

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

FORM 3

AMENDED REPORT
(highlight changes)

APPLICATION FOR PERMIT TO DRILL			5. MINERAL LEASE NO: UT10002.00	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: UTAH OIL SHALES 1321-9L	
3. ADDRESS OF OPERATOR: 418 E. MAIN ST CITY VERNAL STATE UT ZIP 84078 PHONE NUMBER: (435) 781-1871			10. FIELD AND POOL, OR WILDCAT: <i>Wildcat</i>	
4. LOCATION OF WELL (FOOTAGES) AT SURFACE: 2180' FSL & 461' FWL AT PROPOSED PRODUCING ZONE: SAME AS ABOVE			11. QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NWSW 9 13S 21E	
14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE: 73.4 MILES SOUTH OF VERNAL, UT			12. COUNTY: UINTAH	13. STATE: UTAH
15. DISTANCE TO NEAREST PROPERTY OR LEASE LINE (FEET) 461'	16. NUMBER OF ACRES IN LEASE: 2278.69	17. NUMBER OF ACRES ASSIGNED TO THIS WELL: 40		
18. DISTANCE TO NEAREST WELL (DRILLING, COMPLETED, OR APPLIED FOR) ON THIS LEASE (FEET) 4000'	19. PROPOSED DEPTH: 8,000	20. BOND DESCRIPTION: B-001556		
21. ELEVATIONS (SHOW WHETHER DF, RT, GR, ETC.): 6000.6 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**

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

CONFIDENTIAL

NAME (PLEASE PRINT) GINGER STRINGHAM TITLE AGENT

SIGNATURE *Ginger Stringham* DATE 3/11/2005

(This space for State use only)

RECEIVED

MAR 09 2005

API NUMBER ASSIGNED: 43-047-36374

APPROVAL: _____

DIV. OF OIL, GAS & MINING

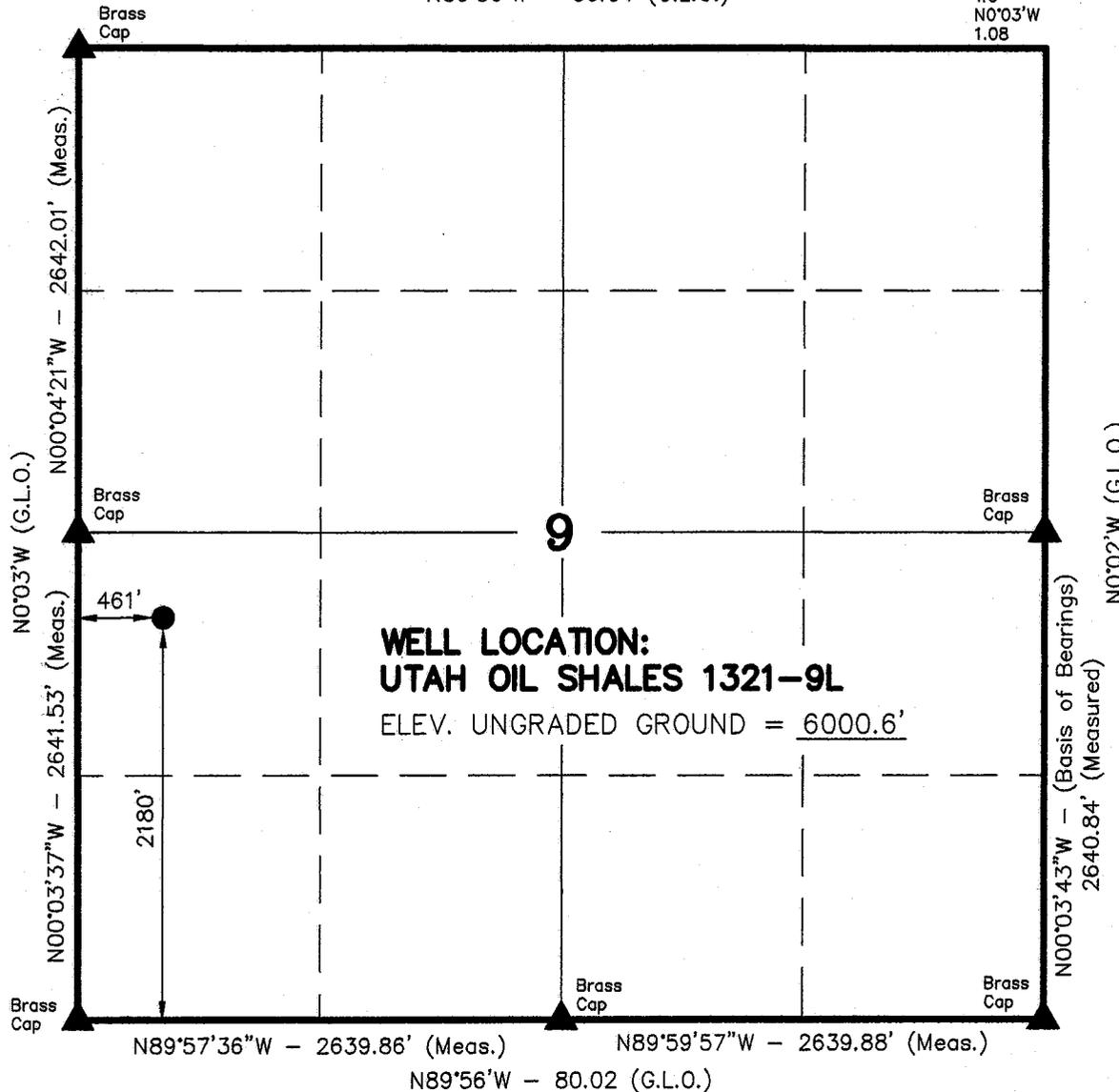
T13S, R21E, S.L.B.&M.

SLATE RIVER RESOURCES, LLC

N89°56'W - 80.04 (G.L.O.)

WC
N0°03'W
1.08

WELL LOCATION, UTAH OIL SHALES
1321-9L, LOCATED AS SHOWN IN THE
NW 1/4 SW 1/4 OF SECTION 9, T13S,
R21E, S.L.B.&M. UINTAH COUNTY, UTAH.

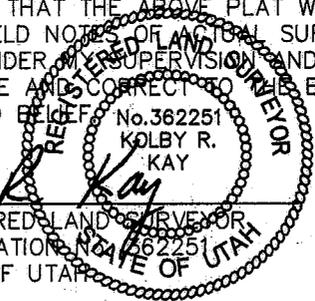


NOTES:

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 ACTUAL SURVEYS MADE BY ME OR UNDER MY SUPERVISION AND THAT THE SAME ARE TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF.

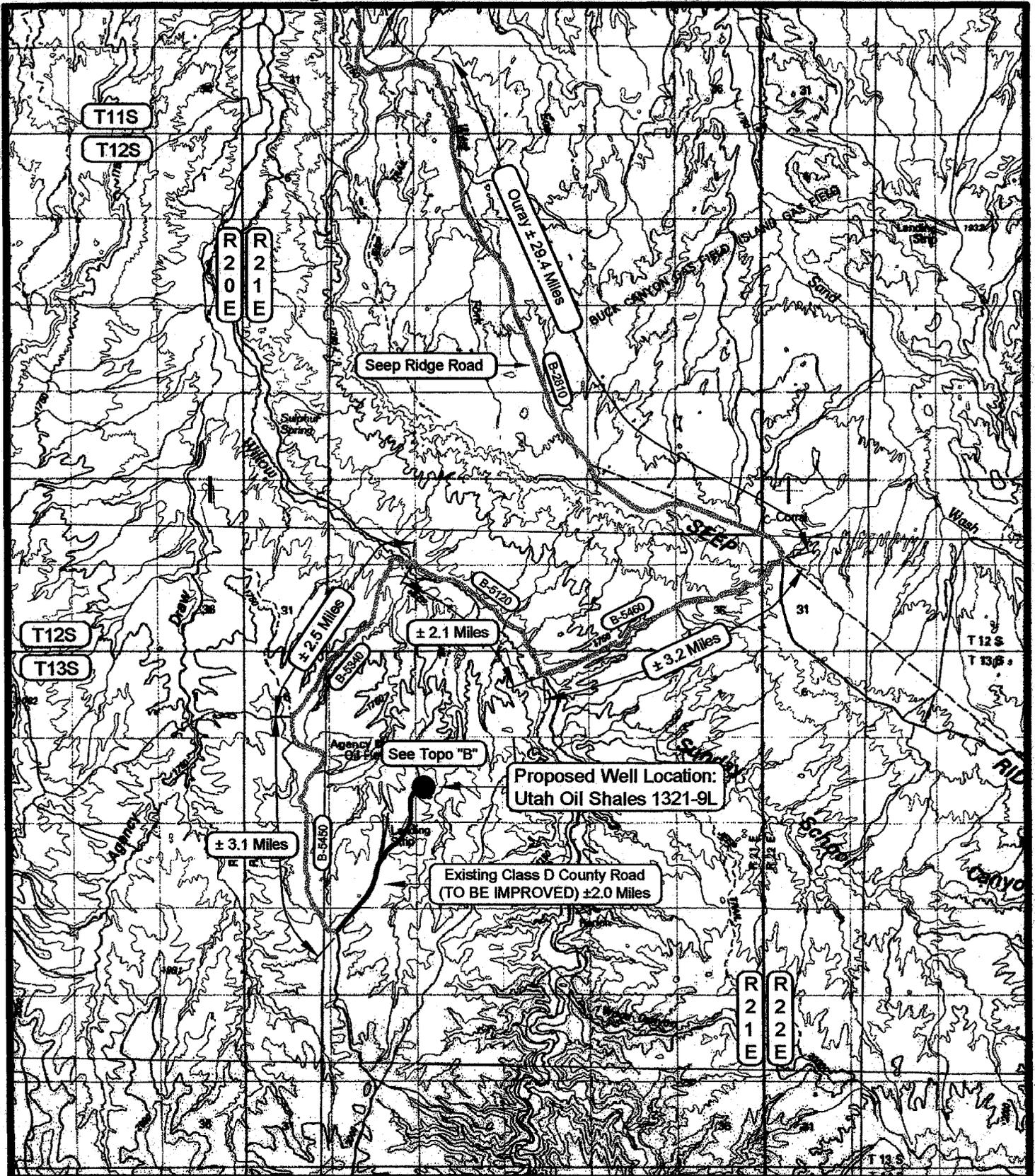


Kolby R. Kay
REGISTERED LAND SURVEYOR
REGISTRATION NO. 362251
STATE OF UTAH

▲ = 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'.

UTAH OIL SHALES 1321-9L
(Proposed Well Head)
NAD 83 Autonomous
LATITUDE = 39° 41' 59.7"
LONGITUDE = 109° 34' 47.8"

TIMBERLINE LAND SURVEYING, INC.		SHEET 1 OF 10
38 WEST 100 NORTH. - VERNAL, UTAH 84078 (435) 789-1365		
DATE SURVEYED: 2-17-05	SURVEYED BY: K.K.	
DATE DRAWN: 2-22-05	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-5460) = COUNTY ROAD CLASS & NUMBER

TOPOGRAPHIC MAP "A"

SCALE: 1:100,000

DRAWN BY: J.R.S.

DATE SURVEYED: 2-17-05

DATE DRAWN: 2-23-05

REVISED:

SLATE RIVER RESOURCES, LLC

**Utah Oil Shales 1321-9L
SECTION 9, T13S, R21E, S.L.B.&M.
2180' FSL & 461' FWL**

Timberline Land Surveying, Inc.

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

SHEET

6

OF 10

001

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DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

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CONFIDENTIAL

NAME (PLEASE PRINT) GINGER STRINGHAM TITLE AGENT

SIGNATURE *Ginger Stringham* DATE 3/11/2005

(This space for State use only)

API NUMBER ASSIGNED: 43-047-36374

Approved by the
Utah Division of
Oil, Gas and Mining

APPROVAL:
Date: 04-21-05
[Signature]

RECEIVED

MAR 09 2005

DIV. OF OIL, GAS & MINING

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

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****Utah Oil Shales 1321-9L****Surface Location Section 9, Township 13 South, Range 21 East SE/SE****1. Surface Formation**

Green River

2. Estimated Formation Tops and Datum:

<u>Formation</u>	<u>Depth</u>	<u>Datum</u>
Green River	Surface	6000.4' G.R.
Wasatch	1970'	4030.4'
Mesaverde	4320'	1680.4'
Castlegate	6300'	-299.6'
Mancos	6900'	-899.6'
TD	8000'	-1999.6'

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:

Utah Oil Shales 1321-9P

4. Proposed Casing:

<u>Hole Size</u>	<u>Casing Size</u>	<u>Weight/FT</u>	<u>Grade</u>	<u>Coupling & 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 1/4 #/sk GR-3 3#/sk	140 sks +/-	3.82ft ³ /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 1/4 #/sk	580 sks +/-	1.26ft ³ /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 MI/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

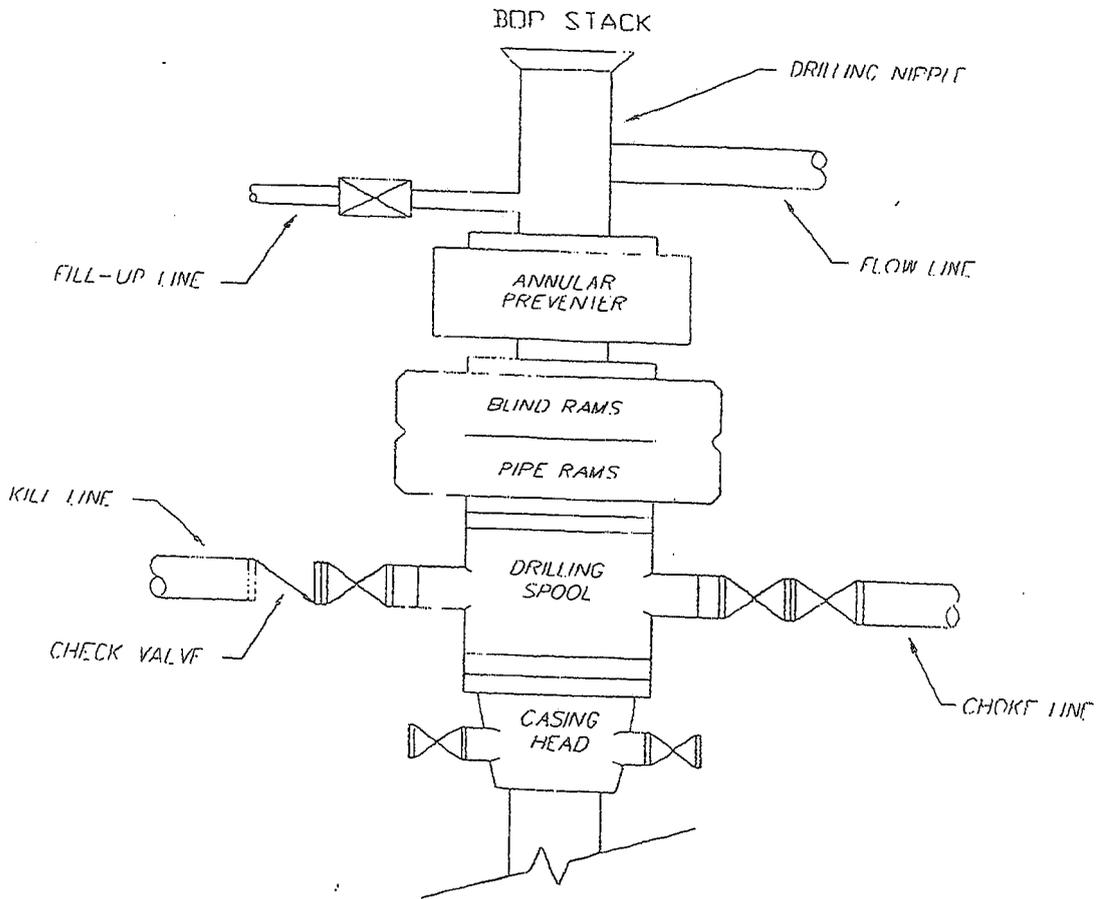
9. Abnormalities (including sour gas):

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 H₂S.

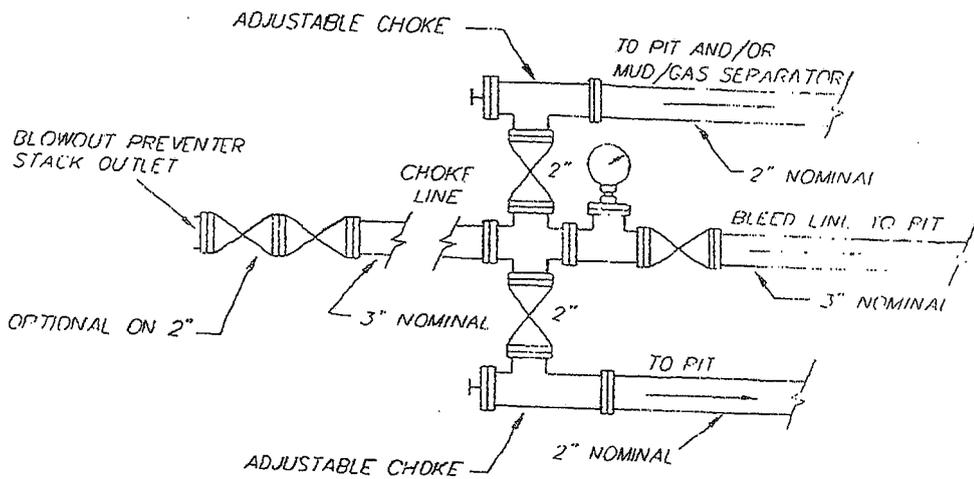
10. Drilling Schedule:

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

UTAH OIL SHALES 1321-9L

LOCATED IN NW ¼ SW ¼

SECTION 9, T.13S, R21E, S.L.B.&M.

UINTAH COUNTY, UTAH

LEASE NUMBER: UT10002.0000

SURFACE OWNERSHIP: FEE

SLATE RIVER RESOURCES, LLC
Utah Oil Shales 1321-9L
Section 9, 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 THE 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 THE INTERSECTION WITH THE FLAT ROCK ROAD (COUNTY B ROAD 5450); EXIT LEFT AND PROCEED SOUTHERLY ALONG THE FLAT ROCK ROAD APPROXIMATELY 3.1 MILES TO A COUNTY D ROAD TO THE NORTHEAST; EXIT LEFT AND PROCEED IN A NORTHEASTERLY DIRECTION ALONG THE COUNTY D ROAD APPROXIMATELY 2.0 MILES TO THE PROPOSED ACCESS ROAD; FOLLOW ROAD FLAGS IN AN EASTERLY DIRECTION APPROXIMATELY 530 FEET TO THE PROPOSED LOCATION.

TOTAL DISTANCE FROM VERNAL, UTAH TO THE PROPOSED WELL LOCATION IS APPROXIMATELY 73.4 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 530' +/- of new construction on lease. The road will be graded once per year minimum and maintained.

A) Approximate length	530 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 | |
| Fee #2 | |
| D) Temp. abandoned well | None |
| E) Disposal well | None |
| F) Drilling /Permitted well | |
| Utah Oil Shales 1321-9P | |
| 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 106' +/- of 3" pipeline would be constructed on Private Lands. The line would tie into the proposed pipeline in Section 9, 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 9.4 ft
- G) Max fill 1.8 ft
- H) Total cut yds. 3,190 cu yds
- I) Pit location west side
- J) Top soil location west 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 **1,400** 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 reseeding, 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:

Access road	Fee
Location	Fee
Pipe line	Fee

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 1 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 out side 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 3/11/05



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
(BMW)

TEMPORARY APPLICATION NUMBER: T75377

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

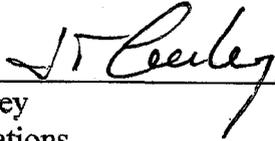
AFFIDAVIT OF SURFACE OWNER USE AGREEMENT

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

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

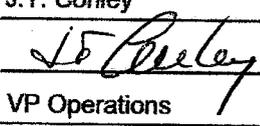
It is understood that this designation of agent/operator does not relieve the lessee of responsibility for compliance with the terms of the lease and the Oil and Gas Conservation General Rules and Procedural Rules of the Board of Oil, Gas and Mining of the State of Utah. It is also understood that this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

(Title) VP Operations

(Phone) (435) 781-1871

OF: (Company) Slate River Resources, LLC

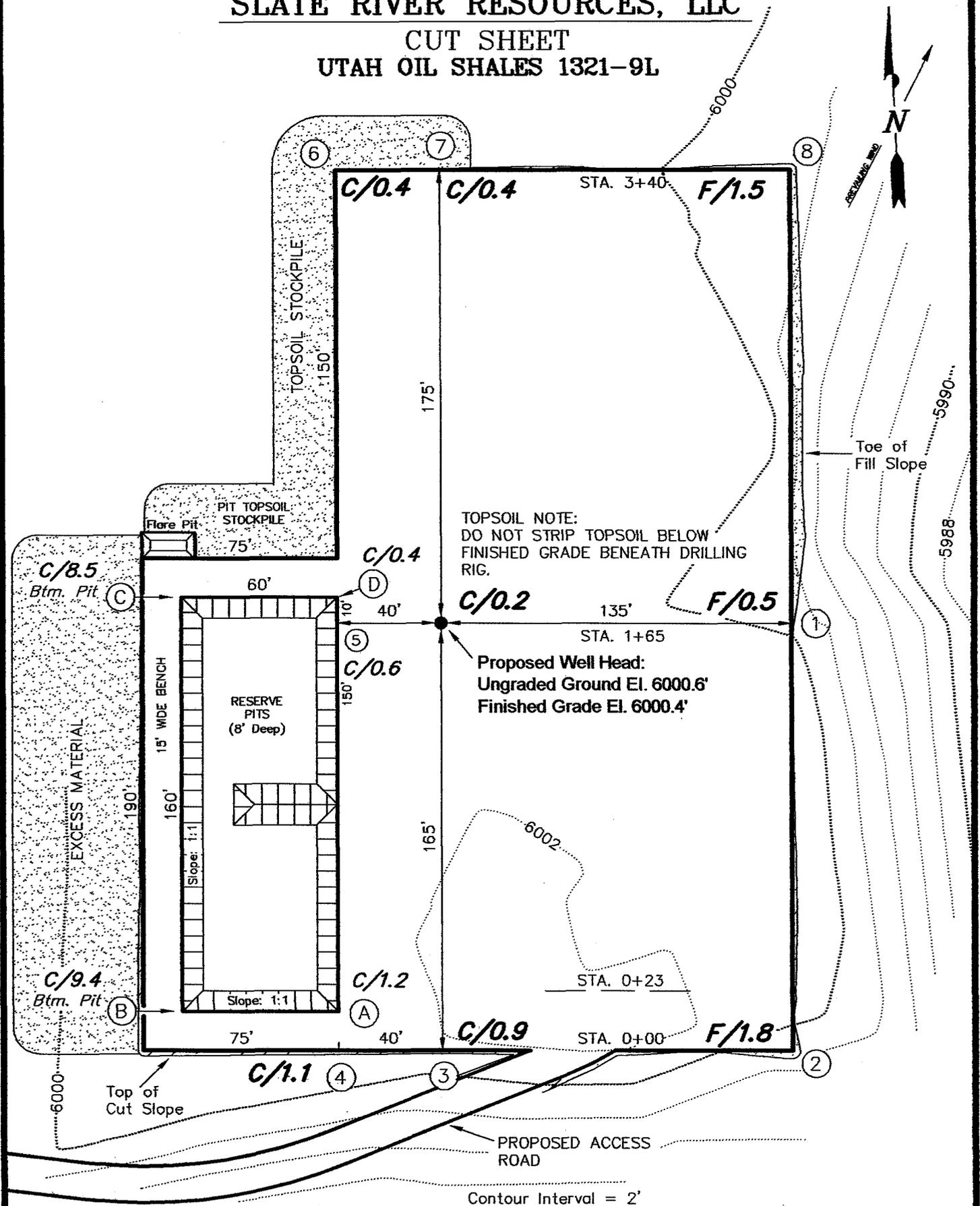
(Address) 418 East Main

city Vernal

state UT zip 84078

SLATE RIVER RESOURCES, LLC

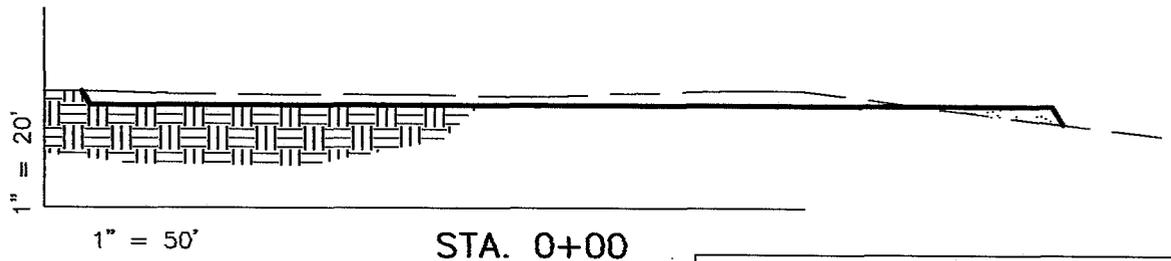
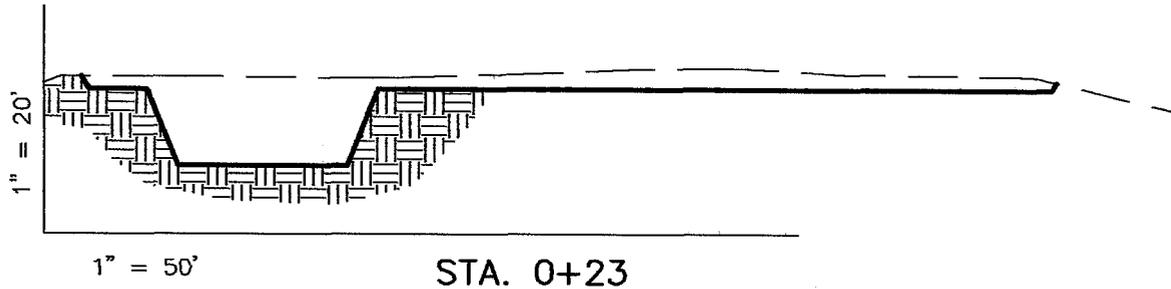
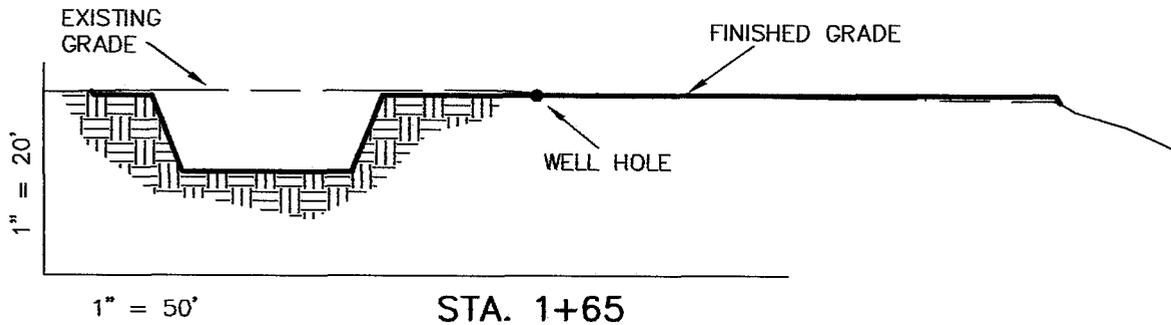
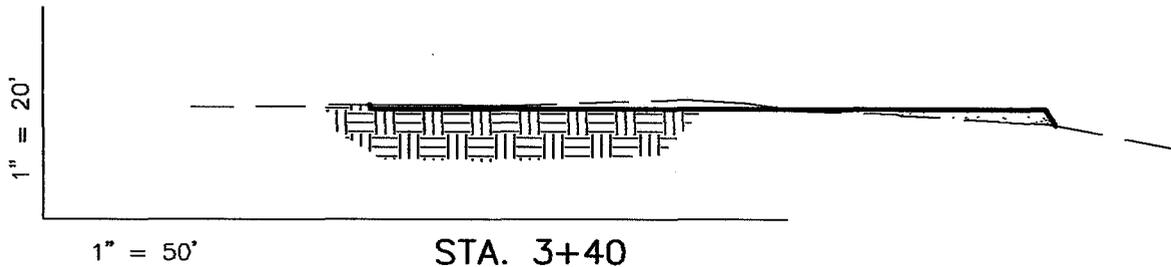
CUT SHEET UTAH OIL SHALES 1321-9L



Section 9, T13S, R21E, S.L.B.&M.		Qtr/Qtr Location: NW SW	Footage Location: 2180' FSL & 461' FWL
Date Surveyed: 2-17-05	Date Drawn: 2-23-05	Date Last Revision:	Timberline <i>Land Surveying, Inc.</i> (435) 789-1365 38 WEST 100 NORTH VERNAL, UTAH 84078
Surveyed By: K.K.	Drawn By: J.R.S.	Scale: 1" = 50'	
			SHEET 2 OF 10

SLATE RIVER RESOURCES, LLC

CROSS SECTIONS UTAH OIL SHALES 1321-9L



REFERENCE POINTS

- 215' SOUTHERLY = 5994.4'
- 265' SOUTHERLY = 5985.4'
- 185' EASTERLY = 5992.1'
- 235' EASTERLY = 5981.6'

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	920	750	Topsoil is not included in Pad Cut	170
PIT	2,270	0		2,270
TOTALS	3,190	750	1,400	2,440

Section 9, T13S, R21E, S.L.B.&M.

Qtr/Qtr Location: NW SW

Footage Location: 2180' FSL & 461' FWL

Date Surveyed:
2-17-05

Date Drawn:
2-23-05

Date Last Revision:

Surveyed By: K.K.

Drawn By: J.R.S.

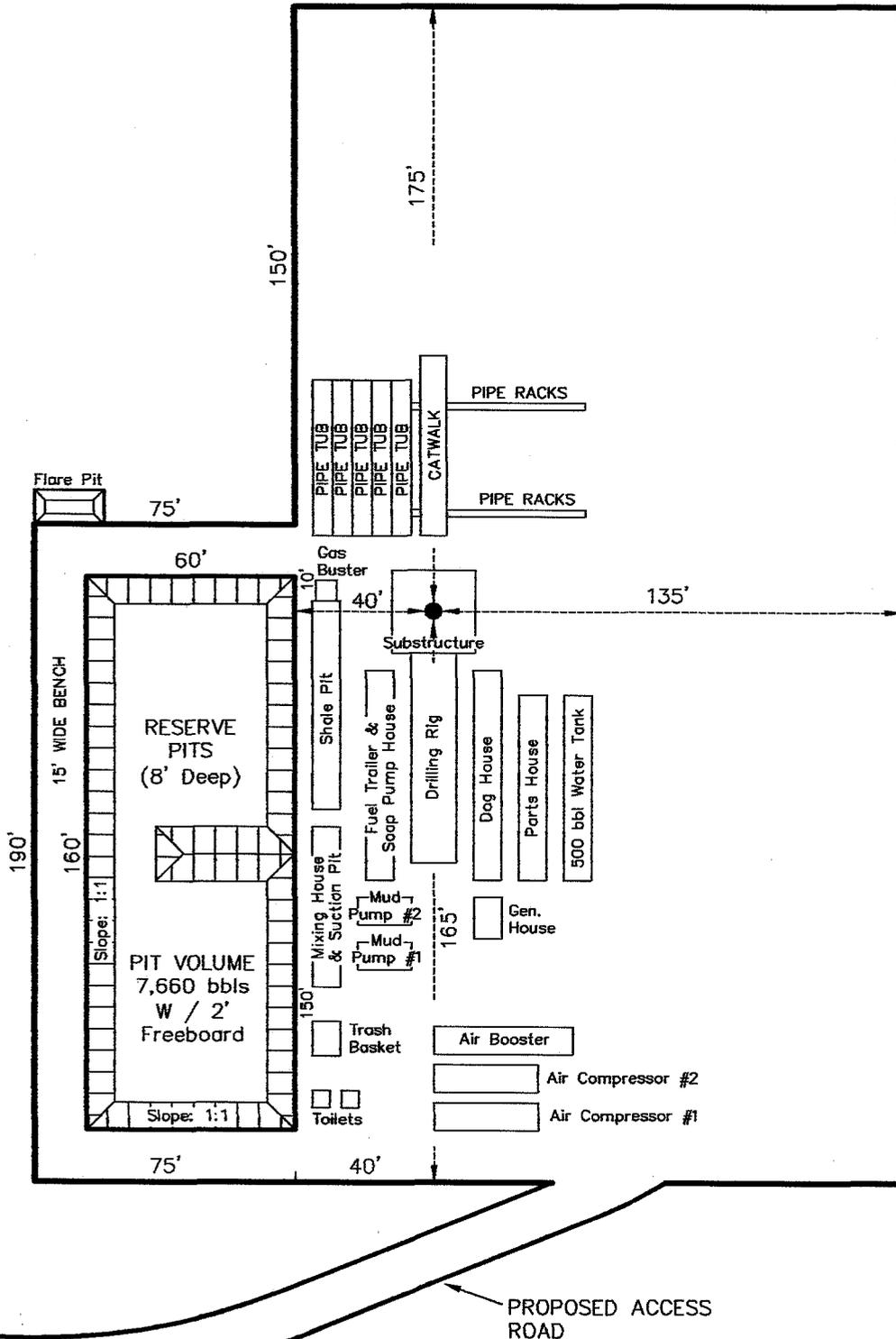
Scale: 1" = 50'

Timberline (435) 789-1365
Land Surveying, Inc.
38 WEST 100 NORTH VERNAL, UTAH 84078

SHEET
3
OF 10

SLATE RIVER RESOURCES, LLC

TYPICAL RIG LAYOUT UTAH OIL SHALES 1321-9L

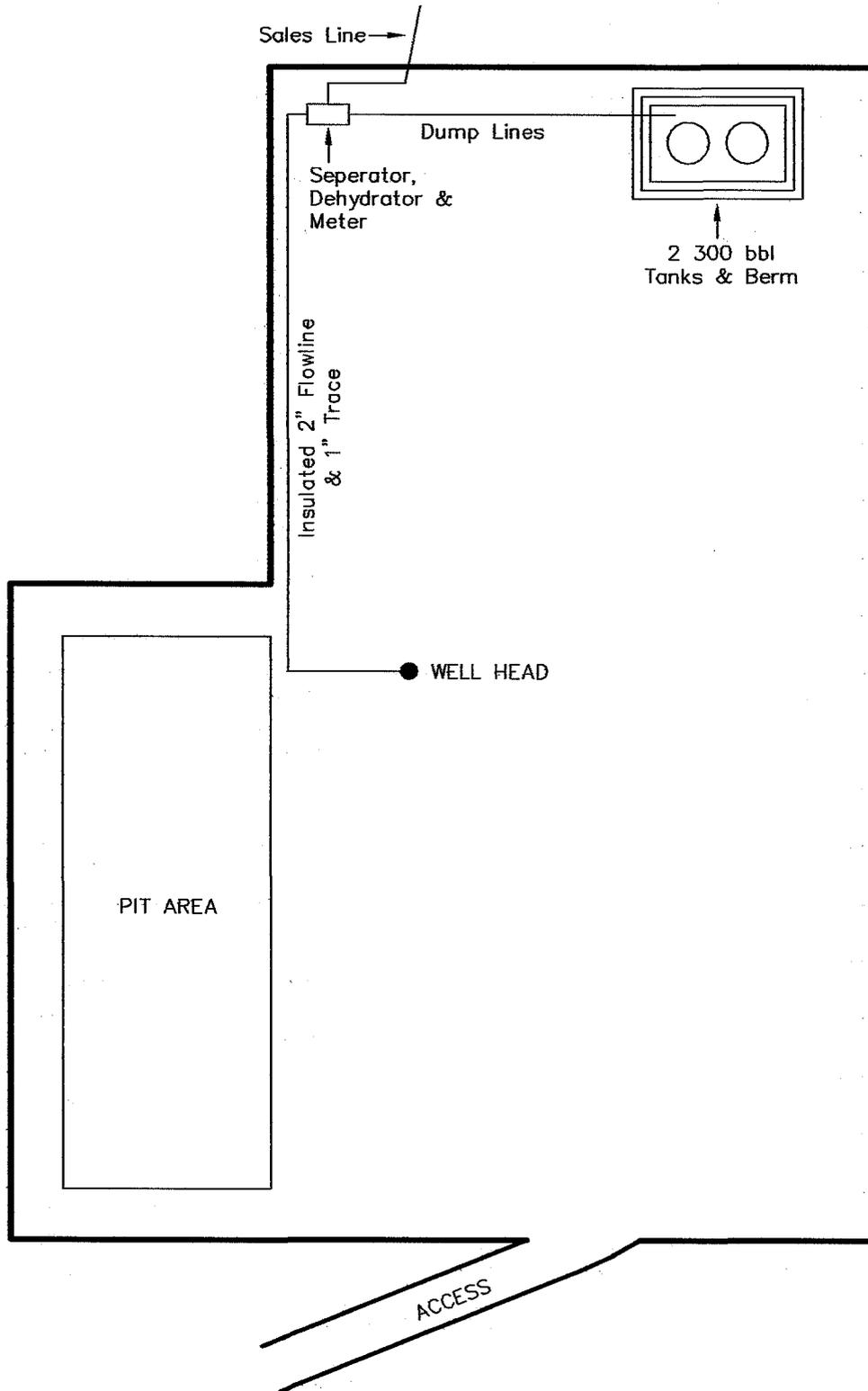


Section 9, T13S, R21E, S.L.B.&M.		Qtr/Qtr Location: NW SW	Footage Location: 2180' FSL & 461' FWL
Date Surveyed: 2-17-05	Date Drawn: 2-23-05	Date Last Revision:	Timberline (435) 789-1365 Land Surveying, Inc. 38 WEST 100 NORTH VERNAL, UTAH 84078
Surveyed By: K.K.	Drawn By: J.R.S.	Scale: 1" = 50'	

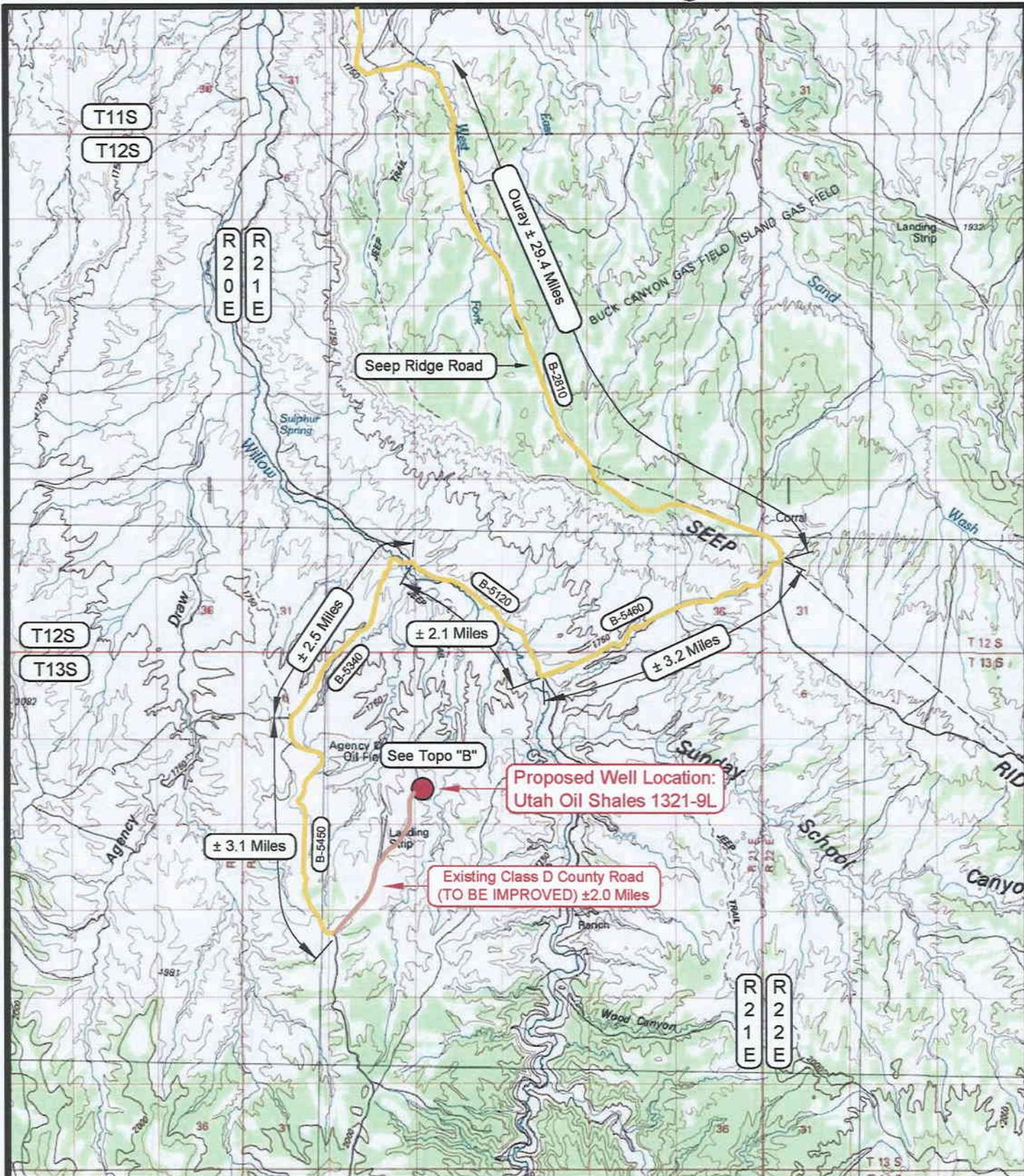
SHEET
4
OF 10

SLATE RIVER RESOURCES, LLC

TYPICAL PRODUCTION LAYOUT UTAH OIL SHALES 1321-9L



Section 9, T13S, R21E, S.L.B.&M.		Qtr/Qtr Location: NW SW	Footage Location: 2180' FSL & 461' FWL
Date Surveyed: 2-17-05	Date Drawn: 2-23-05	Date Last Revision:	<i>Timberline</i> (435) 789-1365
Surveyed By: K.K.	Drawn By: J.R.S.	Scale: 1" = 50'	<i>Land Surveying, Inc.</i> 38 WEST 100 NORTH VERNAL, UTAH 84078
			SHEET 5 OF 10



LEGEND

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

TOPOGRAPHIC MAP "A"

DATE SURVEYED: 2-17-05

DATE DRAWN: 2-23-05

SCALE: 1:100,000

DRAWN BY: J.R.S.

REVISED:

SLATE RIVER RESOURCES, LLC

**Utah Oil Shales 1321-9L
SECTION 9, T13S, R21E, S.L.B.&M.
2180' FSL & 461' FWL**

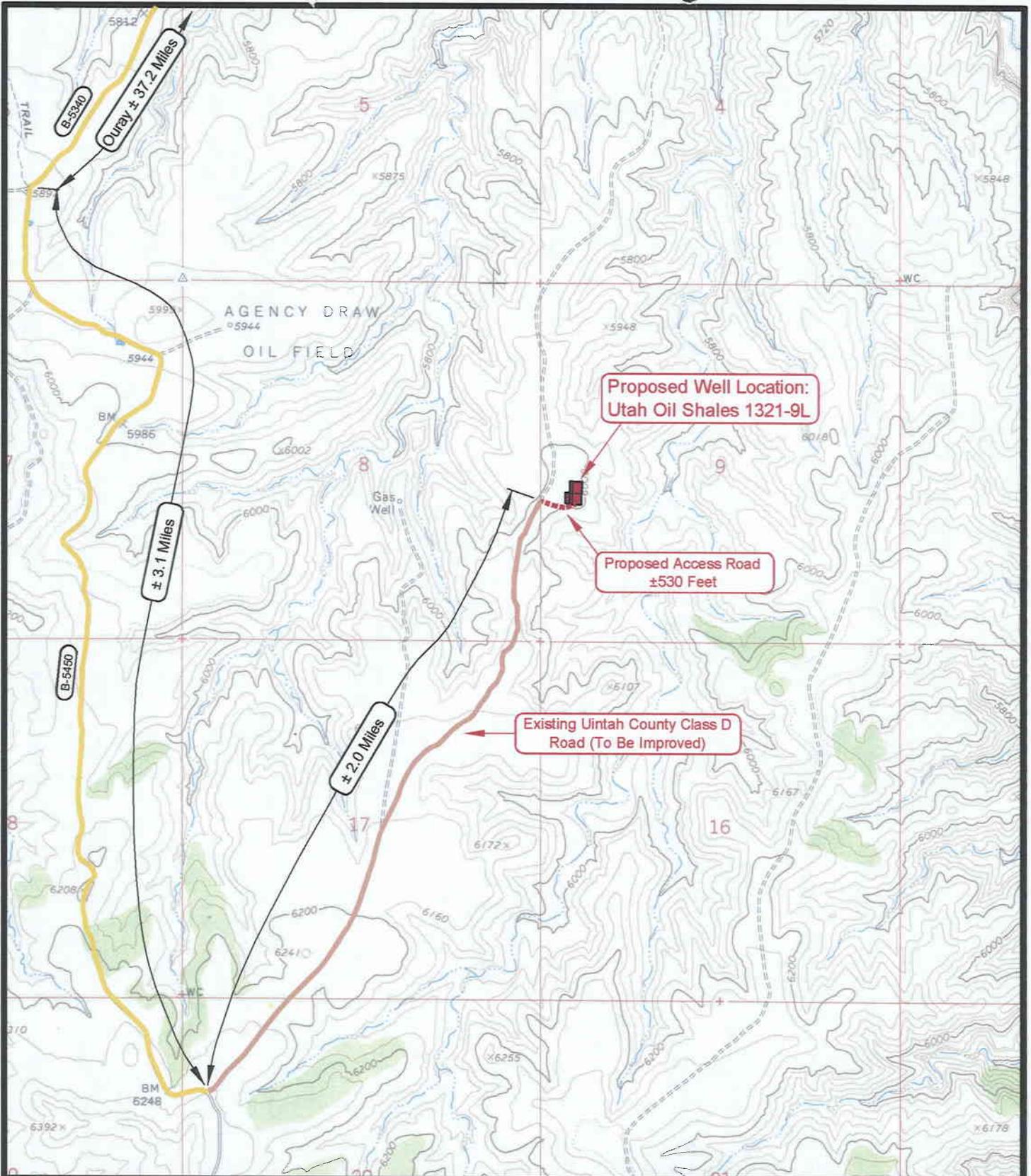
Timberline Land Surveying, Inc.

38 West 100 North Vernal, Utah 84078
(435) 789-1385

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: 2-17-05

DATE DRAWN: 2-23-05

REVISED:

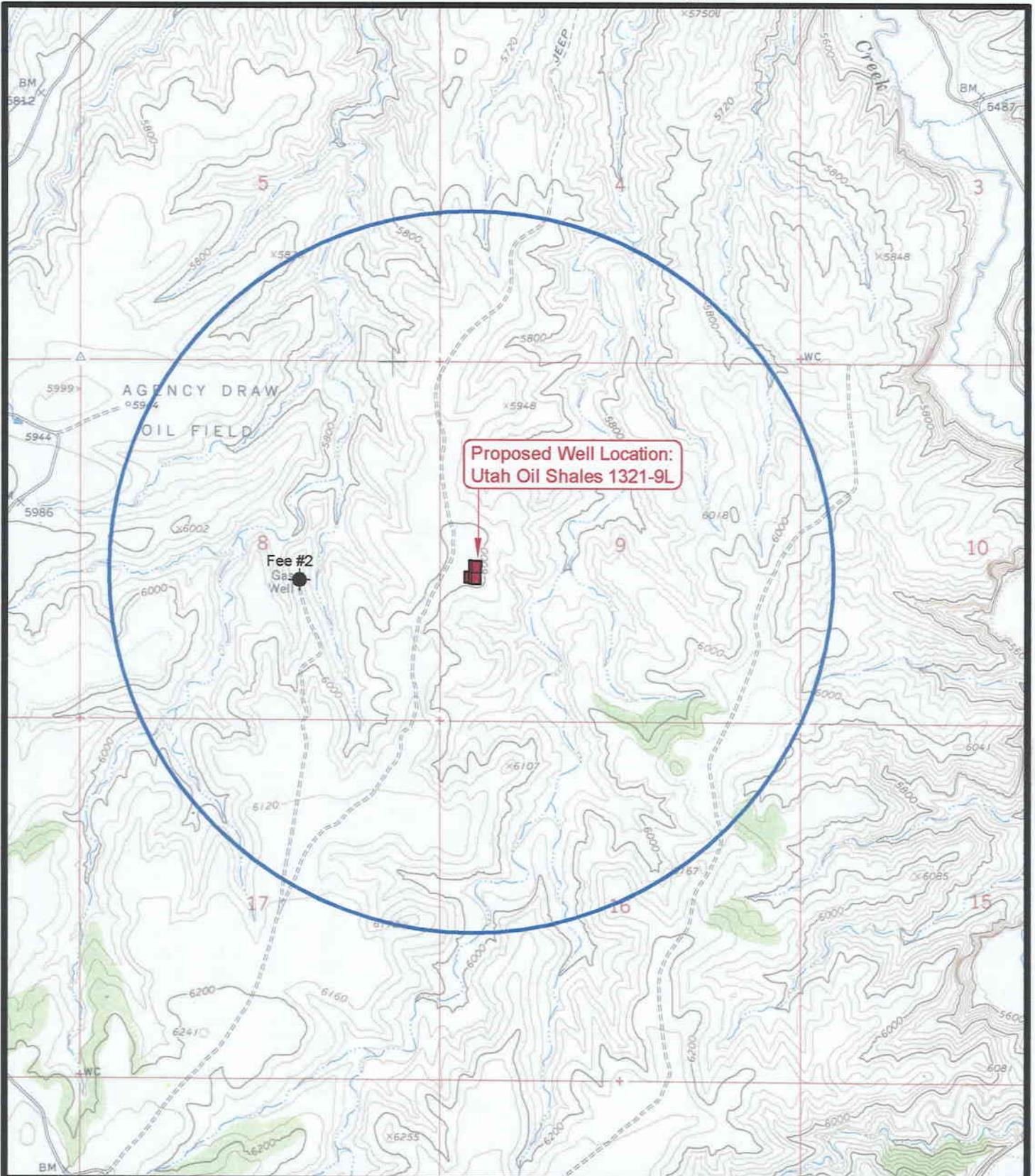
SLATE RIVER RESOURCES, LLC

**Utah Oil Shales 1321-9L
SECTION 9, T13S, R21E, S.L.B.&M.
2180' FSL & 461' FWL**

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

**Utah Oil Shales 1321-9L
SECTION 9, T13S, R21E, S.L.B.&M.
2180' FSL & 461' FWL**

TOPOGRAPHIC MAP "C"

DATE SURVEYED: 2-17-05

DATE DRAWN: 2-23-05

SCALE: 1" = 2000'

DRAWN BY: J.R.S.

REVISED:

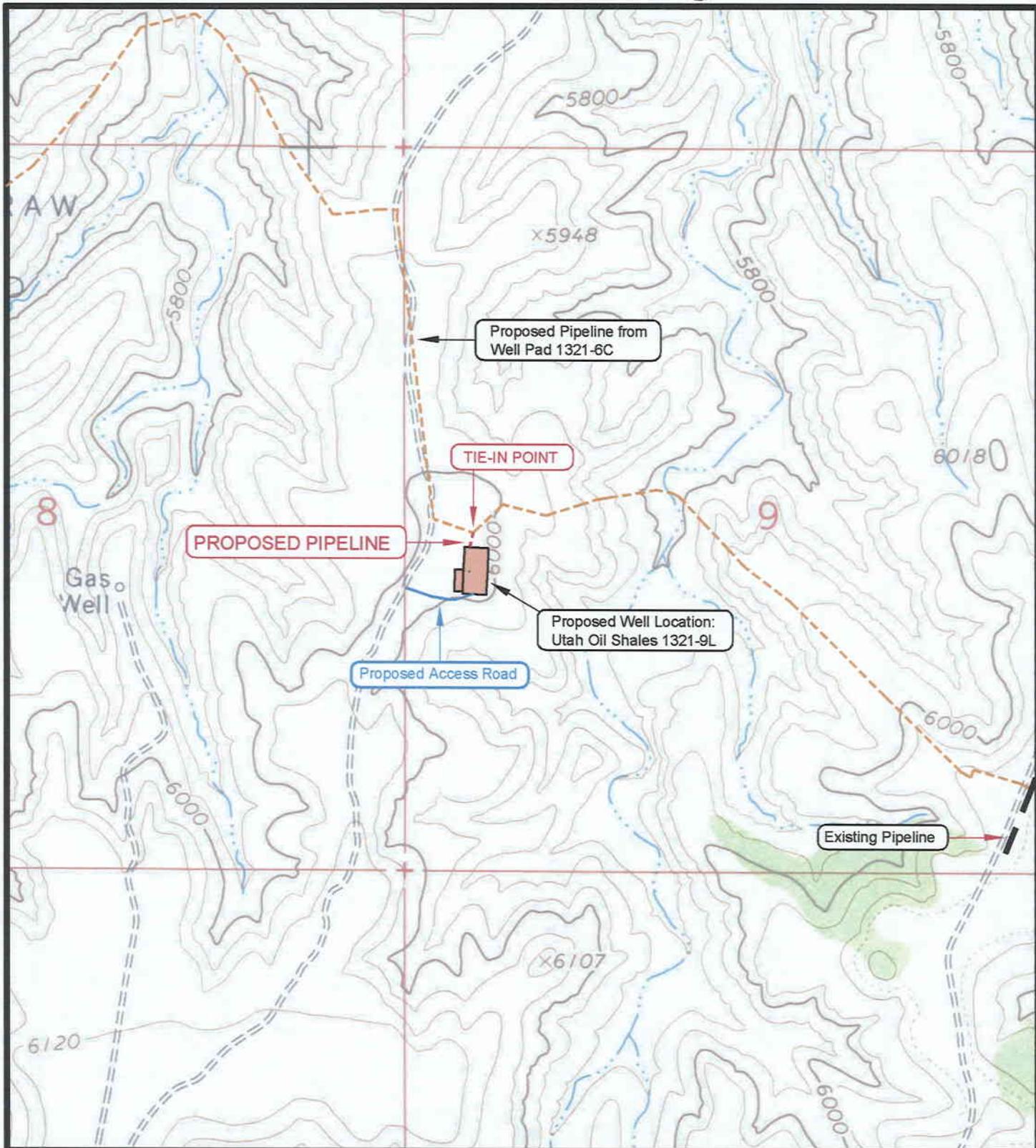
Timberline Land Surveying, Inc.

38 West 100 North Vernal, Utah 84078
(435) 789-1385

SHEET

8

OF 10



APPROXIMATE PIPELINE LENGTH = 106'

LEGEND

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

SLATE RIVER RESOURCES, LLC

**Utah Oil Shales 1321-9L
SECTION 9, T13S, R21E, S.L.B.&M.
2180' FSL & 461' FWL**

TOPOGRAPHIC MAP "D"

DATE SURVEYED: 2-17-05

DATE DRAWN: 2-23-05

SCALE: 1" = 1000'

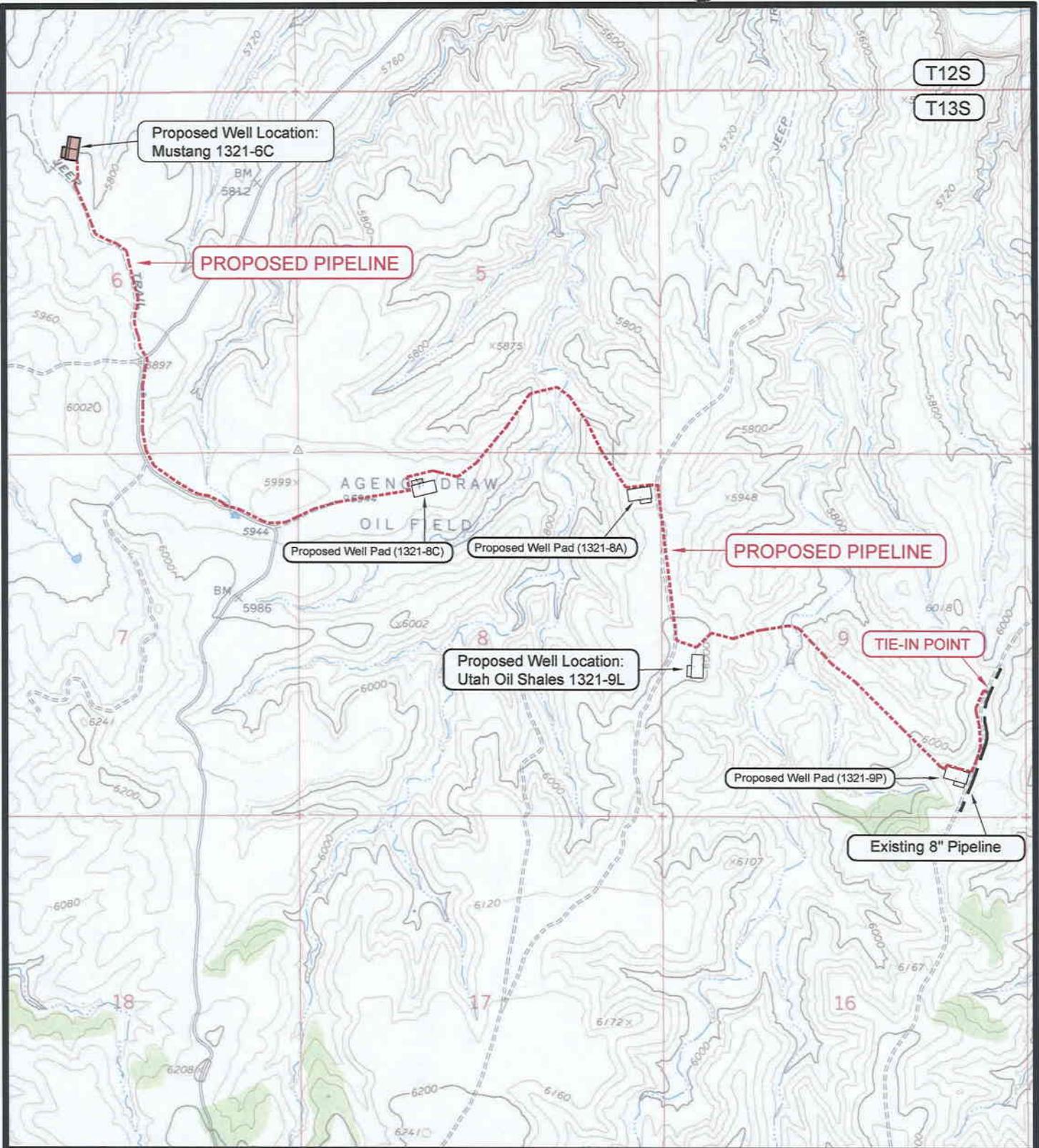
DRAWN BY: J.R.S.

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

Utah Oil Shales 1321-9L
Proposed Pipeline from Well 1321-6C to Tie In
SECTIONS 5, 6, 7, 8 & 9, T13S, R21E, S.L.B.&M.
2180' FSL & 461' FWL

TOPOGRAPHIC MAP "D-1"

DATE SURVEYED: 2-17-05

DATE DRAWN: 2-23-05

SCALE: 1" = 2000'

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: EASTERLY



PHOTO VIEW: FROM BEGINNING OF PROPOSED ROAD

CAMERA ANGLE: EASTERLY

SLATE RIVER RESOURCES, LLC

Utah Oil Shales 1321-9L
 SECTION 9, T13S, R21E, S.L.B.&M.
 2180' FSL & 461' FWL

LOCATION PHOTOS

TAKEN BY:

DRAWN BY: J.R.S.

DATE TAKEN: 2-17-05

DATE DRAWN: 2-22-05

REVISED:

Timberline Land Surveying, Inc.

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

SHEET
 10
 OF 10

SLATE RIVER RESOURCES, LLC
Utah Oil Shales 1321-9L
Section 9, 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 THE 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 THE INTERSECTION WITH THE FLAT ROCK ROAD (COUNTY B ROAD 5450); EXIT LEFT AND PROCEED SOUTHERLY ALONG THE FLAT ROCK ROAD APPROXIMATELY 3.1 MILES TO A COUNTY D ROAD TO THE NORTHEAST; EXIT LEFT AND PROCEED IN A NORTHEASTERLY DIRECTION ALONG THE COUNTY D ROAD APPROXIMATELY 2.0 MILES TO THE PROPOSED ACCESS ROAD; FOLLOW ROAD FLAGS IN AN EASTERLY DIRECTION APPROXIMATELY 530 FEET TO THE PROPOSED LOCATION.

TOTAL DISTANCE FROM VERNAL, UTAH TO THE PROPOSED WELL LOCATION IS APPROXIMATELY 73.4 MILES.

WORKSHEET
APPLICATION FOR PERMIT TO DRILL

APD RECEIVED: 03/09/2005

API NO. ASSIGNED: 43-047-36376

WELL NAME: UTAH OIL SHALES 1321-9L
OPERATOR: SLATE RIVER RESOURCES (N2725)
CONTACT: GINGER STRINGHAM

PHONE NUMBER: 435-790-4163

PROPOSED LOCATION:

NWSW 09 130S 210E
SURFACE: 2180 FSL 0461 FWL
BOTTOM: 2180 FSL 0461 FWL
UINTAH
WILDCAT (1)

INSPECT LOCATN BY: / /		
Tech Review	Initials	Date
Engineering	DKD	4/21/05
Geology		
Surface		

LEASE TYPE: 4 - Fee
LEASE NUMBER: FEE
SURFACE OWNER: 4 - Fee
PROPOSED FORMATION: MNCS
COALBED METHANE WELL? NO

LATITUDE: 39.69988
LONGITUDE: -109.5792

RECEIVED AND/OR REVIEWED:

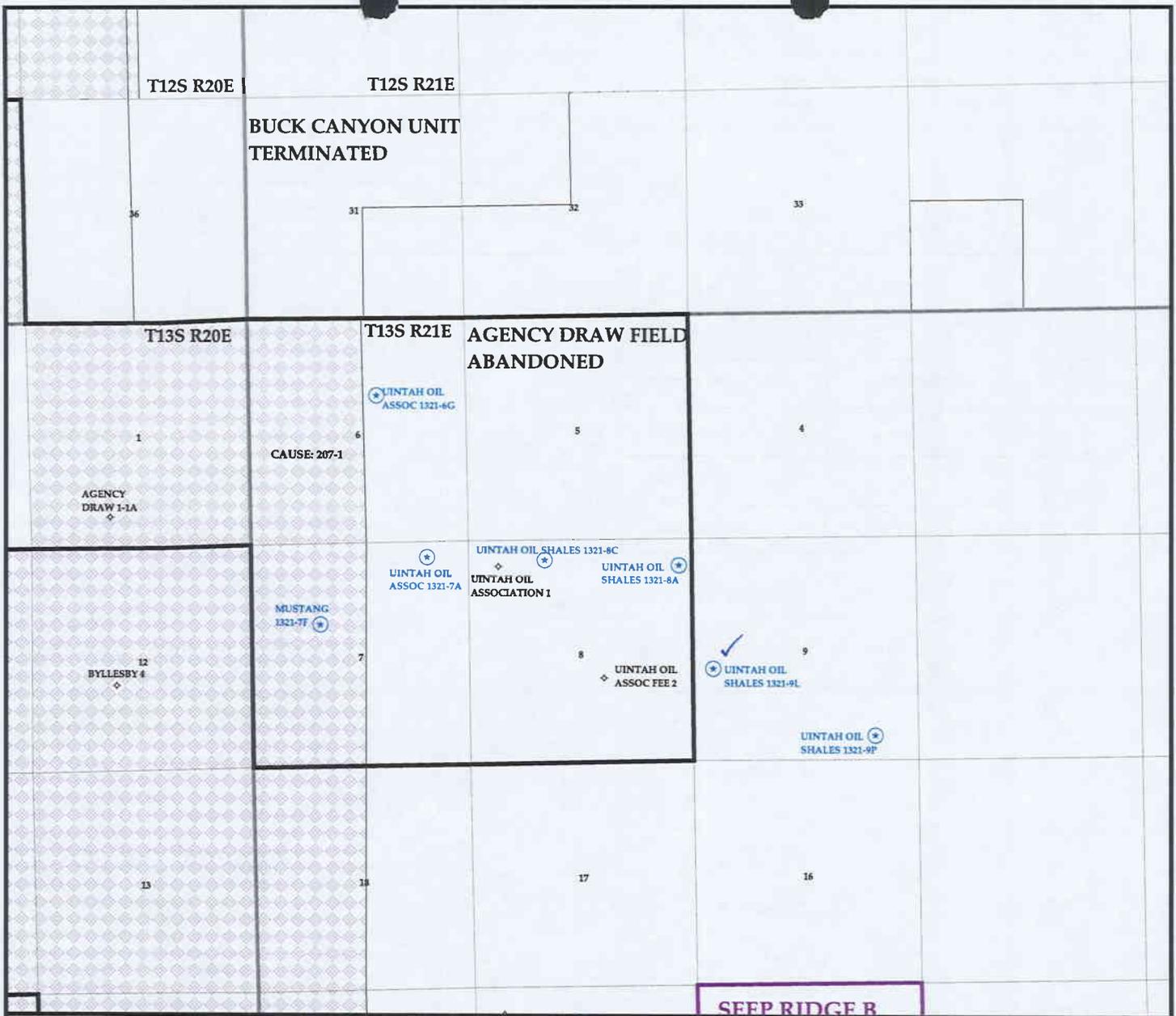
- Plat
- Bond: Fed[] Ind[] Sta[] Fee[]
(No. B001556)
- Potash (Y/N)
- Oil Shale 190-5 (B) or 190-3 or 190-13
- Water Permit
(No. 49-2179)
- RDCC Review (Y/N)
(Date: 04/02/2005)
- Fee Surf Agreement (Y/N)

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

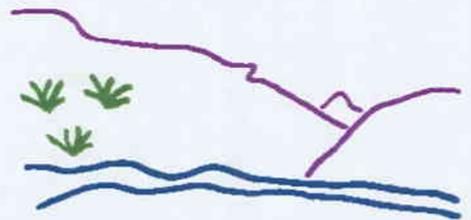
COMMENTS: Needs Permit (04-08-05)

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



SEEP RIDGE B

OPERATOR- SLATE RIVER RES LLC (N2725)
 SEC. 9 T.13S R.21E
 FIELD: WILDCAT (001)
 COUNTY: UINTAH
 SPACING: R649-3-2 / GENERAL SITING



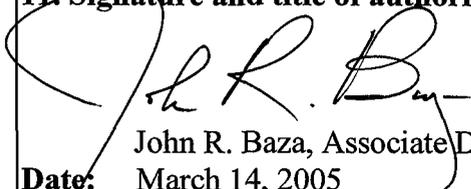
Utah Oil Gas and Mining



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

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		

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

1. State Agency Oil, Gas and Mining 1594 West North Temple, Suite 1210 Salt Lake City, UT 84114-5801	2. Approximate date project will start: Upon Approval or March 28, 2005
3. Title of proposed action: Application for Permit to Drill	
4. Description of Project: Slate River Resources, LLC proposes to drill the Utah Oil Shales 1321-9L 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.	
5. Location and detailed map of land affected (site location map required, electronic GIS map preferred) (include UTM coordinates where possible) (indicate county) 2180' FSL 461' FWL, NW/4 SW/4, Section 9, Township 13 South, Range 21 East, Uintah County, Utah	
6. Possible significant impacts likely to occur: 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.	
7. Identify local government affected 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?	
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: a. Has the representative and senator been contacted? N/A	
9. Areawide clearinghouse(s) receiving state action: (to be sent out by agency in block 1) Uintah Basin Association of Governments	
10. For further information, contact: Diana Whitney Phone: (801) 538-5312	11. Signature and title of authorized officer  John R. Baza, Associate Director Date: March 14, 2005

Surface Owners: Fee Lands
Slate River Resources, LLC

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

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MAR 15 2005
DIV. OF OIL, GAS & MINING

003

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@siriver.com
direct: 303-592-4448
Cell 303-880-1343
Fax: 303-592-4440



Slate River Resources, LLC

1600 Broadway, Suite 900
Denver, Colorado 80202

Page 1 of 9

March 15, 2005

Utah Oil Shales, Inc.
c/o Mr. Ed Bown
Utah Oil Association
c/o Mr. Enchel D. Newman
1972 E. Claremont Way
Salt Lake City, UT 84108
Fax 801-281-0888

Re: Surface Use and Damage Agreement
Utah Oil Shales, Inc. Oil & Gas Lease
T139-F21E
Sec 4: Lots 1,2,3,4, S/2N/2, 3/2
Sec 5: Lot 1, SE/4NE/4, E/2SE/4
Sec 6: E/2E/2, SW/4SE/4
Sec 7: All
Sec 10: W/2
Sec 17: E/2

Utah Oil Association Oil & Gas Lease
T139-F21E
Sec 31: SE/4
Sec 32: S/2
T139-F21E
Sec 4: 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
2,038.98 acres

2,279.69 acres
Utah County, Utah

Dear Mr. Bown 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 890 and page 829 of the Utah County, Utah records covering 4,817.95 acres described above. Mustang Fuel Corporation, 15459 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 900, Denver, Colorado 80202 by assignment dated February 14, 2005 and recorded in Book 916, Page 208. 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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DIV. OF OIL, GAS & MINING



Slate River Resources, LLC

1800 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 egress to the well location and stating 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 damage, the sum of:

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

(ii). \$6000 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 Lessee referred to above enclosed is a copy of the recorded Partial Assignment of Oil & Gas Lessee 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.B001558 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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DIV. OF OIL, GAS & MINING



Slate River Resources, LLC

1800 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
Bruce E. Johnston
Vice President (and
GEJ100

Provisions herein accepted this 16th day of March, 2005,
Utah Oil Association

By *Eshel D. Newman*
Eshel D. Newman *President*

Utah Oil States, Inc.
By *Edward M. Bown*
Edward M. Bown *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 . **Comments end.**

Robert Clark
Utah Division of Air Quality
536-4435

CC: Dave Mcneill; Wright, Carolyn

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

OPERATOR: Slate River Resources, LLC

WELL NAME & NUMBER: Utah Oil Shales 1321-9L

API NUMBER: 43-047-36376

LEASE: State FIELD/UNIT: Wildcat

LOCATION: 1/4,1/4 NWSW Sec: 9 TWP: 13S RNG: 21E 2180 FSL 461 FWL

LEGAL WELL SITING: 460 F SEC. LINE; 460 F 1/4,1/4 LINE; 920 F ANOTHER WELL.

GPS COORD (UTM): X =621814 E; Y =4395203 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 ~74 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 and a two track road that will be upgraded. 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', 530' of new access road.

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

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 at the top 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, and Sandburg's bluegrass. Forbs: Sego lily, desert parsley, and cryptanth. Shrubs: Black sage, bud sage, Wyoming sage, winterfat, broom snakeweed, birchleaf mahogany, shadscale, Douglas rabbitbrush. 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 a 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.

CULTURAL RESOURCES/ARCHAEOLOGY:

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, 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 is a traditional 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 2:12 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.



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

OPERATOR: Slate River Resources, LLC
WELL NAME & NUMBER: Utah Oil Shales 1321-9L
API NUMBER: 43-047-36376
LOCATION: 1/4,1/4 NWSW Sec:9 TWP: 13S RNG: 21E 2180 FSL 461 FWL

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 3,500 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 2 water wells within a 10,000 foot radius of the proposed location. Both wells are over 1 mile from the proposed location. These wells are owned by Alameda Corp. they are drilled to a depth of 50 feet and listed as used for domestic and stock watering. The proposed casing and cement program should adequately protect any useable ground water.

Reviewer: Brad Hill **Date:** 04-14-2005

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 a 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.

Well name:	04-05 Slate River Utah Oil Shales 1321-9L		
Operator:	Slate River Resources, LLC		
String type:	Surface	Project ID:	43-047-36376
Location:	Uintah County		

Design parameters:

Collapse

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

Burst

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

 No backup mud specified.

Minimum design factors:

Collapse:

Design factor 1.125

Burst:

Design factor 1.00

Tension:

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

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

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

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.

Well name:	04-05 Slate River Utah Oil Shales 1321-9L		
Operator:	Slate River Resources, LLC		
String type:	Production	Project ID:	43-047-36376
Location:	Uintah County		

Design parameters:

Collapse

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

Burst

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

 No backup mud specified.

Minimum design factors:

Collapse:

Design factor 1.125

Burst:

Design factor 1.00

Tension:

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

Tension is based on buoyed weight.
 Neutral point: 6,923 ft

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

Non-directional string.

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:

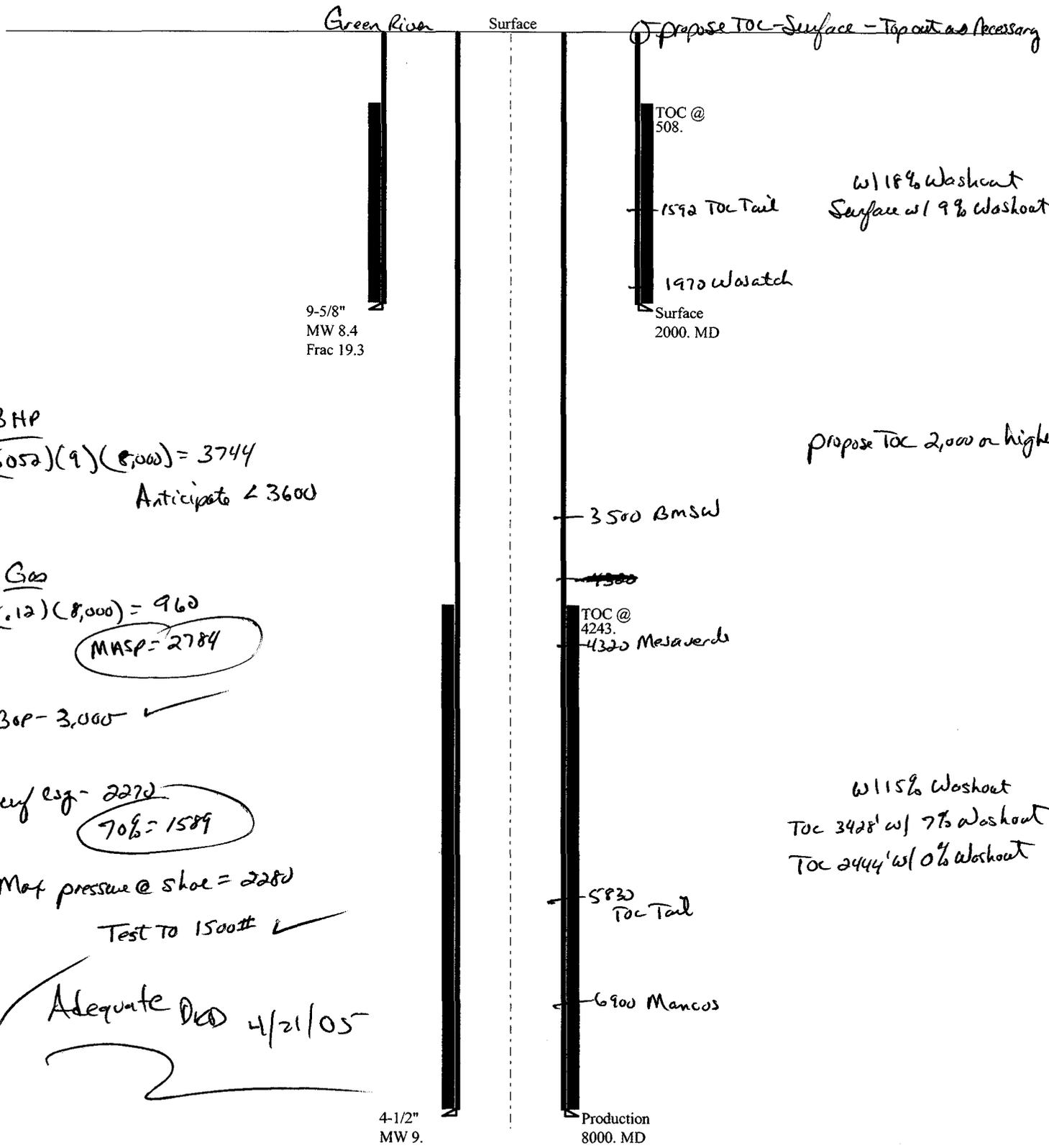
Collapse is based on a vertical depth of 8000 ft, a mud weight of 9 ppg. The casing is considered to be evacuated for collapse purposes. Collapse strength is based on the Westcott, Dunlop & Kemler method of biaxial correction for tension.

Burst strength is not adjusted for tension.

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

04-05 Slate River Utah Oil Shales 1321-9L

Casing Schematic



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

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

BoP - 3,000 ✓

Surf esp - 2270
 70% = 1589

Max pressure @ shoe = 2280

Test to 1500# ✓

✓ Adequate DCD 4/21/05

**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

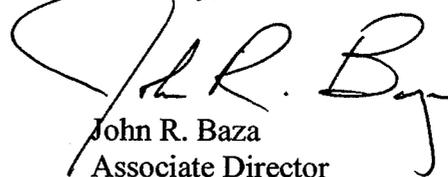
Re: Utah Oil Shales 1321-9L Well, 2180' FSL, 461' FWL, NW SW, Sec. 9,
T. 13 South, R. 21 East, Uintah County, Utah

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.

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 43-047-36376.

Sincerely,



John R. Baza
Associate Director

jc
Enclosures

cc: Uintah County Assessor

Operator: Slate River Resources, LLC

Well Name & Number Utah Oil Shales 1321-9L

API Number: 43-047-36376

Lease: Fee

Location: NW SW Sec. 9 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. 43-047-36376

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 9

STATE OF UTAH
DIVISION OF OIL, GAS AND MINING

009

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

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:
Footage: 2180' FSL & 461' FWL
CO, Sec., T., R., M.: NW/SW SEC 9 T13S R21E SLC MERIDIAN

5. Lease Designation and Serial Number:
FEE

6. If Indian, Alutotee or Tribe Name:

7. Unit Agreement Name:

8. Well Name and Number:
UTAH OIL SHALES 1321-9L

9. API Well Number:
43-047-36376

10. Field and Pool, or Wildcat:
WILDCAT

County: JUINTAH
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 5/24/2005

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 Nemes Title: SR. Operations Spec Date: May 20, 2005

(This space for State use only.)

SENT TO OPERATIONS
5-24-05
GHO

(4/94)

(See Instructions on Reverse Side)
DIVISION OF OIL, GAS AND MINING
5/23/05
D. K. [Signature]

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

To:	Dustin Duot	From:	Lucy Nemeč
Company	DOGM	Company	Slate River Resources
Fax	801-359-3940	Pages:	5
Phone:		Date:	5/20/05
Re:	Casing APD Amendments	cc:	

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

CONFIDENTIAL

DIVISION OF OIL, GAS AND MINING

SPUDDING INFORMATION

Name of Company: SLATE RIVER RESOURCES LLC

Well Name: UTAH OIL SHALES 1321-9L

Api No: 43-047-36376 Lease Type: FEE

Section 09 Township 13S Range 21E County UINTAH

Drilling Contractor PETE MARTIN'S RIG # RATHOLE

SPUDDED:

Date 05/27/05

Time 7:30 AM

How DRY

Drilling will Commence: _____

Reported by LUCY NEMEC

Telephone # 1-435-781-1870

Date 05/27/2005 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, UT 84078
state UT zip 84078 Phone Number: (435) 781-1870

Well 1

API Number	Well Name		QQ	Sec	Twp	Rng	County
4304736376	Utah Oil Shales 1321-9L		NWSW	9	13S	21E	Uintah
Action Code	Current Entity Number	New Entity Number	Spud Date		Entity Assignment Effective Date		
A	99999	14743	5/27/2005		6/2/05		
Comments: MIRU Pete Martin Rathole Rig Spud @ 7:00 a.m. 5/27/05 <i>MNCS</i> CONFIDENTIAL							

Well 2

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

Well 3

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

ACTION CODES:

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

Lucy Nemeec

Name (Please Print)

Lucy Nemeec

Signature

Sr. Operations Specialist

5/31/2005

Title

Date

(5/2000)

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JUN 01 2005

DIV OF OIL, GAS & MINING

FORM 9

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 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 SHALES 1321-9L

9. API Well Number:
43-047-36376

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: **2180' FSL & 461' FWL**
Co. Sec., T., R., M.: **NW/SW SEC 9 T13S R21E SLC MERIDIAN**

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

CONFIDENTIAL

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

NOTICE OF INTENT
(Submit in Duplicate)

<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 _____	

SUBSEQUENT REPORT
(Submit Original Form Only)

<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>Spud Notice</u>	

Approximate date work will start _____

Date of work completion 5/27/2005

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)

Pete Martin Rathole Drilling MI&RU RHR. The well was spud at 7:00 a.m. on 5/27/05. 40' of 14" conductor pipe was cemented with 3 yards of ready-mix cement.

5/28/2005

Bill Jr. Rathole Drilling, Inc. MI&RU. Drilled a 12-1/4" surface hole to 820'. Set 801.9' (18 Jts) of 9-5/8" 32# H-40 ST&C with 450 sx Premium Class "G" Cement W/2% CaCl2, 1/4#/sx flocele. Good cement to surface. RDMOL. WO Rotary tool.

13. Name and Signature: Lucy N... Title: SR. Operations Spec Date: June 2, 2005
Lucy N...

(This space for State use only.)

RECEIVED
JUN 02 2005

TELETYPE

43-047-36376 135 21E 09

**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 (length, 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 a authorization 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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SEP 3 1 2005

13 a Describe other reasonable alternative routes and alternatives 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 parallel gas line within the proposed route.
Application**

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 area 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. minimal

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 methanol could 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 in the application and believe that the information submitted is 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- 1I	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
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

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

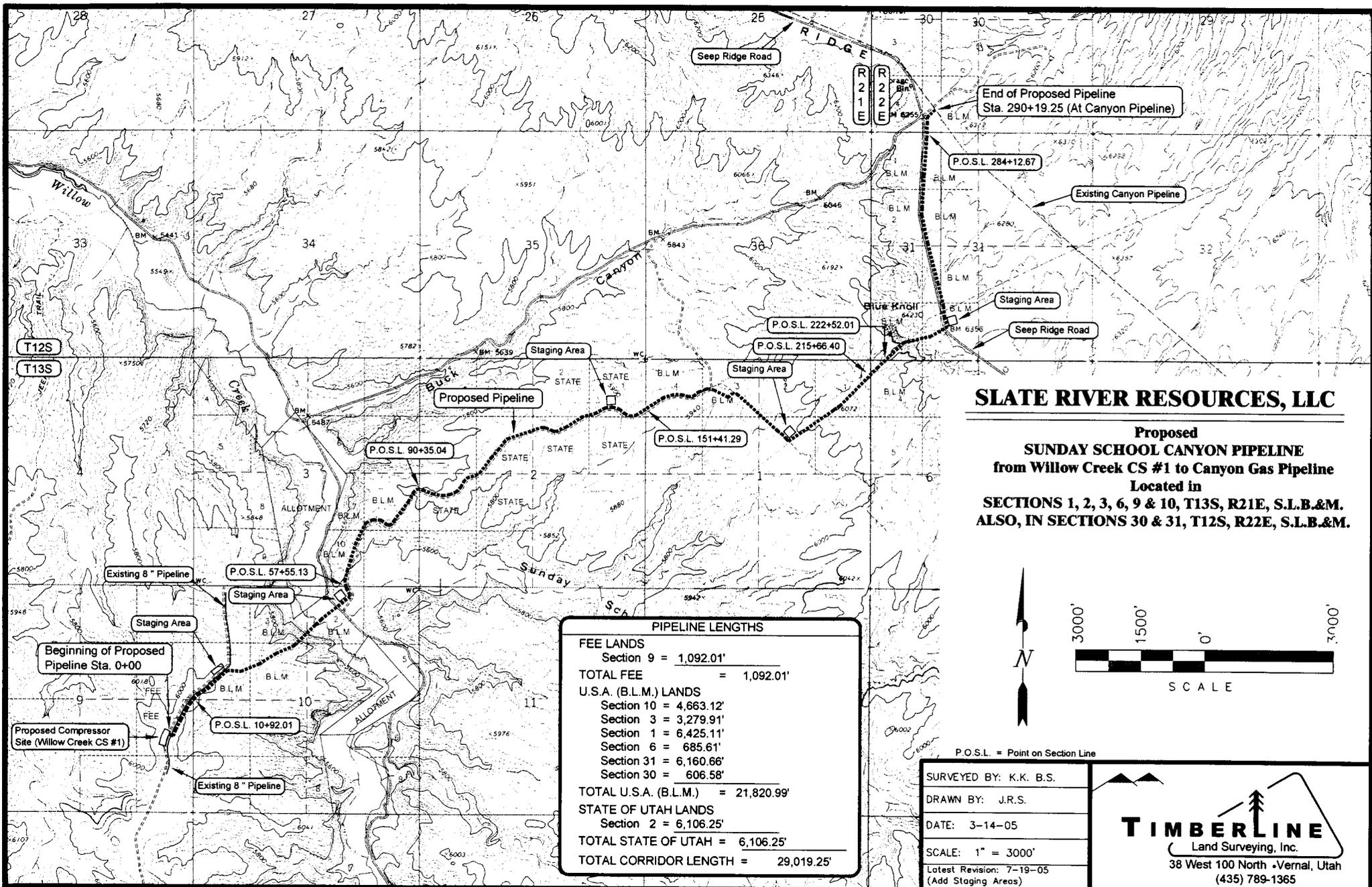
Begin Construction: October 1, 2005

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

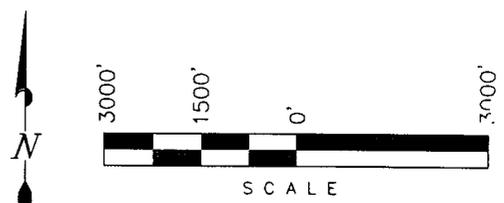
Slate River Resources, LLC, or its successor will remove and dispose of the 8" pipeline and properly abandon the route when the pipeline is no longer needed for gas gathering and transportation. At that time, the right-of-way would be terminated and reclaimed to the requirements of the Bureau of Land 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, T12S, R21E, S.L.B.&M.
ALSO, IN SECTIONS 30 & 31, T12S, R22E, S.L.B.&M.

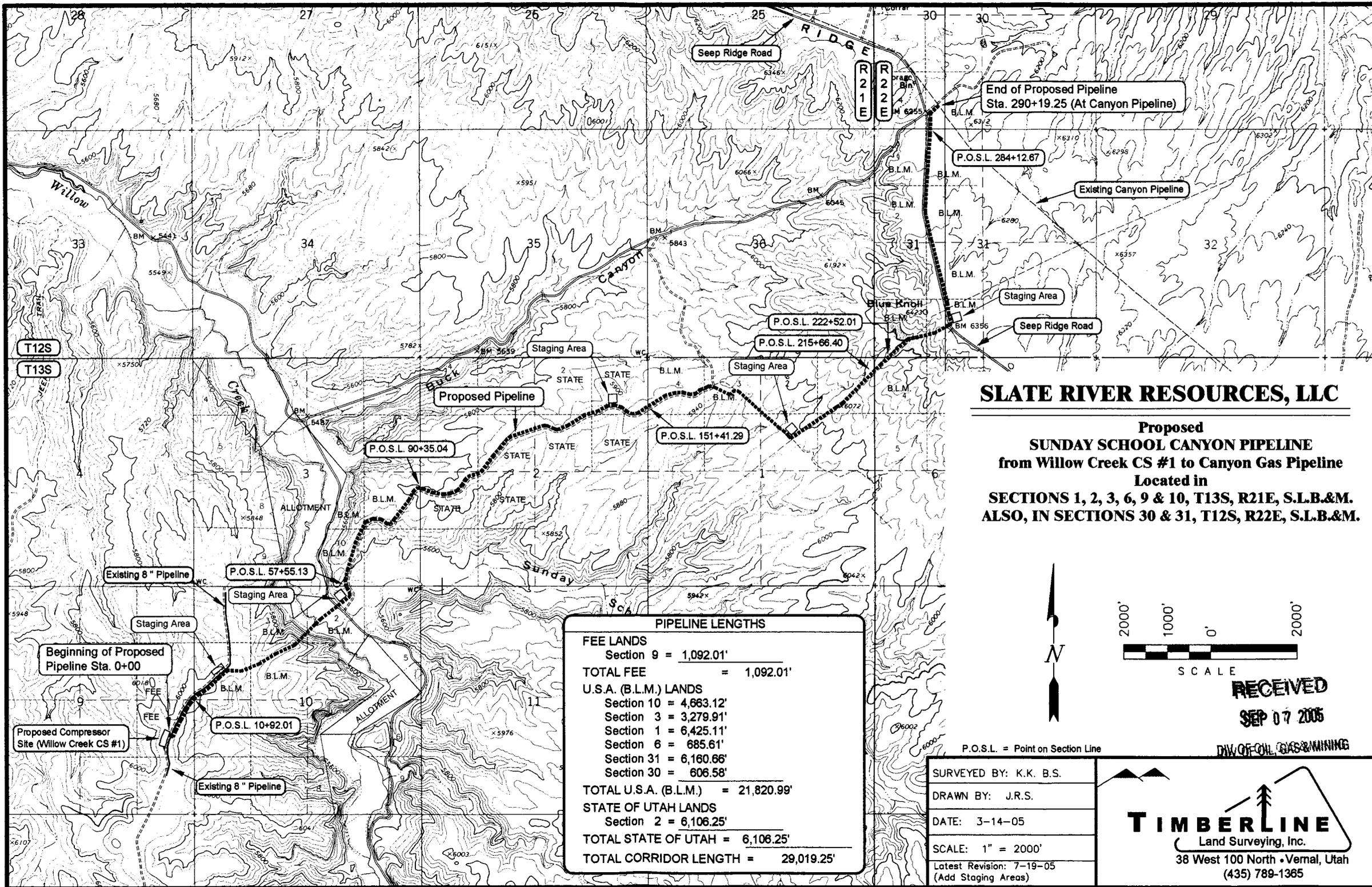
PIPELINE LENGTHS	
FEE LANDS	
Section 9 =	1,092.01'
TOTAL FEE	= 1,092.01'
U.S.A. (B.L.M.) LANDS	
Section 10 =	4,663.12'
Section 3 =	3,279.91'
Section 1 =	6,425.11'
Section 6 =	685.61'
Section 31 =	6,160.66'
Section 30 =	606.58'
TOTAL U.S.A. (B.L.M.)	= 21,820.99'
STATE OF UTAH LANDS	
Section 2 =	6,106.25'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



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)

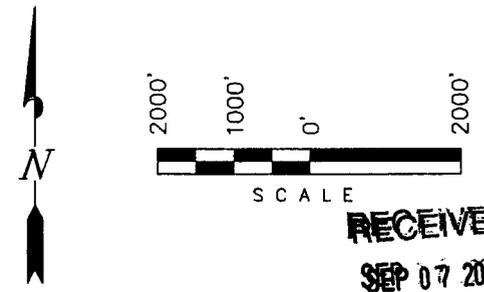
TIMBERLINE
Land Surveying, Inc.
38 West 100 North • Vernal, Utah
(435) 789-1365



SLATE RIVER RESOURCES, LLC

**Proposed
SUNDAY SCHOOL CANYON PIPELINE
from Willow Creek CS #1 to Canyon Gas Pipeline
Located in
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	
FEE LANDS	
Section 9 =	1,092.01'
TOTAL FEE	= 1,092.01'
U.S.A. (B.L.M.) LANDS	
Section 10 =	4,663.12'
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TOTAL U.S.A. (B.L.M.)	= 21,820.99'
STATE OF UTAH LANDS	
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TOTAL STATE OF UTAH	= 6,106.25'
TOTAL CORRIDOR LENGTH	= 29,019.25'



**RECEIVED
SEP 07 2005**

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" = 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

SUNDRY NOTICES AND REPORTS ON WELLS		5. Lease Designation and Serial Number: FEE
		6. If Indian, Allottee or Tribe Name:
Do not use this form for proposals to drill or deepen or reentry to a different reservoir. Use "APPLICATION FOR PERMIT -" for such proposals		7. Unit Agreement Name:
		8. Well Name and Number: UTAH OIL SHALES 1321-9L
1. Type of Well: OIL <input type="checkbox"/> GAS <input checked="" type="checkbox"/> OTHER:		9. API Well Number: 43-047-36376
2. Name of Operator: SLATE RIVER RESOURCES, LLC		10. Field and Pool, or Wildcat: WILDCAT
3. Address and Telephone Number: 418 E. MAIN VERNAL, UT 84078		

4. Location of Well:
Footages: **2180' FSL & 461' FWL** County: **UINTAH**
QQ, Sec., T., R., M.: **NW/SW SEC 9 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 _____	<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 & Cement Production Casing</u>
<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
Approximate date work will start _____	Date of work completion <u>8/27/2005</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.

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)

8/12 - 8/27
MIRU Union Rig #7. Drilled a 7-7/8" hole from 845' - 7445'. No water encountered Ran 175 jts of new 4-1/2" 11.60# M-80 LT&C casing and set @ 7400'.
Big 4 Cementing cemented production casing with 1410 sx cement as follows:
Lead - 410 sx of 16% Gel - 10# sk Gilsonite, 3% salt, 1/4# flocele, 3# sk GR-3
Tail - 1000 sx - 2% gel, 10% salt, 3% FLD .3% dispersant, 1/4# sk flocele
Good returns during job.
Rig Released @ 1200 8/27/05. RDMOL. WO Completion Rig

13. Name and Signature: *Lucy Neme* Title: SR. Operations Spec Date: 09/29/05
Lucy Neme
(This space for State use only.)

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OCT 03 2005

STATE OF UTAH
DIVISION OF OIL, GAS AND MINING

CONFIDENTIAL

5. LEASE DESIGNATION AND SERIAL NO

FEE

WELL COMPLETION OR RECOMPLETION REPORT AND LOG*

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

1a. TYPE OF WELL

OIL WELL [] GAS WELL [X] DRY [] Other

1b. TYPE OF COMPLETION

NEW WELL [X] WORK OVER [] DEEP-EN [] PLUG BACK [] DIFF. RESVR. [] Other

7. UNIT AGREEMENT NAME

8. FARM OR LEASE NAME, WELL NO

UTAH OIL SHALES 1321-9L

2. NAME OF OPERATOR

Slate River Resources LLC

9. API NO.

43-047-36376

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 2180' FSL, 461' FWL

11. SEC., T., R., M., OR BLOCK AND SURVEY OR AREA

NW/SW SEC 9, T13S R21E SL&M

At top prod. Interval reported below

CONFIDENTIAL

At total depth

12. COUNTY

UINTAH

13. STATE

UTAH

14. DATE SPUDDED

8/14-05

15. DATE T.D. REACHED

8-24-05

16. DATE COMPL. (Ready to prod. or Plug & Abandon [] Ready to Prod [X])

11-2-05

17. ELEVATIONS (DF, RKB, RT, GR, ETC.)

6001 GL, 6016.6 KB

18. TOTAL DEPTH, MD & TVD

7445' MD 7445' TVD

19. PLUG, BACK T.D., MD & TVD

7339' TD MD TVD

20. IF MULTIPLE COMPL., HOW MANY

2

21. DEPTH BRIDGE PLUG SET

TVD

CABLE TOOLS

24. PRODUCING INTERVAL(S), OF THIS COMPLETION--TOP, BOTTOM, NAME (MD AND TVD)

Mesaverde 5238' - 6536, Blackhawk 7137' - 7144' MD & TVD MURD

25. WAS DIRECTIONAL SURVEY MADE

NO

26. TYPE ELECTRIC AND OTHER LOGS RUN

HRI/SD/DSN, EMIL, CBL, Production Log

27. WAS WELL CORED YES [] NO [X] (Submit analysis)

DRILL STEM TEST YES [] NO [X] (See reverse side)

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

Table with columns: CASING SIZE, WEIGHT, LB/FT, DEPTH SET (MD), HOLE SIZE, CEMENTING RECORD, AMOUNT PULLED. Rows include 9-5/8" H-40 and 4-1/2" M-80.

29. LINER RECORD

Table with columns: SIZE, TOP (MD), BOTTOM (MD), SACKS CEMENT*, SCREEN (MD).

30. TUBING RECORD

Table with columns: SIZE, DEPTH SET (MD), PACKER SET (MD). Row includes 2-3/8" 7090'.

31. PERFORATION RECORD (Interval, size and number)

INTERVAL See attached MURD SIZE NUMBER

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

Table with columns: DEPTH INTERVAL (MD), AMOUNT AND KIND OF MATERIAL USED. Rows include 7137-7144, 6536-6475, 6213-6092, 5944-5951.

33.* PRODUCTION

Table with columns: DATE FIRST PRODUCTION, PRODUCTION METHOD, WELL STATUS, DATE OF TEST, HOURS TESTED, CHOKE SIZE, PROD'N. FOR TEST PERIOD, OIL--BBL., GAS--MCF, WATER--BBL., GAS-OIL RATIO, 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.)

SIWOPL

TEST WITNESSED BY

35. LIST OF ATTACHMENTS

Additional perf and frac intervals

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

RECEIVED

JAN 17 2006

SIGNED

Lucy Neme

TITLE Sr. Operations Specialist

DATE 1/13/2006

DIV OF OIL, GAS & MINING

See Spaces for Addition Data on Reverse Side

Attachment to Completion Report

Utah Oil Shales #1321-9L

27. PERFORATION RECORD

3-1/8" Barrel Gun 120 Deg Phasing .35 perf Diameter

<u>Formation</u>	<u>Interval</u>	<u>No Holes</u>		<u>Status</u>
Blackhawk	7137 - 7144	21	3 SPF	Open
Mesaverde	6533 - 6536	9	3 SPF	Open
Mesaverde	6475 - 6480	15	3 SPF	Open
Mesaverde	6210 - 6213	9	3 SPF	Open
Mesaverde	6092 - 6095	9	3 SPF	Open
Mesaverde	5944 - 5951	21	3 SPF	Open
Mesaverde	5348 - 5353	15	3 SPF	Open
Mesaverde	5268 - 5370	6	3 SPF	Open
Mesaverde	5238 - 5240	6	3 SPF	Open
	Total	111		

28. FRAC HISTORY (cont'd)

Depth of Interval

5353 - 5238 202,200 20/40/ White sand, @ 37.2-40.4 BPM

CONFIDENTIAL

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).

37. SUMMARY OF POROUS ZONES: Show all important zones of porosity and contents thereof, cored intervals; and all drill-stem, tests, including depth interval tested, cushion used, time tool open, flowing and shut-in pressures, and recoveries.				38. GEOLOGIC MARKERS		
Formation	Top	Bottom	Description, contents, etc.	Name	Top	
					Meas. Depth	True Vert. Depth
Wasatch	1995		Sandstone & Shale Limestone			
Mesaverde	5070		Sandstone & Shale			
Sego	5910		Sandstone & Shale Limestone			
Castlegate	6690		Sandstone & Shale Limestone			
Mancos	6900		Sandstone & Shale			
Blackhawk	7140		Sandstone & Shale			
CONFIDENTIAL						

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

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...

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:
43-047-36376

10. Field and Pool or Wicoc:

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:
Footage: **See attached**
G.G. Sec. T., R. M.:

County: **UINTAH**
Zone: **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 Wergo
Lucy Wergo

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

(494)

Date: 10-12-06

(See Instructions on Reverse Side)

By: [Signature]

DIV. OF OIL, GAS & MINING

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

Well	Field	Lease	API #	Spot	Description		State
				S-T-R	County		
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	SENE	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-20R	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

FORM 9

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

SUNDRY NOTICES AND REPORTS ON WELLS

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

1. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER _____		5. LEASE DESIGNATION AND SERIAL NUMBER: FEE
2. NAME OF OPERATOR: Slate River Resources, LLC		6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
3. ADDRESS OF OPERATOR: 418 East Main, Ste 18 Vernal UT 84078		7. UNIT or CA AGREEMENT NAME:
4. LOCATION OF WELL FOOTAGES AT SURFACE: 2180' FSL 461' FWL QTRQTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NWSW 9 13S 21E S		8. WELL NAME and NUMBER: UTAH OIL SHALES #1321-9L
PHONE NUMBER: (435) 781-1870		9. API NUMBER: 4304736376
		10. FIELD AND POOL OR WILDCAT: WILDCAT
		COUNTY: Uintah
		STATE: UTAH

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>1/24/2007</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 type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> VENT OR FLARE	
	<input type="checkbox"/> CHANGE WELL NAME	<input checked="" 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 checked="" type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION		

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.
Slate River Resources requests approval to plugback this well, perforate and test Wasatch zones uphole.

Procedure as follows:
Set CIBP @ ±5200' to plugback and isolate existing gross perforated interval 5238'-7144'
Perforate the Wasatch zones 4232'-4238' and 4264'-4270' @ 4SPF
Breakdown perfs and swab test
Stimulate zones with acid or sand fracture if commercial gas is encountered
Place well back on production from the Wasatch zones

We have a completion rig on the well now and a verbal response would be appreciated.

NAME (PLEASE PRINT) J. T. Conley TITLE VP Operations
SIGNATURE [Signature] DATE 1/23/2007

(This space for State use only)

APPROVED BY THE STATE
OF UTAH DIVISION OF
OIL, GAS AND MINING
DATE 1/25/07
BY: [Signature]
*verbal given 1/24/07 DCD

(See Instructions on Reverse Side)

RECEIVED
JAN 23 2007
DIV. OF OIL, GAS & MINING

(8/2000)

418 East Main, Suite 18
Vernal, UT 84078
Office: 435-781-1870
Fax: 435-781-1875



Fax

To: DUSTIN DOUCET From: J. T. CONLEY

Fax: 801-359-3940 Pages: 2 w/ cover

Phone: _____ Date: 1-23-2007

Re: _____ cc: _____

Urgent For Review Please Comment Please Reply Please Recycle

• Comments:

DUSTIN,

WE HAVE A RIG ON THIS WELL AND
WOULD LIKE PERMISSION TO PLUGBACK FOR
WASATCH TESTS.

I ALSO EMAILED YOU A FORM 9.

SORRY FOR THE SHORT NOTICE.

REGARDS,

J. T. Conley 1/23/2007

RECEIVED
JAN 23 2007
DIV. OF OIL, GAS & MINING

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

SUNDRY NOTICES AND REPORTS ON WELLS

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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:
UTAH OIL SHALES #1321-9L

9. API NUMBER:
4304736376

10. FIELD AND POOL, OR WILDCAT:
WILDCAT

1. TYPE OF WELL OIL WELL [] GAS WELL [x] OTHER

2. NAME OF OPERATOR:
Slate River Resources, LLC

3. ADDRESS OF OPERATOR:
418 East Main, Ste 18 CITY Vernal STATE UT ZIP 84078

PHONE NUMBER:
(435) 781-1870

4. LOCATION OF WELL
FOOTAGES AT SURFACE: 2180' FSL 461' FWL

COUNTY: Uintah

QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NWSW 9 13S 21E S

STATE: UTAH

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

Table with columns: TYPE OF SUBMISSION, TYPE OF ACTION. Includes checkboxes for NOTICE OF INTENT, ACIDIZE, ALTER CASING, etc.

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

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Breakdown perms and swab test
Stimulate zones with acid or sand fracture if commercial gas is encountered
Place well back on production from the Wasatch zones

We have a completion rig on the well now and a verbal response would be appreciated.

COPY SENT TO OPERATOR
Date: 1-26-07
Initials: em

NAME (PLEASE PRINT) J. T. Conley TITLE VP Operations
SIGNATURE [Signature] DATE 1/23/2007

(This space for State use only)

Fax Copy Approved 1/25/07
verbal 1/24/07 OKD

RECEIVED
JAN 25 2007

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

SUNDRY NOTICES AND REPORTS ON WELLS		5. Lease Designation and Serial Number: <p align="center">FEE</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		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: UTAH OIL SHALES 1321-9L	
2. Name of Operator: SLATE RIVER RESOURCES, LLC	9. API Well Number: 43-047-36376	
3. Address and Telephone Number: 418 E. MAIN VERNAL, UT 84078	10. Field and Pool, or Wildcat: WILDCAT	
4. Location of Well:		
Footages: 2180' FSL & 461' FWL QQ. Sec., T., R., M.: NW/SW SEC 9 T13S R21E SLC MERIDIAN	County: UINTAH State: UT	

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

NOTICE OF INTENT <small>(Submit in Duplicate)</small>	SUBSEQUENT REPORT <small>(Submit Original Form Only)</small>																										
<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 _____		<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>Scale Removal / Perforate Wasatch</u></td> <td></td> </tr> </table> <p>Date of work completion <u>1/29/2007</u></p> <p><small>Report results of Multiple Completions and Recompletions to different reservoirs on WELL COMPLETION OR RECOMPLETION REPORT AND LOG form.</small></p> <p><small>* 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>Scale Removal / Perforate Wasatch</u>	
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<input checked="" type="checkbox"/> Other <u>Scale Removal / Perforate Wasatch</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)

12-22-07 - 1-29-07
 MIRU Nabors Rig #814
 Drilled out 45' of hard scale. Cleaned out soft scale to 6100'. Swab test individually Mesaverde Perfs 6095' - 5944'. Pump 220 gals Champion Gytron PC40, mixed 1 to 1 w/2% KCL wtr. Swab. Continue to test Mesaverde Perfs.
 Set CIBP @ 5200'. Perforated the following Wasatch zones w/4SPF: 4232'-4238', 4264'-4270'. Water breakdown and flowtest Wasatch.

Returned well to production.

13. Name and Signature: *Lucy Nemeec* Title: SR. Operations Spec Date: 03/01/07
 Lucy Nemeec

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**RECEIVED
MAR 16 2007**

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

FORM 9

SUNDRY NOTICES AND REPORTS ON WELLS		5. LEASE DESIGNATION AND SERIAL NUMBER: FEE
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: Slate River Resources, LLC		8. WELL NAME and NUMBER: UTAH OIL SHALES #1321-9L
3. ADDRESS OF OPERATOR: 418 East Main, Ste 18 CITY Vernal STATE UT ZIP 84078		9. API NUMBER: 4304736376
4. LOCATION OF WELL FOOTAGES AT SURFACE: 2180' FSL 461' FWL		10. FIELD AND POOL, OR WILDCAT: WILDCAT
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NWSW 9 13S 21E S		COUNTY: Uintah
		STATE: UTAH

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA			
TYPE OF SUBMISSION	TYPE OF ACTION		
<input checked="" type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: <u>3/14/2007</u>	<input type="checkbox"/> ACIDIZE <input type="checkbox"/> ALTER CASING <input type="checkbox"/> CASING REPAIR <input type="checkbox"/> CHANGE TO PREVIOUS PLANS <input type="checkbox"/> CHANGE TUBING <input type="checkbox"/> CHANGE WELL NAME <input type="checkbox"/> CHANGE WELL STATUS <input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS <input type="checkbox"/> CONVERT WELL TYPE	<input type="checkbox"/> DEEPEN <input type="checkbox"/> FRACTURE TREAT <input type="checkbox"/> NEW CONSTRUCTION <input type="checkbox"/> OPERATOR CHANGE <input type="checkbox"/> PLUG AND ABANDON <input type="checkbox"/> PLUG BACK <input type="checkbox"/> PRODUCTION (START/RESUME) <input type="checkbox"/> RECLAMATION OF WELL SITE <input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION	<input checked="" type="checkbox"/> REPERFORATE CURRENT FORMATION <input type="checkbox"/> SIDETRACK TO REPAIR WELL <input type="checkbox"/> TEMPORARILY ABANDON <input type="checkbox"/> TUBING REPAIR <input type="checkbox"/> VENT OR FLARE <input type="checkbox"/> WATER DISPOSAL <input type="checkbox"/> WATER SHUT-OFF <input checked="" type="checkbox"/> OTHER: <u>Cement Squeeze & Add Wasatch perms</u>
<input type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion: _____			

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

Slate River Resources requests approval to cement squeeze Wasatch zones and perforate additional Wasatch zones

Procedure as follows:

- Set packer @ ±4000' and establish injection rate for squeeze
- Cement squeeze Wasatch perms 4232'-4238' and 4264'-4270'
- Drill out cement and cleanout to PBTD
- Perforate and test additional Wasatch zones between 2070' and 4612' gross interval
- Place well back on production from the Wasatch zones

We have a completion rig on the well now and a verbal response would be appreciated.

RECEIVED
MAR 16 2007
DIV. OF OIL, GAS & MINING

COPY SENT TO OPERATOR
Date: 3/20/07
Initials: CHD

NAME (PLEASE PRINT) <u>J. T. Conley</u>	TITLE <u>VP Operations</u>
SIGNATURE <u>J. T. Conley</u>	DATE <u>3/13/2007</u>

(This space for State use only)

APPROVED BY THE STATE
OF UTAH DIVISION OF
OIL, GAS, AND MINING
DATE: 3/20/07
BY: DSAWD (See Instructions on Reverse Side)

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

FORM 9

SUNDRY NOTICES AND REPORTS ON WELLS		5. LEASE DESIGNATION AND SERIAL NUMBER: FEE
Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.		6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
		7. UNIT or CA AGREEMENT NAME:
1. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER _____	8. WELL NAME and NUMBER: Utah Oil Shales 1321-9L	
2. NAME OF OPERATOR: Slate River Resources, LLC		9. API NUMBER: 4304736376
3. ADDRESS OF OPERATOR: 418 E. Main Ste 18 CITY Vernal STATE UT ZIP 84078		10. FIELD AND POOL, OR WLOCAT: Wildcat
4. LOCATION OF WELL FOOTAGES AT SURFACE: 2180' FSL 461' FWL		COUNTY: Uintah
QTRCTR. SECTION, TOWNSHIP, RANGE, MERIDIAN: NENE 9 13S 21E		STATE: UTAH

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA		
TYPE OF SUBMISSION	TYPE OF ACTION	
<input type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: <input checked="" type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion: 4/6/2007	<input type="checkbox"/> ACIDIZE <input type="checkbox"/> ALTER CASING <input type="checkbox"/> CASING REPAIR <input type="checkbox"/> CHANGE TO PREVIOUS PLANS <input type="checkbox"/> CHANGE TUBING <input type="checkbox"/> CHANGE WELL NAME <input type="checkbox"/> CHANGE WELL STATUS <input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS <input type="checkbox"/> CONVERT WELL TYPE	<input type="checkbox"/> DEEPEN <input type="checkbox"/> FRACTURE TREAT <input type="checkbox"/> NEW CONSTRUCTION <input type="checkbox"/> OPERATOR CHANGE <input type="checkbox"/> PLUG AND ABANDON <input checked="" type="checkbox"/> PLUG BACK <input type="checkbox"/> PRODUCTION (START/RESUME) <input type="checkbox"/> RECLAMATION OF WELL SITE <input checked="" 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: _____

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

3-8-07 to 4-2-07 MIRU Nabors Well Service .

Swab tested Wasatch perms 4232'-4270' gross, perms communicating. Squeezed off perms 4232'-4270' w/100 sbs "G" Cmt. w/2% KCL wr. Perforated Wasatch perms 4600'-06' and 4546'-52'. Break down w/ rig pump, swab tested each zone. Cap CIBP @ 5200' w/ 4 sxs cement. Set CIBP @ 4200' above gross perms 4546'-4606'. Perf Wasatch zones 2843'-48', 2786'-90', 2128'-32' and 2072'-76'. Break down and selectively swab each of the four zones. Reperf Wasatch zone 4232'-38' and acidize w/ 330 gals 7 1/2% HCl. Set packer @ 4212' and swab back acid load. Return well to production.

RECEIVED
MAY 30 2007
DIV. OF OIL, GAS & MINING

NAME (PLEASE PRINT) <u>Lucy Nemec</u>	TITLE <u>Sr. Operations Specialist</u>
SIGNATURE <u><i>Lucy Nemec</i></u>	DATE <u>5/29/2007</u>

(This space for State use only)

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

FROM: (Old Operator):

N2725-Slate River Resources, LLC
 418 E Main, Suite 18
 Vernal, UT 84078

Phone: 1 (435) 781-1874

TO: (New Operator):

N1675-Mustang Fuel Corporation
 13439 Broadway Ext.
 Oklahoma City, OK 73114-2202

Phone: 1 (405) 748-9487

CA No.

Unit:

WELL NAME	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
- Is the new operator registered in the State of Utah: Yes Business Number: 1467562-0143
- If **NO**, the operator was contacted on: _____
- (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
- (R649-3-1) The **NEW** operator of any fee well(s) listed covered by Bond Number 400KB7078
- 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 *N1675*

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

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

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
Earlene Russell, Engineering Technician

(See Instructions on Reverse Side)

RECEIVED

MAR 18 2008

DIV. OF OIL, GAS & MINING

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

FORM 9

SUNDRY NOTICES AND REPORTS ON WELLS		5. LEASE DESIGNATION AND SERIAL NUMBER: FEE
Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.		6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
		7. UNIT or CA AGREEMENT NAME:
1. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER _____	8. WELL NAME and NUMBER: See attached	
2. NAME OF OPERATOR: Slate River Resources, LLC <i>N2725</i>	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: <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"/> 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
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	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> PRODUCTION (START/RESUME)	<input type="checkbox"/> WATER SHUT-OFF
	<input type="checkbox"/> 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) <u>Lucy Nemece</u>	TITLE <u>Sr. Operations Specialist</u>
SIGNATURE <i>Lucy Nemece</i>	DATE <u>3/27/2008</u>

(This space for State use only)

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

RECEIVED
MAR 28 2008
DIV. OF OIL, GAS & MINING

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

FORM 9

SUNDRY NOTICES AND REPORTS ON WELLS

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:

Utah Oil Shales 1321-9L

9. API NUMBER:

4304736376

10. FIELD AND POOL OR WMLDCAT:

Wildcat

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 E. Main Ste 18 CITY Vernal STATE UT ZIP 84078 PHONE NUMBER: (435) 781-1874

4. LOCATION OF WELL
FOOTAGES AT SURFACE: 2180' FSL 461' FWL

COUNTY: Uintah

QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NENE 9 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>5/30/2008</u>	<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
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	<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
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	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> PRODUCTION (START/RESUME)	<input type="checkbox"/> WATER SHUT-OFF
	<input type="checkbox"/> 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 Drill out CIBPs @ 4250' & 5200' and Perforate the Sego Coal and Nelsen Coal zones.

Procedure as follows:

- MIRU Completion Unit. Release pkr and POOH. Drill out CIBPs @ 4250' & 5200', push down to 6430' and cap w/10' of cement.
- Perforate the Sego Coal @ 6350' - 6370', frac and test.
- Set CBP @ 6200' and cap w/10' cement.
- Perforate Nelsen Coal interval from 6060' - 6121', frac & test.
- Drill out CBP @ 6200', push to PBD @ 6430'
- Return well to production

COPY SENT TO OPERATOR

Date: 6.10.2008

Initials: KS

NAME (PLEASE PRINT) Lucy Nemeec

TITLE Sr. Operations Specialist

SIGNATURE Lucy Nemeec

DATE 5/27/2008

(This space for State use only)

APPROVED BY THE STATE
OF UTAH DIVISION OF
OIL, GAS, AND MINING
DATE: 6/2/08 (See Instructions on Reverse Side)
BY: [Signature]

RECEIVED
MAY 27 2008

DIV. OF OIL, GAS & MINING

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

FORM 9

SUNDRY NOTICES AND REPORTS ON WELLS

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

1. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER _____		5. LEASE DESIGNATION AND SERIAL NUMBER: FEE
2. NAME OF OPERATOR: Mustang Fuel Corporation		6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
3. ADDRESS OF OPERATOR: 418 E. Main Ste 18 CITY Vernal STATE UT ZIP 84078		7. UNIT OR CA AGREEMENT NAME:
4. LOCATION OF WELL FOOTAGES AT SURFACE: 2180' FSL 461' FWL		8. WELL NAME and NUMBER: Utah Oil Shales 1321-9L
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NENE 9 13S 21E		9. API NUMBER: 4304736376
COUNTY: Uintah		10. FIELD AND POOL, OR WILDCAT: Wildcat
STATE: UTAH		

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

TYPE OF SUBMISSION	TYPE OF ACTION		
<input type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: _____	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> DEEPEN	<input checked="" type="checkbox"/> REPERFORATE CURRENT FORMATION
<input checked="" type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion: 7/1/2008	<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 checked="" 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 reports Drilling out CIBPs @ 4250' & 5200' and Perforating the Seggo Coal and Nelsen Coal zones as follows:
5/31/08 - 6/30/08

- MIRU Completion Unit. Release pkr and POOH. Drill out CIBPs @ 4250' & 5200' Set CBP @ 7000' and capped w/10' cement.
- Perforate the Castlegate @ 6694 - 6815 gross. Set PKR @ 6598, frac and test. Release Test PKR.
- Set CBP @ 6200' and cap w/10' cement.
- Perforate Nelsen Coal interval from 6060-86, 6102-71. Set PKR @ 6011, frac & test. Release test PKR.
- RIH w/4-1/2" Baker LocSet PKR and 188 jts of 2-3/8" J-55 Tbg, set PKR @ 6004'.
- SWAB.
- Returned well to production @ 10:00 a.m. 6/30/08.

NAME (PLEASE PRINT) <u>Lucy Nemeec</u>	TITLE <u>Sr. Operations Specialist</u>
SIGNATURE <u><i>Lucy Nemeec</i></u>	DATE <u>7/1/2008</u>

STATE OF UTAH DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS, AND MINING	FORM 9
SUNDRY NOTICES AND REPORTS ON WELLS Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.	5. LEASE DESIGNATION AND SERIAL NUMBER: 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: UTAH OIL SHALES 1321-9L
2. NAME OF OPERATOR: MUSTANG FUEL CORPORATION	9. API NUMBER: 4304736376000
3. ADDRESS OF OPERATOR: 418 East Main , Vernal , UT, 84078	PHONE NUMBER: 405 748-9487 Ext
4. LOCATION OF WELL FOOTAGES AT SURFACE: 2180 FSL 0461 FWL QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: Qtr/Qtr: NWSW Section: 09 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 checked="" type="checkbox"/> PRODUCTION START OR RESUME	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input type="checkbox"/> RECOMPLETE DIFFERENT FORMATION
	<input type="checkbox"/> REPERFORATE CURRENT FORMATION	<input type="checkbox"/> SIDETRACK TO REPAIR WELL	<input type="checkbox"/> TEMPORARY ABANDON
	<input type="checkbox"/> TUBING REPAIR	<input type="checkbox"/> VENT OR FLARE	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> WATER SHUTOFF	<input type="checkbox"/> SI TA STATUS EXTENSION	<input type="checkbox"/> APD EXTENSION
	<input type="checkbox"/> WILDCAT WELL DETERMINATION	<input type="checkbox"/> OTHER	OTHER: <input style="width: 100px;" type="text"/>

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

Mustang Fuel Corporation reports the UOS 1321-9L was returned to production 5/1/2012.

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

Date: May 24, 2012

By: *D. K. Duff*

NAME (PLEASE PRINT) Lucy Nemec	PHONE NUMBER 435 781-1870	TITLE Sr Operation Spec
SIGNATURE N/A	DATE 5/4/2012	



GARY R. HERBERT
Governor

SPENCER J. COX
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

June 10, 2014

Certified Mail No. 7003 2260 0003 2358 7233

Mr. Jim Hill
Mustang Fuel Corporation
9800 N Oklahoma Ave
Oklahoma City, OK 73114

43 047 36376
Ut Oil Shales 1321-9L
9 135 21E

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

Dear Mr. Jim Hill:

As of April 2014, Mustang Fuel Corporation has one (1) Fee Lease Well (see attachment A) that is currently in non-compliance with the requirements for extended shut-in or temporarily abandoned (SI/TA) status. Also the wells plugged during 2013, each need a subsequent sundry submitted for filing.

Wells SI/TA beyond twelve (12) consecutive months requires filing a Sundry Notice (R649-3-36-1). Wells with five (5) years non-activity or non-productivity shall be plugged, unless the Division grants approval for extended shut-in time upon a showing of good cause by the operator (649-3-36-1.3.3). For extended SI/TA consideration the operator shall provide the Utah Division of Oil, Gas & Mining with the following:

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

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



Page 2

Mustang Fuel Corporation

June 10, 2014

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

cc: Compliance File
Well File

N:\O&G Reviewed Docs\ChronFile\PetroleumEngineer\SITA

ATTACHMENT A

	Well Name	API	LEASE	Years Inactive
1	UTAH OIL SHALES 1321-9L	43-047-36376	FEE	1 year 9 months

STATE OF UTAH DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS, AND MINING	FORM 9
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	7. UNIT or CA AGREEMENT NAME:
1. TYPE OF WELL Gas Well	8. WELL NAME and NUMBER: UTAH OIL SHALES 1321-9L
2. NAME OF OPERATOR: MUSTANG FUEL CORPORATION	9. API NUMBER: 43047363760000
3. ADDRESS OF OPERATOR: 418 East Main , Vernal , UT, 84078	PHONE NUMBER: 405 748-9487 Ext
4. LOCATION OF WELL FOOTAGES AT SURFACE: 2180 FSL 0461 FWL QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: Qtr/Qtr: NWSW Section: 09 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: 7/14/2014	<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
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<input type="checkbox"/> DRILLING REPORT Report Date:	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> NEW CONSTRUCTION
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	<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.

REQUEST DENIED
Utah Division of
Oil, Gas and Mining

Date: August 28, 2014
By: *Derek Quist*

Please Review Attached Conditions of Approval

NAME (PLEASE PRINT) Sherry George	PHONE NUMBER 405 748-9467	TITLE Sr. Prod. Analyst
SIGNATURE N/A	DATE 7/14/2014	



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 43047363760000

Information was not clear on how it showed the well to have integrity. Fluid level was not provided. Also a few questions that need to be answered: Was pressure zero? How many readings and when were they gathered? How does that information show integrity? Also a good reason for SI/TA was not given or length of time the well was to be SI/TA and future plans for the well.

Utah Oil Shales 1321-9L

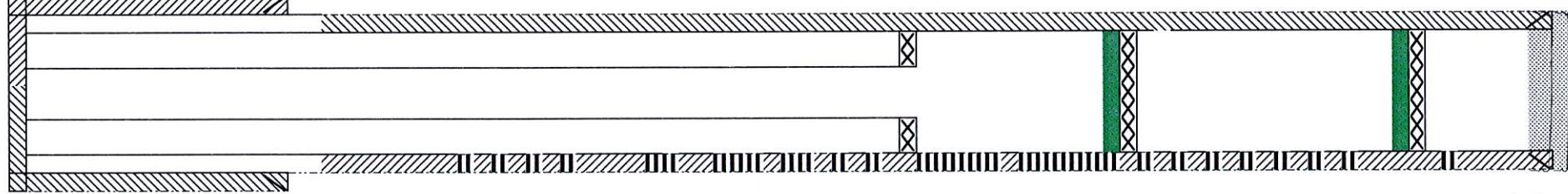
Mustang Fuel Corporation is requesting an extension of shut-in status for this well. The well has been shut in for some time and has not gained any casing pressure to warrant a mechanical integrity issue. A fluid level shot was performed on the well. The test showed that the casing is in a static state with a full fluid column covering the back side of the tubing and no recordable pressure associated with the fluid. Due to open perforations behind the tubing and packer system, running a full MIT would've cost us time for a rig and new packer, along with pump trucks in order to perform the job. According to a representative of the DOGM, a fluid level would suffice as long as there were no recordable pressures and a plan was implemented to make sure the well was NOT gaining pressure as time went on.

To stay in compliance with the above mentioned statement, MFC will begin recording pressures on the well. If pressures begin to rise, measures will be taken to combat this issues whether that be plugging the well fully or another method of TA'ing. In either case, the Utah DOGM will be notified and if requested, can be notified of casing pressures also.

OPERATOR: MUSTANG FUEL CORPORATION
 WELL: UOS #1321-9L
 FIELD: AGENCY DRAW
 API # 43-047-36376
 LEASE #: FEF
 UIC #: N/A

CNTY: UINTAH FTG: 2180' FSL, 461' FWL IP GAS:
 STATE: UT Q-Q: NWSW IP OIL:
 SPUD: 8/14/05 SEC.: 9 IP WTR:
 COMP: 10/20/05 TWS: 135 CUM GAS:
 STATUS: PGW RGE: 21E CUM OIL:
 WBD DATE: 1-Jul-08 BY: LN CUM WTR:
 LAST PROD:

WELLBORE DIAGRAM



KBE: 6016.6'
 KB: 15.6'
 GLE: 6001.0'

TD (ft): 7445'
 PBTD (ft): 7339'

12 1/4" Hole

9 5/8", 32.3# Csg @ 805'

TOC @ 905'

Top Wasatch @ 1995'
 Top Mesaverde @ 5070'
 Top Sego @ 5910'
 Top Castlegate @ 6690'
 Top Mancos @ 6900'
 Top Blackhawk @ 7140'

Wasatch 2072'-2076'
 Wasatch 2128'-2132'
 Wasatch 2786'-2790'
 Wasatch 2843'-2848'

Wasatch 4232'-4238'
 Wasatch 4264'-4270'

Wasatch 4508'-4514'
 Wasatch 4546'-4552'
 Wasatch 4600'-4606'

Mesaverde 5238'-5240'
 Mesaverde 5268'-5270'

Mesaverde 5348'-5353'
 Mesaverde 5944'-5951'

Mesaverde 6060'-6064'
 Mesaverde 6070'-6075'
 Mesaverde 6078'-6080'
 Mesaverde 6082'-6086'
 Mesaverde 6092'-6095'

Mesaverde 6102'-6118'
 Mesaverde 6126'-6130'
 Mesaverde 6138'-6142'
 Mesaverde 6153'-6156'
 Mesaverde 6159'-6164'
 Mesaverde 6168'-6171'
 Mesaverde 6210' w/10 cmt.
 Mesaverde 6210'-6213'

Mesaverde 6475'-6480'
 Mesaverde 6533'-6536'

Castlegate 6694'-6698'
 Castlegate 6741'-6745'

Castlegate 6797'-6802'
 Castlegate 6810'-6815'

Blackhawk CBP 7000' w/10 cmt.
 7137'-7144'

PBTD (FC) @ 7336'
 4 1/2", 11.6#, M-80 Csg @ 7381'
 Cmt'd w/ sxs Lead & sxs Tail
 TD @ 7445'
 7 7/8" Hole

CASING HEAD: CAMERON 11" 3K x 9-5/8"
 WELLHEAD: CAMERON 7-1/16" 5K x 2-1/16"

CASING RECORD

HOLE (in)	SIZE (in)	WT (lb/ft)	GRADE	TOP (ft)	JTS
12 1/4	9 5/8	32.3	H-40	0	805
7 7/8	4 1/2	11.6	M-80	0	7381

TUBING RECORD

SIZE (in)	WT (lb/ft)	GRADE	TOP (ft)	TALLY (ft)	JTS
2 3/8"	4.7	J-55	0	5985.10	188

ITEM DESC SIZE (in) TALLY (ft) JTS

K.B.		15.60	JTS
Tbg Stretch		1.58	
Tbg Hanger	2 3/8"	0.68	
TBG	2 3/8"	5985.10	188
Seat Nipple		1.10	
PKR	Baker locset	3.49	
EOT		6007.55	

PERFORATION RECORD

ZONE	TOP (ft)	BTM (ft)	SPF	DATE SHOT	STATUS	STIM
Wasatch	2072	2076	4	Mar-07		
Wasatch	2128	2130	4	Mar-07		
Wasatch	2786	2790	4	Mar-07		
Wasatch	2843	2848	4	Mar-07		
Wasatch	4232	4238	4	Mar-07	Squeezed	
Wasatch	4264	4270	4	Jan-07		
Wasatch	4508	4514	4	Jan-07		
Wasatch	4546	4270	4	Jan-07		
Wasatch	4600	4606	4	Jan-07		
Mesaverde	5238	5240	3	Sep-05		Sand Frac
Mesaverde	5268	5370	3	Sep-05		Sand Frac
Mesaverde	5348	5353	3	Sep-05		Sand Frac
Mesaverde	5944	5951	3	Sep-05	PKR 6004	Sand Frac
Mesaverde	6060	6064	2	Jun-08	OPEN	Sand Frac
Mesaverde	6070	6075	2	Jun-08	OPEN	Sand Frac
Mesaverde	6078	6080	2	Jun-08	OPEN	Sand Frac
Mesaverde	6082	6086	2	Jun-08	OPEN	Sand Frac
Mesaverde	6092	6095	3	Sep-05	OPEN	Sand Frac
Mesaverde	6102	6118	2	Jun-08	OPEN	Sand Frac
Mesaverde	6126	6130	2	Jun-08	OPEN	Sand Frac
Mesaverde	6138	6142	2	Jun-08	OPEN	Sand Frac
Mesaverde	6153	6156	2	Jun-08	OPEN	Sand Frac
Mesaverde	6159	6164	2	Jun-08	OPEN	Sand Frac
Mesaverde	6168	6171	2	Jun-08	OPEN	Sand Frac
Mesaverde	6210	6213	3	Sep-05	Under CBP	Sand Frac
Mesaverde	6475	6480	3	Sep-05		Sand Frac
Mesaverde	6533	6536	3	Sep-05		Sand Frac
Castlegate	6694	6698	2	Jun-08		Sand Frac
Castlegate	6741	6745	2	Jun-08		Sand Frac
Castlegate	6797	6802	2	Jun-08		Sand Frac
Castlegate	6810	6815	2	Jun-08	Under CBP	Sand Frac
Blackhawk	7137	7144	3	Sep-05		Sand Frac

WELLWORK HISTORY

Completion 09-09-2005 to 10-20-05
 Ran 4 1/2" CSG scraper to PBTD and CBL & perforated well. Correlated to Halliburton Triple Combo Log dated 8/25/05. Blackhawk zone 7137'-7144'. BD perf @ 2700 psig w/ hot oilier frac well as follows.
 Perfs Blackhawk zone 7137'-7144', gross interval BD perfs @ 2700 psig Fraced w/ 39 000# 20/40 @ 30 BPM
 perfs Mesaverde zones 6536-6475' gross interval BD perfs @ 4824 psig Fraced w/162100# 20/40 @ 32.8 - 34.6 BPM
 perfs Mesaverde zones 6213-6092' gross interval BD perfs @ 4484 psig Fraced w/88,000 # 20/40 @ 32.0 - 25.3 BPM
 perfs Mesaverde zone 5944-5951' gross interval BD perfs @ 3021 psig Fraced w/120,000 # 20/40 @ 25.0 - 20.2 BPM
 perfs Mesaverde zones 5353-5238' gross interval BD perfs @ 2510 psig Fraced w/202,200# 20/40 @ 37.2 - 40.4 BPM
 NOTE LAST FRAC WOULD NOT BREAK ACID WAS DUMP BAILED OVER ALL PERFS TO BREAK!
 Kill plugs where set after each frac and well was cleaned out to PBTD 09/16/05 and was flow tested 9/16/05 to ???
 10-4-05 SET PLUG IN R NIPPLE
 10-5-05 MIRU LEED RIG STRIPPED OUT 61 JTS. TBG AND LAID DOWN ON SEALS NEXT TO WELL HEAD
 SIF @ 1250 PSI. PREPARED TO RUN PRODUCTION LOG ON WELL 10-6-05 PLEASE SEE LOG FOR DETAILS.

10-20-05 MIRU LEED RIG SET KILL PLUG IN TBG AND STRIPPED 61 - JTS 2 3/8" TBG BACK IN WELL LEAVING PRODUCTION TBG AS SHOWN ABOVE.
 03-02-2006 to 03-20-06 SWABBING - several days swabbing and well kicking off flowing after 3-4 runs. But will not sustain consistent flow. Recommend raising tubing to assist in liquid unloading.
 03-23-06 MIRU WILD CAT RIG LAID DOWN 31 JTS 2 3/8" TBG TALLY OF 967.80' ON SEALS NEXT TO WELL HEAD TO ASSIST IN FLUID LIFTING TURNED WELL OVER TO PRODUCTION.

12-26-06 to 1-30-07 miru Peak well service to pull tbg looking for scale note tbg was stuck in well. tbg was worked free seen scale tbg from 5238' to 6092' well would not circ. well was cleaned out to pbtd using foam unit had heavy scale from 5268' to 5470' nb & plr was nh to test perfs from 6095' to 5238' & Champion GYTRON TC-40 was pump w/ tbg left in chemical to remove Barium scale. swab testing was as follows Mesaverde perfs 6092-95' dry perfs 5944-51' @ 1 bph perfs 5348-5353' @ 22 bph perfs 5270' to 5238' tested together @ 2 bph CIBP was set at 5200' and tested to 4000 psi tested good & Wasatch perfs where shot & broke using rig pump well head tree was replaced then swab tested & flow tested for production.

2-19-07 to 2-26-07 MIRU Nibors Well Service. POOH w/ tbg. PU Baker plr RIH broke. Wasatch perfs down swab tested perfs pumped 1000 gals 15% HCL acid in to Wasatch perfs 4232 to 4270' swabbed same back. RIH w/ production tbg as shown above.

3-8-07 to 4-2-07 MIRU Nibors Well service. Swab tested Wasatch perfs 4232'-4270' gross no gas. Found perfs communicating and squeezed off perfs 4232'-4270'. Performed Wasatch perfs 4508'-4606' gross broke down w/ rig pump swab tested each zone, w/ no gas and locset wtr. Set CIBP @ 4200' and perforated Wasatch perfs 2072' to 2848 gross and swab test selectively. All zones wet. DO CIBP @ 4200' and set CIBP @ 4250'. Report Wasatch perfs 4232'-4238'. RIH w/ PKR and set @ 4209'. BD perfs and acidize w/ 8 bbls 7 1/2% HCl acid. Swab back load and pressure building. RDMO.

5-31 - 6-30-08 MIRU Blu H Well Service. Release PKR. Drill out CIPS @ 4250 & 5200'. Heavy scale @ 5238 to 5295. Run GR/JB to 7320'. Set CBP @ 7000' & cnp w/ 10' cmt. Perforate Castlegate 6694' -6815' gross. Frac d w/ 79.175 gals lightning pad, 121,100# 20/40 sand. ISDP 2285psi. MTP 6321. ATP 5754 @ 16.2 BPM. Swab - lots of water. Set CBP @ 6200' w/ 10' cmt. Perf 6000-6171' gross. Frac w/ 86,562 gals lighting 22 and 153,180# 20/40 sd. MTP 5389# , ATP 4527# @ 14.2 BPM. ISIP 2300# . Set 4-1/2" Baker LocSet PKR @ 6004. Swab and return to prod.

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2. NAME OF OPERATOR: MUSTANG FUEL CORPORATION	9. API NUMBER: 43047363760000
3. ADDRESS OF OPERATOR: 418 East Main , Vernal , UT, 84078	PHONE NUMBER: 405 748-9487 Ext
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<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.

Fluid Level - 0' from surface Pressures - Recorded at time of shot, 0 psig, recording monthly readings now (Pressures recorded 7/8, 7/9 & 7/31) Integrity - With 0 psig on casing it is believed that the well is in a static state and not able to allow fluid inflow Time of TA - SI until gas prices allow for enough revenue to make well economic. Evaluating options for making zone more able to produce in economic quantities. Future plans would include re-stimulation, if deemed necessary, or re-completion if a zone of interest is established

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

Date: September 18, 2014

By: *Derek Duff*

Please Review Attached Conditions of Approval

NAME (PLEASE PRINT) Angelia Duffy	PHONE NUMBER 405 748-9261	TITLE Operations Tech
SIGNATURE N/A	DATE 8/29/2014	



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 43047363760000

SI/TA extension approved until 8/1/2015 as long as pressures and fluid levels are monitored periodically. If pressures or fluid levels change, the Division shall be notified immediately and additional work may be required to ascertain well integrity or remediate any problems.

STATE OF UTAH DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS, AND MINING	FORM 9
SUNDRY NOTICES AND REPORTS ON WELLS Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.	5. LEASE DESIGNATION AND SERIAL NUMBER: 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: UTAH OIL SHALES 1321-9L
4. LOCATION OF WELL FOOTAGES AT SURFACE: 2180 FSL 0461 FWL QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: Qtr/Qtr: NWSW Section: 09 Township: 13.0S Range: 21.0E Meridian: S	9. API NUMBER: 43047363760000
PHONE NUMBER: 405 748-9487 Ext	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: 7/14/2014	<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.

REQUEST DENIED
Utah Division of
Oil, Gas and Mining

Date: August 28, 2014
By: *Derek Quist*

Please Review Attached Conditions of Approval

NAME (PLEASE PRINT) Sherry George	PHONE NUMBER 405 748-9467	TITLE Sr. Prod. Analyst
SIGNATURE N/A	DATE 7/14/2014	



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 43047363760000

Information was not clear on how it showed the well to have integrity. Fluid level was not provided. Also a few questions that need to be answered: Was pressure zero? How many readings and when were they gathered? How does that information show integrity? Also a good reason for SI/TA was not given or length of time the well was to be SI/TA and future plans for the well.

Utah Oil Shales 1321-9L

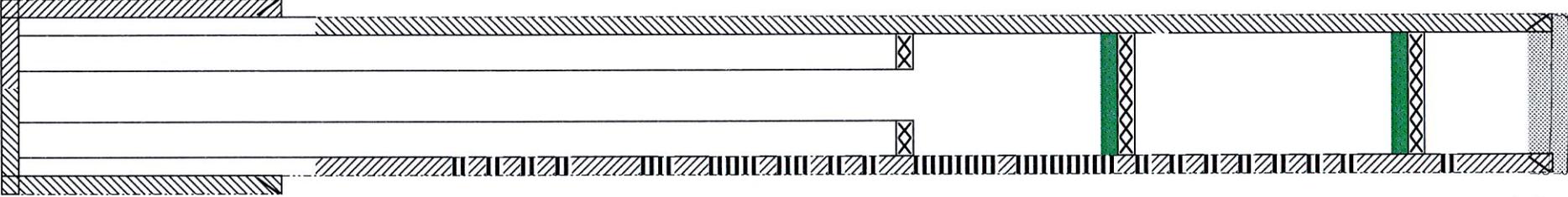
Mustang Fuel Corporation is requesting an extension of shut-in status for this well. The well has been shut in for some time and has not gained any casing pressure to warrant a mechanical integrity issue. A fluid level shot was performed on the well. The test showed that the casing is in a static state with a full fluid column covering the back side of the tubing and no recordable pressure associated with the fluid. Due to open perforations behind the tubing and packer system, running a full MIT would've cost us time for a rig and new packer, along with pump trucks in order to perform the job. According to a representative of the DOGM, a fluid level would suffice as long as there were no recordable pressures and a plan was implemented to make sure the well was NOT gaining pressure as time went on.

To stay in compliance with the above mentioned statement, MFC will begin recording pressures on the well. If pressures begin to rise, measures will be taken to combat this issues whether that be plugging the well fully or another method of TA'ing. In either case, the Utah DOGM will be notified and if requested, can be notified of casing pressures also.

OPERATOR: MUSTANG FUEL CORPORATION
 WELL: UOS #1321-9L
 FIELD: AGENCY DRAW
 API # 43-047-36376
 LEASE #: FEF
 UIC #: N/A

CNTY: UINTAH FTG: 2180' FSL, 461' FWL IP GAS:
 STATE: UT Q-Q: NWSW IP OIL:
 SPUD: 8/14/05 SEC.: 9 IP WTR:
 COMP: 10/20/05 TWS: 135 CUM GAS:
 STATUS: PGW RGE: 21E CUM OIL:
 WBD DATE: 1-Jul-08 BY: LN CUM WTR:
 LAST PROD: _____

WELLBORE DIAGRAM



KBE: 6016.6'
 KB: 15.6'
 GLE: 6001.0'

TD (ft): 7445'
 PRTD (ft): 7339'

12 1/4" Hole

9 5/8", 32.3# Csg @ 805'

TOC @ 905'

Top Wasatch @ 1995'
 Top Mesaverde @ 5070'
 Top Sego @ 5910'
 Top Castlegate @ 6690'
 Top Mancos @ 6900'
 Top Blackhawk @ 7140'

Wasatch 2072'-2076'
 Wasatch 2128'-2132'
 Wasatch 2786'-2790'
 Wasatch 2843'-2848'

Wasatch 4232'-4238'
 Wasatch 4264'-4270'

Wasatch 4508'-4514'
 Wasatch 4546'-4552'
 Wasatch 4600'-4606'

Mesaverde 5238'-5240'
 Mesaverde 5268'-5270'

Mesaverde 5348'-5353'
 Mesaverde 5944'-5951'

Mesaverde 6060'-6064'
 Mesaverde 6070'-6075'
 Mesaverde 6078'-6080'
 Mesaverde 6082'-6086'
 Mesaverde 6092'-6095'

Mesaverde 6102'-6118'
 Mesaverde 6126'-6130'
 Mesaverde 6138'-6142'
 Mesaverde 6153'-6156'
 Mesaverde 6159'-6164'
 Mesaverde 6168'-6171'
 Mesaverde 6210' w/10 cmt.
 Mesaverde 6210'-6213'

Mesaverde 6475'-6480'
 Mesaverde 6533'-6536'

Castlegate 6694'-6698'

Castlegate 6741'-6745'

Castlegate 6797'-6802'

Castlegate 6810'-6815'

Blackhawk CBP 7000' w/10 cmt.
 7137'-7144'

PBTD (FC) @ 7336'
 4 1/2", 11.6#, M-80 Csg @ 7381'
 Cmtd w/ sxs Lead & sxs Tail
 TD @ 7445'
 7 7/8" Hole

CASING HEAD: CAMERON 11" 3K x 9-5/8"
 WELLHEAD: CAMERON 7-1/16" 5K x 2-1/16"

CASING RECORD

HOLE (in)	SIZE (in)	WT (lb/ft)	GRADE	TOP (ft)	BTM (ft)	JTS
12 1/4	9 5/8	32.3	H-40	0	805	18
7 7/8	4 1/2	11.6	M-80	0	7381	175

Flag Joint @ 5408' Float Collar @ 7336'

TUBING RECORD

SIZE (in)	WT (lb/ft)	GRADE	TOP (ft)	TALLY (ft)	JTS
2 3/8"	4.7	J-55	0	5985.10	188

COND: USED DATE: 30-Jun-08

ITEM	DESC	SIZE (in)	TALLY (ft)	JTS
K.B.			15.60	
Tbg Stretch		2 3/8"	1.58	
Tbg Hanger		2 3/8"	0.68	
TBG		2 3/8"	5985.10	188
Seat Nipple		4 1/2"	1.10	
PKR	Baker locset	4 1/2"	3.49	
EOT			6007.55	

PERFORATION RECORD

ZONE	TOP (ft)	BTM (ft)	SPF	DATE SHOT	STATUS	STIM
Wasatch	2072	2076	4	Mar-07		
Wasatch	2128	2130	4	Mar-07		
Wasatch	2786	2790	4	Mar-07		
Wasatch	2843	2848	4	Mar-07		
Wasatch	4232	4238	4	Mar-07	Squeezed	
Wasatch	4264	4270	4	Jan-07		
Wasatch	4508	4514	4	Jan-07		
Wasatch	4546	4270	4	Jan-07		
Wasatch	4600	4606	4	Jan-07		
Mesaverde	5238'	5240'	3	Sep-05		Sand Frac
Mesaverde	5268'	5370'	3	Sep-05		Sand Frac
Mesaverde	5348'	5353'	3	Sep-05		Sand Frac
Mesaverde	5944'	5951'	3	Sep-05	PKR 6004	Sand Frac
Mesaverde	6060'	6064'	2	Jun-08	OPEN	Sand Frac
Mesaverde	6070'	6075'	2	Jun-08	OPEN	Sand Frac
Mesaverde	6078'	6080'	2	Jun-08	OPEN	Sand Frac
Mesaverde	6082'	6086'	2	Jun-08	OPEN	Sand Frac
Mesaverde	6092'	6095'	3	Sep-05	OPEN	Sand Frac
Mesaverde	6102'	6118'	2	Jun-08	OPEN	Sand Frac
Mesaverde	6126'	6130'	2	Jun-08	OPEN	Sand Frac
Mesaverde	6138'	6142'	2	Jun-08	OPEN	Sand Frac
Mesaverde	6153'	6156'	2	Jun-08	OPEN	Sand Frac
Mesaverde	6159'	6164'	2	Jun-08	OPEN	Sand Frac
Mesaverde	6168'	6171'	2	Jun-08	OPEN	Sand Frac
Mesaverde	6210'	6213'	3	Sep-05	Under CBP	Sand Frac
Mesaverde	6475'	6480'	3	Sep-05		Sand Frac
Mesaverde	6533'	6536'	3	Sep-05		Sand Frac
Castlegate	6694'	6698'	2	Jun-08		Sand Frac
Castlegate	6741'	6745'	2	Jun-08		Sand Frac
Castlegate	6797'	6802'	2	Jun-08		Sand Frac
Castlegate	6810'	6815'	2	Jun-08	Under CBP	Sand Frac
Blackhawk	7137'	7144'	3	Sep-05		Sand Frac

WELLWORK HISTORY

Completion 09-09-2005 to 10-20-05
 Ran 4 1/2" CSG scraper to PBTD and CBL & perforated well. Correlated to Halliburton Triple Combo Log dated 8/25/05. Blackhawk zone 7137'-7144'. BD perf @ 2700 psig w/ hot oilier frac well as follows.
 Perfs Blackhawk zone 7137'-7144', gross interval BD perfs @ 2700 psig Fraced w/ 39 000# 20/40 @ 30 BPM
 perfs Mesaverde zones 6536'-6475' gross interval BD perfs @ 4824 psig Fraced w/162100# 20/40 @ 32.8 - 34.6 BPM
 perfs Mesaverde zones 6213'-6092' gross interval BD perfs @ 4484 psig Fraced w/88,000 # 20/40 @ 25.0 - 25.3 BPM
 perfs Mesaverde zone 5944'-5951' gross interval BD perfs @ 3027 psig Fraced w/120,000 # 20/40 @ 18.2 - 20.2 BPM
 perfs Mesaverde zones 5353'-5238' gross interval BD perfs @ 2510 psig Fraced w/202,200# 20/40 @ 37.2 - 40.4 BPM
 NOTE LAST FRAC WOULD NOT BREAK ACID WAS DUMP BAILED OVER ALL PERFS TO BREAK!
 Kill plugs where set after each frac and well was cleaned out to PBTD 09/16/05 and was flow tested 9/16/05 to ???
 10-4-05 SET PLUG IN R NIPPLE
 10-5-05 MIRU LEED RIG STRIPPED OUT 61 JTS. TBG AND LAID DOWN ON SEALS NEXT TO WELL HEAD
 SIF @ 1250 PSI. PREPARED TO RUN PRODUCTION LOG ON WELL 10-6-05 PLEASE SEE LOG FOR DETAILS.
 10-20-05 MIRU LEED RIG SET KILL PLUG IN TBG AND STRIPPED 61 - JTS 2 3/8" TBG BACK IN WELL
 LEAVING PRODUCTION TBG AS SHOWN ABOVE.
 03-02-2006 to 03-20-06 SWABBING - several days swabbing and well kicking off flowing after 3-4 runs. But will not sustain consistent flow. Recommend raising tubing to assist in liquid unloading.
 03-23-06 MIRU WILD CAT RIG LAID DOWN 31-JTS 2 3/8" TBG TALLY OF 967.80' ON SEALS NEXT TO WELL HEAD TO ASSIST IN FLUID LIFTING TURNED WELL OVER TO PRODUCTION.

12-26-06 to 1-30-07 miru Peak well service to pull tbg looking for scale note tbg was stuck in well, tbg was worked free seen scale tbg from 5238' to 6092' well would not circ, well was cleaned out to pbtd using foam unit had heavy scale from 5268' to 5470' nb & plr was nh to test perfs from 6095' to 5238' & Champion GYTRON TC-40 was pump w/ tbg left in chemical to remove Barium scale. swab testing was as follows Mesaverde perfs 6092'-95' dry perfs 5944'-51' @ 1 bph perfs 5348'-5353' @ 22 bph perfs 5270' to 5238' tested together @ 2 bph CIBP was set at 5200' and tested to 4000 psi tested good & Wasatch perfs where shot & broke using rig pump well head tree was replaced then swab tested & flow tested for production.

2-19-07 to 2-26-07 MIRU Nibors Well Service. POOH w/ tbg. PU Baker plr RIH broke. Wasatch perfs down swab tested perfs pumped 1000 gals 15% HCL acid in to Wasatch perfs 4232 to 4270' swabbed same back. RIH w/ production tbg as shown above.

3-8-07 to 4-2-07 MIRU Nibors Well service. Swab tested Wasatch perfs 4232'-4270' gross no gas. Found perfs communicating and squeezed off perfs 4232'-4270'. Performed Wasatch perfs 4508'-4606' gross broke down w/ rig pump swab tested each zone, w/ no gas and locset wtr. Set CIBP @4200' and perforated Wasatch perfs 2072' to 2848 gross and swab test selectively. All zones wet. DO CIBP @ 4200' and set CIBP @ 4250'. Report Wasatch perfs 4232'-4238'. RIH w/ PKR and set @ 4209'. BD perfs and acidize w/ 8 bbls 7 1/2% HCl acid. Swab back load and pressure building. RDMO.
 5-31 - 6-30-08 MIRU Blu H Well Service. Release PKR. Drill out CIPS @ 4250 & 5200'. Heavy scale @ 5238 to 5295. Run GR/JB to 7320'. Set CBP @ 7000' & cnp w/ 10' cmt. Perforate Castlegate 6694' -6815' gross. Frac d w/79.175 gals lightning pad, 121,100# 20/40 sand. ISDP 2285psi. MTP 6321. ATP 5754 @ 16.2 BPM. Swab - lots of water. Set CBP @ 6200' w/ 10' cmt. Perf 6000'-6171' gross. Frac w/86,562 gals lighting 22 and 153,180# 20/40 sd. MTP 5389# , ATP 4527# @ 14.2 BPM. ISIP 2300# . Set 4-1/2" Baker LocSet PKR @ 6004. Swab and return to prod.

STATE OF UTAH DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS, AND MINING	FORM 9
SUNDRY NOTICES AND REPORTS ON WELLS Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.	5. LEASE DESIGNATION AND SERIAL NUMBER: 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: UTAH OIL SHALES 1321-9L
2. NAME OF OPERATOR: MUSTANG FUEL CORPORATION	9. API NUMBER: 43047363760000
3. ADDRESS OF OPERATOR: 418 East Main , Vernal , UT, 84078	PHONE NUMBER: 405 748-9487 Ext
4. LOCATION OF WELL FOOTAGES AT SURFACE: 2180 FSL 0461 FWL QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: Qtr/Qtr: NWSW Section: 09 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: 6/11/2015	<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.

This well has been TA/inactive for quite some time. The last SI TA extension was approved 9-18-2014. It will expire 8-1-2015. Mustang is expecting to plug this well within the next 6 months so we are requesting another extension.

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

Date: June 22, 2015
 By: 

Please Review Attached Conditions of Approval

NAME (PLEASE PRINT) Angelia Duffy	PHONE NUMBER 405 748-9261	TITLE Operations Tech
SIGNATURE N/A	DATE 6/11/2015	



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 43047363760000

Extension valid through 9/1/2015. If the well cannot be P&A'd by that date, then a request for extension should be submitted at that time and include the pressure monitoring data required throughout the year on the last extension approval showing the well is in a static state.

STATE OF UTAH DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS, AND MINING	FORM 9
SUNDRY NOTICES AND REPORTS ON WELLS Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.	5. LEASE DESIGNATION AND SERIAL NUMBER: 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: UTAH OIL SHALES 1321-9L
2. NAME OF OPERATOR: MUSTANG FUEL CORPORATION	9. API NUMBER: 43047363760000
3. ADDRESS OF OPERATOR: 418 East Main , Vernal , UT, 84078	PHONE NUMBER: 405 748-9487 Ext
4. LOCATION OF WELL FOOTAGES AT SURFACE: 2180 FSL 0461 FWL QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: Qtr/Qtr: NWSW Section: 09 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: 8/31/2015	<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
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	<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.

1. MIRU Peak Well Service, unhang horse head and POOH w/ rods and pump. 2. ND WH, NU BOP. Unset TAC and POOH w/ tbg. LD BHA and TAC. 3. PU workstring and RIH to +/- 4400'. Set the following plugs: a. 20 sks plug at Top of Mesaverde (+/- 5100-5300') b. 25 sks plug at Top of Wasatch (+/- 1900-2200') c. Cement over 9-5/8" shoe w/ 20 sks at 700-900' d. Fill surface w/ 60 sks from 150-0'. 4. ND BOP Cut off wellhead. Install P&A Marker w/ cement. RDMO Peak Well Service. Cut Anchors.

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

Date: August 27, 2015

By: *Derek Duff*

Please Review Attached Conditions of Approval

NAME (PLEASE PRINT) Angelia Duffy	PHONE NUMBER 405 748-9261	TITLE Operations Tech
SIGNATURE N/A	DATE 8/18/2015	



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 43047363760000

- 1. Notify the Division at least 24 hours prior to conducting abandonment operations. Please call Dan Jarvis at 801-538-5338.**
- 2. Add Plug #2: A 200' plug (± 20 sx) shall be balanced from $\pm 2900'$ to $2700'$. This will isolate the deeper perms and the potential fresh water bearing formations above.**
- 3. Amend Plug #4: This plug should be set deeper and extended. Plug should be set from $\pm 1000'$ to $700'$ (± 25 sx).**
- 4. All balanced plugs shall be tagged to ensure that they are at the depth specified.**
- 5. All annuli shall be cemented from a minimum depth of $100'$ to the surface.**
- 6. The interval between plugs shall be filled with noncorrosive fluid of adequate density to prevent migration of formation water into or through the well bore (R649-3-24-3.5).**
- 7. Surface reclamation shall be done in accordance with R649-3-34 – Well Site Restoration.**
- 8. All requirements in the Oil and Gas Conservation General Rule R649-3-24 shall apply.**
- 9. 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.**
- 10. All other requirements for notice and reporting in the Oil and Gas Conservation General Rules shall apply.**

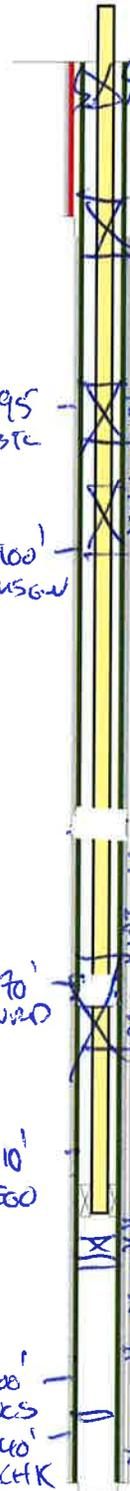
Wellbore Diagram

API Well No: 43-047-36376-00-00 Permit No: Well Name/No: UTAH OIL SHALES 1321-9L
 Company Name: MUSTANG FUEL CORPORATION
 Location: Sec: 9 T: 13S R: 21E Spot: NWSW
 Coordinates: X: 621752 Y: 4395408
 Field Name: AGENCY DRAW
 County Name: Uintah

String Information

String	Bottom (ft sub)	Diameter (inches)	Weight (lb/ft)	Length (ft)
HOL1	805	12.25		
SURF	805	9.625	32.3	
HOL2	7381	7.815		
PROD	7381	4.5	11.6	
TI	5985	2.375	4.7	11.459
CIBP	7000			
CIBP	6200			
PKR	6004			

Capacity (+/CF)



Plug # 5
 $150' / (1.15) (11.459) = 12.5x$
 $150' / (1.15) (30.17) = 43.5x$
 Cement from 805 ft. to surface
 Surface: 9.625 in. @ 805 ft.
 Hole: 12.25 in. @ 805 ft.

* Extend Plug # 4
 Place fr. 1000' to 700'
 $25x = 329'$

$7 \frac{7}{8}'' \times 4 \frac{1}{2}'' (108) \rightarrow 3.3465$
 $9 \frac{5}{8}'' \times 4 \frac{1}{2}'' \rightarrow 3.017$

1995 WSTC
 2900 BMSGW
 2700
 2843-48
 2900

Plug # 3
 $(25x) (1.15) (11.459) = 329'$
 TOCC @ 1900' ✓

* Add Plug # 2
 20x fr. 2900' to 2700'

Cement Information

String	BOC (ft sub)	TOC (ft sub)	Class	Sacks
CIBP	6200	6190		
CIBP	7000	6090		
PROD	7381	906	UK	1410
SURF	805	0	G	450

Perforation Information

Top (ft sub)	Bottom (ft sub)	Shts/Ft	No Shts	Dt Squeeze
5238	7144			
2072	2848			
4232	4238			
4264	4270			

4232 - 38' open
 4270
 4546-4606
 5100
 5070 MVRD
 5238
 5300

Plug # 1
 $(20x) (1.15) (11.459) = 263'$ TOCC @ 5036' ✓

Formation Information

Formation	Depth
WSTC	1995
BMSW	2900
MVRD	5070
SEGO	5910
CSLGT	6690
MNCS	6900
BLKHK	7140

5910 SEGO
 6000 MNCS
 7140 BLKHK
 6060-86'
 6102-71'
 CIBP @ 6200' w/ 10' cement
 6694'
 6815'
 Production: 4.5 in. @ 7381 ft.
 Hole: 7.85 in. @ 7381 ft.
 Hole: Unknown
 7144'

TD: 7445 TVD: 7445 PBD: 7339

STATE OF UTAH DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS, AND MINING		FORM 9
SUNDRY NOTICES AND REPORTS ON WELLS		5. LEASE DESIGNATION AND SERIAL NUMBER: FEE
Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.		6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
		7. UNIT or CA AGREEMENT NAME:
1. TYPE OF WELL Gas Well	8. WELL NAME and NUMBER: UTAH OIL SHALES 1321-9L	
2. NAME OF OPERATOR: MUSTANG FUEL CORPORATION	9. API NUMBER: 43047363760000	
3. ADDRESS OF OPERATOR: 418 East Main , Vernal , UT, 84078	PHONE NUMBER: 405 748-9487 Ext	9. FIELD and POOL or WILDCAT: AGENCY DRAW
4. LOCATION OF WELL FOOTAGES AT SURFACE: 2180 FSL 0461 FWL QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: Qtr/Qtr: NWSW Section: 09 Township: 13.0S Range: 21.0E Meridian: S	COUNTY: UINTAH	
	STATE: UTAH	
11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA		
TYPE OF SUBMISSION	TYPE OF ACTION	
<input type="checkbox"/> NOTICE OF INTENT Approximate date work will start:	<input type="checkbox"/> ACIDIZE <input type="checkbox"/> CHANGE TO PREVIOUS PLANS <input type="checkbox"/> CHANGE WELL STATUS <input type="checkbox"/> DEEPEN <input type="checkbox"/> OPERATOR CHANGE <input type="checkbox"/> PRODUCTION START OR RESUME <input type="checkbox"/> REPERFORATE CURRENT FORMATION <input type="checkbox"/> TUBING REPAIR <input type="checkbox"/> WATER SHUTOFF <input type="checkbox"/> WILDCAT WELL DETERMINATION	<input type="checkbox"/> ALTER CASING <input type="checkbox"/> CHANGE TUBING <input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS <input type="checkbox"/> FRACTURE TREAT <input checked="" type="checkbox"/> PLUG AND ABANDON <input type="checkbox"/> RECLAMATION OF WELL SITE <input type="checkbox"/> SIDETRACK TO REPAIR WELL <input type="checkbox"/> VENT OR FLARE <input type="checkbox"/> SI TA STATUS EXTENSION <input type="checkbox"/> OTHER: <input style="width: 100px;" type="text"/>
<input checked="" type="checkbox"/> SUBSEQUENT REPORT Date of Work Completion: 9/14/2015	<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	
<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. RU WL, RIH w/ 1.75 drift to 5800', POOH, RIH w/ 2 3/8" tbg, plug set @ 5086', POOH, press test tbg, had hole in tbg, run in & cut tbg @ 5070', 2' above pkr, POOH, RIH w/ WL & 1.75" gauge ring to 5150', POOH w/ 2 3/8" tbg, plug set @ 5086', POOH & press test tbg, tbg had hole in it communicated to annular, RIH & cut tbg off @ 5070', 2' above pkr, POOH, RD WL, POOH w/ 2 3/8" tbg, LD, PU work string, tally pipe, tag up on fill @ 5021', PU 2', spot 20 sx cmt of top, pull above cmt & reverse out, pull 40 jts, RIH, tag cmt top @ 4795' (cmt 5021'-4795', 226' plug), pull 1 jt in hole w/ corrosion inhibitor, LD 54 jts, EOT @ 2909', spot 20 sx, balance plug, pull 30 jts, reverse out, wait 4 hrs, RIH & tag cmt top @ 2754', spotted 15 more sx, pull up, reverse out, pull to 2211', spot 30 sx, balance plug, pull 30 jts, reverse out, wait 3 hrs, RIH & tag @ 1899', pull up to 1012', spot 30 sx, balance plug, pull 16 jts, reverse out, POOH, RIH, tag cmt top @ 667', LD 32 jts, pump 150' cmt in 4 1/2" csg, put 45 sx down 9 5/8", well drank cmt, wait 4 hrs, pump 15 sx down surf, secure well, pump 20 sx down surf, fill surf csg w/ 20 sx (105 sx total), weld on marker 9-14-15.		
NAME (PLEASE PRINT) Angelia Duffy	PHONE NUMBER 405 748-9261	TITLE Operations Tech
SIGNATURE N/A	DATE 10/28/2015	

Accepted by the
Utah Division of
Oil, Gas and Mining
FOR RECORD ONLY
October 28, 2015