegetation.**

11. Surface ownership:

<b>Access road</b>	<b>Fee</b>
<b>Location</b>	<b>Fee</b>
<b>Pipe line</b>	<b>Fee</b>

12. Other information:

A) Vegetation

The vegetation coverage is Slight. The majority of the existing vegetation consists of Sagebrush. Rabbit brush, Bitter Brush, and Indian Rice grass are also found on the location.

B) Dwellings:

There are no dwelling or other facilities within a one-mile radius of the location.

C) Archeology:

If, during operations, any archaeological or historical sites, or any objects of antiquity (subject to the antiquities act of June 8, 1906) are discovered, all operations, which would affect such sites, will be suspended and the discovery reported promptly to the surface owner.

D) Water:

The nearest water is Willow Creek located approximately 3 miles to the East.

E) Chemicals:

No pesticides, herbicides or other possible hazardous chemicals will be used without prior application.

F) Notification:

- a) Location Construction  
At least forty eight (48) hours prior to construction of location and access roads.
- b) Location completion  
Prior to moving on the drilling rig.
- c) Spud notice  
At least twenty-four (24) hours prior to spudding the well.
- d) Casing string and cementing  
At least twenty-four (24) hours prior to running casing and cementing all

casing strings.

- e) BOP and related equipment tests  
At least twenty-four (24) hours prior to initial pressure tests.
- f) First production notice  
Within five (5) business days after the new well begins, or production resumes after well has been off production for more than 90 days.

G) Flare pit:

The flare pit will be located in **corner C** of the reserve pit outside the pit fences and 100 feet from the bore hole on the east side of the location. All fluids will be removed from the pit within 48 hours of occurrence.

13. Lessees or Operator's representative and certification

A) Representative(s)

JT Conley  
Slate River Resources, LLC  
418 East Main ST  
Vernal, UT 84078

Office 435-781-1871  
Fax 435-781-1875

Ginger P Stringham, Agent  
Paradigm Consulting, INC  
PO BOX 790203  
Vernal, UT 84079

Office 435-790-4163  
Fax 435-789-0255

All lease and/or unit operations will be conducted in such a manner that full compliance is made with all applicable laws, regulations, onshore oil and gas orders, and any applicable notices to lessees. The operator is fully responsible for the actions of his subcontractors. A copy of these conditions will be furnished to the field representative to ensure compliance.

This drilling permit will be valid for a period of one year from the date of approval. After permit termination, a new application will be filed for approval for any future operations.

**B) Certification:**

I hereby certify that I, or persons under my direct supervision, have inspected the proposed drill-site and access route, that I am familiar with the conditions which presently exist, that the statements made in this plan are, to the best of my knowledge and belief, true and correct, and that the work associated with the operation proposed herein will be performed by Slate River Resources, LLC and its contractors and subcontractors in conformity with this plan and terms and conditions with this plan and the terms and conditions under which it is approved.

Date 3/7/05



Ginger P Stringham, Agent  
Paradigm Consulting, INC

**Onsite Dates:**

RECEIVED  
MAY 06 2004  
WATER RIGHTS  
VERNAL

# TEMPORARY APPLICATION TO APPROPRIATE WATER

Rec. by SMW  
Fee Paid \$ 75.00  
Receipt # 04-01905

## STATE OF UTAH

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

WATER RIGHT NUMBER: 49 - 2179

TEMPORARY APPLICATION NUMBER: T75377

(BMW)  
\*\*\*\*\*

1. OWNERSHIP INFORMATION:

LAND OWNED? No

A. NAME: A-1 Tank Rental and Brine Service  
ADDRESS: P. O. Box 1168  
Vernal UT 84078

B. PRIORITY DATE: May 6, 2004

FILING DATE: May 6, 2004

2. SOURCE INFORMATION:

A. QUANTITY OF WATER: 10.0 acre-feet

B. SOURCE: Willow Creek

COUNTY: Uintah

C. POINT OF DIVERSION -- SURFACE:

(1) N 150 feet W 650 feet from SE corner, Section 29, T 12S, R 21E, SLBM  
DIVERT WORKS: Pump into tank trucks and haul to place of use

D. COMMON DESCRIPTION: 30 miles southwest of Vernal

3. WATER USE INFORMATION:

OIL EXPLORATION: from May 15 to May 1 Drilling and completion of oil/gas wells  
in the south Ouray area.

Period of Use - May 15, 2004 to May 14, 2005.

-----\*

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

BASE TOWN	RANG	SEC	NORTH-WEST ¼				NORTH-EAST ¼				SOUTH-WEST ¼				SOUTH-EAST ¼			
			NW	NE	SW	SE	NW	NE	SW	SE	NW	NE	SW	SE	NW	NE	SW	SE
SL	10S	21E	Entire TOWNSHIP															
SL	10S	22E	Entire TOWNSHIP															
SL	11S	21E	Entire TOWNSHIP															
SL	11S	22E	Entire TOWNSHIP															
SL	12S	21E	Entire TOWNSHIP															
SL	12S	22E	Entire TOWNSHIP															

### **Statement of use of Hazardous Materials**

No chemical(s) from the EPA's consolidated list of Chemicals Subject to Reporting under Title III of the Superfund Amendments and Reauthorization, Act (SARA) of 1986 will be used, produced, transported, stored, disposed, or associated with the proposed action. No extremely hazardous substances, as defined in 40 cfr 355, will be used, produced, stored, transported, disposed, or associated with the proposed action.

If you require additional information please contact:

Ginger Stringham  
Agent for Slate River Resources, LLC  
Paradigm Consulting, INC  
PO BOX 790203  
Vernal, UT 84079

435-790-4163 Office  
435-789-0255 Fax

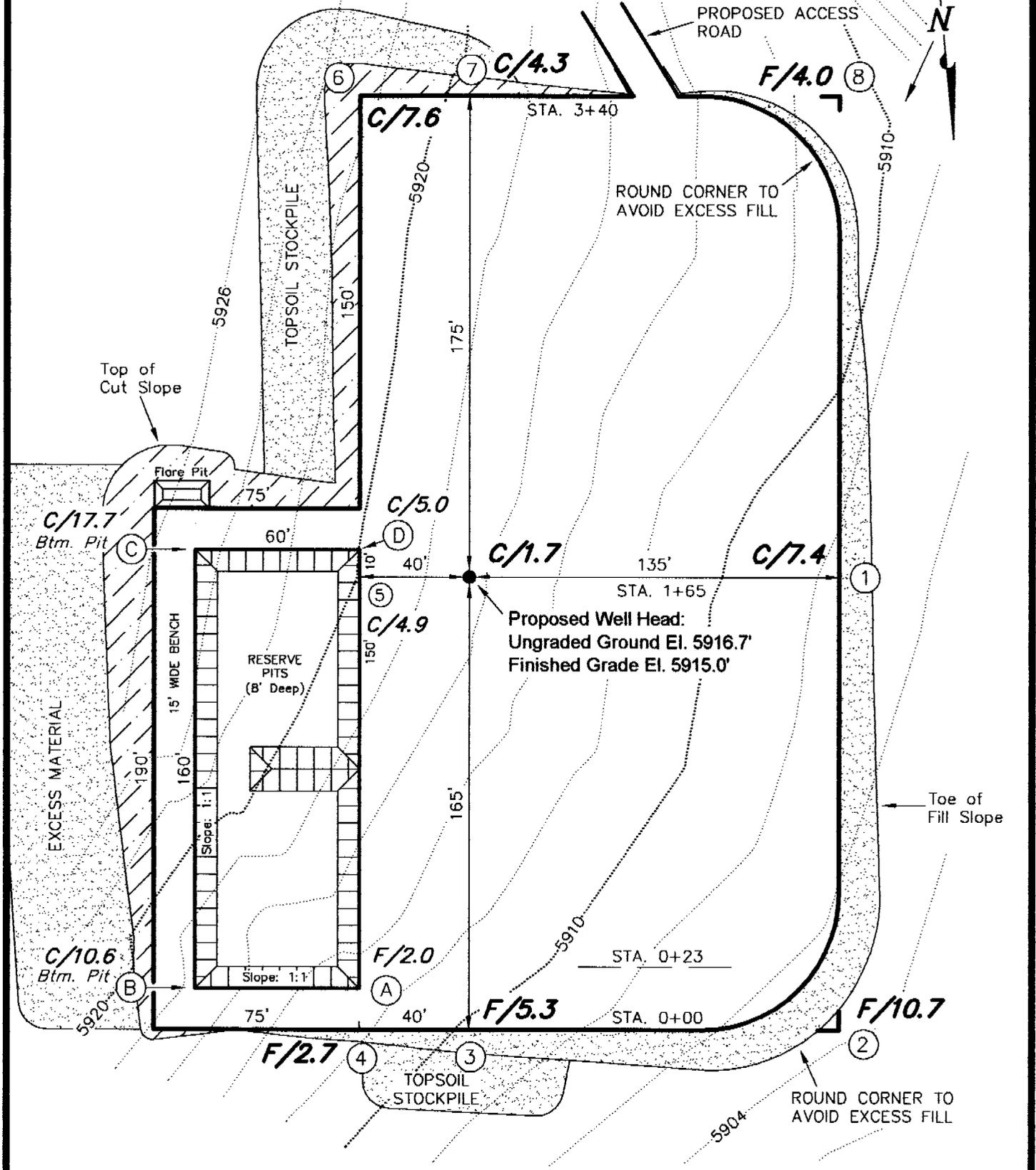
**SLATE RIVER RESOURCES, LLC**  
**Uintah Oil Association 1321-7A**  
**Section 7, T13S, R21E, S.L.B.&M.**

PROCEED IN A WESTERLY DIRECTION FROM VERNAL, UTAH ALONG U.S. HIGHWAY 40 APPROXIMATELY 14 MILES TO THE JUNCTION OF STATE HIGHWAY 88; EXIT LEFT AND PROCEED IN A SOUTHERLY DIRECTION ALONG STATE HIGHWAY 88 APPROXIMATELY 17 MILES TO OURAY, UTAH; FROM OURAY, PROCEED IN A SOUTHERLY DIRECTION ALONG THE SEEP RIDGE ROAD (COUNTY B ROAD 2810) APPROXIMATELY 29.4 MILES TO ITS INTERSECTION WITH THE BUCK CANYON ROAD (COUNTY B ROAD 5460); EXIT RIGHT AND PROCEED IN A SOUTHWESTERLY DIRECTION ALONG THE BUCK CANYON ROAD APPROXIMATELY 3.2 MILES TO WILLOW CREEK; TURN RIGHT AND PROCEED IN A NORTHWESTERLY DIRECTION ALONG THE WILLOW CREEK ROAD (COUNTY B ROAD 5120) APPROXIMATELY 2.1 MILES TO ITS INTERSECTION WITH THE AGENCY DRAW ROAD (COUNTY B ROAD 5340); EXIT LEFT AND PROCEED IN A WESTERLY THEN SOUTHERLY DIRECTION ALONG THE AGENCY DRAW ROAD APPROXIMATELY 2.5 MILES TO ITS INTERSECTION WITH THE FLAT ROCK ROAD (COUNTY B ROAD 5450); EXIT LEFT AND PROCEED SOUTHERLY ALONG THE FLAT ROCK ROAD APPROXIMATELY 0.6 MILES TO THE PROPOSED ACCESS ROAD; FOLLOW ROAD FLAGS IN NORTHERLY DIRECTION APPROXIMATELY 370 FEET TO THE PROPOSED LOCATION.

TOTAL DISTANCE FROM VERNAL, UTAH TO THE PROPOSED WELL LOCATION IS APPROXIMATELY 68.9 MILES.

# SLATE RIVER RESOURCES, LLC

## CUT SHEET UINTAH OIL ASSOCIATION 1321-7A

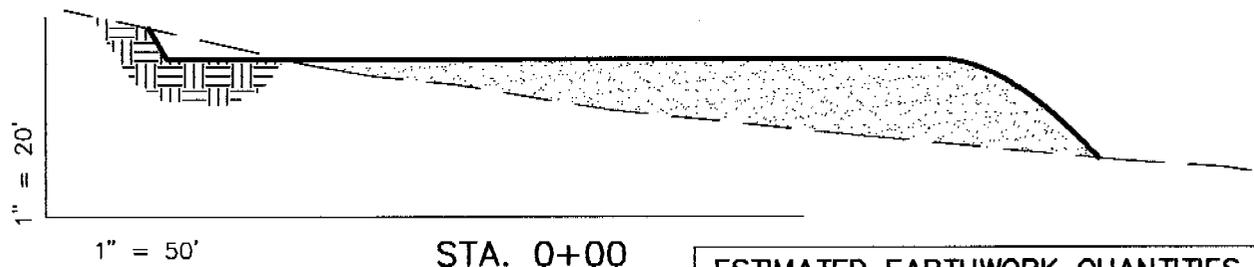
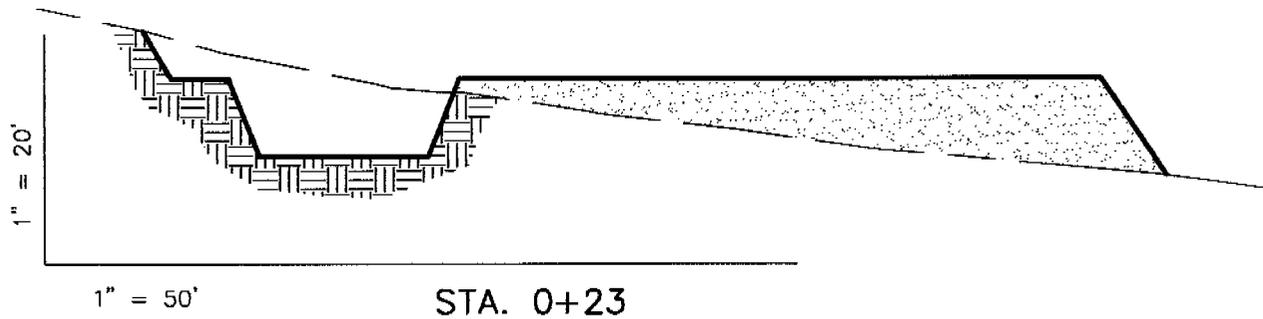
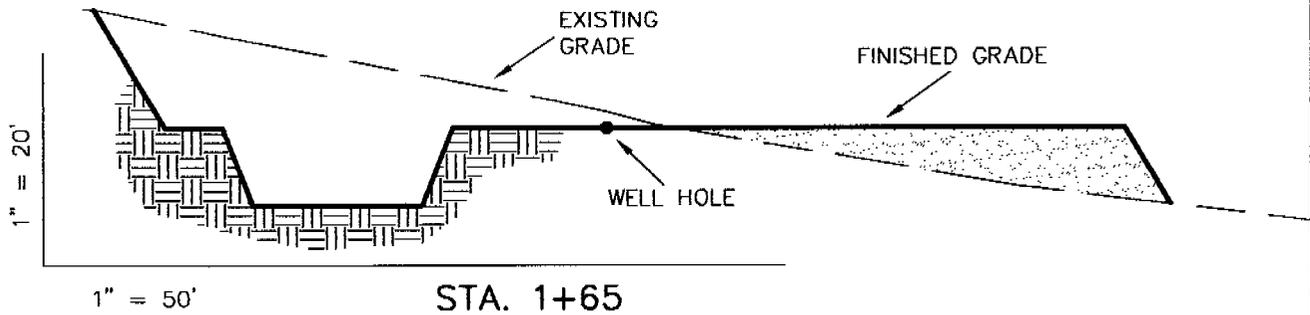
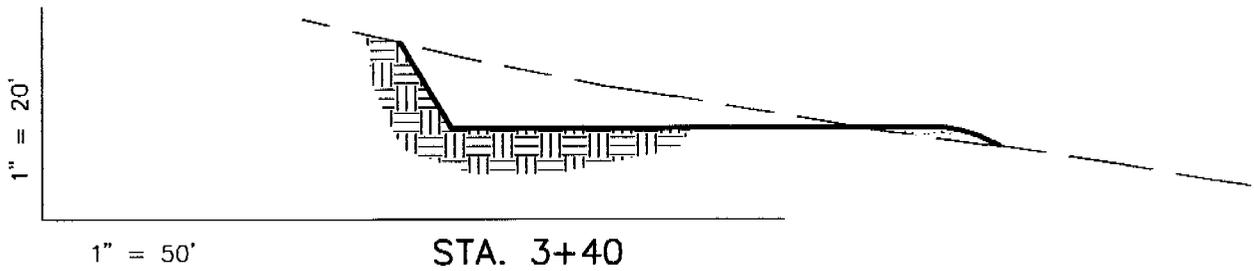


CONTOUR INTERVAL = 2'

Section 7, T13S, R21E, S.L.B.&M.		Qtr/Qtr Location: NE NE	Footage Location: 372' FNL & 972' FEL
Date Surveyed: 2-23-05	Date Drawn: 2-27-05	Date Last Revision:	<b>Timberline</b> (435) 789-1365 Land Surveying, Inc. 38 WEST 100 NORTH VERNAL, UTAH 84078
Surveyed By: K.K.	Drawn By: J.R.S.	Scale: 1" = 50'	
			SHEET <b>2</b> OF 10

# SLATE RIVER RESOURCES, LLC

## CROSS SECTIONS UINTAH OIL ASSOCIATION 1321-7A



### REFERENCE POINTS

185' WESTERLY = 5905.2'  
235' WESTERLY = 5902.7'  
215' NORTHERLY = 5907.2'  
265' NORTHERLY = 5903.3'

NOTE:  
UNLESS OTHERWISE NOTED  
ALL CUT/FILL SLOPES ARE  
AT 1.5:1

### ESTIMATED EARTHWORK QUANTITIES

(Expressed in Cubic Yards)

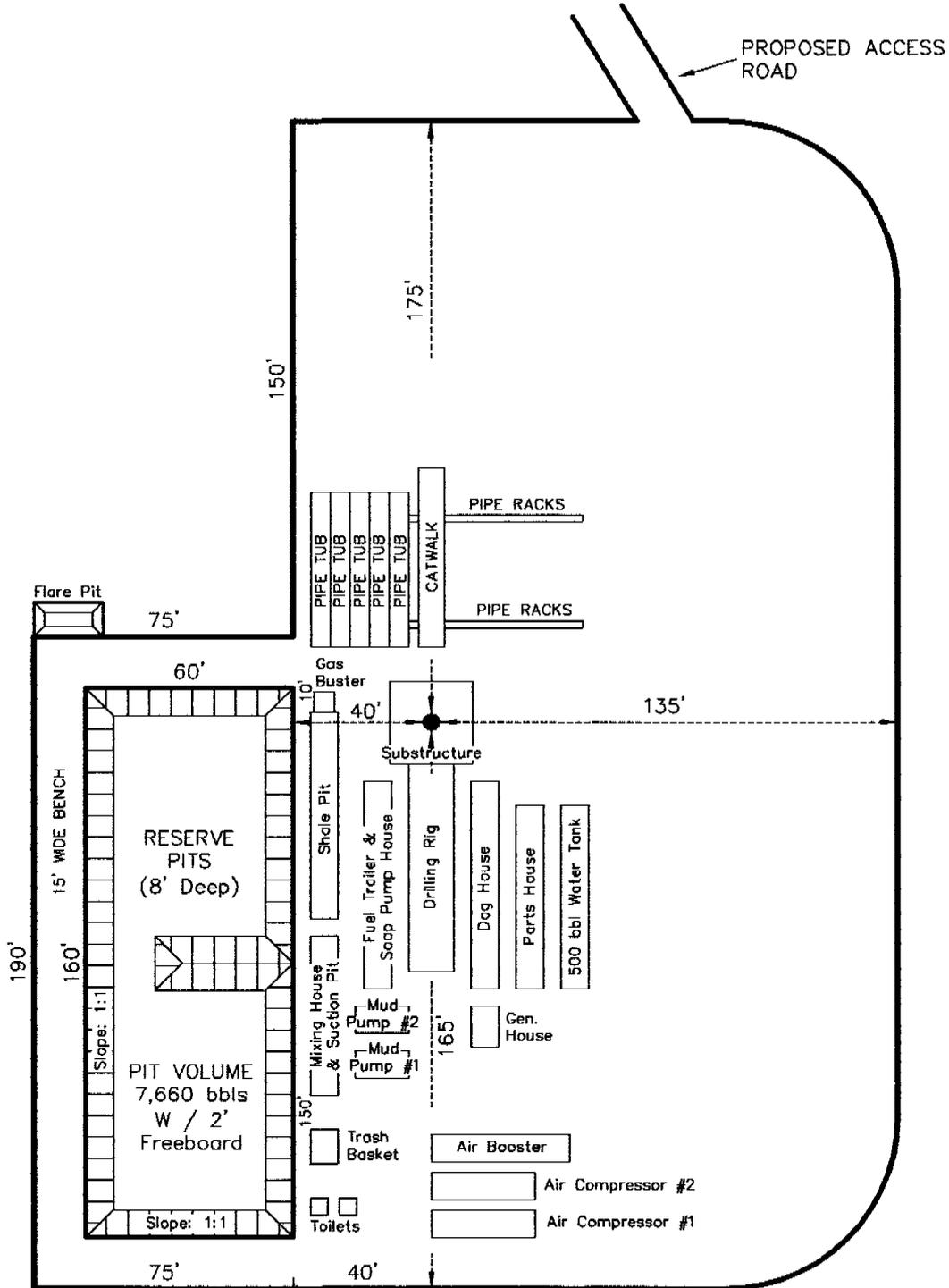
ITEM	CUT	FILL	6" TOPSOIL	EXCESS
PAD	5,380	6,510	Topsoil is not included in Pad Cut	-1,130
PIT	2,270	0		2,270
TOTALS	7,650	6,510	1,570	1,140

Excess Material after Pit Rehabilitation = 0 Cu. Yds.

Section 7, T13S, R21E, S.L.B.&M.		Qtr/Qtr Location: NE NE	Footage Location: 372' FNL & 972' FEL	
Date Surveyed: 2-23-05	Date Drawn: 2-27-05	Date Last Revision:	<b>Timberline</b> <i>Land Surveying, Inc.</i> 38 WEST 100 NORTH VERNAL, UTAH 84078 (435) 789-1365	SHEET <b>3</b> OF 10
Surveyed By: K.K.	Drawn By: J.R.S.	Scale: 1" = 50'		

# SLATE RIVER RESOURCES, LLC

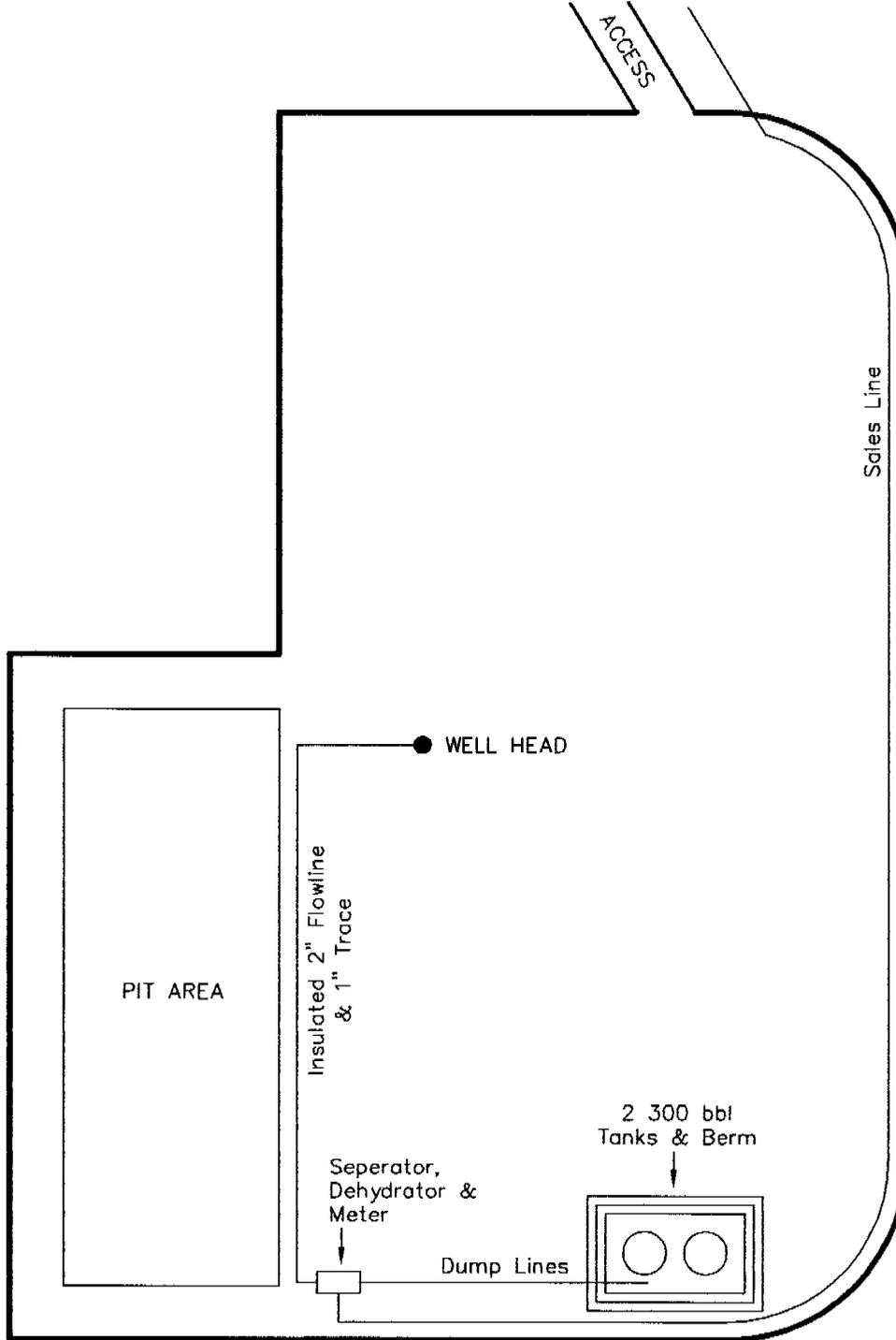
## TYPICAL RIG LAYOUT UINTAH OIL ASSOCIATION 1321-7A



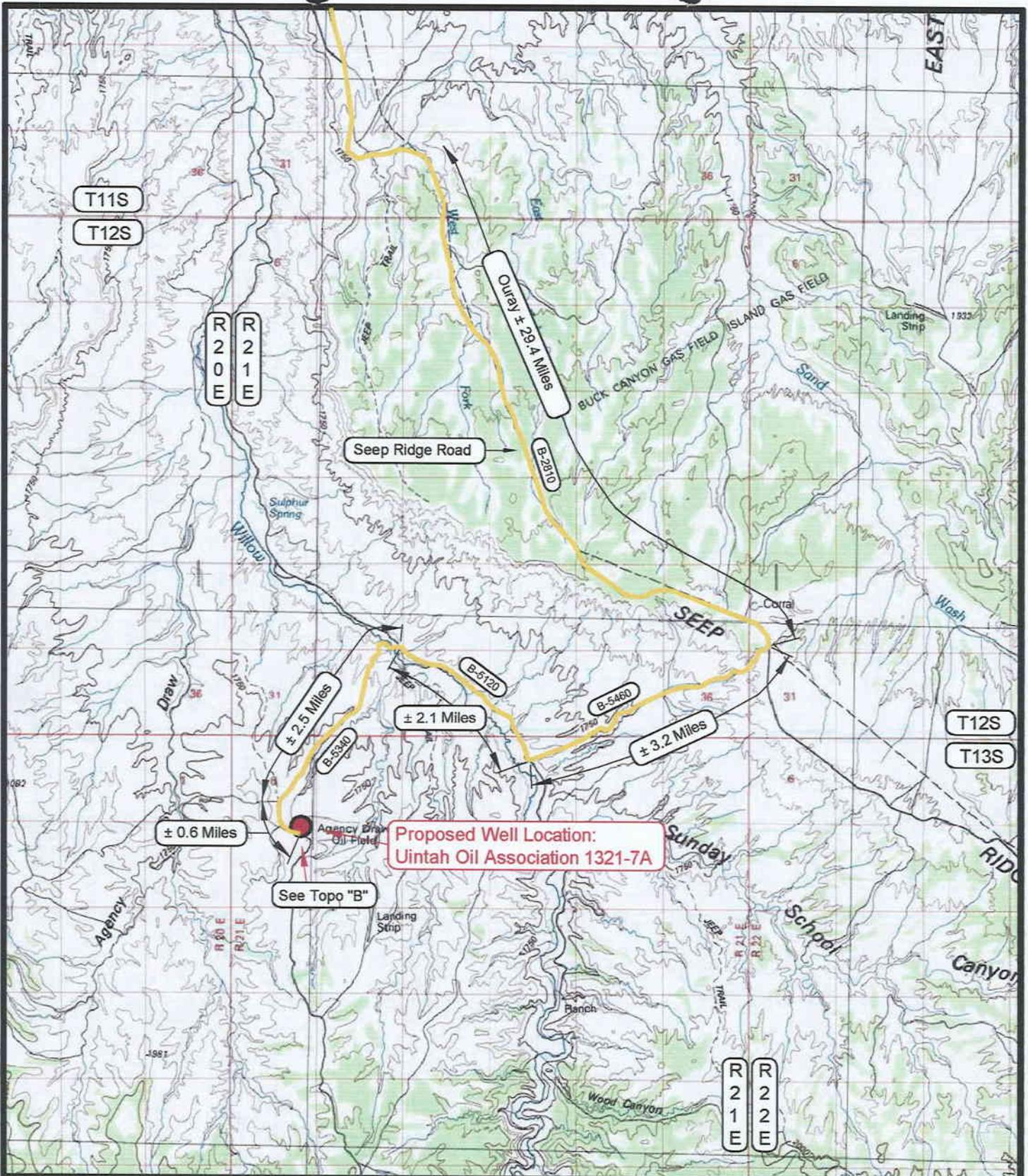
Section 7, T13S, R21E, S.L.B.&M.		Qtr/Qtr Location: NE NE	Footage Location: 372' FNL & 972' FEL
Date Surveyed: 2-23-05	Date Drawn: 2-27-05	Date Last Revision:	<b>Timberline</b> (435) 789-1365 <i>Land Surveying, Inc.</i> 38 WEST 100 NORTH VERNAL, UTAH 84078
Surveyed By: K.K.	Drawn By: J.R.S.	Scale: 1" = 50'	
			SHEET <b>4</b> OF 10

# SLATE RIVER RESOURCES, LLC

## TYPICAL PRODUCTION LAYOUT UINTAH OIL ASSOCIATION 1321-7A



Section 7, T13S, R21E, S.L.B.&M.		Qtr/Qtr Location: NE NE	Footage Location: 372' FNL & 972' FEL
Date Surveyed: 2-23-05	Date Drawn: 2-27-05	Date Last Revision:	<b>Timberline</b> (435) 789-1365 <b>Land Surveying, Inc.</b> 38 WEST 100 NORTH VERNAL, UTAH 84078
Surveyed By: K.K.	Drawn By: J.R.S.	Scale: 1" = 50'	
			<b>SHEET</b> <b>5</b> <b>OF 10</b>



LEGEND

- = PROPOSED WELL LOCATION
- B-5460 = COUNTY ROAD CLASS & NUMBER
- = EXISTING ROAD
- = EXISTING ROAD (TO BE IMPROVED)
- = PROPOSED ACCESS ROAD

**TOPOGRAPHIC MAP "A"**

DATE SURVEYED: 2-23-05

DATE DRAWN: 2-27-05

SCALE: 1:100,000

DRAWN BY: J.R.S.

REVISED:

**SLATE RIVER RESOURCES, LLC**

**Uintah Oil Association 1321-7A  
SECTION 7, T13S, R21E, S.L.B.&M.  
372' FNL & 972' FEL**

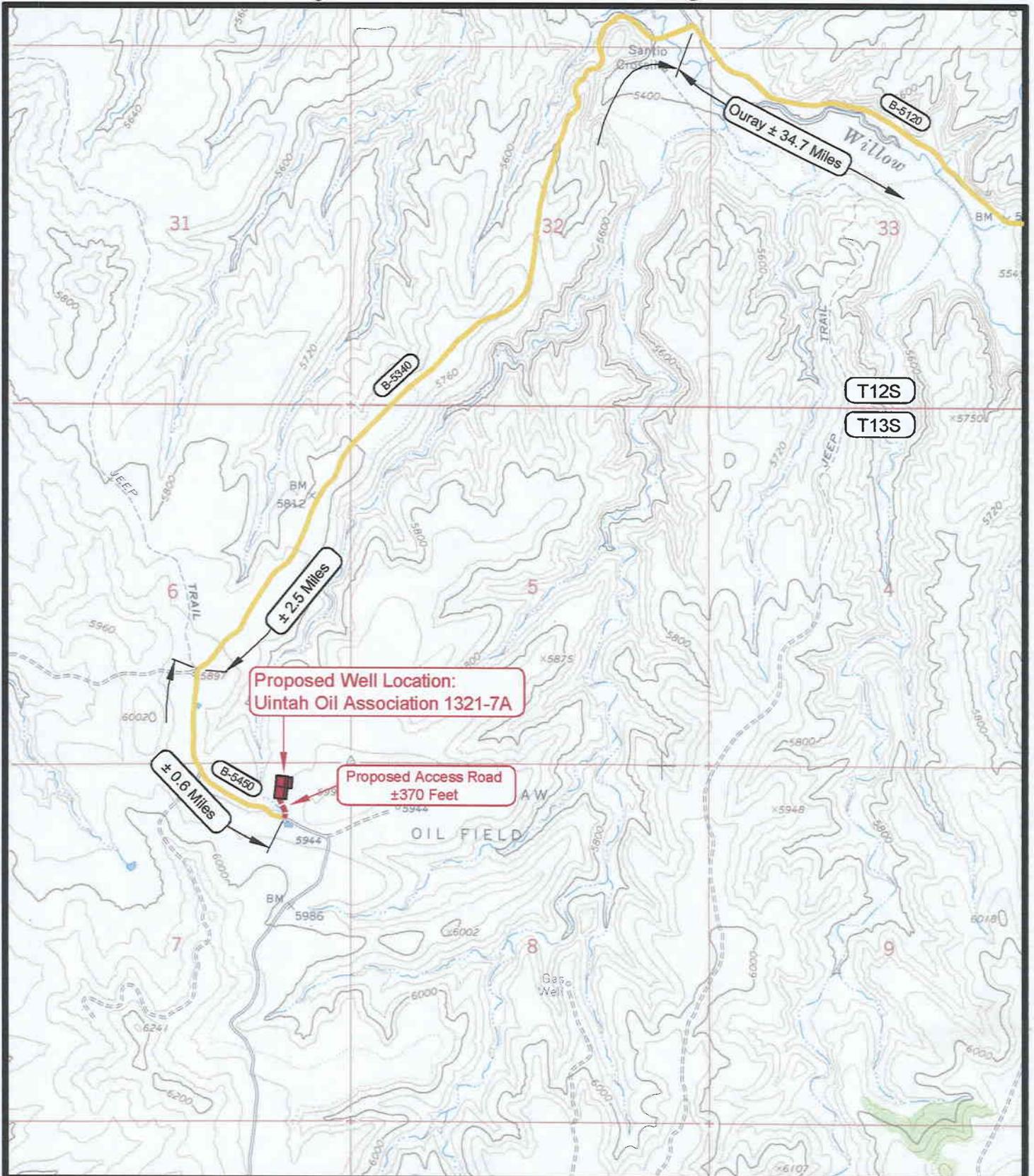
**Timberline Land Surveying, Inc.**

38 West 100 North Vernal, Utah 84078  
(435) 789-1365

SHEET

6

OF 10



LEGEND

- = EXISTING ROAD
- = EXISTING ROAD (TO BE IMPROVED)
- - - = PROPOSED ACCESS ROAD
- B-5460 = COUNTY ROAD CLASS & NUMBER

**TOPOGRAPHIC MAP "B"**

SCALE: 1" = 2000'

DRAWN BY: J.R.S.

DATE SURVEYED: 2-23-05

DATE DRAWN: 2-27-05

REVISED:

**SLATE RIVER RESOURCES, LLC**

**Uintah Oil Association 1321-7A**  
**SECTION 7, T13S, R21E, S.L.B.&M.**  
**372' FNL & 972' FEL**

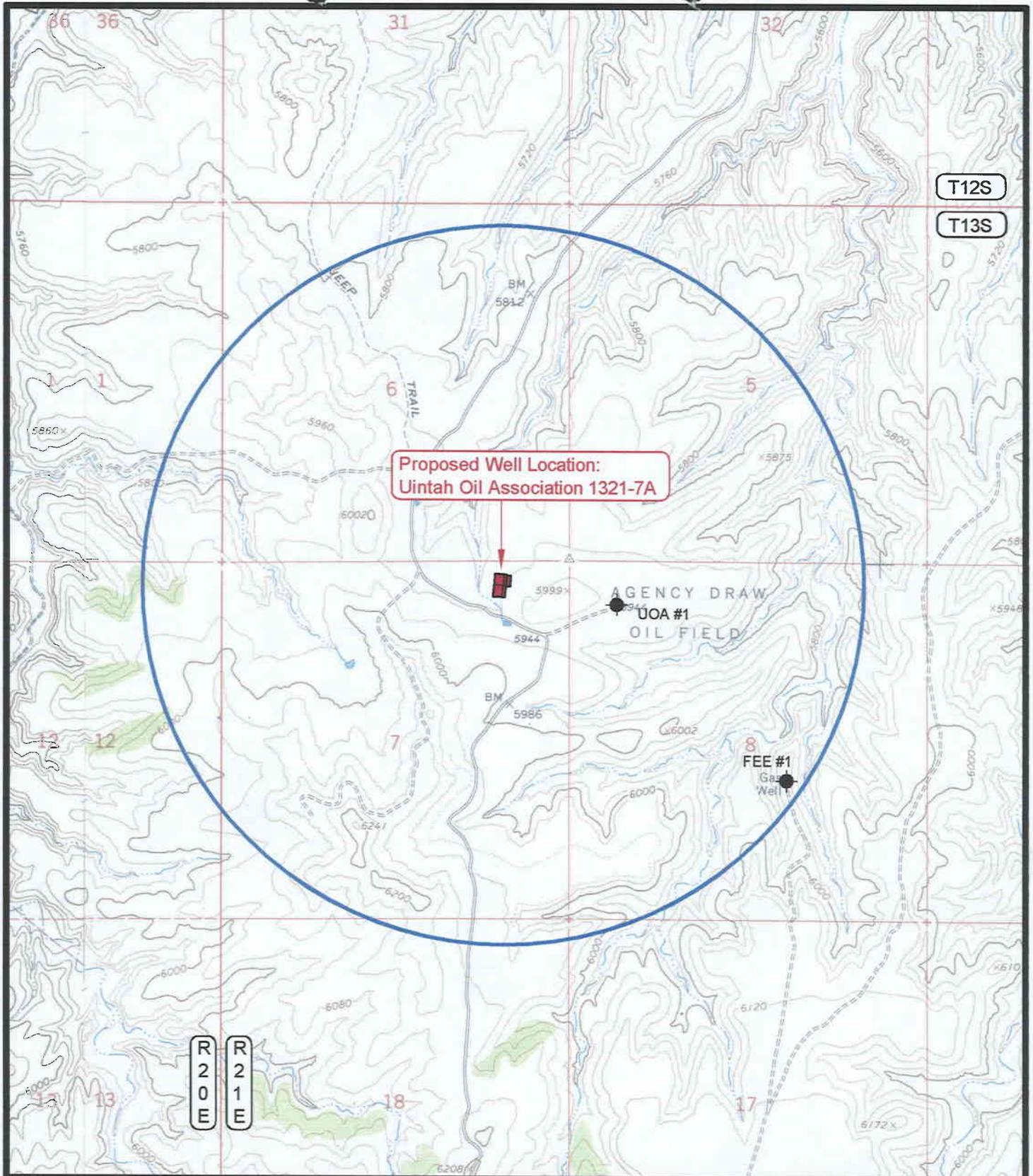
**Timberline Land Surveying, Inc.**

38 West 100 North Vernal, Utah 84078  
 (435) 789-1365

SHEET

7

OF 10



**LEGEND**

- ∅ = DISPOSAL WELL
- = PRODUCING WELL
- = SHUT IN WELL
- ∅ = WATER WELL
- = ABANDONED WELL
- = TEMPORARILY ABANDONED WELL

**SLATE RIVER RESOURCES, LLC**

**Uintah Oil Association 1321-7A  
SECTION 7, T13S, R21E, S.L.B.&M.  
372' FNL & 972' FEL**

**TOPOGRAPHIC MAP "C"**

DATE SURVEYED: 2-23-05

DATE DRAWN: 2-27-05

SCALE: 1" = 2000'

DRAWN BY: J.R.S.

REVISED:

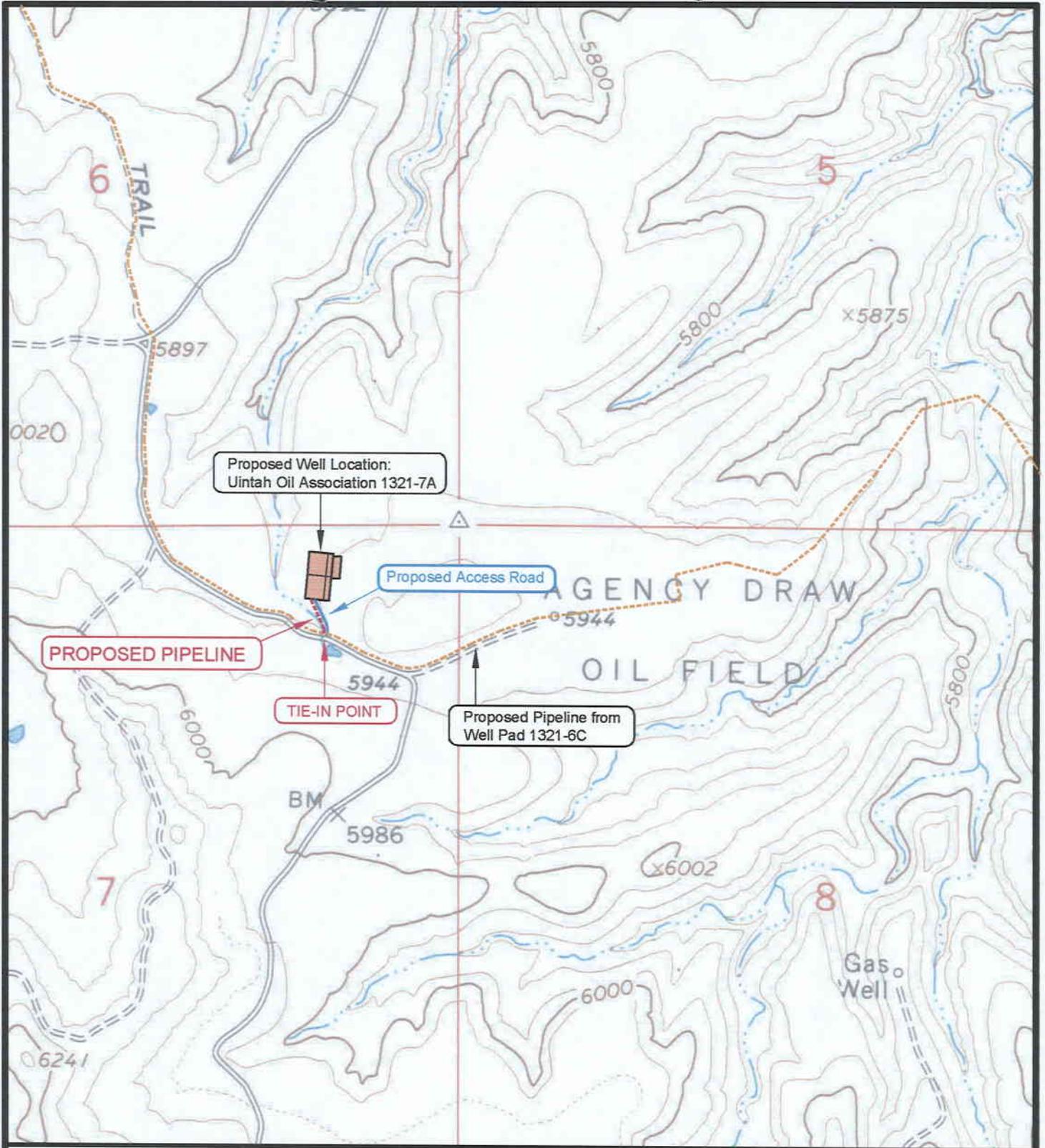
**Timberline Land Surveying, Inc.**

38 West 100 North Vernal, Utah 84078  
(435) 789-1365

SHEET

**8**

OF 10



**APPROXIMATE PIPELINE LENGTH = 300 FEET**

**LEGEND**

- = EXISTING PIPELINE
- ..... = PROPOSED PIPELINE
- = PROPOSED ACCESS ROAD

**SLATE RIVER RESOURCES, LLC**

**Uintah Oil Association 1321-7A  
SECTION 7, T13S, R21E, S.L.B.&M.  
372' FNL & 972' FEL**

**TOPOGRAPHIC MAP "D"**

DATE SURVEYED: 2-23-05

DATE DRAWN: 2-27-05

SCALE: 1" = 1000'

DRAWN BY: J.R.S.

REVISED:



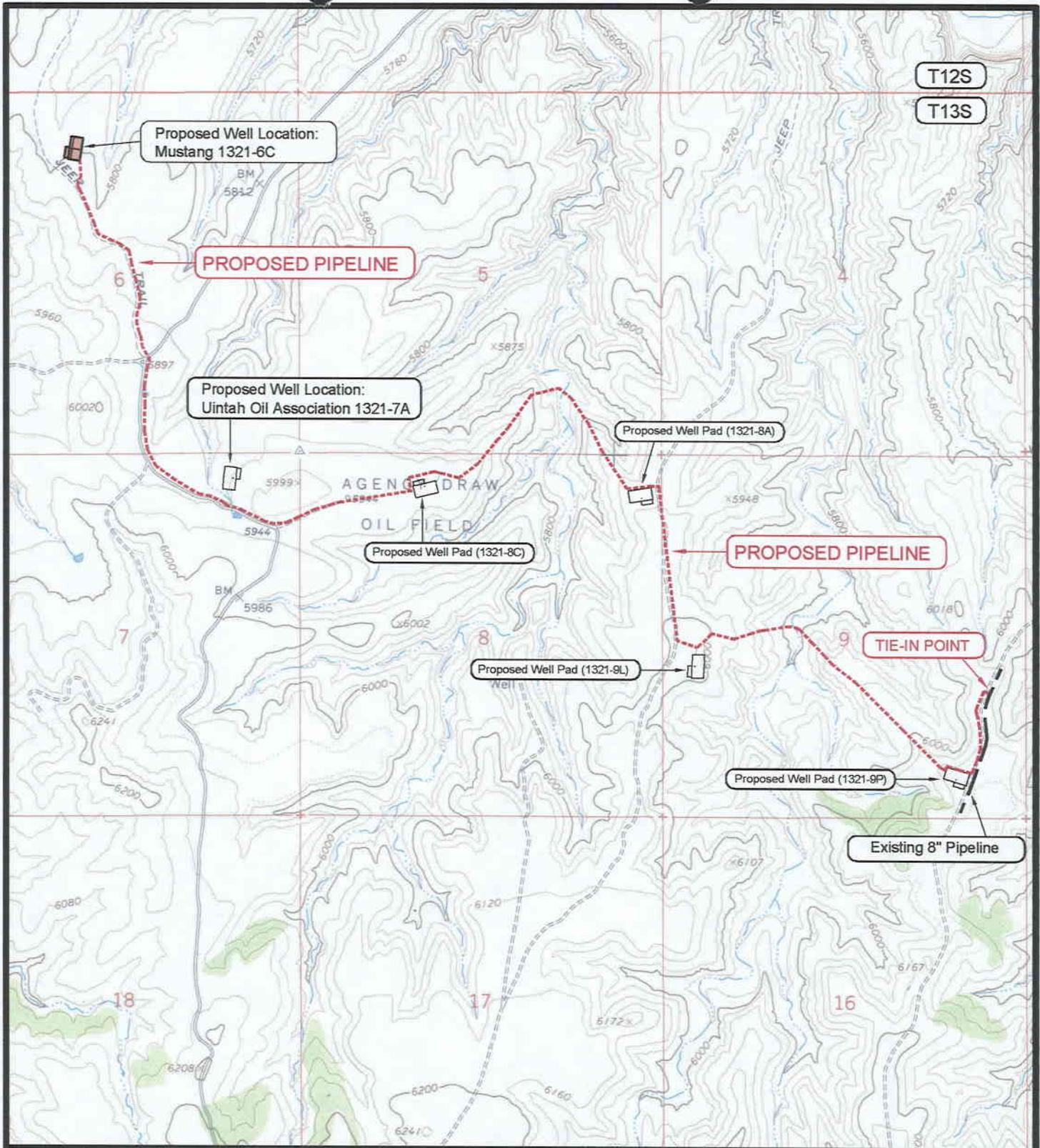
**Timberline Land Surveying, Inc.**

38 West 100 North Vernal, Utah 84078  
(435) 789-1365

**SHEET**

**9**

**OF 10**



**APPROXIMATE PIPELINE LENGTH = 23,090'**

**LEGEND**

- = EXISTING PIPELINE
- = PROPOSED PIPELINE
- = PROPOSED ACCESS ROAD

**SLATE RIVER RESOURCES, LLC**

**Uintah Oil Association 1321-7A**  
**Proposed Pipeline from Well 1321-6C to Tie In**  
**SECTIONS 5, 6, 7, 8 & 9, T13S, R21E, S.L.B.&M.**  
**372' FNL & 972' FEL**

<b>TOPOGRAPHIC MAP "D-1"</b>		DATE SURVEYED: 2-23-05
SCALE: 1" = 2000'		DATE DRAWN: 2-27-05
DRAWN BY: J.R.S.	LATEST REVISION: 3-3-05	



**Timberline Land Surveying, Inc.**  
 38 West 100 North Vernal, Utah 84078  
 (435) 789-1365

**SHEET**  
**9a**  
**OF 10**

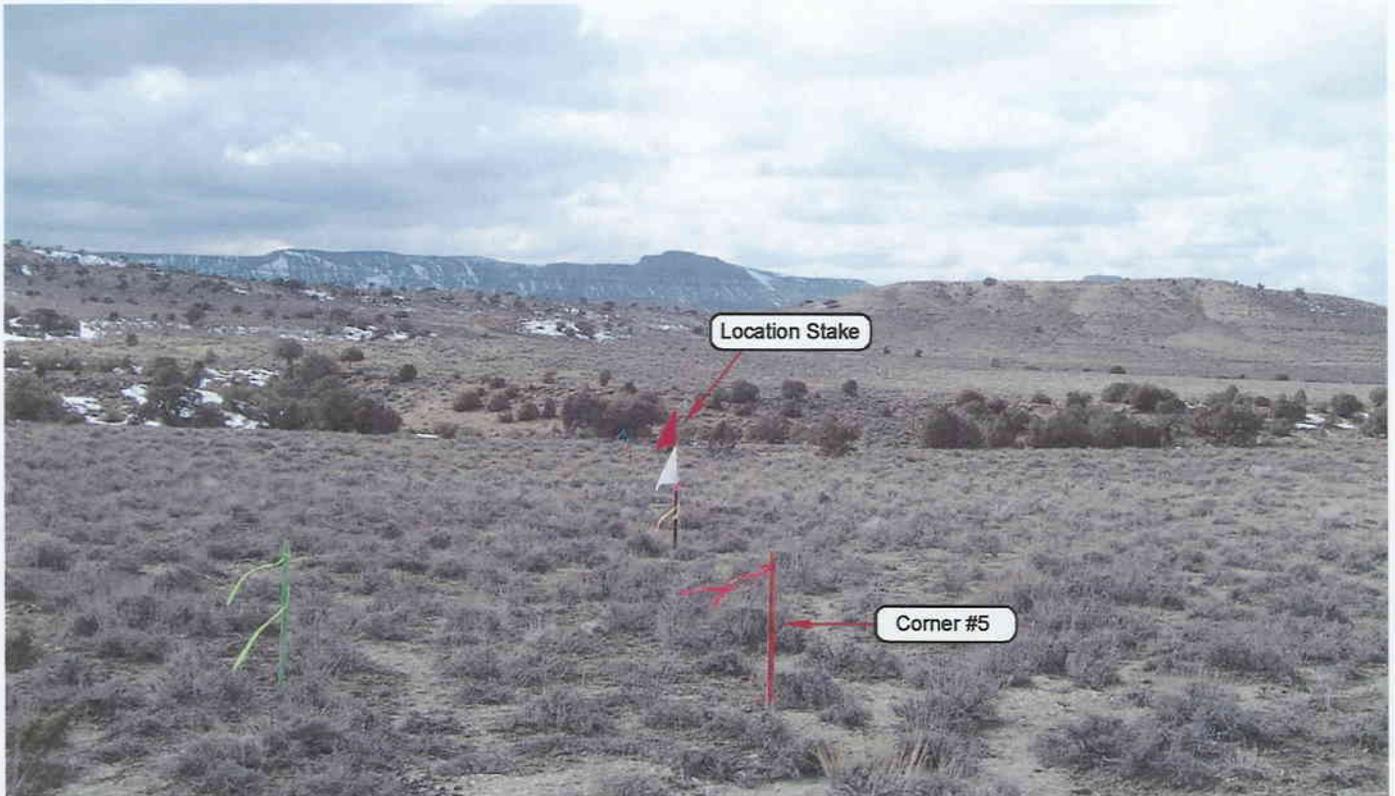


PHOTO VIEW: FROM CORNER #5 TO LOCATION STAKE

CAMERA ANGLE: WESTERLY

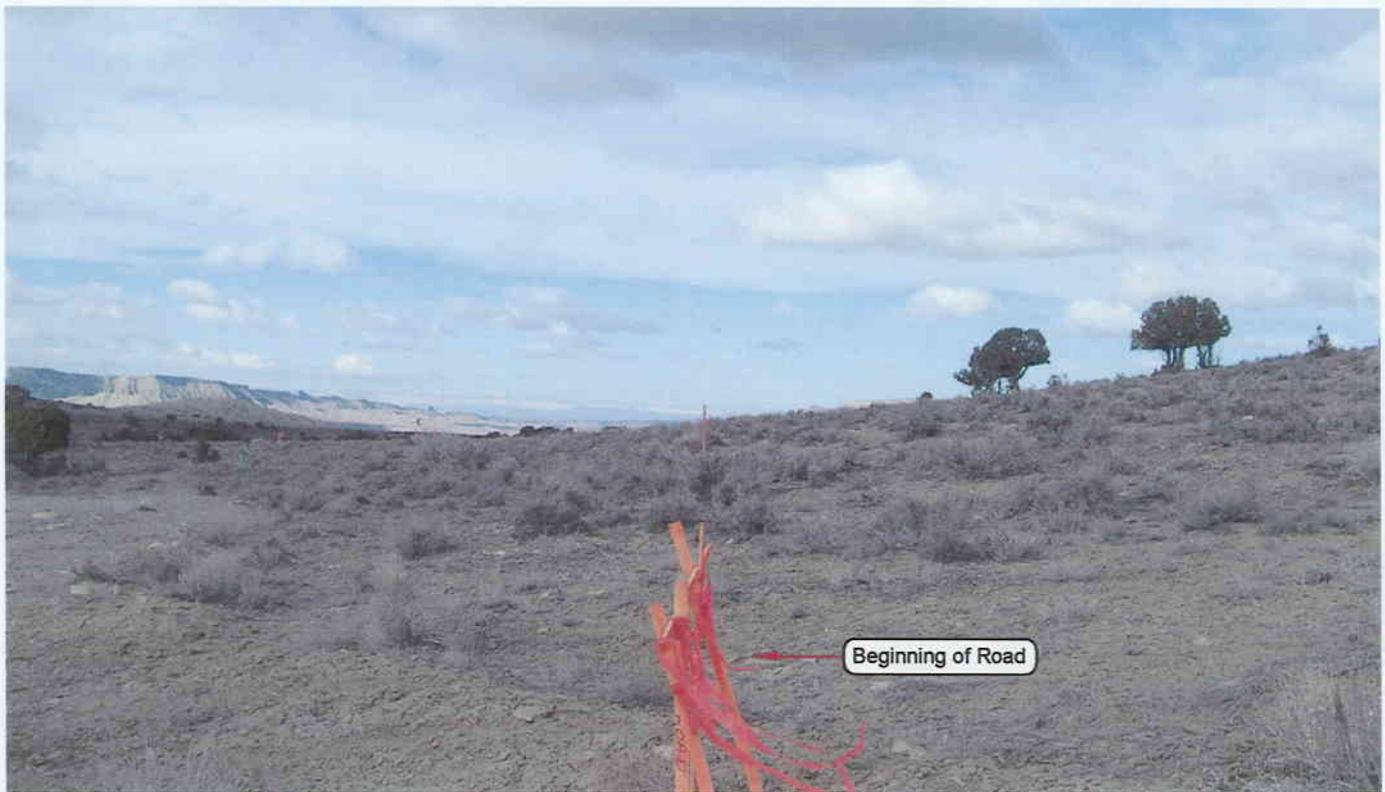


PHOTO VIEW: FROM BEGINNING OF PROPOSED ROAD

CAMERA ANGLE: NORTHERLY

**SLATE RIVER RESOURCES, LLC**

Uintah Oil Association 1321-7A  
SECTION 7, T13S, R21E, S.L.B.&M.  
372' FNL & 972' FEL

**LOCATION PHOTOS**

DATE TAKEN: 2-23-05

DATE DRAWN: 2-27-05

TAKEN BY: K.K.

DRAWN BY: J.R.S.

REVISED:

**Timberline Land Surveying, Inc.**

38 West 100 North Vernal, Utah 84078  
(435) 789-1365

SHEET  
10  
OF 10

002

# FAX TRANSMISSION

## SLATE RIVER RESOURCES, LLC

1600 Broadway, Suite 900

Denver, Colorado 80202

office: 303-592-4444

direct: 303-592-4448

fax: 303-592-4440

**To:** Diana Whitney, DOGM  
Ginger Stringham

**Date:** March 16, 2005

**Fax #:** 801-359-3940  
435-789-0255

**Pages:** 4, including this cover sheet.

**From:** Bruce E. Johnston

**Subject:** Surface Use Agreement – Utah Oil Shales, Inc. and Uintah Oil Association

Attached is a letter executed by Utah Oil Shales and Uintah Oil Association dated March 15, 2005 covering surface use and damages for wells on the two Oil and Gas Leases covering 4,317 acres. Your assistance in getting on-sites set up as soon as possible for the wells on these leases is appreciated. If you have any questions, call me at 303-592-4448 or 303-880-1343.

RECEIVED  
MAR 16 2005  
DIV. OF OIL, GAS & MINING

From the desk of...  
Bruce E. Johnston  
Vice President Land  
Slate River Resources, LLC  
1600 Broadway, Suite 900  
Denver, CO 80202  
bjohnston@sirriver.com  
direct 303-592-4448  
Cell 303-880-1343  
Fax: 303-592-4440

03/16/2005 14:31 26189  
03/18/2005 12:21 FAX 3035824440

BOWEN

PAGE 82

SLATE RIVER

001/001



## Slate River Resources, LLC

1600 Broadway, Suite 800  
Denver, Colorado 80202

Page 1 of 3

March 15, 2005

Utah Oil Shales, Inc.  
c/o Mr. Ed Bowen  
Utah Oil Association  
c/o Mr. Erhel D. Newman  
1972 E. Claremont Way  
Salt Lake City, UT 84108  
Fax 801-261-0808

<p><b>Re:</b> Surface Use and Damage Agreement Utah Oil Shales, Inc. Oil &amp; Gas Lease T199-F21E Sec 4: Lots 1,2,3,4, S/2N/2, S/2 Sec 5: Lot 1, SE/4NE/4, E/2SE/4 Sec 6: E/2E/2, SW/4SE/4 Sec 7: All Sec 16: W/2 Sec 17: E/2</p> <p>2,278.66 acres Utah County, Utah</p>	<p>Utah Oil Association Oil &amp; Gas Lease T199-F21E Sec 51: SE/4 Sec 52: S/2 T199-F21E Sec 6: Lots 2,3,4, S/2NW/4, SW/4NE/4, SW/4, W/2SE/4 Sec 8: Lots 1,2, S/2NE/4, SE/4 Sec 7: E/2 Sec 8: W/2, W/2NE/4, NW/4SE/4 2,098.98 acres</p>
--	---

Dear Mr. Bowen and Mr. Newman:

Utah Oil Association and Utah Oil Shales, Inc. own the surface and minerals within two Oil and Gas Leases dated May 1, 1989 recorded in Book 708, page 880 and page 828 of the Utah County, Utah records covering 4,817.65 acres described above. Mustang Fuel Corporation, 19499 Broadway Extension, Oklahoma City, Oklahoma 73114 as lessee for the two leases assigned 50% of the leases to Slate River Resources, LLC, 1600 Broadway, Suite 800, Denver, Colorado 80202 by assignment dated February 14, 2005 and recorded in Book 916, Page 200. Slate River Resources, LLC is the operator of the two leases.

The surface owners and lessees wish to enter into an agreement covering the access and payment of damages on the Oil and Gas Leases for the exploration and production of oil and gas. This agreement is supplemental to and subject to the terms of the two Oil and Gas Leases referenced in the paragraph above.

**Surface Operations** With respect to operations conducted on and production from the leased premises and during the term of the leases, the following shall control:

(a) Lessee shall make a good faith effort to use existing roadways and a minimal amount of production facilities whenever practicable and to limit the amount of new road construction on the leased premises. Lessee agrees to maintain and keep all lease roads, gates and cattle

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MAR 16 2005

DIV. OF OIL, GAS &amp; MINING



## Slate River Resources, LLC

1600 Broadway, Suite 800  
Denver, Colorado 80202

Page 2 of 8

guards in satisfactory condition. Prior to the commencement of any operations (other than staking of location) for the drilling of any well hereunder affecting surface owned by Surface Owner or any of its affiliate or subsidiary companies, Lessee shall provide for such surface owner's consent a plat reflecting its proposed route of ingress and agree to the well location and staking the length of any new road(s) proposed to be constructed for such well. Said

surface owner's consent to the proposed route and any associated road construction shall not be unreasonably withheld. Upon completion of any operation performed pursuant to this lease, Lessee shall restore the affected surface as nearly as practicable to its condition prior to such operation.

(b) Prior to the commencement of drilling operations, Lessee shall pay the surface owner for surface damages, the sum of:

(i). \$2500 for each well permitted to a proposed depth down to the base of the Mancos formation, or

(ii). \$5000 for each well permitted to a proposed depth deeper than the base of the Mancos formation.

(c) Damages to be paid to the surface owner for construction of new road or for laying of new pipeline shall be calculated on the basis of \$ 10.00 per linear rod.

(d) Salt water shall not be disposed of on the leased premises without the written consent of the appropriate surface owner. No hunting or fishing shall be allowed on the leased premises by Lessee or any of its contractors, subcontractors, etc. without the written consent of the surface owner. Lessee shall keep the leased premises free and clear of trash and debris.

(e) Lessee recognizes that the leased premises may be subject to leases covering other surface activities, including the grazing of livestock and/or the removal of stone for commercial purposes. In this regard Lessee agrees to conduct its operations in such a manner as to cause minimal disturbance to or interference with said activities.

In addition, in accordance with the terms of the Oil and Gas Leases referred to above enclosed is a copy of the recorded Partial Assignment of Oil & Gas Leases from Mustang Fuel Corporation conveying 50% of its leasehold interest to Slate River Resources, LLC.

Slate River Resources, LLC in compliance with State of Utah Drilling and Operating Practices - Bonding, Rule 649-S-1 has obtained a statewide Surety Bond No. B001538 in the amount of \$120,000, with U.S. Specialty Insurance Company as Surety and payable to the Director of Utah Division of Oil, Gas and Mining. A copy of the bond is attached for your files.

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MAR 16 2005

DIV. OF OIL, GAS & MINING



**Slate River Resources, LLC**

1600 Broadway, Suite 900  
Denver, Colorado 80202

Page 3 of 3

Please sign and return a copy of this letter indicating acceptance of the Surface access and damage provisions provided herein. Prior to each well being drilled or new construction operation we will provide you with a plat of the location and payment for the well, roadway and pipeline access.

Sincerely,

Bruce E. Johnston  
Vice President and  
BEJ/100

Provisions herein accepted this 16<sup>th</sup> day of March, 2005.  
Utah Oil Association

By Ernie D. Newman  
President

Utah Oil Shales, Inc.  
By Edward M. Bowen  
President

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MAR 16 2005  
DIV. OF OIL, GAS & MINING

**From:** Robert Clark  
**To:** Whitney, Diana  
**Date:** 3/21/2005 9:12:21 AM  
**Subject:** DAQ Comments on seven Application to Drill proposals (RDCC #'s 5011-5016 and 5031)

The following comments are submitted in response to seven Application to Drill proposals; RDCC #'s 5011 - 5016 and 5031.

Due to the short turn around time involved, these comments are submitted directly to DOG&M rather than to Carolyn Wright at RDCC. The comments submitted are applicable to all seven applications.

**Comments begin:** The proposed well drilling project may require a permit, known as an Approval Order, from the Utah Division of Air Quality if any compressor stations are constructed at the site. A permit application, known as a Notice of Intent (NOI), should be submitted to the Executive Secretary at the Utah Division of Air Quality at 150 N. 1950 West, SLC, UT, 84116 for review according to the Utah Air Conservation Rule R307-400, Permits, Notice of Intent and Approval Order.

The proposed well drilling project is also subject to Utah Air Conservation Rule R307-205-3, Fugitive Dust, due to the fugitive dust that is generated during the excavating phases of the project. These rules apply to construction activities that disturb an area greater than 1/4 acre in size. A permit, known as an Approval Order, is not required from the Division of Air Quality, but steps need to be taken to minimize fugitive dust, such as, watering and/or chemical stabilization, providing vegetative or synthetic cover and windbreaks. A copy of the rules are found at [www.rules.utah.gov/publicat/code/r307/r307.htm](http://www.rules.utah.gov/publicat/code/r307/r307.htm) . **Comments end.**

Robert Clark  
Utah Division of Air Quality  
536-4435

**CC:** Dave Mcneill; Wright, Carolyn

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

**OPERATOR:** Slate River Resources, LLC  
**WELL NAME & NUMBER:** Uintah Oil Assoc. 1321-7A  
**API NUMBER:** 43-047-36372  
**LOCATION:** 1/4,1/4 NENE Sec:7 TWP:13S RNG: 21E 372 FNL 972 FEL

**Geology/Ground Water:**

Slate River proposes to set 2,000' of surface casing at this location. The base of the moderately saline water is at approximately 3,400 feet in this area. This location lies on the Green River Formation. The proposed location is in a recharge area for the aquifers of the Green River Formation and fresh water can be expected to be found in the Green River. A search of Division of Water Rights records indicates 1 water well within a 10,000 foot radius of the proposed location. The well is over 1.5 miles from the proposed location. The well is owned by Utah Oil Shale Inc. and is drilled to a depth of 70 feet and listed as used for stock watering. The proposed casing and cement program should adequately protect any useable ground water.

**Reviewer:** Brad Hill                      **Date:** 04-14-05

**Surface:**

On-site conducted April 8, 2005. In attendance: Bart Kettle (DOGM), Ginger Stringham (Agent), Jim (Dirt Contractor), John Conely (Slate River), Kolby Kay (Timberline Land Surveying) and Floyd Bartlett (DWR), invited but choosing not to attend Ed Bonner (SITLA).

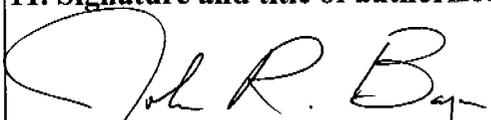
Per surface use proposal in Application for Permit to Drill reserve pit will be lined and fenced on three sides while well is being drilled, with the fourth side being fenced immediately upon completion of drilling. A felt pad maybe require to prevent sharp rock from puncturing liner. Historically the surface has been used to graze sheep, as staked the location lies within an area that has been used in the past as sheep bedding ground. Construction of a location will facilitate further use as a sheep bed ground, precautions may be required to avoid conflicts between livestock and oil and gas users. Significant wildlife concerns exist, DWR encourages use restrictions but surface owner will dictate stipulations.

**Reviewer:** Bart Kettle                      **Date:** April 13, 2005

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

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

**STATE ACTIONS**  
**Resource Development Coordinating Committee**  
**Governor's Office of Planning and Budget**  
**5110 State Office Building**  
**SLC, UT 84114**  
**Phone No. 537-9230**

<b>1. State Agency</b> Oil, Gas and Mining 1594 West North Temple, Suite 1210 Salt Lake City, UT 84114-5801	<b>2. Approximate date project will start:</b>  Upon Approval or March 28, 2005
<b>3. Title of proposed action:</b> Application for Permit to Drill	
<b>4. Description of Project:</b>  Slate River Resources proposes to drill the Uintah Oil Association 1321-7A well (wildcat) on a Fee lease, Uintah County, Utah. This action is being presented to the RDCC for consideration of resource issues affecting state interests. The Division of Oil, Gas and Mining is the primary administrative agency in this action and must issue approval before operations commence.	
<b>5. Location and detailed map of land affected (site location map required, electronic GIS map preferred)</b> (include UTM coordinates where possible) (indicate county) 372' FNL 972' FEL, NE/4 NE/4, Section 7, Township 13 South, Range 21 East, Uintah County, Utah	
<b>6. Possible significant impacts likely to occur:</b> Surface impacts include up to five acres of surface disturbance during the drilling and completion phase (estimated for five weeks duration). If oil and gas in commercial quantities is discovered, the location will be reclaimed back to a net disturbance of between one and two acres – not including road, pipeline, or utility infrastructure. If no oil or gas is discovered, the location will be completely reclaimed.	
<b>7. Identify local government affected</b> a. Has the government been contacted? No. b. When? c. What was the response? d. If no response, how is the local government(s) likely to be impacted?	
<b>8. For acquisitions of land or interests in land by DWR or State Parks please identify state representative and state senator for the project area. Name and phone number of state representative, state senator near project site, if applicable:</b> a. Has the representative and senator been contacted? N/A	
<b>9. Areawide clearinghouse(s) receiving state action:</b> (to be sent out by agency in block 1) Uintah Basin Association of Governments	
<b>10. For further information, contact:</b>   Diana Whitney <b>Phone:</b> (801) 538-5312	<b>11. Signature and title of authorized officer</b>  John R. Baza, Associate Director <b>Date:</b> March 14, 2005

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

OPERATOR: Slate River Resources, LLC  
WELL NAME & NUMBER: Uintah Oil Assoc 1321-7A  
API NUMBER: 43-047-36372  
LEASE: Fee FIELD/UNIT: Wildcat  
LOCATION: 1/4,1/4 NENE Sec: 7 TWP: 13S RNG: 21E 372 FNL 972 FEL  
LEGAL WELL SITING: 460 F SEC. LINE; 460 F 1/4,1/4 LINE; 920 F ANOTHER WELL.  
GPS COORD (UTM): X =619756 E; Y =4396003 N SURFACE OWNER: Fee

**PARTICIPANTS**

Bart Kettle(DOGM), Ginger Stringham (Permit Agent), Jim (Dirt Contractor), John Conley (Slate River), Kolby Kay (Timberline Land Surveying) and Floyd Bartlett (DWR).

**REGIONAL/LOCAL SETTING & TOPOGRAPHY**

Proposed location is ~69 miles south of Vernal, Uintah County, Utah. The immediate area surrounding the proposed well is steep rocky canyons and dry washes, vegetation is dominated by salt scrub and Pinyon/Juniper communities. The proposed location sits in an 8-10" precipitation zone, ground cover is sparse and soils are erosive in nature. Slopes are generally steep with shallow soils and mudstone or shale outcrops. Access to this well will be along existing county roads. Drainage is to the northwest entering Willow Creek ~2.5 miles away. There are no observed perennial water sources in close proximity to the well and dry washes appear to only flow during spring snow melt and extreme rain events.

**SURFACE USE PLAN**

CURRENT SURFACE USE: Seasonal sheep grazing, wildlife habitat.

PROPOSED SURFACE DISTURBANCE: 340' x 250', 370' of new access road.

LOCATION OF EXISTING WELLS WITHIN A 1 MILE RADIUS: Abandoned Well: Fee#2 and UOA#1

LOCATION OF PRODUCTION FACILITIES AND PIPELINES: Production facilities such as separators, dehydrators, flow meters and tanks will be located on-site. The Sales Gas line will be installed if the well is capable or economic production.

SOURCE OF CONSTRUCTION MATERIAL: On-site

ANCILLARY FACILITIES: None required

WILL DRILLING AT THIS LOCATION GENERATE PUBLIC INTEREST OR CONCERNS? (EXPLAIN): Drilling at this location is not expected to generate public interest.

## WASTE MANAGEMENT PLAN:

Garbage and other trash will be contained in a self-contained trash container. Refuse will be transported to an approved sanitary landfill. Sewage will be handled in self-contained portable toilets and contents hauled off location to an authorized facility in accordance with State and local regulations.

Reserve pit will be fenced and lined according to procedures submitted in the Application to Drill. Drill cuttings will be constrained in the reserve pit. Produced liquid hydrocarbons will be constrained in test tanks during completion and testing.

## ENVIRONMENTAL PARAMETERS

AFFECTED FLOODPLAINS AND/OR WETLANDS: Well pad is located on the edge of a small mesa, construction at this location is not expected to significantly alter function or sediment loads of any floodplains or wetlands. Small intermittent springs are often located along draws and washes in the area, no such water sources were observed on the on-site.

FLORA/FAUNA: Mule Deer, Elk, rabbits, rodents, songbirds, raptors, lizards and snakes.

Grasses: Curly galleta, Indian ricegrass, squirreltail bottlebrush and Sandburg's bluegrass. Forbs: Cryptantha spp, bur buttercup and desert parsley. Shrubs: Black sage, black greasewood, shadscale, gray horsebrush, buckwheat spp, bud sage, and birchleaf mahogany. Trees: Utah Juniper

SOIL TYPE AND CHARACTERISTICS: Light brown silty clay, gray shale.

SURFACE FORMATION & CHARACTERISTICS: Green River Formation. Formation consists of steep canyons and small mesas. Gray shale and mudstone fragments cover much of the surface area.

EROSION/SEDIMENTATION/STABILITY: Fine soils prone to wind erosion. Soils are erosive in nature, with topsoil absent or a thin layer over most of the area. All soils are subject to significant erosion during rain events sufficient to create flows.

PALEONTOLOGICAL POTENTIAL: None noted

## RESERVE PIT

CHARACTERISTICS: 60'x160'x8'

LINER REQUIREMENTS (Site Ranking Form attached): Liner is required

## SURFACE RESTORATION/RECLAMATION PLAN

As per surface use agreement

SURFACE AGREEMENT: Signed.

OTHER OBSERVATIONS/COMMENTS

Excavation of pit is likely to expose sharp rocks, felt liner may be require to prevent liner from being punctured. Site is classified as sage grouse brooding area (no near by leks) critical deer winter range, and substantial in value elk winter range. Golden eagle nest ¼ mile from closest well. Could be ferruginous hawks in scattered juniper, no nests in P/J observed during on-site. Direct loss of winter forage will occur from road and pad construction. Increased use of access road will create indirect loss of habitat. Impacts can be reduced by re-vegetating unused portions of pad and not constructing road or pad, or drilling from Dec. 2 thru March 1. Location has been used as sheep bed ground, precautions should be taken to prevent conflicts between livestock and oil and gas users. Drilling water will be pumped to location from Willow Creek, permit#-T75377.

ATTACHMENTS

Photos of this location were taken and placed on file.

Bart Kettle  
DOGM REPRESENTATIVE

April 13, 2005 2:51 P.M.  
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>0</u>
Distance to Nearest Municipal Well (feet)		
>5280	0	
1320 to 5280	5	
500 to 1320	10	
<500	20	<u>0</u>
Distance to Other Wells (feet)		
>1320	0	
300 to 1320	10	
<300	20	<u>0</u>
Native Soil Type		
Low permeability	0	
Mod. permeability	10	
High permeability	20	<u>10</u>
Fluid Type		
Air/mist	0	
Fresh Water	5	
TDS >5000 and <10000	10	
TDS >10000 or Oil Base Mud Fluid	15	
containing significant levels of hazardous constituents	20	<u>5</u>
Drill Cuttings		
Normal Rock	0	
Salt or detrimental	10	<u>0</u>
Annual Precipitation (inches)		
<10	0	
10 to 20	5	
>20	10	<u>5</u>
Affected Populations		
<10	0	
10 to 30	6	
30 to 50	8	
>50	10	<u>0</u>
Presence of Nearby Utility Conduits		
Not Present	0	
Unknown	10	
Present	15	<u>0</u>

**Final Score**            20    (Level I Sensitivity)

Sensitivity Level I = 20 or more; total containment is required, consider criteria for excluding pit use.

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

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



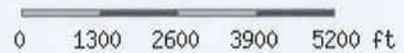
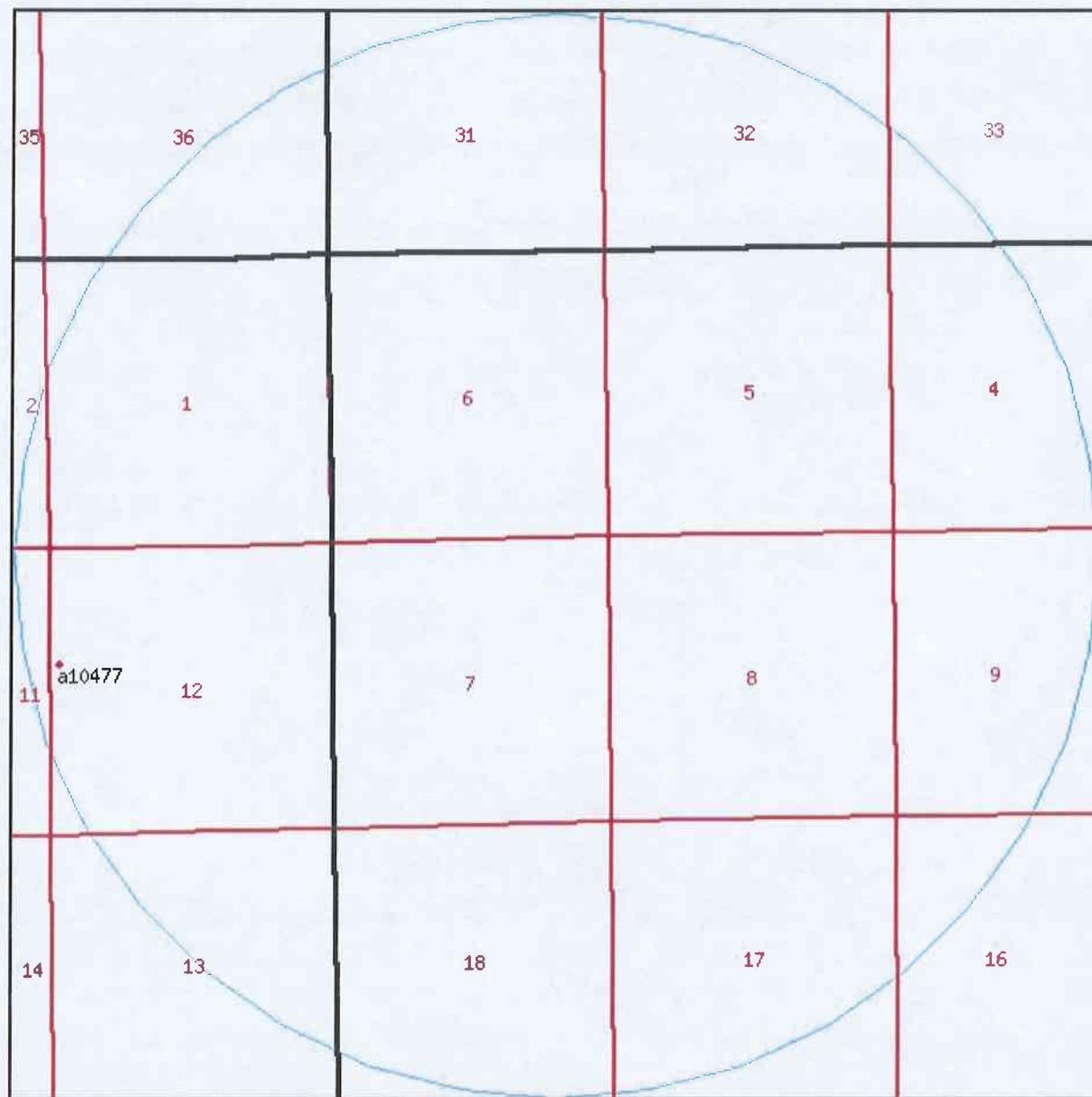
utah.gov State Online Services Agency List Business.utah.gov Search Utah.gov GO

# UTAH DIVISION OF WATER RIGHTS

## WRPLAT Program Output Listing

Version: 2004.12.30.00      Rupdate: 04/14/2005 10:39 AM

Radius search of 10000 feet from a point S372 W972 from the NE corner, section 07, Township 13S, Range 21E, SL b&m  
Criteria:wrtypes=W,C,E podtypes=U status=U,A,P usetypes=all



**Water Rights**

<b>WR Number</b>	<b>Diversion Type/Location</b>	<b>Well Log</b>	<b>Status</b>	<b>Priority</b>	<b>Uses</b>	<b>CFS</b>	<b>ACFT</b>	<b>Owner Name</b>
49-285	Underground S2125 E170 NW 12 13S 20E SL		A	19701203	S	0.015	0.000	UTAH OIL SHALES INC. C/O RAYMOND T. SENIOR, PRESIDENT
a10477	Underground S2125 E170 NW 12 13S 20E SL		A	19781106	S	0.015	0.000	UTAH OIL SHALES INC. 622 NEWHOUSE BLDG. (10 EXCHANGE PLACE)

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

04-05 Slate River Uintah Oil Assoc 1321-7A

Casing Schematic

Green River

Surface

Propose TOC Surface - Top out as Necessary

9-5/8"  
MW 8.4  
Frac 19.3

TOC @  
508.

1592 TOC  
Tail

w/ 18% Washout  
Surface w/ 9% Washout

Surface  
2000. MD

2300' Washout

3400 BMSW

TOC @  
4243.

5830 TOC Tail

w/ 15% Washout  
TOC 2444' w/ 10% Washout  
# Cement Skipt 3

7300 Mancos

4-1/2"  
MW 9.

Production  
8000. MD

BHP  
 $(.052)(9)(8,000) = 3744$   
 Anticipate < 3600

Gas  
 $(.12)(8,000) = 960$   
 MASP = 2784

BOP - 3,000 ✓

Surf @ sg - 2270  
 70% = 1589

Max pressure @ shoe = 2280  
 Propose test to 1500#  
 Test to 1500# ✓

✓ Adequate Disc 4/21/05

Well name:	<b>04-05 Slate River Uintah Oil Assoc 1321-7A</b>	
Operator:	<b>Slate River Resources, LLC</b>	Project ID:
String type:	Surface	43-047-36372
Location:	Uintah County	

**Design parameters:**

**Collapse**

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

**Minimum design factors:**

**Collapse:**

Design factor 1.125

**Burst:**

Design factor 1.00

**Environment:**

H2S considered? No  
 Surface temperature: 75 °F  
 Bottom hole temperature: 103 °F  
 Temperature gradient: 1.40 °F/100ft  
 Minimum section length: 1,500 ft

Cement top: 508 ft

**Burst**

Max anticipated surface pressure: 1,760 psi  
 Internal gradient: 0.120 psi/ft  
 Calculated BHP 2,000 psi

No backup mud specified.

**Tension:**

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

Tension is based on buoyed weight.  
 Neutral point: 1,753 ft

Non-directional string.

**Re subsequent strings:**

Next setting depth: 8,000 ft  
 Next mud weight: 9.000 ppg  
 Next setting BHP: 3,740 psi  
 Fracture mud wt: 19.250 ppg  
 Fracture depth: 2,000 ft  
 Injection pressure 2,000 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	2000	9.625	32.30	H-40	ST&C	2000	2000	8.876	126.8
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	873	1370	1.570	2000	2270	1.13	57	254	4.48 J

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

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

Date: April 18, 2005  
 Salt Lake City, Utah

Remarks:

Collapse is based on a vertical depth of 2000 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:

**04-05 Slate River Uintah Oil Assoc 1321-7A**

Operator: **Slate River Resources, LLC**

String type: Production

Project ID:  
43-047-36372

Location: Uintah County

**Design parameters:**

**Collapse**

Mud weight: 9.000 ppg  
Design is based on evacuated pipe.

**Minimum design factors:**

**Collapse:**

Design factor 1.125

**Burst:**

Design factor 1.00

**Environment:**

H2S considered? No  
Surface temperature: 75 °F  
Bottom hole temperature: 187 °F  
Temperature gradient: 1.40 °F/100ft  
Minimum section length: 1,500 ft

Cement top: 4,243 ft

**Burst**

Max anticipated surface pressure: 3,005 psi  
Internal gradient: 0.092 psi/ft  
Calculated BHP 3,740 psi

No backup mud specified.

**Tension:**

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

Non-directional string.

Tension is based on buoyed weight.  
Neutral point: 6,923 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 (ft³)
1	8000	4.5	11.60	M-80	LT&C	8000	8000	3.875	185.4
Run Seq	Collapse Load (psi)	Collapse Strength (psi)	Collapse Design Factor	Burst Load (psi)	Burst Strength (psi)	Burst Design Factor	Tension Load (Kips)	Tension Strength (Kips)	Tension Design Factor
1	3740	6350	1.698	3740	7780	2.08	80	267	3.32 B

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

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

Date: April 18, 2005  
Salt Lake City, Utah

Remarks:

Collapse is based on a vertical depth of 8000 ft, a mud weight of 9 ppg. The casing is considered to be evacuated for collapse purposes. Collapse strength is based on the Westcott, Dunlop & Kemler method of biaxial correction for tension.

Burst strength is not adjusted for tension.

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

**State of Utah****Department of  
Natural Resources**

MICHAEL R. STYLER  
*Executive Director*

**Division of  
Oil, Gas & Mining**

MARY ANN WRIGHT  
*Acting Division Director*

JON M. HUNTSMAN, JR.  
*Governor*

GARY R. HERBERT  
*Lieutenant Governor*

April 21, 2005

Slate River Resources, LLC  
418 East Main Street  
Vernal, Utah 84078

Re: Uintah Oil Association 1321-7A Well, 372' FNL, 972' FEL, NE NE, Sec. 7,  
T. 13 South, R. 21 East, Uintah County, Utah

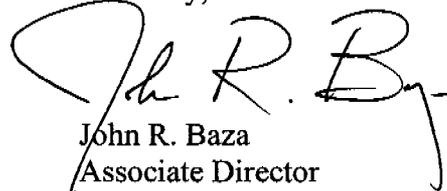
Gentlemen:

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 43-047-36372.

Sincerely,



John R. Baza  
Associate Director

jc  
Enclosures

cc: Uintah County Assessor

**Operator:** Slate River Resources, LLC  
**Well Name & Number** Uintah Oil Association 1321-7A  
**API Number:** 43-047-36372  
**Lease:** Fee

**Location:** NE NE                      **Sec.** 7                      **T.** 13 South                      **R.** 21 East

### Conditions of Approval

#### 1. General

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

#### 2. Notification Requirements

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

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

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

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

#### 3. Reporting Requirements

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

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

#### 5. Operator shall comply with applicable recommendations resulting from Resource Development Coordinating Committee review. Statements attached.

#### 6. Cement volume for the 4 ½" production string shall be determined from actual hole diameter in order to place cement from the pipe setting depth back to 2000' MD as indicated in the submitted drilling plan.

Page 2

API No. 43-047-36372

April 21, 2005

7. This proposed well is located in an area for which drilling units (well spacing patterns) have not been established through an order of the Board of Oil, Gas and Mining (the "Board"). In order to avoid the possibility of waste or injury to correlative rights, the operator is requested, once the well has been drilled, completed, and has produced, to analyze geological and engineering data generated therefrom, as well as any similar data from surrounding areas if available. As soon as is practicable after completion of its analysis, and if the analysis suggests an area larger than the quarter-quarter section upon which the well is located is being drained, the operator is requested to seek an appropriate order from the Board establishing drilling and spacing units in conformance with such analysis by filing a Request for Agency Action with the Board.

FORM 8

STATE OF UTAH  
DIVISION OF OIL, GAS AND MINING

010

SUNDRY NOTICES AND REPORTS ON WELLS

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

5. Lease Designation and Serial Number:  
**FEE**

6. If Indian, Allottee or Tribe Name:

7. Unit Agreement Name:

8. Well Name and Number:  
UTAH OIL ASSOC. 1321-7A

9. API Well Number:  
43-047-36372

10. Field and Pool, or Wildcat:  
WILDCAT

1. Type of Well: OIL  GAS  OTHER:

2. Name of Operator:  
SLATE RIVER RESOURCES, LLC

3. Address and Telephone Number:  
418 E. MAIN VERNAL, UT 84078

4. Location of Well:  
Footages: 372' FNL & 972' FEL  
Co. Sec., T., R. M.: NE/NE SEC 7 T13S R21E SLC MERIDIAN

County: UINTAH  
State: UT

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

NOTICE OF INTENT  
(Submit in Duplicate)

- Abandon
- Repair Casing
- Change of Plans
- Convert to Injection
- Fracture Treat or Acidize
- Multiple Completion
- Other \_\_\_\_\_
- New Construction
- Pull or Alter Casing
- Recomplete
- Reperforate
- Vent or Flare
- Water Shut-Off

Approximate date work will start 5/25/2005

SUBSEQUENT REPORT  
(Submit Original Form Only)

- Abandon\*
- Repair Casing
- Change of Plans
- Convert to Injection
- Fracture Treat or Acidize
- Other \_\_\_\_\_
- New Construction
- Pull or Alter Casing
- Reperforate
- 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 REPORT 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)

Slate River Resources requests approval to amend the depth of the surface casing in the previously approved APD from 2000' to 800'.  
We expect to encounter the "Bird's Nest" at an approximate depth of 300' - 500' below ground level. Surface casing to be run will remain the same: New 9-5/8" 32# H-40 ST&C casing.  
The cementing program will remain the same with the exception of the cement volume which will be based on the shorter depth.

13. Name and Signature: Lucy Nemeo Title: SR. Operations Spec Date: May 20, 2005  
Lucy Nemeo

(This space for State use only.)

5-24-05  
CHO

(4/94)

(See Instructions on Reverse Side)

RECEIVED BY THE STATE  
DIVISION OF OIL, GAS AND MINING  
5/23/05  
D. K. DeWitt

RECEIVED  
MAY 20 2005

DIV. OF OIL, GAS & MINING

418 E. Main Street  
Vernal, UT 84078  
Office: 435-781-1870  
Fax: 435-781-1875



# Fax

<b>To:</b>	Dustin Duost	<b>From:</b>	Lucy Nemec
<b>Company</b>	DOG M	<b>Company</b>	Slate River Resources
<b>Fax:</b>	801-358-3940	<b>Pages:</b>	5
<b>Phone:</b>		<b>Date:</b>	5/20/05
<b>Re:</b>	Casing APD Amendments	<b>cc:</b>	

Urgent   
 For Review   
 Please Comment   
 Please Reply   
 Please Recycle

• **Comments:**

Please call if you have any questions 435-781-1870

Lucy

RECEIVED  
MAY 20 2005  
DIV. OF OIL, GAS & MINING

**DIVISION OF OIL, GAS AND MINING**

**SPUDDING INFORMATION**

Name of Company: SLATE RIVER RESOURCES LLC

Well Name: UINTAH OIL ASSOC 1321-7A

Api No: 43-047-36372 Lease Type: FEE

Section 07 Township 13S Range 21E County UINTAH

Drilling Contractor PETE MARTIN'S RIG # RATHOLE

**SPUDDED:**

Date 05/25/05

Time 11:00 AM

How DRY

**Drilling will Commence:** \_\_\_\_\_

Reported by LUCY NEMEC

Telephone # 1-435-781-1870

Date 05/26/2005 Signed CHD

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

FORM 6

ENTITY ACTION FORM

Operator: Slate River Resources, LLC Operator Account Number: N 2725  
Address: 418 E. Main Suite 18  
city Vernal  
state Ut zip 84078 Phone Number: (435) 781-1870

Well 1

API Number	Well Name		QQ	Sec	Twp	Rng	County
4304736370	Uintah Oil Association 1321-6G		SWNE	6	13S	21E	Uintah
Action Code	Current Entity Number	New Entity Number	Spud Date		Entity Assignment Effective Date		
A	99999	14740	5/27/2005		6/2/05		
Comments: MIRU Pete Martin Rathole Rig Spud @ 3:00 p.m. 5/27/05							CONFIDENTIAL

K

Well 2

API Number	Well Name		QQ	Sec	Twp	Rng	County
4304736372	Uintah Oil Association 1321-7A		NENE	7	13S	21E	Uintah
Action Code	Current Entity Number	New Entity Number	Spud Date		Entity Assignment Effective Date		
A	99999	14741	5/25/2005		6/2/05		
Comments: MIRU Pete Martin Rathole Rig Spud @ 10:00 a.m. 5/25/05							CONFIDENTIAL

K

Well 3

API Number	Well Name		QQ	Sec	Twp	Rng	County
4304736384	Mustang 1320-11		NESE	1	13S	20E	Uintah
Action Code	Current Entity Number	New Entity Number	Spud Date		Entity Assignment Effective Date		
A	99999	14742	5/28/2005		6/2/05		
Comments: MIRU Pete Martin Rathole Rig Spud @ 4:00 p.m. 5/28/05							CONFIDENTIAL

K

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)

Lucy Nemeč

Name (Please Print)

*Lucy Nemeč*

Sr. Operations Specialist

5/31/2005

Title

Date

(6/2000)

RECEIVED

JUN 01 2005

DIV. OF OIL, GAS & MINING

FORM 9

STATE OF UTAH  
DIVISION OF OIL, GAS AND MINING

<b>SUNDRY NOTICES AND REPORTS ON WELLS</b>		5. Lease Designation and Serial Number: <b>FEE</b>
Do not use this form for proposals to drill or deepen or reentry to a different reservoir. Use "APPLICATION FOR PERMIT -" for such proposals		6. If Indian, Allottee or Tribe Name:
		7. Unit Agreement Name:
1. Type of Well: OIL <input type="checkbox"/> GAS <input checked="" type="checkbox"/> OTHER: <b>CONFIDENTIAL</b>		8. Well Name and Number: <b>UINTAH OIL ASSOC. 1321-7A</b>
2. Name of Operator: <b>SLATE RIVER RESOURCES, LLC</b>		9. API Well Number: <b>43-047-36372</b>
3. Address and Telephone Number: <b>418 E. MAIN VERNAL, UT 84078</b>		10. Field and Pool, or Wildcat: <b>WILDCAT</b>
4. Location of Well: Footages: <b>372' FNL &amp; 972' FEL</b> QQ, Sec., T., R., M.: <b>NE/NE SEC 7 T13S R21E SLC MERIDIAN</b>		County: <b>UINTAH</b> State: <b>UT</b>

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA																											
<p style="text-align: center;"><b>NOTICE OF INTENT</b> (Submit in Duplicate)</p> <table style="width:100%;"> <tr> <td><input type="checkbox"/> Abandon</td> <td><input type="checkbox"/> New Construction</td> </tr> <tr> <td><input type="checkbox"/> Repair Casing</td> <td><input type="checkbox"/> Pull or Alter Casing</td> </tr> <tr> <td><input type="checkbox"/> Change of Plans</td> <td><input type="checkbox"/> Recomplete</td> </tr> <tr> <td><input type="checkbox"/> Convert to Injection</td> <td><input type="checkbox"/> Rep perforate</td> </tr> <tr> <td><input type="checkbox"/> Fracture Treat or Acidize</td> <td><input type="checkbox"/> Vent or Flare</td> </tr> <tr> <td><input type="checkbox"/> Multiple Completion</td> <td><input type="checkbox"/> Water Shut-Off</td> </tr> <tr> <td><input type="checkbox"/> Other _____</td> <td></td> </tr> </table> <p>Approximate date work will start _____</p>	<input type="checkbox"/> Abandon	<input type="checkbox"/> New Construction	<input type="checkbox"/> Repair Casing	<input type="checkbox"/> Pull or Alter Casing	<input type="checkbox"/> Change of Plans	<input type="checkbox"/> Recomplete	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Rep perforate	<input type="checkbox"/> Fracture Treat or Acidize	<input type="checkbox"/> Vent or Flare	<input type="checkbox"/> Multiple Completion	<input type="checkbox"/> Water Shut-Off	<input type="checkbox"/> Other _____		<p style="text-align: center;"><b>SUBSEQUENT REPORT</b> (Submit Original Form Only)</p> <table style="width:100%;"> <tr> <td><input type="checkbox"/> Abandon*</td> <td><input type="checkbox"/> New Construction</td> </tr> <tr> <td><input type="checkbox"/> Repair Casing</td> <td><input type="checkbox"/> Pull or Alter Casing</td> </tr> <tr> <td><input type="checkbox"/> Change of Plans</td> <td><input type="checkbox"/> Rep perforate</td> </tr> <tr> <td><input type="checkbox"/> Convert to Injection</td> <td><input type="checkbox"/> Vent or Flare</td> </tr> <tr> <td><input type="checkbox"/> Fracture Treat or Acidize</td> <td><input type="checkbox"/> Water Shut-Off</td> </tr> <tr> <td><input checked="" type="checkbox"/> Other <u>SPUD NOTICE</u></td> <td></td> </tr> </table> <p>Date of work completion <u>5/25/2005</u></p> <p><small>Report results of Multiple Completions and Recompletions to different reservoirs on WELL COMPLETION OR RECOMPLETION REPORT AND LOG form. * Must be accompanied by a cement verification report.</small></p>	<input type="checkbox"/> Abandon*	<input type="checkbox"/> New Construction	<input type="checkbox"/> Repair Casing	<input type="checkbox"/> Pull or Alter Casing	<input type="checkbox"/> Change of Plans	<input type="checkbox"/> Rep perforate	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Vent or Flare	<input type="checkbox"/> Fracture Treat or Acidize	<input type="checkbox"/> Water Shut-Off	<input checked="" type="checkbox"/> Other <u>SPUD NOTICE</u>	
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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)

**Pete Martin Rathole Drilling MI&RU RHR. The well was spud at 10:00 a.m. on 5/25/05. 40' of 14" conductor pipe was cemented with 3 yards of ready-mix cement.**

**5/27 - 5/28/2005**

**Bill Jr. Rathole Drilling, Inc. MI&RU. Drilled a 12-1/4" surface hole to 880'. Set 851' (19 Jts) of 9-5/8" 32# H-40 ST&C with 450 sx Premium Class "V" Cement W/2% CaCl2, 1/4#/sx flocele. Good cement to surface. RDMOL. WO Rotary tool.**

13. Name and Signature: *Lucy Nemecek* Title: SR. Operations Specialist Date: June 2, 2005  
**Lucy Nemecek**

(This space for State use only.)

RECEIVED  
JUN 02 2005

43-047-36372

4304736372  
135 2/E 07

**APPLICATION FOR TRANSPORTATION AND  
UTILITY SYSTEMS AND FACILITIES  
ON FEDERAL LANDS**

FORM APPROVED  
OMB NO. 1004-0060  
Expires: December 31, 2001

**FOR AGENCY USE ONLY**

**NOTE:** Before completing and file application, the applicant should completely review this package and schedule a preapplication meeting with representatives of the agency responsible for processing the application. Each agency may have specific and unique requirements to be met in preparing and processing the application. Many times, with help of the representative, the application can be completed at the application meeting.

Application Number

Date Filed

1 Name and address of the applicant (include Zip code)

**Slate River Resources, LLC  
418 E Main  
Vernal, UT 84078**

2 Name, title, and address of authorized agent if different from item 1 (include zip code)

**Ginger Stringham  
PO BOX 790203  
Vernal, UT 84079**

3 TELEPHONE (area code)

Applicant

435-781-1871

Authorized Agent

435-790-4163

4

- a  Individual
- b  Corporation\*
- c  Partnership/Association\*
- d  State Government/State Agency
- e  Local Government
- f  Federal Agency

\* If checked complete supplemental page

6 If an individual, or partnership are you a citizen(s) of the United States?

7 Project description (describe in detail): (a) Type of system or facility, e.g., canal, pipeline, road);(b) related structures and facilities; (c) physical specifications (lenth, width, grade, etc.); (d) term of years needed; (e) time of year of use or operation; (f) Volume or amount of production to be transported; (g) duration and time of construction; and (h) temporary work area needed for construction (Attach additional sheets, if additional space is needed.)

- a. Application for pipeline right-of-way to serve Agency Draw area.
- b. Five staging areas will be constructed of Federal and State Lands.
- c. Approximately 21,820.99 ft, temporary width 45 ft, permanent width 15 ft.
- d. 20 years or the production life of the well.
- e. year round .
- f. Please see attached POD
- g. One week.
- h. none.

8 Attach a map covering area and show location of proposal

9 State or Local government approval  Attached  Applied for  Not Required

10 Nonreturnable application fee:  Attached  Not Required

11 Does Project cross international or affect international waterways?  Yes  No

12 Give statement of your technical and financial capability to conduct, operate, maintain, and terminate system for which aauthorization id being requested

**Slate River Resources, LLC has the technical and financial capability to construct, operate, maintain and terminate the proposed pipeline.**

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13 a Describe other reasonable alternative routes and routes considered.

**An alternative would be to bury the gathering line. Alternate routes were considered, but due to T&E species, the alternate route was discounted.**

b Why were these alternatives not selected

**Loss of habitat, habitat fragmentation, and existing routes were determining factors in not choosing an alternative route.**

c Give explanation as to why it is necessary to cross Federal Lands.

**It is necessary to cross Federal lands to access Fee lands in Agency Draw and avoid curtailment of gas from the area.**

14 List authorization and pending application filed for similar projects which may provide information to authorizing agency. (specify number, date, code, or name)

**Miller, Dyer and Associates have a paralleled gas line within the proposed route.  
Applicatio**

15 Provide statement of need for project, including the economic feasibility and items as: (a) cost of proposal (construction, operation, and maintenance); (b) estimated cost of next best alternative; and (c) expected public benefits.

**a. The cost estimate for the proposed project is \$650,000.**

**b. The cost estimate for the alternative would be \$5/ft of installed buried gas gathering line.**

**c. The expected public benefit is increase local jobs and less dependency on foreign oil & gas.**

16 Describe probable effects on the population in the area, including the social and economic aspects, and the rural lifestyles.

**There will be no significant impacts on the areas population, social or economic aspects or the rural lifestyle from the proposed project.**

17 Describe likely environmental effects project will have on: (a) air quality; (b) visual impacts; (c) surface and ground water quality and Quantity; (d) the control or structural change on any stream or other body of water; (e) existing noise levels; and (f) the surface of the land including vegetation, permafrost, soil, and soil stability.

**a. minimal**

**d. no change**

**b. mimimal**

**e. minimal**

**c. minimal**

**f. slight disturbance when pipeline is boomed off access.**

18 Describe the probable effects that the proposed project will have on (a) populations of fish, plantlike, wildlife, and marine life, including threatened and endangered species; and (b) marine mammals, including hunting, capturing, collecting, or killing these animals.

**a. There will be little or no impacts on fish, plantlife, wildlife, and threatened and endangered species**

**b. NA**

19 State whether any hazardous material, as defined in this paragraph, will be used, transported or stored on or within the right-of-way or any of the right-of-way facilities, or used in the construction, operation, maintenance or termination of the right-of-way or any of its facilities. "Hazardous Material" means any substance, pollutant or contaminant that is listed as hazardous under the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, as amended, 42 U.S.C. 9601 et seq., and its regulations. The definition of hazardous substances under CERCLA includes any "hazardous waste" as defined in the Resource Conservation and Recovery Act of 1976 (RCRA), as amended, 42 U.S.C. 6901 et seq., and its regulations. The term hazardous material also includes any nuclear or byproduct material as defined by the Atomic Energy Act of 1954, as amended, 42 U.S.C. 2011 et seq. The term does not include petroleum, including crude oil or any fraction thereof that is not otherwise specifically listed or described as a hazardous substance, under CERCLA Section 101(14), 42 U.S.C. 9601(14), nor does the term include natural gas.

**Less than one gallon per day of methenol cold be used to minimize freezing in the winter months.**

20 Name all the Department(s)/Agency(ies) where this application is being filed.

**Bureau of Land Management, Vernal Field Office. Vernal, UT**

**Cc: Utah Division of Oil, Gas and Mining.**

I HEREBY CERTIFY, That I am of legal age and authorized to do business in the State and that I have personally examined the information contained the information contained in the application and believe that the formation submitted in correct to the best of my knowledge.

Signature of applicant

Date

**8/25/2005**

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

## PLAN OF DEVELOPMENT

### Sunday School Canyon Pipeline

Sections 1, 2, 3, 9, 10 of Township 13S, Range 21East  
Section 36 of Township 12 South, Range 21East  
Sections 30 & 31 of Township 12 South, Range 22 East  
S.L.B. & M.  
Uintah County, Utah

**Slate River Resources, LLC** is proposing to construct an 8" surface pipeline to transport developed gas within the Agency Draw area. The proposed project is estimated to cost approximately \$650,000 to construct and commission the pipeline. This project will allow gas sales from the Fee leases presently under development. The project is necessary to prevent gas curtailment from the Agency Draw area.

The following leases will be gathered from Slate River Resources Agency Draw Area:

Eagle Minerals Ltd. Oil and Gas Lease (Fee)	19,199.80 acres, more or less
Uintah Oil Association Oil & Gas Lease (Fee)	2,038.96 acres, more or less
Utah Oil Shales, Inc. Oil & Gas Lease (Fee)	<u>2,278.69</u> acres, more or less
Total Fee Acreage Under Development	23,517.45 acres, more or less

The pipeline and route will begin in the NE ¼ of the SE ¼ in Section 9, Township 13S, Range 21 East and proceed to the northeast, follow the existing roads and travel cross country, terminating in the SE¼ of the SW¼ of section 30, Township 12S, Range 22E which will be proximately 29,019.25' in length, 45' in width for construction and 15' permanent width. An 8" nominal, 8-5/8" OD x 0.188 WT, burst pressure of 1,140 psi pipeline will be placed in the route to transport the produced natural gas to markets. The estimated operating pressure of the pipeline will range from 300 psig to 900 psig.

The following information is provided as a supplement to the summary information included in the application.

#### Description of the Proposed Pipeline

##### Purpose and Need for the Right of Way

Gas production is being developed from the Agency Draw gas field and local gathering lines are economically inaccessible or provide very limited capacity to move the Agency Draw gas to market. Slate River Resources, LLC has drilled and logged the first well on the Fee lease position and intends to complete the well during August 2005. Additional wells will be drilled utilizing a single, continuous drilling rig and completion rig program. The ongoing program would be curtailed, and development on the Fee leases would halt due to a lack of pipeline capacity or a viable, economical transport pipeline to move the gas to market.

The below mentioned wells are currently capable of producing, drilling or proposed within the Agency Draw area which are part of the curtailment of gas:

Township 13S, Ranges 20E & 21E, Uintah County, Utah

Well	Field	Lease #	Spot	S-T-R
UOS #1321- 9P	Agency Draw	Utah Oil Shales	SESE	9-13S-21E
Mustang #1320- 11	Agency Draw	Eagle Minerals Ltd	NESE	1-13S-20E
UOA #1321- 6G	Agency Draw	Uintah Oil Association	SWNE	6-13S-21E
UOA #1321- 7A	Agency Draw	Uintah Oil Association	NENE	7-13S-21E
UOA #1321- 8C	Agency Draw	Uintah Oil Association	NENW	8-13S-21E
UOS #1321- 9L	Agency Draw	Utah Oil Shales	NWSW	9-13S-21E
Mustang #1321- 7F	Agency Draw	Eagle Minerals Ltd	SENE	7-13S-21E
Mustang #1320-12A	Agency Draw	Eagle Minerals Ltd	NENE	12-13S-20E
Mustang #1321- 6C	Agency Draw	Eagle Minerals Ltd	NENW	6-13S-21E
UOS #1321- 8A	Agency Draw	Utah Oil Shales	NENE	8-13S-21E
Mustang #1321- 6N	Agency Draw	Eagle Minerals Ltd	SESW	6-13S-21E

Additional wells are planned for the area and development will continue for several years with approximately 25 wells developed per year.

Pipeline Design and Construction Factors

The pipeline will be of welded construction and have an operating pressure range of 300-900 psig. The pipe will be 8" nominal, 8.625" OD x 0.188 WT with a design burst of 1,140 psi. The line will be a surface line used to transport the produced Agency Draw gas to markets. Above ground piping will be bare and below grade piping will be coated with an appropriate material to prevent corrosion and premature failure. The line will be designed in accordance with API and industry standards for non-regulated gathering lines.

Installation of the pipeline segment in the NE¼ of NW¼ of Section 10, Township 13 South, Range 21E will involve a steep grade descent. A staging area at the top of the grade will be used for pipe welding, and the pipe will be lowered down the grade to the base in the Willow Creek bottom. The staging area will be 60' wide by 100' in length and will be reclaimed to the 15' ROW width following the descent segment construction. The pipeline will be anchored to at the top of the decent by boring into the rock and installing anchor supports. Five staging area's for construction of the pipeline are included in the attached map and will be shared and reclaimed with Miller, Dyer and Associates.

The pipeline proceeds to the northeast and will cross the Willow Creek in the NW¼ of the NE¼ of Section 10, Township 13S, Range 21E. The crossing will span the Willow Creek on supports constructed to elevate the pipeline above high water stream flows.

Construction

The proposed 8" surface line will be buried at road crossings. All buried pipe will be coated with an appropriate material to inhibit external corrosion. A backhoe or other trenching equipment will be utilized during construction. All welded line pipe will be visually inspected, and the entire pipeline will be pressure tested before being placed into service. Blasting of rock will only occur where topography is too severe to use trenching equipment and only to reach the required depth to lay the pipeline in. During construction, a 45' wide access will be required to get the required equipment into the proposed pipeline route for trenching. Upon completion of construction the pipeline will be a 15' right-of-way.

The below mentioned wells are currently capable of producing, drilling or proposed

within the Agency Draw area which are part of the curtailment of gas:

Township 13S, Ranges 20E & 21E, Uintah County, Utah

Well	Field	Lease #	Spot	S-T-R
UOS #1321- 9P	Agency Draw	Utah Oil Shales	SESE	9-13S-21E
Mustang #1320- 1I	Agency Draw	Eagle Minerals Ltd	NESE	1-13S-20E
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UOA #1321- 7A	Agency Draw	Uintah Oil Association	NENE	7-13S-21E
UOA #1321- 8C	Agency Draw	Uintah Oil Association	NENW	8-13S-21E
UOS #1321- 9L	Agency Draw	Utah Oil Shales	NWSW	9-13S-21E
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Mustang #1320-12A	Agency Draw	Eagle Minerals Ltd	NENE	12-13S-20E
Mustang #1321- 6C	Agency Draw	Eagle Minerals Ltd	NENW	6-13S-21E
UOS #1321- 8A	Agency Draw	Utah Oil Shales	NENE	8-13S-21E
Mustang #1321- 6N	Agency Draw	Eagle Minerals Ltd	SESW	6-13S-21E

After construction is completed, the pipeline right-of-way will be 15 ft wide.

Alternative Route

An alternative route was not selected due to the additional disturbance necessary for routes not utilizing the existing roads.

Noxious Weeds

Along the 15 ft wide right-of-way the operator will control noxious weeds, which meet the prescription of the authorized BLM Office, State Division of Oil, Gas and Mining, and the Private Land Owner.

Additional Components of the Right of Way

Governmental Agency Involvement

Paved roads will not be crossed by the proposed pipeline. Dirt roads will be cut and restored to a condition equivalent to the existing condition. The pipeline will cross Uintah County Roads #2810 and #5120. The County will be contacted and an agreement and bonding will be provided for the crossings.

Right of Way Location

A location survey map prepared by Timberline Land Surveying is attached.

Resource Values and Environmental Concerns

A Cultural Resource Inventory will not be filed unless requested by the land owner.

A Paleontological report will not be filed unless requested by the land owner.

The proposed project will have minimal short-term environmental effects. During construction dust generation will have a minimal effect on air quality and minimal visual impact. The construction area contains sparse natural vegetation, which will be

naturally reclaimed once construction is complete. Additionally, the project will be within or adjacent to the existing rights-of-way which have experienced previous surface disturbances. All construction activities will be performed to retain all natural water flows; therefore, there will be minimum impact to streams and/or other bodies of water.

The proposed project will have no adverse effects on fish or marine life.

#### Scheduling

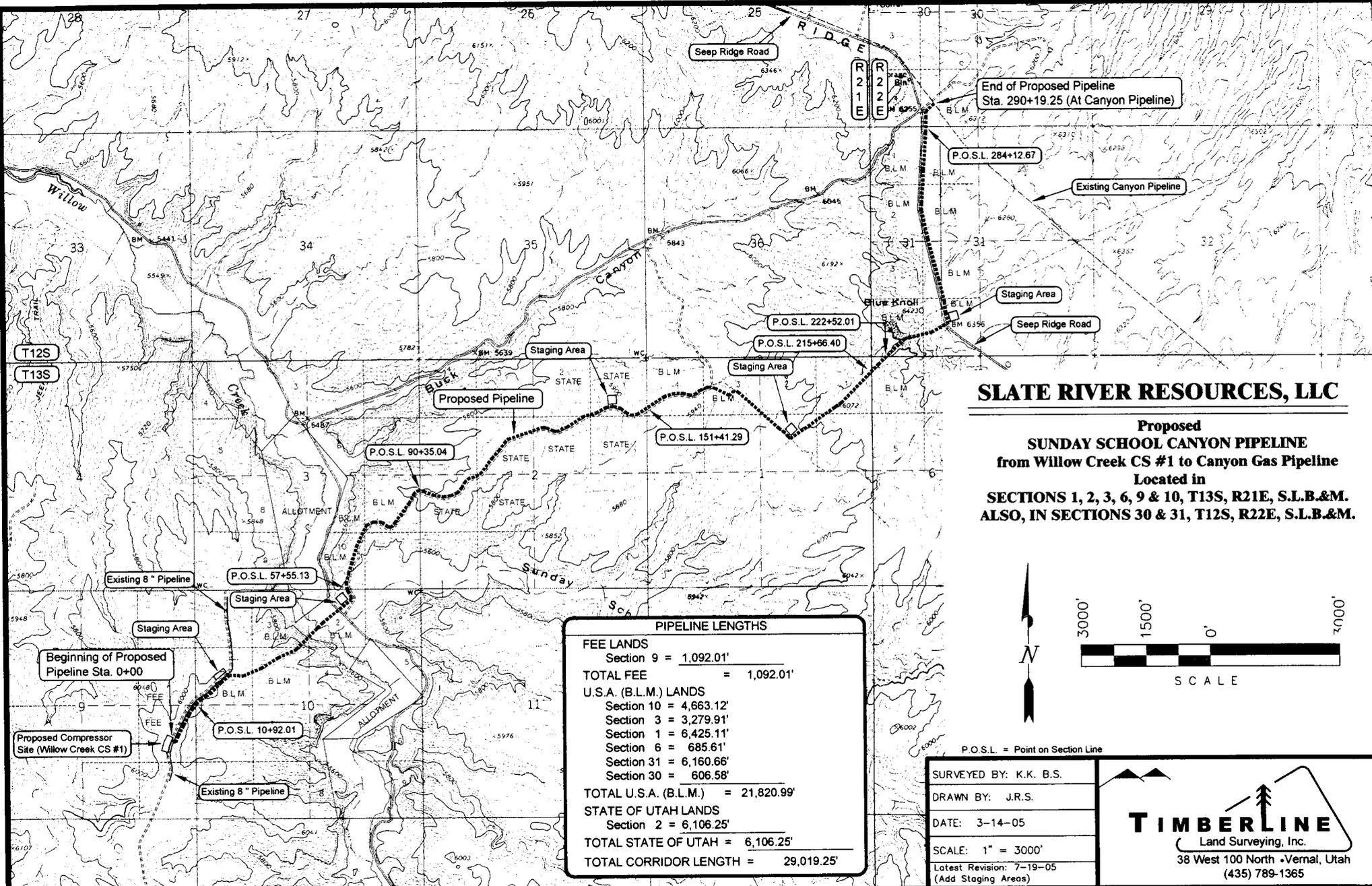
Begin Construction: October 1, 2005

In Service Date: November 1, 2005

Upon approval of the rights-of-way Slate River Resources, LLC plans on construction of the pipeline. The above schedule is dependent upon the approval and stipulations.

#### Termination and Restoration

Slate River Resources, LLC, or its successor will remove and dispose of the 8" pipeline and properly abandon the route when the pipeline is no longer needed for gas gathering and transportation. At that time, the right-of-way would be terminated and reclaimed to the requirements of the Bureau of Land Management, Vernal Field office, State of Utah and the private land owner.



**SLATE RIVER RESOURCES, LLC**

**Proposed  
SUNDAY SCHOOL CANYON PIPELINE**  
from Willow Creek CS #1 to Canyon Gas Pipeline  
Located in  
**SECTIONS 1, 2, 3, 6, 9 & 10, T13S, R21E, S.L.B.&M.**  
**ALSO, IN SECTIONS 30 & 31, T12S, R22E, S.L.B.&M.**

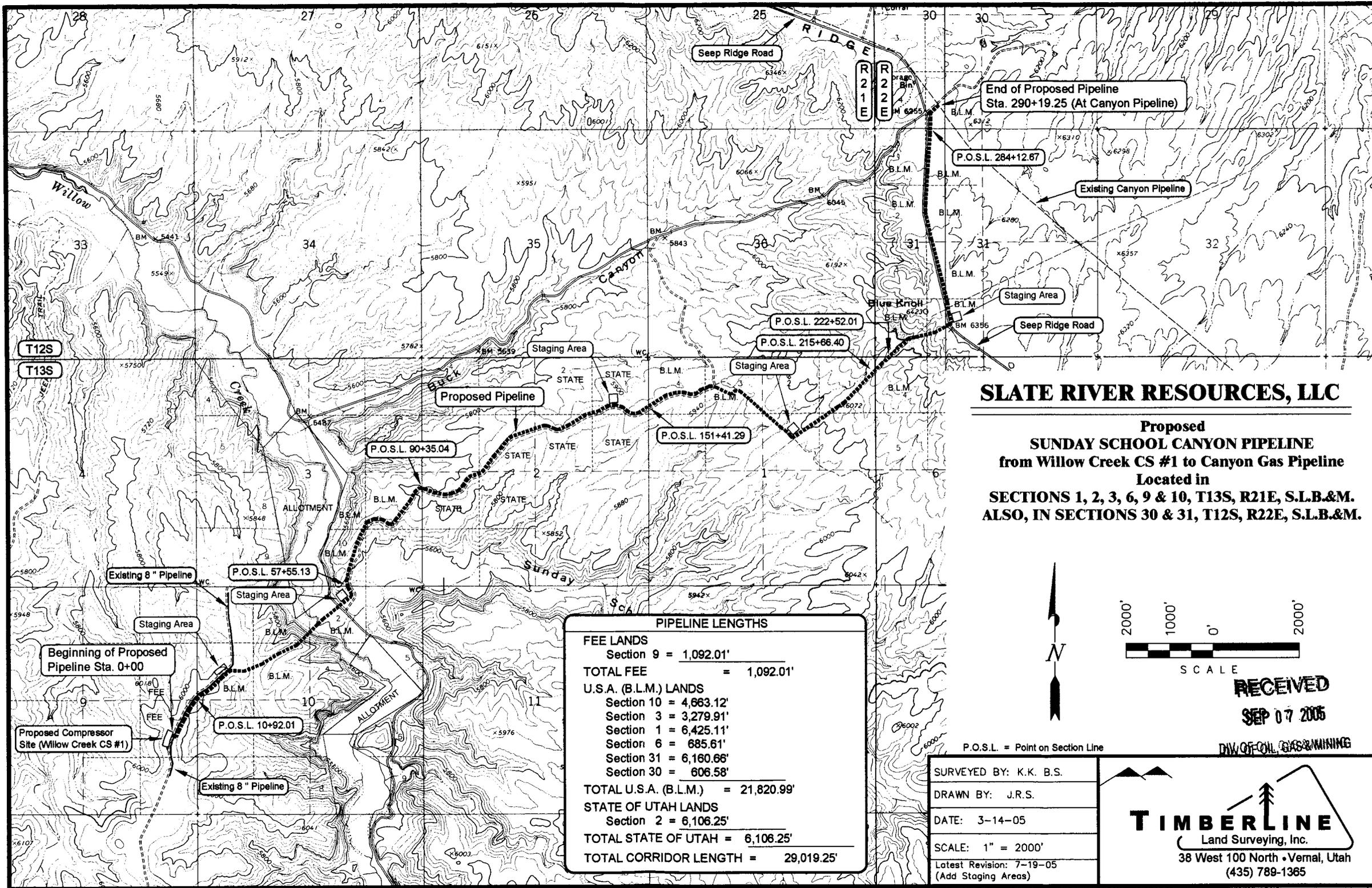
PIPELINE LENGTHS	
<b>FEE LANDS</b>	
Section 9 =	1,092.01'
<b>TOTAL FEE</b>	<b>= 1,092.01'</b>
<b>U.S.A. (B.L.M.) LANDS</b>	
Section 10 =	4,663.12'
Section 3 =	3,279.91'
Section 1 =	6,425.11'
Section 6 =	685.61'
Section 31 =	6,160.66'
Section 30 =	606.58'
<b>TOTAL U.S.A. (B.L.M.)</b>	<b>= 21,820.99'</b>
<b>STATE OF UTAH LANDS</b>	
Section 2 =	6,106.25'
<b>TOTAL STATE OF UTAH</b>	<b>= 6,106.25'</b>
<b>TOTAL CORRIDOR LENGTH</b>	<b>= 29,019.25'</b>



P.O.S.L. = Point on Section Line

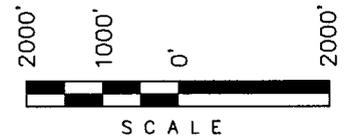
SURVEYED BY:	K.K. B.S.
DRAWN BY:	J.R.S.
DATE:	3-14-05
SCALE:	1" = 3000'
Latest Revision:	7-19-05 (Add Staging Areas)

**TIMBERLINE**  
Land Surveying, Inc.  
38 West 100 North Vernal, Utah  
(435) 789-1365



**SLATE RIVER RESOURCES, LLC**

**Proposed  
SUNDAY SCHOOL CANYON PIPELINE**  
from Willow Creek CS #1 to Canyon Gas Pipeline  
Located in  
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SURVEYED BY: K.K. B.S.
DRAWN BY: J.R.S.
DATE: 3-14-05
SCALE: 1" = 2000'
Latest Revision: 7-19-05 (Add Staging Areas)

**TIMBERLINE**  
Land Surveying, Inc.  
38 West 100 North • Vernal, Utah  
(435) 789-1365

STATE OF UTAH  
DIVISION OF OIL, GAS AND MINING

<b>SUNDRY NOTICES AND REPORTS ON WELLS</b>	5. Lease Designation and Serial Number: <b>FEE</b>
Do not use this form for proposals to drill or deepen or reentry to a different reservoir. Use "APPLICATION FOR PERMIT -" for such proposals	6. If Indian, Allottee or Tribe Name:
	7. Unit Agreement Name:
1. Type of Well: OIL <input type="checkbox"/> GAS <input checked="" type="checkbox"/> OTHER:	8. Well Name and Number: UINTAH OIL ASSOC. 1321-7A
2. Name of Operator: <b>SLATE RIVER RESOURCES, LLC</b>	9. API Well Number: <b>43-047-36372</b>
3. Address and Telephone Number: <b>418 E. MAIN VERNAL, UT 84078</b>	10. Field and Pool, or Wildcat: <b>WILDCAT</b>

4. Location of Well:  
Footages: **372' FNL & 972' FEL** County: **UINTAH**  
QQ, Sec., T., R., M.: **NE/NE SEC 7 T13S R21E SLC MERIDIAN** State: **UT**

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

NOTICE OF INTENT (Submit in Duplicate)	SUBSEQUENT REPORT (Submit Original Form Only)
<input type="checkbox"/> Abandon <input type="checkbox"/> Repair Casing <input type="checkbox"/> Change of Plans <input type="checkbox"/> Convert to Injection <input type="checkbox"/> Fracture Treat or Acidize <input type="checkbox"/> Multiple Completion <input type="checkbox"/> Other _____  Approximate date work will start _____	<input type="checkbox"/> Abandon* <input type="checkbox"/> Repair Casing <input type="checkbox"/> Change of Plans <input type="checkbox"/> Convert to Injection <input type="checkbox"/> Fracture Treat or Acidize <input checked="" type="checkbox"/> Other <u>Set &amp; Cement Production Casing</u>  Date of work completion <u>9/15/2005</u> Report results of Multiple Completions and Recompletions to different reservoirs on WELL COMPLETION OR RECOMPLETION REPORT AND LOG form. * Must be accompanied by a cement verification report.
<input type="checkbox"/> New Construction <input type="checkbox"/> Pull or Alter Casing <input type="checkbox"/> Recomplete <input type="checkbox"/> Reperforate <input type="checkbox"/> Vent or Flare <input type="checkbox"/> Water Shut-Off	<input type="checkbox"/> New Construction <input type="checkbox"/> Pull or Alter Casing <input type="checkbox"/> Reperforate <input type="checkbox"/> Vent or Flare <input type="checkbox"/> Water Shut-Off

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)

**8/27 - 9/15**

MIRU Union Rig #7. Drilled a 7-7/8" hole from 880' - 7570'. No water encountered Ran 181 jts of new 4-1/2" 11.60# M-80 LT&C casing and set @ 7560'. Big 4 Cementing cemented production casing with 1000 sx cement as follows:  
 Lead - 400 sx of 16% Gel - 10# sk Gilsonite, 3% salt, 1/4# flocele, 3# sk GR-3  
 Tail - 600 sx - 2% gel, 10% salt, 3% FLD .3% dispersant, 1/2# sk flocele  
 Good returns during job, no cement to surface

Rig Released @ 0900 9/15/05. RDMOL. WO Completion Rig

13. Name and Signature: *Lucy Nemec* Title: SR. Operations Specialist Date: 09/29/05

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DIVISION OF OIL, GAS AND MINING**

<b>SUNDRY NOTICES AND REPORTS ON WELLS</b>		5. Lease Designation and Serial Number: <b>FEE</b>
Do not use this form for proposals to drill or deepen or reentry to a different reservoir. Use "APPLICATION FOR PERMIT ." for such proposals		6. If Indian, Allottee or Tribe Name:
		7. Unit Agreement Name:
1. Type of Well: OIL <input type="checkbox"/> GAS <input checked="" type="checkbox"/> OTHER:		8. Well Name and Number: UINTAH OIL ASSOC. 1321-7A
2. Name of Operator: <b>SLATE RIVER RESOURCES, LLC</b>		9. API Well Number: <b>43-047-36372</b>
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4. Location of Well: Footages: <b>372' FNL &amp; 972' FEL</b> QQ, Sec., T., R., M.: <b>NE/NE SEC 7 T13S R21E SLC MERIDIAN</b>		County: <b>UINTAH</b> State: <b>UT</b>

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA																											
<p style="text-align: center;"><b>NOTICE OF INTENT</b> (Submit in Duplicate)</p> <table style="width: 100%;"> <tr> <td><input type="checkbox"/> Abandon</td> <td><input type="checkbox"/> New Construction</td> </tr> <tr> <td><input type="checkbox"/> Repair Casing</td> <td><input type="checkbox"/> Pull or Alter Casing</td> </tr> <tr> <td><input type="checkbox"/> Change of Plans</td> <td><input type="checkbox"/> Recomplete</td> </tr> <tr> <td><input type="checkbox"/> Convert to Injection</td> <td><input type="checkbox"/> Reperforate</td> </tr> <tr> <td><input type="checkbox"/> Fracture Treat or Acidize</td> <td><input type="checkbox"/> Vent or Flare</td> </tr> <tr> <td><input type="checkbox"/> Multiple Completion</td> <td><input type="checkbox"/> Water Shut-Off</td> </tr> <tr> <td><input type="checkbox"/> Other _____</td> <td></td> </tr> </table> <p>Approximate date work will start _____</p>	<input type="checkbox"/> Abandon	<input type="checkbox"/> New Construction	<input type="checkbox"/> Repair Casing	<input type="checkbox"/> Pull or Alter Casing	<input type="checkbox"/> Change of Plans	<input type="checkbox"/> Recomplete	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Reperforate	<input type="checkbox"/> Fracture Treat or Acidize	<input type="checkbox"/> Vent or Flare	<input type="checkbox"/> Multiple Completion	<input type="checkbox"/> Water Shut-Off	<input type="checkbox"/> Other _____		<p style="text-align: center;"><b>SUBSEQUENT REPORT</b> (Submit Original Form Only)</p> <table style="width: 100%;"> <tr> <td><input type="checkbox"/> Abandon*</td> <td><input type="checkbox"/> New Construction</td> </tr> <tr> <td><input type="checkbox"/> Repair Casing</td> <td><input type="checkbox"/> Pull or Alter Casing</td> </tr> <tr> <td><input type="checkbox"/> Change of Plans</td> <td><input type="checkbox"/> Reperforate</td> </tr> <tr> <td><input type="checkbox"/> Convert to Injection</td> <td><input type="checkbox"/> Vent or Flare</td> </tr> <tr> <td><input type="checkbox"/> Fracture Treat or Acidize</td> <td><input type="checkbox"/> Water Shut-Off</td> </tr> <tr> <td><input checked="" type="checkbox"/> Other <u>Placed on Production</u></td> <td></td> </tr> </table> <p>Date of work completion <u>1/27/2006</u></p> <p><small>Report results of Multiple Completions and Recompletions to different reservoirs on WELL COMPLETION OR RECOMPLETION REPORT AND LOG form. * Must be accompanied by a cement verification report.</small></p>	<input type="checkbox"/> Abandon*	<input type="checkbox"/> New Construction	<input type="checkbox"/> Repair Casing	<input type="checkbox"/> Pull or Alter Casing	<input type="checkbox"/> Change of Plans	<input type="checkbox"/> Reperforate	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Vent or Flare	<input type="checkbox"/> Fracture Treat or Acidize	<input type="checkbox"/> Water Shut-Off	<input checked="" type="checkbox"/> Other <u>Placed on Production</u>	
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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)

Slate River Resources reports the Uintah Oil Association 1321-7A, referenced above, was placed on production on 1/27/06

**CONFIDENTIAL**

13. Name and Signature: <u><i>Lucy Nemec</i></u> <b>Lucy Nemec</b>	Title <u>SR. Operations Specialist</u>	Date: <u>30-Jan-06</u>
---	--	------------------------

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**FEB 01 2006**



**INSTRUCTIONS**

This form should be completed in compliance with the Utah Oil and Gas Conservation General Rules. If not filed prior to this time, all logs, tests, and directional surveys as required by Utah Rules should be attached and submitted with this report.

ITEM 18: Indicate which elevation is used as reference for depth measurements given in other spaces on this form and on any attachments.

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

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

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

**CONFIDENTIAL**

37. SUMMARY OF POROUS ZONES:		38. GEOLOGIC MARKERS	
Show all important zones of porosity and contents thereof, cored intervals, and all drill-stem, tests, including depth interval tested, cushion used, time tool open, flowing and shut-in pressures, and recoveries.			
Formation	Top	Bottom	Description, contents, etc.
Wasatch	1990		Sandstone, Limestone, Shale
Mesaverde	4390		Sandstone, Shale/Limestone, Siltstone
Sego	5950		Sandstone, Shale, Siltstone
Castlegate	6730		Sandstone, Shale, Limestone, Siltstone
Mancos	7167		Sandstone, Shale, Siltstone
Blackhawk	7266		Sandstone, Shale, Siltstone

Name	Top	
	Meas. Depth	True Vert. Depth

Mesaverde and Mancos are comingled. Test on 9/20/05 included both intervals.

Attachment to Completion Report

**Uintah Oil Association 1321-7A**

**27. PERFORATION RECORD**

<u>Formation</u>	<u>Interval</u>	<u>Size</u>	<u>No Holes</u>	<u>Status</u>
Blackhawk	7354 - 7358	0.035	8	2 SPF Open
7295 - 7298	7031 - 7034	0.035	6	2 SPF Open
		<b>Total</b>	<b>14</b>	
Sego	6762 - 6764	0.035	4	2 SPF Open
Sego	6696 - 6700	0.035	8	2 SPF Open
		<b>Total</b>	<b>12</b>	
Mesaverde	6352 - 6356	0.035	8	2 SPF Open
Mesaverde	6310 - 6313	0.035	6	2 SPF Open
Mesaverde	6075 - 6090	0.035	45	2 SPF Open
Mesaverde	5432 - 5434	0.035	4	2 SPF Open
Mesaverde	5404 - 5412	0.035	16	2 SPF Open
		<b>Total</b>	<b>79</b>	

**28. FRAC HISTORY (cont'd)**

<u>Depth of Interval</u>	<u>Amount / type of material</u>
5404 - 5434	97, 144# 20/40 White sand

**CONFIDENTIAL**

STATE OF UTAH  
DIVISION OF OIL, GAS AND MINING

SUNDRY NOTICES AND REPORTS ON WELLS

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

Use "APPLICATION FOR PERMIT" for...

**CONFIDENTIAL**

5. Lease Designation and Serial Number:  
**FEE**

6. If Indian, Alutese or Tribe Name:

7. Unit Agreement Name:

8. Well Name and Number:  
**See attached**

9. API Well Number:  
**43-047-312372**

10. Field and Pool or Wildcat:

1. Type of Well: OIL  GAS  OTHER:

2. Name of Operator:  
**SLATE RIVER RESOURCES, LLC**

3. Address and Telephone Number:  
**418 E. MAIN VERNAL UT 84078**

4. Location of Well:  
Footages: **See attached**  
G.G. Sec. T., R., M.:

County: **UINTAH**  
State: **UT**

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

NOTICE OF INTENT  
(Submit in Duplicate)

- Abandon
- Repair Casing
- Change of Plans
- Convert to Injection
- Fracture Treat or Acidize
- Multiple Completion
- Other Disposal of Produced Water
- New Construction
- Pull or Alter Casing
- Recomplete
- Reperforate
- Vent or Flare
- Water Shut-Off

Approximate date work will start 1/25/2006

SUBSEQUENT REPORT  
(Submit Original Form Only)

- Abandon\*
- Repair Casing
- Change of Plans
- Convert to Injection
- Fracture Treat or Acidize
- Other
- New Construction
- Pull or Alter Casing
- Reperforate
- 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 REPORT 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)

Slate River Resources LLC requests approval to dispose of produced water at either one or both of the approved disposal sites listed below for the attached list of producing wells.

Dalbo/Ace  
6848 W. Hwy 40  
Vernal, UT

Dalbo Inc. Glen Bench Disposal  
26800 S. Glen Bench Road  
Vernal, Utah

COPY SENT TO OPERATOR  
Date: 10-13-06  
Initials: RM

13.

Name and Signature: Lucy Werner

Title: S.R. Operations Specialist

Date: 11-Sep-06

(This space for State use only.)

Accepted by the  
Utah Division of  
Oil, Gas and Mining

RECEIVED  
OCT 12 2006

(4/94) Date: 10-12-06  
By: [Signature]

(See Instructions on Reverse Side)

DIV. OF OIL, GAS & MINING

**SLATE RIVER RESOURCES LLC  
AGENCY DRAW PRODUCING WELLS  
OCTOBER 12,2006**

<b>Well</b>	<b>Field</b>	<b>Lease</b>	<b>API #</b>	<b>Spot</b>	<b>Description S-T-R</b>	<b>County</b>	<b>State</b>
UOS #1321- 9P	Agency Draw	Fee	43-047-36375	SESE	9-13S-21E	Uintah	Utah
Mustang #1320- 1I	Agency Draw	Fee	43-047-36384	NESE	1-13S-20E	Uintah	Utah
UOS #1321- 9L	Agency Draw	Fee	43-047-36376	NWSW	9-13S-21E	Uintah	Utah
UOA #1321- 7A	Agency Draw	Fee	43-047-36372	NENE	7-13S-21E	Uintah	Utah
UOA #1321- 6G	Agency Draw	Fee	43-047-36370	SWNE	6-13S-21E	Uintah	Utah
UOA #1321- 8C	Agency Draw	Fee	43-047-36373	NENW	8-13S-21E	Uintah	Utah
Mustang #1321- 7F	Agency Draw	Fee	43-047-36371	SESW	7-13S-21E	Uintah	Utah
Mustang #1320-12A	Agency Draw	Fee	43-047-36369	NENE	12-13S-20E	Uintah	Utah
Mustang #1321- 6C	Agency Draw	Fee	43-047-36383	NENW	6-13S-21E	Uintah	Utah
UOS #1321- 8A	Agency Draw	Fee	43-047-36374	NENE	8-13S-21E	Uintah	Utah
Mustang #1220-35I	Agency Draw	Fee	43-047-37287	NESE	35-12S-20E	Uintah	Utah
Mustang #1320-10I	Agency Draw	Fee	43-047-37291	NESE	10-13S-20E	Uintah	Utah
Mustang #1320-11H	Agency Draw	Fee	43-047-37295	SENE	11-13S-20E	Uintah	Utah
Mustang #1320-24E	Agency Draw	Fee	43-047-37298	SWNW	24-13S-20E	Uintah	Utah
Mustang #1320-14P	Agency Draw	Fee	43-047-37288	SESE	14-13S-20E	Uintah	Utah
Mustang #1320-13D	Agency Draw	Fee	43-047-37289	NWNW	13-13S-20E	Uintah	Utah
Mustang #1320-14D	Agency Draw	Fee	43-047-37296	NWNW	14-13S-20E	Uintah	Utah

**STATE OF UTAH  
DIVISION OF OIL, GAS AND MINING**

5. LEASE DESIGNATION AND SERIAL NO.  
**FEE**

**WELL COMPLETION OR RECOMPLETION REPORT AND LOG\***

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

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

7. UNIT AGREEMENT NAME

8. FARM OR LEASE NAME, WELL NO.  
**UINTAH OIL ASSOC 1321-7A**

2. NAME OF OPERATOR  
**Slate River Resources LLC**

9. API NO.  
**43-047-36372**

3. ADDRESS AND TELEPHONE NO.  
**418 E. Main St. Suite 18, Vernal, UT 84078 435-781-1870**

10. FIELD AND POOL OR WILDCAT  
**WILDCAT**

4. LOCATION OF WELL (Report locations clearly and in accordance with any State requirements)  
**At Surface 372' FNL, 972' FEL**

11. SEC., T., R., M., OR BLOCK AND SURVEY OR AREA  
**NE/NE SEC 7, T13S R21E SL&M**

At top prod. Interval reported below

12. COUNTY **UINTAH** 13. STATE **UTAH**

At total depth

14. DATE SPURRED 15. DATE T.D. REACHED 16. DATE COMPL. (Ready to prod. or Plug & Abandon  Ready to Prod  17. ELEVATIONS (DF, RKB, RT, GR, ETC.)  
**12-22-07 5917 GL, 5933 KB**

18. TOTAL DEPTH, MD & TVD 19. PLUG, BACK T.D., MD & TVD 20. IF MULTIPLE COMPL., HOW MANY 21. DEPTH BRIDGE PLUG SET: TVD  
**7570' MD 7570' TVD 7515 TD MD TVD 3 7244'**

24. PRODUCING INTERVAL(S), OF THIS COMPLETION--TOP, BOTTOM, NAME (MD AND TVD) 25. WAS DIRECTIONAL SURVEY MADE  
**Castlegate 6925 - 6952**

26. TYPE ELECTRIC AND OTHER LOGS RUN 27. WAS WELL CORED YES  NO  (Submit analysis) DRILL STEM TEST YES  NO  (See reverse side)

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

CASING SIZE	WEIGHT, LB./FT.	DEPTH SET (MD)	HOLE SIZE	CEMENTING RECORD	AMOUNT PULLED
9-5/8" H-40	32-30#	851			
4-1/2" M-80	11.60#	7560'			

29. LINER RECORD 30. TUBING RECORD

SIZE	TOP (MD)	BOTTOM (MD)	SACKS CEMENT*	SCREEN (MD)	SIZE	DEPTH SET (MD)	PACKER SET (MD)
					2-3/8"	6818	6810

31. PERFORATION RECORD (Interval, size and number) 32. ACID, SHOT, FRACTURE, CEMENT SQUEEZE, ETC.

INTERVAL	SIZE	NUMBER	DEPTH INTERVAL (MD)	AMOUNT AND KIND OF MATERIAL USED
6925 - 6928	0.035	12	6925 - 6952	Screened out on 1/2ppg 20/40 sand after pumping 2000 gals 15% hcl acid & 1400 bbl.
6949 - 6952	0.035	12		

33.\* PRODUCTION

DATE FIRST PRODUCTION \_\_\_\_\_ PRODUCTION METHOD (Flowing, gas lift, pumping--size and type of pump) \_\_\_\_\_ WELL STATUS (Producing or shut-in) **Producing**

DATE OF TEST	HOURS TESTED	CHOKE SIZE	PROD'N. FOR TEST PERIOD	OIL--BBL.	GAS--MCF.	WATER--BBL.	GAS-OIL RATIO
				0			

FLOW. TUBING PRESS.	CASING PRESSURE	CALCULATED 24-HOUR RATE	OIL-BBL.	GAS--MCF.	WATER--BBL.	OIL GRAVITY-API (CORR.)

34. DISPOSITION OF GAS (Sold, used for fuel, vented, etc.) **Sold** TEST WITNESSED BY \_\_\_\_\_

35. LIST OF ATTACHMENTS

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

SIGNED

*[Signature]*

TITLE **Sr. Operations Specialist**

**RECEIVED** DATE **2/13/2007**

**See Spaces for Addition Data on Reverse Side**

**FEB 15 2007**

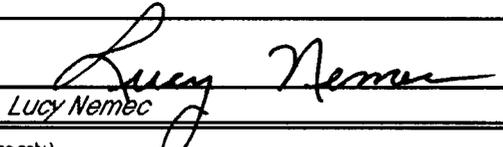
**STATE OF UTAH  
DIVISION OF OIL, GAS AND MINING**

<p><b>SUNDRY NOTICES AND REPORTS ON WELLS</b></p> <p>Do not use this form for proposals to drill or deepen or reentry to a different reservoir. Use "APPLICATION FOR PERMIT -" for such proposals</p>		<p>5. Lease Designation and Serial Number: <b>FEE</b></p> <p>6. If Indian, Allottee or Tribe Name:</p> <p>7. Unit Agreement Name:</p> <p>8. Well Name and Number: <b>UINTAH OIL ASSOC. 1321-7A</b></p> <p>9. API Well Number: <b>43-047-36372</b></p> <p>10. Field and Pool, or Wildcat: <b>WILDCAT</b></p>
<p>1. Type of Well:    OIL    <input type="checkbox"/>    GAS    <input checked="" type="checkbox"/>    OTHER:</p> <p>2. Name of Operator: <b>SLATE RIVER RESOURCES, LLC</b></p> <p>3. Address and Telephone Number: <b>418 E. MAIN    VERNAL, UT 84078</b></p> <p>4. Location of Well: Footages:    <b>372' FNL &amp; 972' FEL</b> QQ, Sec., T., R., M.:    <b>NE/NE SEC 7 T13S R21E    SLC MERIDIAN</b></p> <p style="text-align: right;">County:    <b>UINTAH</b> State:    <b>UT</b></p>		

<p><b>11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA</b></p>																											
<p align="center"><b>NOTICE OF INTENT</b> (Submit in Duplicate)</p> <table style="width:100%;"> <tr> <td><input type="checkbox"/> Abandon</td> <td><input type="checkbox"/> New Construction</td> </tr> <tr> <td><input type="checkbox"/> Repair Casing</td> <td><input type="checkbox"/> Pull or Alter Casing</td> </tr> <tr> <td><input type="checkbox"/> Change of Plans</td> <td><input type="checkbox"/> Recomplete</td> </tr> <tr> <td><input type="checkbox"/> Convert to Injection</td> <td><input type="checkbox"/> Reperforate</td> </tr> <tr> <td><input type="checkbox"/> Fracture Treat or Acidize</td> <td><input type="checkbox"/> Vent or Flare</td> </tr> <tr> <td><input type="checkbox"/> Multiple Completion</td> <td><input type="checkbox"/> Water Shut-Off</td> </tr> <tr> <td><input type="checkbox"/> Other _____</td> <td></td> </tr> </table> <p>Approximate date work will start _____</p>	<input type="checkbox"/> Abandon	<input type="checkbox"/> New Construction	<input type="checkbox"/> Repair Casing	<input type="checkbox"/> Pull or Alter Casing	<input type="checkbox"/> Change of Plans	<input type="checkbox"/> Recomplete	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Reperforate	<input type="checkbox"/> Fracture Treat or Acidize	<input type="checkbox"/> Vent or Flare	<input type="checkbox"/> Multiple Completion	<input type="checkbox"/> Water Shut-Off	<input type="checkbox"/> Other _____		<p align="center"><b>SUBSEQUENT REPORT</b> (Submit Original Form Only)</p> <table style="width:100%;"> <tr> <td><input type="checkbox"/> Abandon*</td> <td><input type="checkbox"/> New Construction</td> </tr> <tr> <td><input type="checkbox"/> Repair Casing</td> <td><input type="checkbox"/> Pull or Alter Casing</td> </tr> <tr> <td><input type="checkbox"/> Change of Plans</td> <td><input type="checkbox"/> Reperforate</td> </tr> <tr> <td><input type="checkbox"/> Convert to Injection</td> <td><input type="checkbox"/> Vent or Flare</td> </tr> <tr> <td><input type="checkbox"/> Fracture Treat or Acidize</td> <td><input type="checkbox"/> Water Shut-Off</td> </tr> <tr> <td><input checked="" type="checkbox"/> Other <u>Complete Castlegate</u></td> <td></td> </tr> </table> <p>Date of work completion <u>12/22/2006</u></p> <p><small>Report results of Multiple Completions and Recompletions to different reservoirs on WELL COMPLETION OR RECOMPLETION REPORT AND LOG form. * Must be accompanied by a cement verification report.</small></p>	<input type="checkbox"/> Abandon*	<input type="checkbox"/> New Construction	<input type="checkbox"/> Repair Casing	<input type="checkbox"/> Pull or Alter Casing	<input type="checkbox"/> Change of Plans	<input type="checkbox"/> Reperforate	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Vent or Flare	<input type="checkbox"/> Fracture Treat or Acidize	<input type="checkbox"/> Water Shut-Off	<input checked="" type="checkbox"/> Other <u>Complete Castlegate</u>	
<input type="checkbox"/> Abandon	<input type="checkbox"/> New Construction																										
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<input checked="" type="checkbox"/> Other <u>Complete Castlegate</u>																											

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)

12-05-2006 to 12-22-2006 Recompletion  
MIRU Peak Well Service. Set composites BP @ 7244'. Perforated Castlegate perms 6925' - 6928, 6949' - 6952' w/4 SPF. RU frac company and tried to frac same down tbg w/ no luck well tried to screen out on 1/2ppg 20/40 sand after pumping 2000 gals 15% hcl acid & @ 1400 bbls pad. Formation would not frac. Well was swab tested then turned over to production

13. Name and Signature:  Title: SR. Operations Specialist Date: 02/13/07

(This space for State use only.)

**RECEIVED**  
**FEB 15 2007**  
**DIV. OF OIL, GAS & MINING**

**Division of Oil, Gas and Mining  
OPERATOR CHANGE WORKSHEET**

**ROUTING**

1. DJJ
2. CDW

**X - Change of Operator (Well Sold)**

Operator Name Change/Merger

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

**2/21/2008**

<b>FROM:</b> (Old Operator): N2725-Slate River Resources, LLC 418 E Main, Suite 18 Vernal, UT 84078  Phone: 1 (435) 781-1874	<b>TO:</b> ( New Operator): N1675-Mustang Fuel Corporation 13439 Broadway Ext. Oklahoma City, OK 73114-2202  Phone: 1 (405) 748-9487
---	---

WELL NAME		CA No.	Unit:		SEC TWN	RNG	API NO	ENTITY NO	LEASE TYPE	WELL TYPE	WELL STATUS
SEE ATTACHED LIST											

**OPERATOR CHANGES DOCUMENTATION**

Enter date after each listed item is completed

- (R649-8-10) Sundry or legal documentation was received from the **FORMER** operator on: 3/28/2008
- (R649-8-10) Sundry or legal documentation was received from the **NEW** operator on: 3/18/2008
- The new company was checked on the **Department of Commerce, Division of Corporations Database** on: 4/28/2008
- a. Is the new operator registered in the State of Utah: Yes Business Number: 1467562-0143
- b. If **NO**, the operator was contacted on: \_\_\_\_\_
- a. (R649-9-2)Waste Management Plan has been received on: \_\_\_\_\_ Requested
- Inspections of LA PA state/fee well sites complete on: n/a
- Reports current for Production/Disposition & Sundries on: \_\_\_\_\_
- Federal and Indian Lease Wells:** The BLM and or the BIA has approved the merger, name change, or operator change for all wells listed on Federal or Indian leases on: BLM n/a BIA n/a
- Federal and Indian Units:**  
The BLM or BIA has approved the successor of unit operator for wells listed on: n/a
- Federal and Indian Communization Agreements ("CA"):**  
The BLM or BIA has approved the operator for all wells listed within a CA on: n/a
- Underground Injection Control ("UIC")** The Division has approved UIC Form 5, **Transfer of Authority to Inject**, for the enhanced/secondary recovery unit/project for the water disposal well(s) listed on: n/a

**DATA ENTRY:**

- Changes entered in the **Oil and Gas Database** on: 4/28/2008
- Changes have been entered on the **Monthly Operator Change Spread Sheet** on: 4/28/2008
- Bond information entered in RBDMS on: 4/28/2008
- Fee/State wells attached to bond in RBDMS on: 4/28/2008
- Injection Projects to new operator in RBDMS on: n/a
- Receipt of Acceptance of Drilling Procedures for APD/New on: \_\_\_\_\_ n/a

**BOND VERIFICATION:**

- Federal well(s) covered by Bond Number: n/a
- Indian well(s) covered by Bond Number: n/a
- a. (R649-3-1) The **NEW** operator of any fee well(s) listed covered by Bond Number 400KB7078
- b. The **FORMER** operator has requested a release of liability from their bond on: 4/18/2008 Disposal Facilities only  
The Division sent response by letter on: \_\_\_\_\_

**LEASE INTEREST OWNER NOTIFICATION:**

- (R649-2-10) The **NEW** operator of the fee wells has been contacted and informed by a letter from the Division of their responsibility to notify all interest owners of this change on: 4/28/2008

**COMMENTS:**

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

FORM 9

5. LEASE DESIGNATION AND SERIAL NUMBER:  
**FEE**

**SUNDRY NOTICES AND REPORTS ON WELLS**

6. IF INDIAN, ALLOTTEE OR TRIBE NAME:

7. UNIT or CA AGREEMENT NAME:

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

1. TYPE OF WELL      OIL WELL       GAS WELL       OTHER \_\_\_\_\_

8. WELL NAME and NUMBER:  
**See attached**

2. NAME OF OPERATOR:  
**Mustang Fuel Corporation**      *N 1675*

9. API NUMBER:  
**See attach**

3. ADDRESS OF OPERATOR:  
**13439 Broadway Extension**      CITY **Oklahoma City**      STATE **OK**      ZIP **73114-2202**      PHONE NUMBER: **(405) 748-9487**

10. FIELD AND POOL, OR WILDCAT:  
**See attached**

4. LOCATION OF WELL  
FOOTAGES AT SURFACE: **See attached schedule of wells**      COUNTY: **Uintah**  
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN:      STATE: **UTAH**

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

TYPE OF SUBMISSION	TYPE OF ACTION		
<input checked="" type="checkbox"/> <b>NOTICE OF INTENT</b> (Submit in Duplicate)  Approximate date work will start: <u>2/21/2008</u>	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> REPERFORATE CURRENT FORMATION
	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> SIDETRACK TO REPAIR WELL
<input type="checkbox"/> <b>SUBSEQUENT REPORT</b> (Submit Original Form Only)  Date of work completion: _____	<input type="checkbox"/> CASING REPAIR	<input type="checkbox"/> NEW CONSTRUCTION	<input type="checkbox"/> TEMPORARILY ABANDON
	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input checked="" type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> TUBING REPAIR
	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> VENT OR FLARE
	<input type="checkbox"/> CHANGE WELL NAME	<input type="checkbox"/> PLUG BACK	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> PRODUCTION (START/RESUME)	<input type="checkbox"/> WATER SHUT-OFF
	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input type="checkbox"/> OTHER: _____
	<input type="checkbox"/> CONVERT WELL TYPE	<input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION	

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

Mustang Fuel Corporation requests a change of operator from Slate River Resources, LLC to Mustang Fuel Corporation, effective February 21, 2008 for the wells and facilities listed on the attached schedule.

The bond numbers for Mustang Fuel Corporation are:  
State of Utah DOGM Bond      *400KB7078*  
State of Utah Bond of Lessee  
Federal Utah Statewide Bond

NAME (PLEASE PRINT) Jim Hill      TITLE Operations Manager  
SIGNATURE *Jim Hill*      DATE 2/21/2008

(This space for State use only)

**APPROVED** 4128108  
*Earlene Russell*  
Division of Oil, Gas and Mining      (See Instructions on Reverse Side)  
Earlene Russell, Engineering Technician

**RECEIVED**  
**MAR 18 2008**  
**DIV. OF OIL, GAS & MINING**

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

FORM 9

5. LEASE DESIGNATION AND SERIAL NUMBER:  
**FEE**

**SUNDRY NOTICES AND REPORTS ON WELLS**

6. IF INDIAN, ALLOTTEE OR TRIBE NAME:

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

7. UNIT or CA AGREEMENT NAME:

1. TYPE OF WELL  
OIL WELL  GAS WELL  OTHER \_\_\_\_\_

8. WELL NAME and NUMBER:  
**See attached**

2. NAME OF OPERATOR:  
**Slate River Resources, LLC** *N2725*

9. API NUMBER:  
**See attach**

3. ADDRESS OF OPERATOR:  
**418 E. Main, Suite 18** CITY **Vernal** STATE **UT** ZIP **84078**

PHONE NUMBER:  
**(435) 781-1874**

10. FIELD AND POOL, OR WILDCAT:  
**See attached**

4. LOCATION OF WELL  
FOOTAGES AT SURFACE: **See attached schedule of wells**

COUNTY: **Uintah**

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

STATE: **UTAH**

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

TYPE OF SUBMISSION	TYPE OF ACTION		
<input checked="" type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: <b>2/21/2008</b>	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> REPERFORATE CURRENT FORMATION
	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> SIDETRACK TO REPAIR WELL
<input type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion:	<input type="checkbox"/> CASING REPAIR	<input type="checkbox"/> NEW CONSTRUCTION	<input type="checkbox"/> TEMPORARILY ABANDON
	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input checked="" type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> TUBING REPAIR
	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> VENT OR FLARE
	<input type="checkbox"/> CHANGE WELL NAME	<input type="checkbox"/> PLUG BACK	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> PRODUCTION (START/RESUME)	<input type="checkbox"/> WATER SHUT-OFF
	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input type="checkbox"/> OTHER: _____
	<input type="checkbox"/> CONVERT WELL TYPE	<input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION	

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

Slate River Resources, LLC requests a Change of Operator from Slate River Resources, LLC to Mustang Fuel Corporation on the wells listed on the attached schedule including a change of Operator for the AD Disposal Pit 1, AD Disposal Pit #2 and the Willow Creek Compressor facility effective 2/21/08.

NAME (PLEASE PRINT) Lucy Nemecc

TITLE Sr. Operations Specialist

SIGNATURE *Lucy Nemecc*

DATE 3/27/2008

(This space for State use only)

**APPROVED** 4/28/08  
*Earlene Russell*  
Division of Oil, Gas and Mining  
Earlene Russell, Engineering Technician

(See Instructions on Reverse Side)

**RECEIVED**

**MAR 28 2008**

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



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

RECEIVED  
JUN 05 2008  
DIV. OF OIL, GAS & MINING

FORM 9

**SUNDRY NOTICES AND REPORTS ON WELLS**

5. LEASE DESIGNATION AND SERIAL NUMBER:  
**FEE**

6. IF INDIAN, ALLOTTEE OR TRIBE NAME:

7. UNIT or CA AGREEMENT NAME:

8. WELL NAME and NUMBER:  
**UINTAH OIL ASSOC. 1321-7A**

9. API NUMBER:  
**4304736372**

10. FIELD AND POOL, OR WLD CAT:  
**Agency Draw**

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

1. TYPE OF WELL  
OIL WELL  GAS WELL  OTHER \_\_\_\_\_

2. NAME OF OPERATOR:  
**Mustang Fuel Corporation**

3. ADDRESS OF OPERATOR:  
**418 East Main, Suite 18** CITY **Vernal** STATE **UT** ZIP **84078** PHONE NUMBER: **(435) 781-1870**

4. LOCATION OF WELL  
FOOTAGES AT SURFACE: **372 FNL, 972' FEL**  
COUNTY: **Uintah**  
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: **NENE 7 13S 21E S**  
STATE: **UTAH**

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

TYPE OF SUBMISSION	TYPE OF ACTION		
<input checked="" type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: <b>6/15/2008</b>	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> DEEPEN	<input checked="" type="checkbox"/> REPERFORATE CURRENT FORMATION
<input type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion:	<input type="checkbox"/> ALTER CASING	<input checked="" type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> SIDETRACK TO REPAIR WELL
	<input type="checkbox"/> CASING REPAIR	<input type="checkbox"/> NEW CONSTRUCTION	<input type="checkbox"/> TEMPORARILY ABANDON
	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> TUBING REPAIR
	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> VENT OR FLARE
	<input type="checkbox"/> CHANGE WELL NAME	<input type="checkbox"/> PLUG BACK	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> PRODUCTION (START/RESUME)	<input type="checkbox"/> WATER SHUT-OFF
	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input type="checkbox"/> OTHER: _____
	<input type="checkbox"/> CONVERT WELL TYPE	<input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION	

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.  
**Mustang Fuel Corporation requests approval to Perforate the Nelsen Coal interval.**

Procedure as follows:

1. MIRU Completion Unit. Run GR/JB to 6400' and set CBP @ 6400'.
2. Perforate Nelsen Coal interval 6241- 44, 6247 - 50, 6330 - 33, 6335 - 38, 6340 - 47.
3. Frac & test. Flow to clean-up
4. Return well to production

**COPY SENT TO OPERATOR**  
Date: 6.24.2008  
Initials: KS

NAME (PLEASE PRINT) Lucy Nemeec TITLE Sr. Operations Specialist

SIGNATURE Lucy Nemeec DATE 6/3/2008

(This space for State use only)

**APPROVED BY THE STATE OF UTAH DIVISION OF OIL, GAS, AND MINING**  
DATE: 6/23/08  
BY: [Signature]  
(See instructions on Reverse Side)

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

AMENDED REPORT  FORM 8  
(highlight changes)

**WELL COMPLETION OR RECOMPLETION REPORT AND LOG**

1a. TYPE OF WELL: OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> DRY <input type="checkbox"/> OTHER _____		5. LEASE DESIGNATION AND SERIAL NUMBER: <b>FEE</b>
b. TYPE OF WORK: NEW WELL <input type="checkbox"/> HORIZ LATS. <input type="checkbox"/> DEEP-EN <input type="checkbox"/> RE-ENTRY <input checked="" type="checkbox"/> DIFF. RESVR. <input type="checkbox"/> OTHER <b>Reperf</b>		6. IF INDIAN, ALLOTTEE OR TRIBE NAME
2. NAME OF OPERATOR: <b>Mustang Fuel Corporation</b>		7. UNIT or CA AGREEMENT NAME
3. ADDRESS OF OPERATOR: <b>418 E. Main Ste 18</b> CITY <b>Vernal</b> STATE <b>UT</b> ZIP <b>84078</b>		8. WELL NAME and NUMBER: <b>UINTAH OIL ASSOC. 1321-7A</b>
PHONE NUMBER: <b>(435) 781-1870</b>		9. API NUMBER: <b>4304736372</b>
4. LOCATION OF WELL (FOOTAGES) AT SURFACE: <b>372 FNL, 972' FEL</b> AT TOP PRODUCING INTERVAL REPORTED BELOW: <b>372 FNL, 972' FEL</b> AT TOTAL DEPTH: <b>372 FNL, 972' FEL</b>		10 FIELD AND POOL, OR WILDCAT <b>Wildcat</b>
		11. QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: <b>NENE 7 13S 21E S</b>
		12. COUNTY <b>Uintah</b>
		13. STATE <b>UTAH</b>

14. DATE SPURRED:	15. DATE T.D. REACHED:	16. DATE COMPLETED: <b>8/11/2008</b>	ABANDONED <input type="checkbox"/> READY TO PRODUCE <input checked="" type="checkbox"/>	17. ELEVATIONS (DF, RKB, RT, GL): <b>5917 GL 5933 KB</b>
18. TOTAL DEPTH: MD <b>7,570</b> TVD <b>7,570</b>	19. PLUG BACK T.D.: MD <b>7,515</b> TVD <b>7,515</b>	20. IF MULTIPLE COMPLETIONS, HOW MANY? * <b>1</b>	21. DEPTH BRIDGE MD <b>6,410</b> PLUG SET: TVD <b>6,410</b>	
22. TYPE ELECTRIC AND OTHER MECHANICAL LOGS RUN (Submit copy of each)			23. WAS WELL CORED? NO <input type="checkbox"/> YES <input type="checkbox"/> (Submit analysis) WAS DST RUN? NO <input type="checkbox"/> YES <input type="checkbox"/> (Submit report) DIRECTIONAL SURVEY? NO <input type="checkbox"/> YES <input type="checkbox"/> (Submit copy)	

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

HOLE SIZE	SIZE/GRADE	WEIGHT (#/ft.)	TOP (MD)	BOTTOM (MD)	STAGE CEMENTER DEPTH	CEMENT TYPE & NO. OF SACKS	SLURRY VOLUME (BBL)	CEMENT TOP **	AMOUNT PULLED

**25. TUBING RECORD**

SIZE	DEPTH SET (MD)	PACKER SET (MD)	SIZE	DEPTH SET (MD)	PACKER SET (MD)	SIZE	DEPTH SET (MD)	PACKER SET (MD)
<b>2-3/8</b>	<b>6,347</b>							

**26. PRODUCING INTERVALS**

FORMATION NAME	TOP (MD)	BOTTOM (MD)	TOP (TVD)	BOTTOM (TVD)
(A) <b>Mesaverde</b>	<b>5,404</b>	<b>6,356</b>		
(B)				
(C)				
(D)				

**27. PERFORATION RECORD**

INTERVAL (Top/Bot - MD)	SIZE	NO. HOLES	PERFORATION STATUS
<b>6,241 6,244</b>	<b>.42</b>	<b>6</b>	Open <input checked="" type="checkbox"/> Squeezed <input type="checkbox"/>
<b>6,247 6,250</b>	<b>.42</b>	<b>6</b>	Open <input checked="" type="checkbox"/> Squeezed <input type="checkbox"/>
<b>6,330 6,347</b>	<b>.42</b>	<b>26</b>	Open <input checked="" type="checkbox"/> Squeezed <input type="checkbox"/>
			Open <input type="checkbox"/> Squeezed <input type="checkbox"/>

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

DEPTH INTERVAL	AMOUNT AND TYPE OF MATERIAL
<b>6241 - 6347</b>	<b>Frac w/130,200# 20/40 sand &amp;75,500 gals Lightning 22 gals; @ 14.60 BPM, 4435 psig ATP</b>

**29. ENCLOSED ATTACHMENTS:**

- ELECTRICAL/MECHANICAL LOGS     
  GEOLOGIC REPORT     
  DST REPORT     
  DIRECTIONAL SURVEY  
 SUNDRY NOTICE FOR PLUGGING AND CEMENT VERIFICATION     
  CORE ANALYSIS     
  OTHER: **Wellbore Diag**

**30. WELL STATUS:**

**Producing**

**RECEIVED**

31. INITIAL PRODUCTION

INTERVAL A (As shown in item #26)

DATE FIRST PRODUCED: 8/11/2008	TEST DATE:	HOURS TESTED:	TEST PRODUCTION RATES: →	OIL - BBL:	GAS - MCF:	WATER - BBL:	PROD. METHOD: PU
CHOKE SIZE:	TBG. PRESS.	CSG. PRESS.	API GRAVITY	BTU - GAS	GAS/OIL RATIO	24 HR PRODUCTION RATES: →	INTERVAL STATUS: Prod

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: →	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: →	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: →	INTERVAL STATUS:

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

Sold

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)

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) Lucy Nemec TITLE Sr. Operations Specialist  
 SIGNATURE *Lucy Nemec* DATE 10/13/2008

This report must be submitted within 30 days of

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

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

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

Send to: Utah Division of Oil, Gas and Mining  
 1594 West North Temple, Suite 1210  
 Box 145801  
 Salt Lake City, Utah 84114-5801  
 Phone: 801-538-5340  
 Fax: 801-359-3940

OPERATOR: MUSTANG FUEL CORPORATION  
 WELL: UOA #1321-7A  
 FIELD: AGENCY DRAW  
 API # 43-047-36372  
 LEASE #: FEE  
 UIC #: N/A

CNTY: UINTAH FTG: 372' FNL, 972' FEL  
 STATE: UT Q-Q: NENE  
 SPUD: 30-Aug-05 SEC.: 7  
 COMP: 19-Oct-05 TWS: 13S  
 STATUS: PGW RGE: 21E  
 WBD DATE: 5-Aug-08 BY: LN

IP GAS: \_\_\_\_\_  
 IP OIL: \_\_\_\_\_  
 IP WTR: \_\_\_\_\_  
 CUM GAS: \_\_\_\_\_  
 CUM OIL: \_\_\_\_\_  
 CUM WTR: \_\_\_\_\_  
 LAST PROD: Producing

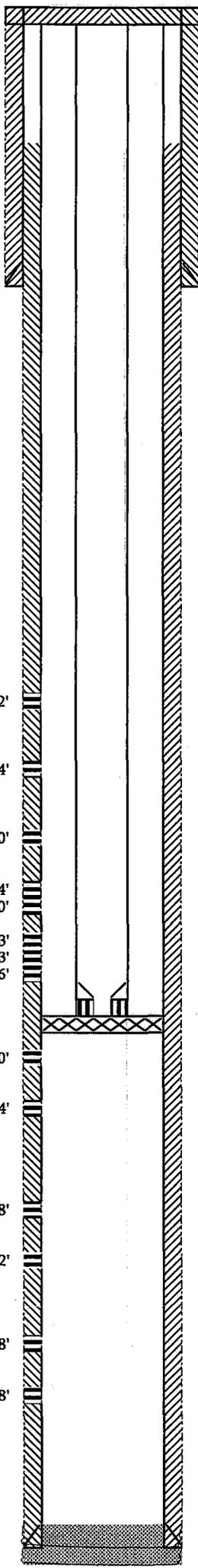
### WELLBORE DIAGRAM

KBE: 5932.6'  
 KB: 15.6'  
 GLE: 5917'  
 TD (ft): 7570'  
 PBSD (ft): 7515'

12 1/4" Hole  
 9 5/8", 32.3# Csg @ 851'

Mesaverde	5404'-5412'
Mesaverde	5432'-5434'
Mesaverde	6075'-6090'
	6241'-6244'
	6247'-6250'
Mesaverde	6310'-6313'
	6330'-6333'
	6352'-6356'
Mesaverde	EOT @ 6363'
	CBP @ 6410'
Sego	6696'-6700'
Sego	6762'-6764'
Castlegate	6925'-6928'
Castlegate	6949'-6952'
Blackhawk	7295'-7298'
Blackhawk	7354'-7358'

PBSD (FC) @ 7515'  
 4 1/2", 11.6#, M-80 Csg @ 7560'  
 Cmtd w/ 400 sxs Lead & 600 sxs Tail  
 TD @ 7570'  
 7 7/8" Hole



**RECEIVED**  
**OCT 22 2008**  
 DIV. OF OIL, GAS & MINING



GARY R. HERBERT  
Governor

GREGORY S. BELL  
Lieutenant Governor

# State of Utah

## DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER  
Executive Director

### Division of Oil, Gas and Mining

JOHN R. BAZA  
Division Director

April 14, 2011

CERTIFIED MAIL NO.: 7005 1820 0001 5562 9061

Ms. Lucy Nemec  
Mustang Fuel Corporation  
418 East Main Suite 18  
Vernal, UT 84078

43 047 36372  
Uintah Oil Assoc 1321-7A  
13S 21E 7

Subject: **SECOND NOTICE: Extended Shut-in and Temporarily Abandoned Well Requirements for Wells on Fee or State Leases**

Dear Ms. Nemec:

As of January 2011, Mustang Fuel Corporation (Mustang) has three (3) Fee Lease Wells (see Attachment A) that have more recently been added to Mustang's non-compliance list concerning the requirements for extended shut-in or temporarily abandoned (SI/TA) status. Wells SI/TA beyond twelve (12) consecutive months requires the filing of a Sundry Notice in accordance with R649-3-36-1 for Utah Division of Oil, Gas & Mining (Division) approval. Wells with five (5) years non-activity or non-productivity shall be plugged, unless the Division grants approval for extended shut-in time upon a showing of good cause by the operator (R649-3-36-1.3.3).

This is the **SECOND NOTICE** of non-compliance that Mustang has received for wells listed as such on Attachment A. On February 24, 2009, first notices were sent via certified mail requesting required information to bring wells into compliance. Kerr McGee sent information concerning these wells and the Division granted SI/TA extension valid through June 1, 2010, which has since expired. To date the Division has not received any additional information nor seen any progress being made to move the wells out of non-compliance status.

This is also a **FIRST NOTICE** for the well that has recently been added to Mustang's non compliance list. Please submit the required information for extended SI/TA status within 30 days of this notice or further actions will be initiated.

An NOV was sent out March 10, 2011, for four (4) additional wells owned and operated by Mustang.



Page 2  
Mustang Fuel Corporation  
April 14, 2011

For extended SI/TA consideration the operator shall provide the Utah Division of Oil, Gas & Mining with the following:

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

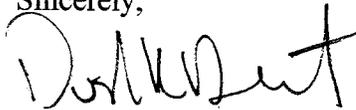
Please note that the Divisions preferred method for showing well integrity is by MIT

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

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

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

Sincerely,



Dustin K. Doucet  
Petroleum Engineer

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

# ATTACHMENT A

	Well Name	API	LEASE	Years Inactive	SI/TA Extension Expired On
<b>2<sup>ND</sup> NOTICE</b>					
1	MUSTANG 1321-7F	43-047-36371	FEE	3 Years 3 Months	6/1/2010
2	UTAH OIL SHALES 1321-9P	43-047-36375	FEE	3 Years 4 Months	6/1/2010
<b>1<sup>ST</sup> NOTICE</b>					
→ 3	UINTAH OIL ASSOC 1321-7A	43-047-36372	FEE	1 Year 4 Months	

<b>STATE OF UTAH</b> DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS, AND MINING	<b>FORM 9</b>
<b>SUNDRY NOTICES AND REPORTS ON WELLS</b>  Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.	5. LEASE DESIGNATION AND SERIAL NUMBER: FEE
1. TYPE OF WELL Gas Well	6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
2. NAME OF OPERATOR: MUSTANG FUEL CORPORATION	7. UNIT or CA AGREEMENT NAME:
3. ADDRESS OF OPERATOR: 418 East Main , Vernal , UT, 84078	8. WELL NAME and NUMBER: UINTAH OIL ASSOC 1321-7A
4. LOCATION OF WELL FOOTAGES AT SURFACE: 0372 FNL 0972 FEL QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: Qtr/Qtr: NENE Section: 07 Township: 13.0S Range: 21.0E Meridian: S	9. API NUMBER: 43047363720000
9. FIELD and POOL or WILDCAT: AGENCY DRAW	COUNTY: UINTAH
9. API NUMBER: 43047363720000	STATE: UTAH

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

TYPE OF SUBMISSION	TYPE OF ACTION		
<input checked="" type="checkbox"/> NOTICE OF INTENT Approximate date work will start: 4/1/2012	<input type="checkbox"/> ACIDIZE  <input type="checkbox"/> CHANGE TO PREVIOUS PLANS  <input type="checkbox"/> CHANGE WELL STATUS  <input type="checkbox"/> DEEPEN  <input type="checkbox"/> OPERATOR CHANGE  <input type="checkbox"/> PRODUCTION START OR RESUME  <input type="checkbox"/> REPERFORATE CURRENT FORMATION  <input type="checkbox"/> TUBING REPAIR  <input type="checkbox"/> WATER SHUTOFF  <input type="checkbox"/> WILDCAT WELL DETERMINATION	<input type="checkbox"/> ALTER CASING  <input type="checkbox"/> CHANGE TUBING  <input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS  <input type="checkbox"/> FRACTURE TREAT  <input type="checkbox"/> PLUG AND ABANDON  <input type="checkbox"/> RECLAMATION OF WELL SITE  <input type="checkbox"/> SIDETRACK TO REPAIR WELL  <input type="checkbox"/> VENT OR FLARE  <input type="checkbox"/> SI TA STATUS EXTENSION  <input checked="" type="checkbox"/> OTHER	<input type="checkbox"/> CASING REPAIR  <input type="checkbox"/> CHANGE WELL NAME  <input type="checkbox"/> CONVERT WELL TYPE  <input type="checkbox"/> NEW CONSTRUCTION  <input type="checkbox"/> PLUG BACK  <input type="checkbox"/> RECOMPLETE DIFFERENT FORMATION  <input type="checkbox"/> TEMPORARY ABANDON  <input type="checkbox"/> WATER DISPOSAL  <input type="checkbox"/> APD EXTENSION  OTHER: <input style="width: 100px;" type="text" value="Production Evaluation"/>
<input type="checkbox"/> SUBSEQUENT REPORT Date of Work Completion:			
<input type="checkbox"/> SPUD REPORT Date of Spud:			
<input type="checkbox"/> DRILLING REPORT Report Date:			

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

Mustang Fuel Corporation requests one year beginning April 1, 2012 to April 1 2013 to complete an evaluation of the well to enhance production. The UOA 1321-7A has not been shut in and is not venting. The 7A has not been producing due to the low pressure that will not allow it to produce into the sales line. Mustang will continue to manually produce a minimum amount of gas each month until an evaluation can be completed.

REQUEST DENIED  
Utah Division of  
Oil, Gas and Mining

Date: April 11, 2012  
 By: *D. K. Quist*

NAME (PLEASE PRINT) Lucy Nemec	PHONE NUMBER 435 781-1870	TITLE Sr Operation Spec
SIGNATURE N/A	DATE 3/12/2012	



## INSTRUCTIONS

**This form shall be submitted by the operator to show the intention and/or completion of the following:**

- miscellaneous work projects and actions for which other specific report forms do not exist;
- all other work and events as identified in section 11, Type of Action, or as required by the Utah Oil and Gas Conservation General Rules, including:
  - minor deepening of an existing well bore,
  - plugging back a well,
  - recompleting to a different producing formation within an existing well bore (intent only),
  - reperfing the current producing formation,
  - drilling a sidetrack to repair a well,
  - reporting monthly the status of each drilling well.

**This form is not to be used for proposals to**

- drill new wells,
- reenter previously plugged and abandoned wells,
- significantly deepen existing wells below their current bottom-hole depth,
- drill horizontal laterals from an existing well bore,
- drill hydrocarbon exploratory holes such as core samples and stratigraphic tests.

**Use Form 3, Application for Permit to Drill (APD) for such proposals.**

**NOTICE OF INTENT** - A notice of intention to do work on a well or to change plans previously approved shall be submitted in duplicate and must be received and approved by the division before the work is commenced. The operator is responsible for receipt of the notice by the division in ample time for proper consideration and action. In cases of emergency, the operator may obtain verbal approval to commence work. Within five days after receiving verbal approval, the operator shall submit a Sundry Notice describing the work and acknowledging the verbal approval.

**SUBSEQUENT REPORT** - A subsequent report shall be submitted to the division within 30 days of the completion of the outlined work. Specific details of the work performed should be provided, including dates, well depths, placement of plugs, etc.

**WELL ABANDONMENT** - Proposals to abandon a well and subsequent reports of abandonment should include reasons for the abandonment; data on any former or present productive zones, or other zones with present significant fluid contents not sealed off by cement or otherwise; depths (top and bottom) and method of placement of cement plugs; mud or other material placed below, between and above plugs; amount, size, and method of parting of any casing, liner, or tubing pulled and the depth to top of any left in the hole; method of closing top of well; and date well site conditioned for final inspection looking to approval of the abandonment.

In addition to any Sundry Notice forms submitted, **Form 8, Well Completion or Recompletion Report and Log** must be submitted to the division to report the results of the following operations:

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

Send to:

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

Phone: 801-538-5340

Fax: 801-359-3940

<b>STATE OF UTAH</b> DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS, AND MINING	FORM 9
<b>SUNDRY NOTICES AND REPORTS ON WELLS</b>  Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.	5. LEASE DESIGNATION AND SERIAL NUMBER: FEE
	6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
	7. UNIT or CA AGREEMENT NAME:
1. TYPE OF WELL Gas Well	8. WELL NAME and NUMBER: UINTAH OIL ASSOC 1321-7A
2. NAME OF OPERATOR: MUSTANG FUEL CORPORATION	9. API NUMBER: 43047363720000
3. ADDRESS OF OPERATOR: 418 East Main , Vernal , UT, 84078	PHONE NUMBER: 405 748-9487 Ext
4. LOCATION OF WELL FOOTAGES AT SURFACE: 0372 FNL 0972 FEL QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: Qtr/Qtr: NENE Section: 07 Township: 13.0S Range: 21.0E Meridian: S	9. FIELD and POOL or WILDCAT: AGENCY DRAW
	COUNTY: UINTAH
	STATE: UTAH

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

TYPE OF SUBMISSION	TYPE OF ACTION		
<input checked="" type="checkbox"/> NOTICE OF INTENT Approximate date work will start: 5/1/2012	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> CASING REPAIR
<input type="checkbox"/> SUBSEQUENT REPORT Date of Work Completion:	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> CHANGE WELL NAME
<input type="checkbox"/> SPUD REPORT Date of Spud:	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> CONVERT WELL TYPE
<input type="checkbox"/> DRILLING REPORT Report Date:	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> NEW CONSTRUCTION
	<input type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> PLUG BACK
	<input type="checkbox"/> PRODUCTION START OR RESUME	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input type="checkbox"/> RECOMPLETE DIFFERENT FORMATION
	<input type="checkbox"/> REPERFORATE CURRENT FORMATION	<input type="checkbox"/> SIDETRACK TO REPAIR WELL	<input type="checkbox"/> TEMPORARY ABANDON
	<input type="checkbox"/> TUBING REPAIR	<input type="checkbox"/> VENT OR FLARE	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> WATER SHUTOFF	<input checked="" type="checkbox"/> SI TA STATUS EXTENSION	<input type="checkbox"/> APD EXTENSION
	<input type="checkbox"/> WILDCAT WELL DETERMINATION	<input type="checkbox"/> OTHER	OTHER: <input style="width: 100px;" type="text"/>

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

Approved by the  
Utah Division of  
Oil, Gas and Mining

Date: August 29, 2012

By: *D. K. Duff*

NAME (PLEASE PRINT) Lucy Nemec	PHONE NUMBER 435 781-1870	TITLE Sr Operation Spec
SIGNATURE N/A	DATE 4/25/2012	

**Sundry Number: 25052 API Well Number: 43047363720000**



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

- State of Utah
- Department of Natural Resources

**Electronic Permitting System - Sundry Notices**

**Sundry Conditions of Approval Well Number 43047363720000**

**Extension valid through 5/1/2012.**

**RECEIVED: Apr. 25, 2012**

Mustang Fuel Corporation  
Utah Oil Association 1321-7A  
Sundry Notices and Reports on Wells...continued

12. Describe Proposed or Completed Operations

Mustang Fuel Corporation requests approval for extended SI status for one year beginning May 1, 2012 to May 1 2013 to complete an evaluation of the well to enhance production. Mustang submits the following supporting data for an extended shut-in-status.

1. 5-28-05: 851' of 9-5/8" 32# H-40 was run and cemented with 450 sx premium cement to surface. 8560' of 4-1/2" M-80 was cemented w/ 1000sx cement. 10-12-05: Ran CBL. TOC was above 300'. Tested csg to 5000 psi - tested good.

2. This location is in a recharge area for the aquifers of the Green River Formation. A search of the Utah Division of Water Rights records, indicates one water well within a 10,000' radius of this location. The well is over 1.5 miles from the location and is drilled to a depth of 70' and listed as used for stock watering. The casing and cementing program described adequately protects any useable ground water.

3. 5/4/2011 SITP 825# SICP 825#, FL @ 2592'.

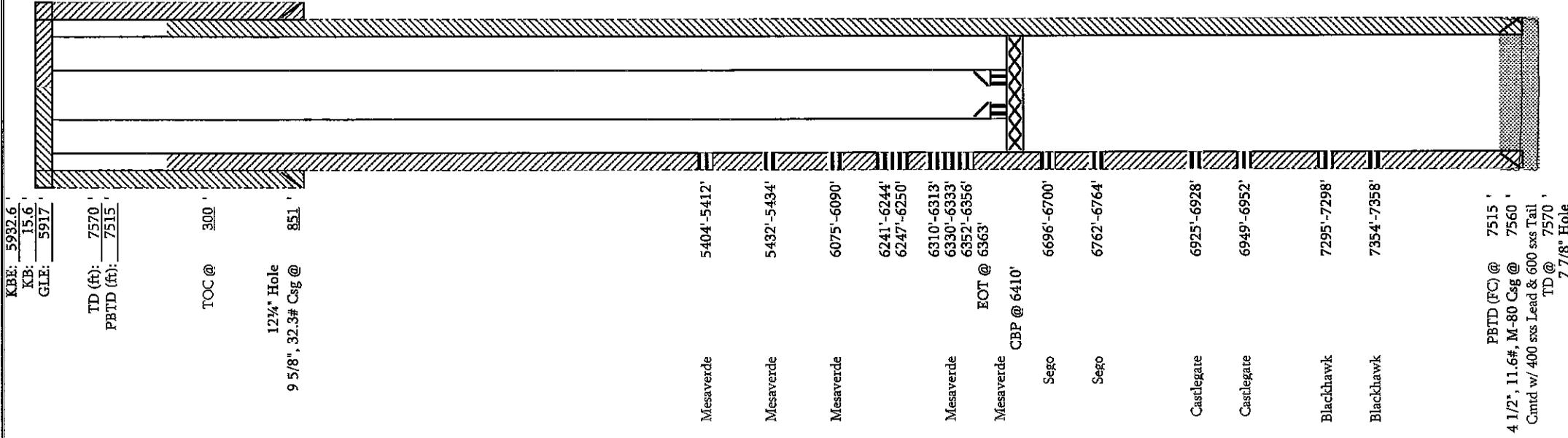
4. 4-11-12: SITP 950# SICP 900# FL @ 2542'.

Based on the above information and the SIP and fluid level have remained consistent, it is my belief that the wellbore integrity has not been compromised.

OPERATOR: MUSTANG FUEL CORPORATION  
 WELL: UOA #1321-7A  
 FIELD: AGENCY DRAW  
 API # 43-047-36372  
 LEASE #: FEE  
 UIC #: N/A

CNTY: UUNTIAH FTG: 372' FNL, 972' FEL IP GAS:  
 STATE: UT Q-Q: NENE IP OIL:  
 SPUD: 30-Aug-05 SEC.: 7 IP WTR:  
 COMP: 19-Oct-05 TWS: 13S CUM GAS:  
 STATUS: PGW RGE: 21E CUM OIL:  
 WBD DATE: 17-Aug-09 BY: LN CUM WTR:  
 LAST PROD:

WELLBORE DIAGRAM



KBE: 5922.6  
 KB: 15.6  
 GLE: 5917

TD (ft): 7570'  
 PBTd (ft): 7515'

TOC @ 300'

12 1/4" Hole  
 9 5/8", 32.3# Csg @ 851'

Mesaverde	5404'-5412'
Mesaverde	5432'-5434'
Mesaverde	6075'-6090'
	6241'-6244'
	6247'-6250'
	6310'-6313'
	6330'-6333'
	6352'-6356'
	EOT @ 6363'
Mesaverde	CBP @ 6410'
Se-go	6696'-6700'
Se-go	6762'-6764'
Castlegate	6925'-6928'
Castlegate	6949'-6952'
Blackhawk	7295'-7298'
Blackhawk	7354'-7358'

PBTd (FC) @ 7515'  
 4 1/2", 11.6#, M-80 Csg @ 7560'  
 Cmtd w/ 400 sxs Lead & 600 sxs Tail  
 TD @ 7570'  
 7 7/8" Hole



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

These wells are in violation of R-649-3-36 as listed above. The Division requires Mustang to put up full cost bonding for the wells in violation above per R649-3-4. It is also mandatory that Mustang submit all documentation as required by R649-3-36 concerning shut-in and temporarily abandoned wells.

**Immediate Action: For the wells subject to this notice, Mustang shall fulfill full cost bonding requirements for each well. Mustang shall also submit all information as required by R649-3-36 or plug and abandon or place the wells on production.**

**\* Fines may be levied up to \$10,000.00 per day for every well in violation given the authority provided under U.C.A 40-6-11, part 4**

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

**Compliance Deadline:** May 1, 2013

**Date of Service Mailing:** March 19, 2013 **Certified Mail No.:** 7010 1670 0001 4810 3959



Division Representative Signature

Operator Representative (if presented in person)

cc: Compliance File  
Well Files

1/2013

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

FORM 9

5. LEASE DESIGNATION AND SERIAL NUMBER:  
Fee

**SUNDRY NOTICES AND REPORTS ON WELLS**

6. IF INDIAN, ALLOTTEE OR TRIBE NAME:

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

7. UNIT or CA AGREEMENT NAME:

1. TYPE OF WELL  
OIL WELL  GAS WELL  OTHER \_\_\_\_\_

8. WELL NAME and NUMBER:  
Uintah Oil Assoc. 1321-7A

2. NAME OF OPERATOR:  
Mustang Fuel Corporation

9. API NUMBER:  
4304736372

3. ADDRESS OF OPERATOR:  
9800 N Oklahoma Ave CITY Oklahoma City STATE OK ZIP 73114

PHONE NUMBER:  
(405) 748-9400

10. FIELD AND POOL, OR WILDCAT:  
Wildcat

4. LOCATION OF WELL  
FOOTAGES AT SURFACE: 372' FNL, 972' FEL

COUNTY: Uintah

QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NENE 7 13S 21E

STATE:  
**UTAH**

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

TYPE OF SUBMISSION	TYPE OF ACTION		
<input checked="" type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: <u>10/1/2013</u>	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> REPERFORATE CURRENT FORMATION
<input type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion:	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> SIDETRACK TO REPAIR WELL
	<input type="checkbox"/> CASING REPAIR	<input type="checkbox"/> NEW CONSTRUCTION	<input type="checkbox"/> TEMPORARILY ABANDON
	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> TUBING REPAIR
	<input type="checkbox"/> CHANGE TUBING	<input checked="" type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> VENT OR FLARE
	<input type="checkbox"/> CHANGE WELL NAME	<input type="checkbox"/> PLUG BACK	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> PRODUCTION (START/RESUME)	<input type="checkbox"/> WATER SHUT-OFF
	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input type="checkbox"/> OTHER: _____
	<input type="checkbox"/> CONVERT WELL TYPE	<input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION	

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

Mustang Fuel proposes to plug and abandon this well per the following :

MOL and RU daylight pulling unit. Record casing, tubing and bradenhead pressures. NU relief line and blow down well. Kill well with water as necessary and at least pump tubing capacity of water down the tubing. ND wellhead and NU BOP. TOH and tally the tubing.

- Plug #1 (Blackhawk/Mancos Interval: 7245' - 7145'): TIH and set CR at 7245'. Pressure test tubing to 1000 PSI. Spot 20 sxs Class B cement above CR.
- Plug #2 (Mesaverde perforations: 5354' - 5254'): TIH and set CR or wireline CIBP at 5354'. Load casing with water and circulate well clean. Spot 12 sxs Class B cement.
- Plug #3 (Mesaverde top: 4440' - 4340'): 12 sxs Class B cement inside casing. **COPY SENT TO OPERATOR**
- Plug #4 (BMSW: 3450' - 3350'): 12 sxs Class B cement inside casing.
- Plug #5 (Wasatch: 2350' - 2250'): 12 sxs Class B cement inside casing. **Date: 10/10/2013**
- Plug #6 (9.625" casing shoe: 901' - 801'): 12 sxs Class B cement inside casing. **Initials: KS**
- Plug #7 (Surface 100' - 0'): Perforate 3 HSC squeeze holes at 100'. Establish circulation. Approximately 40 sxs Class B cement down the 4.5" casing; circulate good cement to the surface.
- ND BOP and cut off wellhead. Install P&A marker with cement. RD, MOL and cut off anchors.

NAME (PLEASE PRINT) Jason Goss (405-842-7888) TITLE Consulting Engineer  
SIGNATURE [Signature] DATE 9/17/2013

(This space for State use only)

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

DATE: 10/3/2013  
BY: [Signature] (See Instructions on Reverse Side)  
\* See Conditions of Approval (Attached)

**RECEIVED**

**SEP 27 2013**

DIV. OF OIL, GAS & MINING





GARY R. HERBERT  
Governor

GREGORY S. BELL  
Lieutenant Governor

# State of Utah

## DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER  
Executive Director

### Division of Oil, Gas and Mining

JOHN R. BAZA  
Division Director

## ***CONDITIONS OF APPROVAL TO PLUG AND ABANDON WELL***

Well Name and Number: Uintah Oil Assoc. 1321-7A  
API Number: 43-047-36372  
Operator: Mustang Fuel Corporation  
Reference Document: Original Sundry Notice dated September 17, 2013,  
received by DOGM on September 27, 2013.

### Approval Conditions:

1. Notify the Division at least 24 hours prior to conducting abandonment operations. Please call Dan Jarvis at 801-538-5338.
2. **Note Plug # 1:** Note the record shows CIBP's @7244' and 6410'. If either CIBP is tagged, the proposed plug can be set on top.
3. All balanced plugs shall be tagged to ensure they are at the depths specified in the procedure.
4. All annuli shall be cemented from a minimum depth of 100' to the surface.
5. Surface reclamation shall be done in accordance with R649-3-34 – Well Site Restoration.
6. All requirements in the Oil and Gas Conservation General Rule R649-3-24 shall apply.
7. If there are any changes to the procedure or the wellbore configuration, notify Dustin Doucet at 801-538-5281 (ofc) or 801-733-0983 (home) prior to continuing with the procedure.
8. All other requirements for notice and reporting in the Oil and Gas Conservation General Rules shall apply.

Dustin K. Doucet  
Petroleum Engineer

October 3, 2013

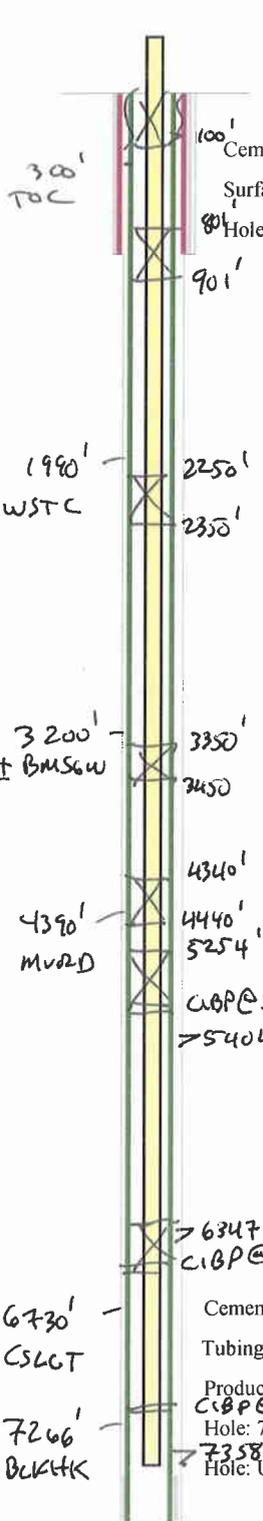
Date

**API Well No:** 43-047-36372-00-00 **Permit No:**  
**Company Name:** MUSTANG FUEL CORPORATION  
**Location:** Sec: 7 T: 13S R: 21E Spot: NENE  
**Coordinates:** X: 619694 Y: 4396208  
**Field Name:** AGENCY DRAW  
**County Name:** UINTAH

**Well Name/No:** UINTAH OIL ASSOC 1321-7A

**String Information**

String	Bottom (ft sub)	Diameter (inches)	Weight (lb/ft)	Length (ft)	Capacity (F/CF)
HOL1	851	12.25			
SURF	851	8.625	32		
HOL2	7560	7.875			
PROD	7560	4.5	11.6		11.459
T1	7255	2.375			



**Plug #7**  
 (W)  $100' / (1.15) (11.459) = 85x$   
 (OUT)  $100' / (1.15) (4.315) = 205x$   
 Cement from 851 ft. to surface  
 Surface: 8.625 in. @ 851 ft.  
 Hole: 12.25 in. @ 851 ft.  
 285x total  
 Propose 2105x ✓ OK.

$8\frac{5}{8}'' \times 4\frac{1}{2}''$

4.315

**Plug #6**  
 $125x = 158'$  ✓ OK.

**Cement Information**

String	BOC (ft sub)	TOC (ft sub)	Class	Sacks
PROD	7560	300	UK	1000
SURF	851	0	T5	450

**Plug #5**  
 $125x = 158'$  ✓ OK.

**Plug #4**  
 $125x = 158'$  ✓ OK.

**Plug #3**  
 $125x = 158'$  ✓ OK.

**Perforation Information**

Top (ft sub)	Bottom (ft sub)	Shts/Ft	No Shts	Dt Squeeze
5404	7358			

**Plug #2**  
 $(125x) (1.15) (11.459) = 158'$  ✓ OK.

**Formation Information**

Formation	Depth
WSTC	1990
BMSW	3200
MVRD	4390
SEGO	5950
CSLGT	6730
MNCS	7167
BLKHK	7266

**Plug #1**  
 Cement from 7560 ft.  
 Tubing: 2.375 in. @ 7255 ft.  
 Production: 4.5 in. @ 7560 ft.  
 Hole: 7.875 in. @ 7560 ft.  
 Hole: Unknown  
 \* if try CBPE 6410' place on top of that plug.  
 $(205x) (1.15) (11.459) = 263'$

**TD:** 7570 **TVD:** **PBTD:** 7515

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

FORM 9

<b>SUNDRY NOTICES AND REPORTS ON WELLS</b>		5. LEASE DESIGNATION AND SERIAL NUMBER: <b>FEE</b>
Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.		6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
1. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER _____		7. UNIT or CA AGREEMENT NAME:
2. NAME OF OPERATOR: <b>Mustang Fuel Corporation</b>		8. WELL NAME and NUMBER: <b>Uintah Oil Assoc. #1321-7A</b>
3. ADDRESS OF OPERATOR: <b>9800 North Oklahoma Ave</b> CITY <b>OKC</b> STATE <b>OK</b> ZIP <b>73114</b>	PHONE NUMBER: <b>(405) 748-9261</b>	9. API NUMBER: <b>4304736372</b>
4. LOCATION OF WELL FOOTAGES AT SURFACE: <b>372' FNL, 972' FEL</b>		10. FIELD AND POOL, OR WILDCAT: <b>Agency Draw</b>
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: <b>NENE 7 13S 21E</b>		COUNTY: <b>Uintah</b>
		STATE: <b>UTAH</b>

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA			
TYPE OF SUBMISSION	TYPE OF ACTION		
<input type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate)  Approximate date work will start: _____	<input type="checkbox"/> ACIDIZE <input type="checkbox"/> ALTER CASING <input type="checkbox"/> CASING REPAIR <input type="checkbox"/> CHANGE TO PREVIOUS PLANS <input type="checkbox"/> CHANGE TUBING <input type="checkbox"/> CHANGE WELL NAME <input type="checkbox"/> CHANGE WELL STATUS <input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS <input type="checkbox"/> CONVERT WELL TYPE	<input type="checkbox"/> DEEPEN <input type="checkbox"/> FRACTURE TREAT <input type="checkbox"/> NEW CONSTRUCTION <input type="checkbox"/> OPERATOR CHANGE <input checked="" type="checkbox"/> PLUG AND ABANDON <input type="checkbox"/> PLUG BACK <input type="checkbox"/> PRODUCTION (START/RESUME) <input type="checkbox"/> RECLAMATION OF WELL SITE <input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION	<input type="checkbox"/> REPERFORATE CURRENT FORMATION <input type="checkbox"/> SIDETRACK TO REPAIR WELL <input type="checkbox"/> TEMPORARILY ABANDON <input type="checkbox"/> TUBING REPAIR <input type="checkbox"/> VENT OR FLARE <input type="checkbox"/> WATER DISPOSAL <input type="checkbox"/> WATER SHUT-OFF <input type="checkbox"/> OTHER: _____
<input checked="" type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only)  Date of work completion: <b>10/17/2013</b>			

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

10-14/17-2013  
MIRU, blow down well, dig out cellar, ND tree, NU BOP's, release hanger, attempt to TOO H w/ tbg, TA would not release, cont attempt, pump 10 bbls down backside, press up to 1000#, pump 30 bbls down tbg, unable to est circ, cont attempt to TOO H & release TA, unable to TOO H, set up WL to free point & cut tbg, RIH w/ free point tool, locate TAC @ 5367', POOH, RIH w/ jet cutter, cut tbg @ 5360', POOH, RDMO WL, TOO H w/ 2 3/8" tbg, TIH w/ 4 1/2" string mill & 2 3/8" tbg, tag TOF, TOO H w/ string mill, TIH w/ CR, set CR @ 5354', roll hole w/ 90 bbls to load hole w/ corrosion inhibitor, sting into CR, pump 25 sx below CR, sting out of CR & pump plug #6 fr/ 5354'-5192', TOO H w/ 25 jts, tag TOC @ 5269', LD 31 jts, pump plug #3 fr/ 4550'-4288', LD 31 jts, pump plug #4 fr/ 3450'-3288', LD 34 jts, pump plug #5 fr/ 2362'-2200', LD 46 jts, pump plug #6 fr/ 912'-771', TOO H w/ remaining tbg (171 jts), MIRU WL, RIH, shoot 3 holes @ 100', POOH, RDMO WL, circ cmt to Surf, cut off csg, weld on P&A marker, RD equip, well Plugged & Abandoned 10-17-13.

NAME (PLEASE PRINT) <u>Angelia M Duffy</u>	TITLE <u>Operations Tech</u>
SIGNATURE <u>Angelia M Duffy</u>	DATE <u>6/20/2014</u>

(This space for State use only)

**RECEIVED**  
**JUN 23 2014**  
**DIV. OF OIL, GAS & MINING**