

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

FORM 3

001

AMENDED REPORT
(highlight changes)

APPLICATION FOR PERMIT TO DRILL *Fee*

1A. TYPE OF WORK: DRILL <input checked="" type="checkbox"/> REENTER <input type="checkbox"/> DEEPEN <input type="checkbox"/>		5. MINERAL LEASE NO: UT1000100	6. SURFACE: Fee
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"/>		7. IF INDIAN, ALLOTTEE OR TRIBE NAME:	
2. NAME OF OPERATOR: SLATE RIVER RESOURCES, LLC		8. UNIT or CA AGREEMENT NAME:	
3. ADDRESS OF OPERATOR: 418 E. MAIN ST CITY VERNAL STATE UT ZIP 84078		PHONE NUMBER: (435) 781-1871	9. WELL NAME and NUMBER: MUSTANG 1320-11
4. LOCATION OF WELL (FOOTAGES) AT SURFACE: 1879' FSL & 846' FEL AT PROPOSED PRODUCING ZONE: SAME AS ABOVE		10. FIELD AND POOL, OR WILDCAT: <i>Wildcat</i>	
14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE: 69.0 MILES SOUTH OF VERNAL, UT		11. QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NESE 1 13S 20E	
15. DISTANCE TO NEAREST PROPERTY OR LEASE LINE (FEET) 846'		16. NUMBER OF ACRES IN LEASE: 19,199.80	17. NUMBER OF ACRES ASSIGNED TO THIS WELL: 320.06
18. DISTANCE TO NEAREST WELL (DRILLING, COMPLETED, OR APPLIED FOR) ON THIS LEASE (FEET) 2600'		19. PROPOSED DEPTH: 8,000	20. BOND DESCRIPTION: B-001556
21. ELEVATIONS (SHOW WHETHER DF, RT, GR, ETC.): 5833.5' 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

RECEIVED

MAR 14 2005

25. ATTACHMENTS

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

- WELL PLAT OR MAP PREPARED BY LICENSED SURVEYOR OR ENGINEER
- COMPLETE DRILLING PLAN
- EVIDENCE OF DIVISION OF WATER RIGHTS APPROVAL FOR USE OF WATER
- FORM 5, IF OPERATOR IS PERSON OR COMPANY OTHER THAN THE LEASE OWNER

NAME (PLEASE PRINT) GINGER STRINGHAM TITLE AGENT
SIGNATURE *Ginger Stringham* DATE 3/11/2005

(This space for State use only)

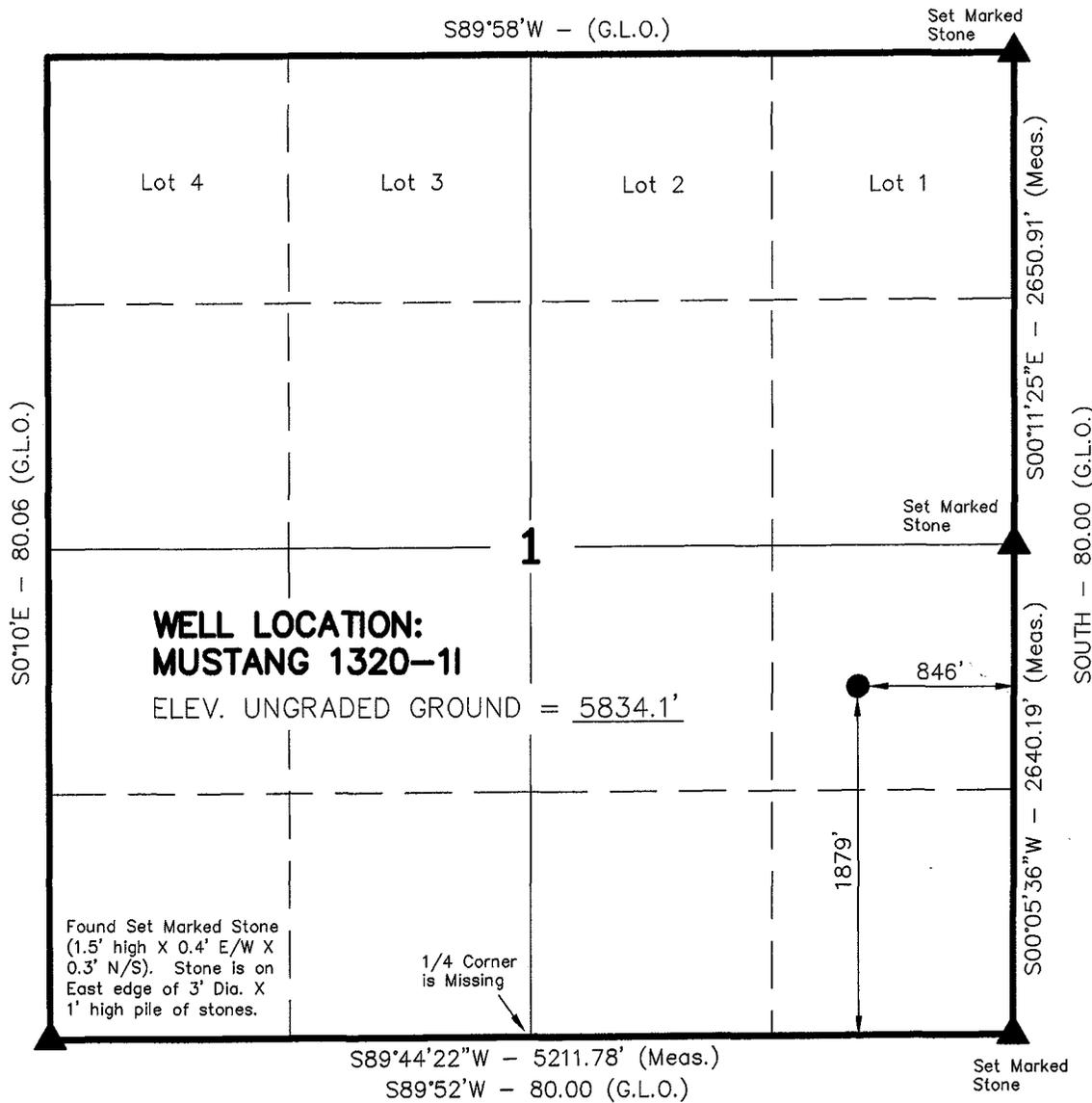
API NUMBER ASSIGNED: 43-047-36384

Approved by the
Utah Division of
Oil, Gas and Mining
Date: 04-16-05
By: *[Signature]*

CONFIDENTIAL

T13S, R20E, S.L.B.&M.

SLATE RIVER RESOURCES, LLC



WELL LOCATION, MUSTANG 1320-11, LOCATED AS SHOWN IN THE NE 1/4 SE 1/4 OF SECTION 1, T13S, R20E, S.L.B.&M. 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'.

MUSTANG 1320-11
 (Proposed Well Head)
 NAD 83 Autonomous
 LATITUDE = 39° 42' 48.5"
 LONGITUDE = 109° 37' 17.3"

TIMBERLINE LAND SURVEYING, INC.		SHEET 1 OF 10
38 WEST 100 NORTH. - VERNAL, UTAH 84078 (435) 789-1365		
DATE SURVEYED: 2-15-05	SURVEYED BY: K.K.	
DATE DRAWN: 2-26-05	DRAWN BY: J.R.S.	
SCALE: 1" = 1000'	Date Last Revised:	

003

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 14 2005
DIV. OF OIL, GAS & MINING

Ten Point Plan**Slate River Resources, LLC****Mustang 1320-11****Section 1, Township 13 South, Range 20 East, NE/SE****1. Surface Formation**

Green River

2. Estimated Formation Tops and Datum:

<u>Formation</u>	<u>Depth</u>	<u>Datum</u>
Green River	Surface	5833.5' G.R.
Wasatch	2370'	3463.5'
Mesaverde	4870'	963.5'
Castlegate	6850'	-1016.5'
Mancos	7500'	-1666.5'
TD	8000'	-2166.5'

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

3. Producing Formation Depth:

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

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

Drilling/Permitted:

Uintah Oil Association 1321-6G
Mustang 1321-7F
Mustang 1321-6C
Mustang 1321-6N
Mustang 1320-12A

Abandon Well:

Agency Draw 16-2
Agency Draw 1-1A

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

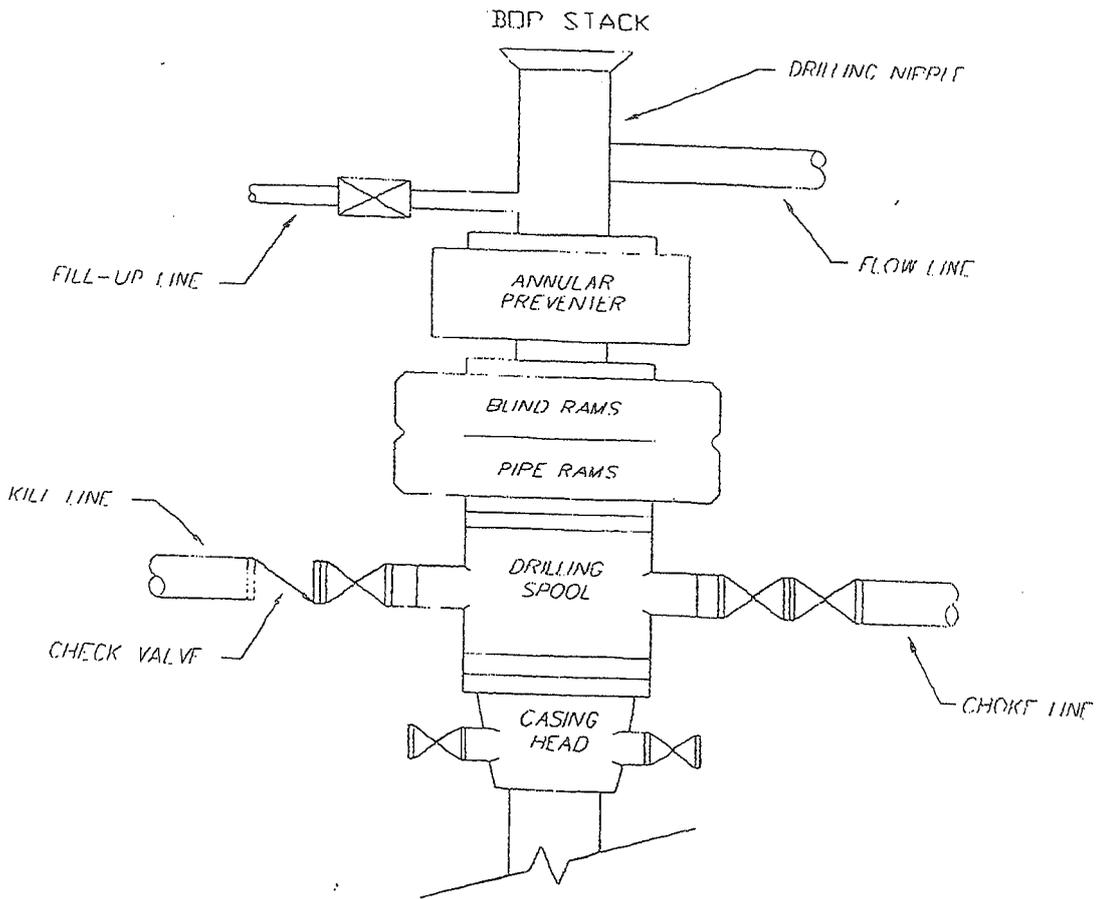
9. Abnormalities (including sour gas):

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.

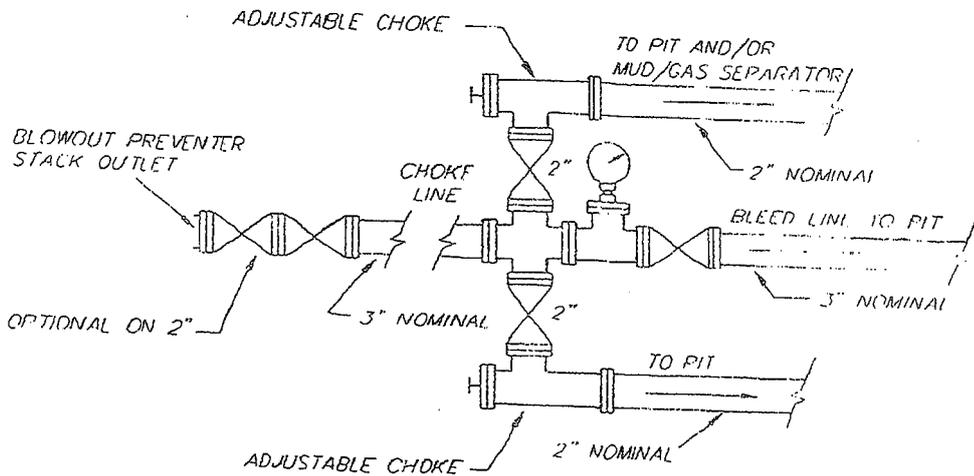
10. Drilling Schedule:

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.
CHOK MANIFOLD SCHEMATIC



SLATE RIVER RESOURCES, LLC

13 POINT SURFACE USE PLAN

FOR WELL

MUSTANG 1320-1I

LOCATED IN NE ¼ SE ¼

SECTION 1, T.13S, R20E, S.L.B.&M.

UINTAH COUNTY, UTAH

LEASE NUMBER: UT10001.0000

SURFACE OWNERSHIP: FEE

1. Existing Roads:

SLATE RIVER RESOURCES, LLC
Mustang 1320-II
Section 1, T13S, R20E, S.L.B.&M.

PROCEED IN A WESTERLY DIRECTION FROM VERNAL, UTAH ALONG U.S. HIGHWAY 40 APPROXIMATELY 14 MILES TO THE JUNCTION OF STATE HIGHWAY 88; EXIT LEFT AND PROCEED IN A SOUTHERLY DIRECTION ALONG STATE HIGHWAY 88 APPROXIMATELY 17 MILES TO OURAY, UTAH; FROM OURAY, PROCEED IN A SOUTHERLY DIRECTION ALONG THE SEEP RIDGE ROAD (COUNTY B ROAD 2810) APPROXIMATELY 29.4 MILES TO ITS INTERSECTION WITH THE BUCK CANYON ROAD (COUNTY B ROAD 5460); EXIT RIGHT AND PROCEED IN A SOUTHWESTERLY DIRECTION ALONG THE BUCK CANYON ROAD APPROXIMATELY 3.2 MILES TO WILLOW CREEK; TURN RIGHT AND PROCEED IN A NORTHWESTERLY DIRECTION ALONG THE WILLOW CREEK ROAD (COUNTY B ROAD 5120) APPROXIMATELY 2.1 MILES TO ITS INTERSECTION WITH THE AGENCY DRAW ROAD (COUNTY B ROAD 5340); EXIT LEFT AND PROCEED IN A WESTERLY THEN SOUTHERLY DIRECTION ALONG THE AGENCY DRAW ROAD APPROXIMATELY 3.2 MILES TO THE PROPOSED ACCESS ROAD; FOLLOW ROAD FLAGS IN A NORTHWESTERLY DIRECTION APPROXIMATELY 530 FEET TO THE PROPOSED LOCATION.

TOTAL DISTANCE FROM VERNAL, UTAH TO THE PROPOSED WELL LOCATION IS APPROXIMATELY 69.0 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 | |
| Agency Draw 16-2 | |
| Agency Draw 1-1A | |
| D) Temp. abandoned well | None |
| E) Disposal well | None |
| F) Drilling /Permitted well | |
| Uintah Oil Association 1321-6G | |
| Mustang 1321-6N | |
| Mustang 1320-12A | |
| Mustang 1321-6C | |
| Mustang 1321-7F | |
| 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 3,010' +/- of 3" pipeline would be constructed on Private Lands. The line would tie into the proposed pipeline in Section 6, T13S, R21E. The line will be strung and boomed to the east and 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-improving 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 12.0 ft
- G) Max fill 3.1 ft
- H) Total cut yds. 4,510 cu yds
- I) Pit location south side
- J) Top soil location south side
- K) Access road location east 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 1,460 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.

- 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.

D) Water:

The nearest water is Willow Creek located approximately 3.5 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.

G) Flare pit:

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

13. Lessees or Operator's representative and certification

A) Representative(s)

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

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

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

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

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

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

B) Certification:

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

Date 3/14/05



Ginger P Stringham, Agent
Paradigm Consulting, INC

Onsite Dates:

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

RECEIVED
 MAY 06 2004
WATER RIGHTS
 VERNAL

**TEMPORARY APPLICATION
 TO APPROPRIATE WATER**

Rec. by STW
 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
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									

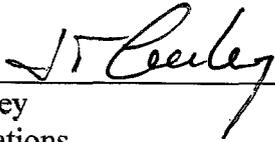
AFFIDAVIT OF SURFACE OWNER USE AGREEMENT

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

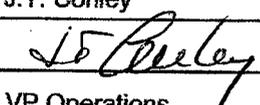
It is understood that this designation of agent/operator does not relieve the lessee of responsibility for compliance with the terms of the lease and the Oil and Gas Conservation General Rules and Procedural Rules of the Board of Oil, Gas and Mining of the State of Utah. It is also understood that this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

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

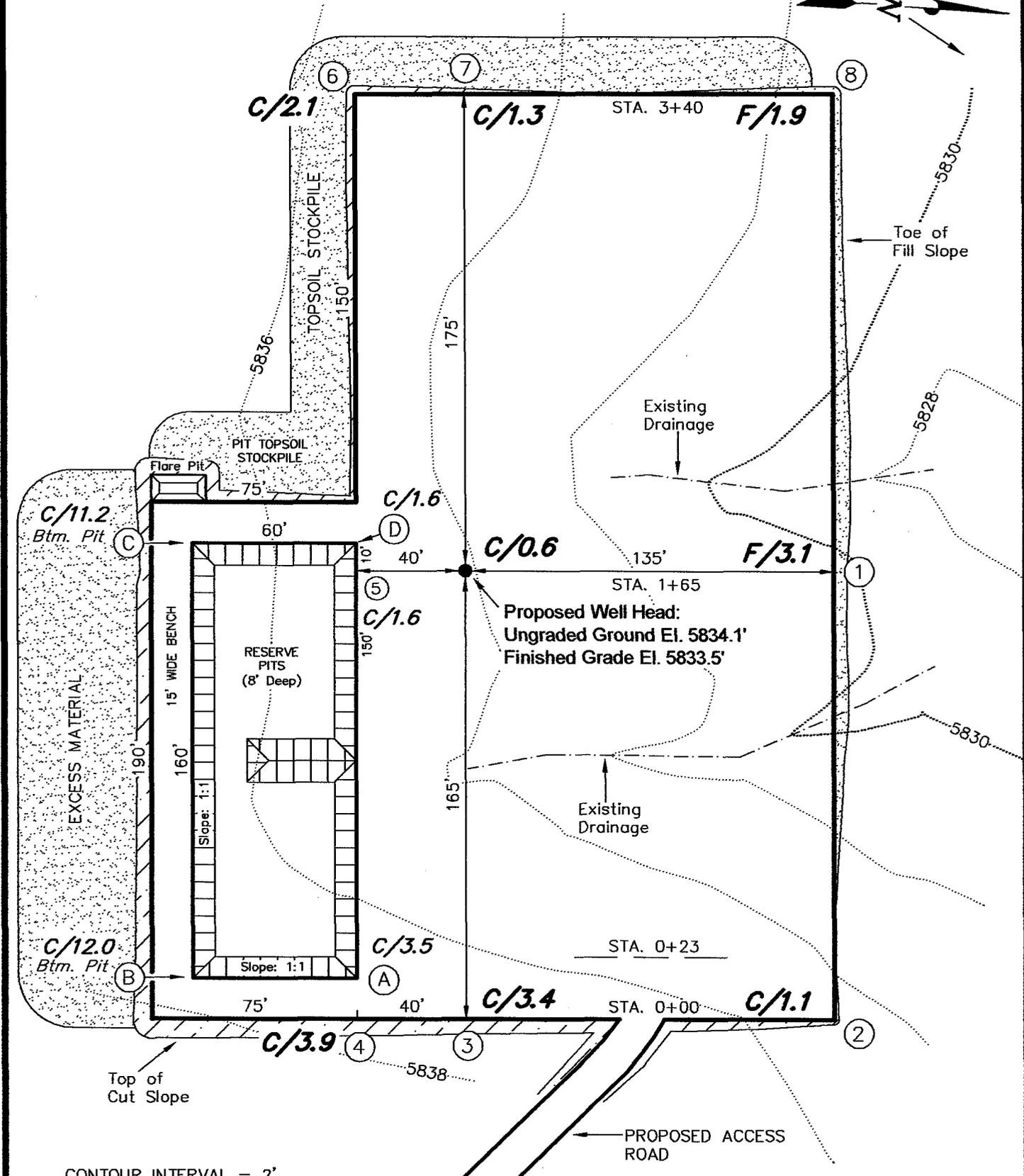
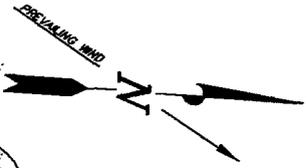
Sec 17: E/2

Uintah County, Utah

2,278.69 acres

SLATE RIVER RESOURCES, LLC

CUT SHEET MUSTANG 1320-11

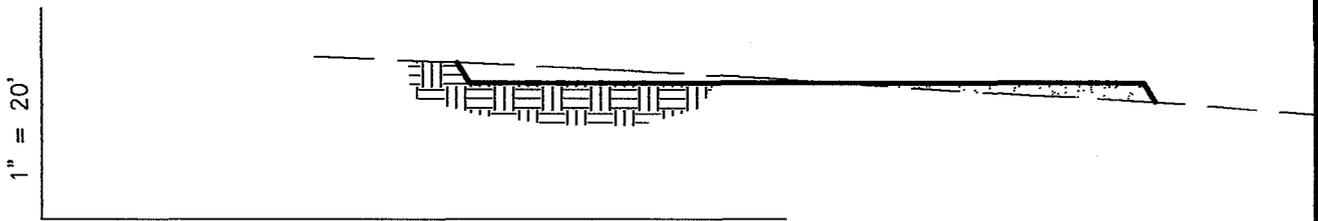


CONTOUR INTERVAL = 2'

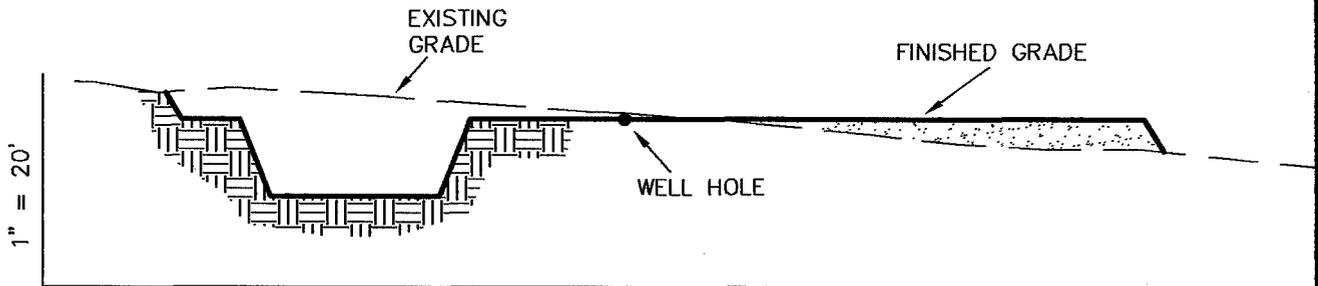
Section 1, T13S, R20E, S.L.B.&M.		Qtr/Qtr Location: NE SE		Footage Location: 1879' FSL & 846' FEL	
Date Surveyed: 2-15-05	Date Drawn: 2-26-05	Date Last Revision:		Timberline (435) 789-1365 Land Surveying, Inc. 38 WEST 100 NORTH VERNAL, UTAH 84078	
Surveyed By: K.K.	Drawn By: J.R.S.	Scale: 1" = 50'			
				SHEET 2 OF 10	

SLATE RIVER RESOURCES, LLC

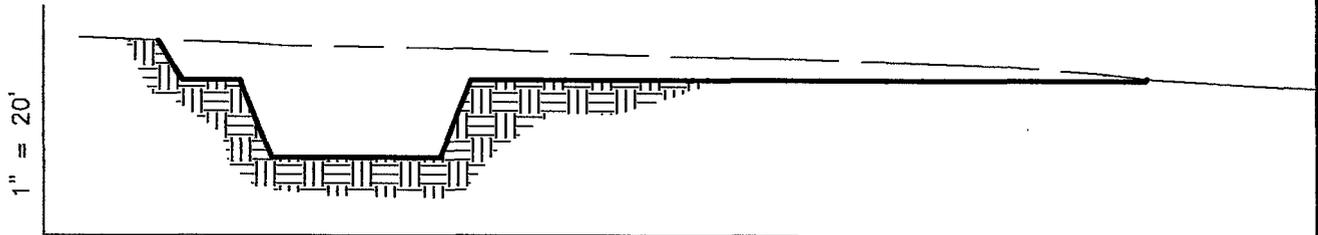
CROSS SECTIONS MUSTANG 1320-11



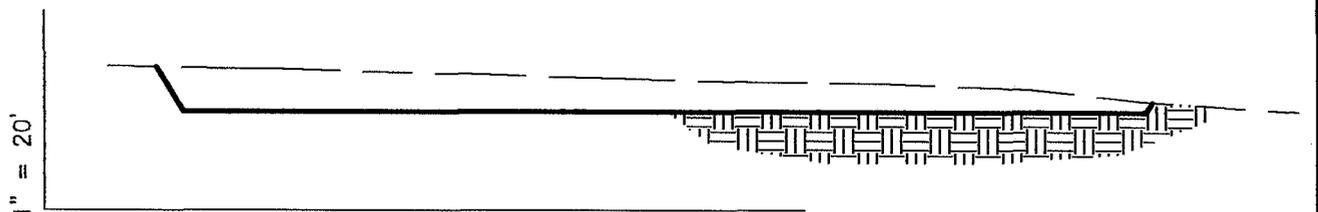
1" = 50' STA. 3+40



1" = 50' STA. 1+65



1" = 50' STA. 0+23



1" = 50' STA. 0+00

REFERENCE POINTS

185' NORTHERLY = 5828.4'
 235' NORTHERLY = 5827.3'
 225' WESTERLY = 5834.9'
 275' WESTERLY = 5835.1'

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

ESTIMATED EARTHWORK QUANTITIES (Expressed in Cubic Yards)

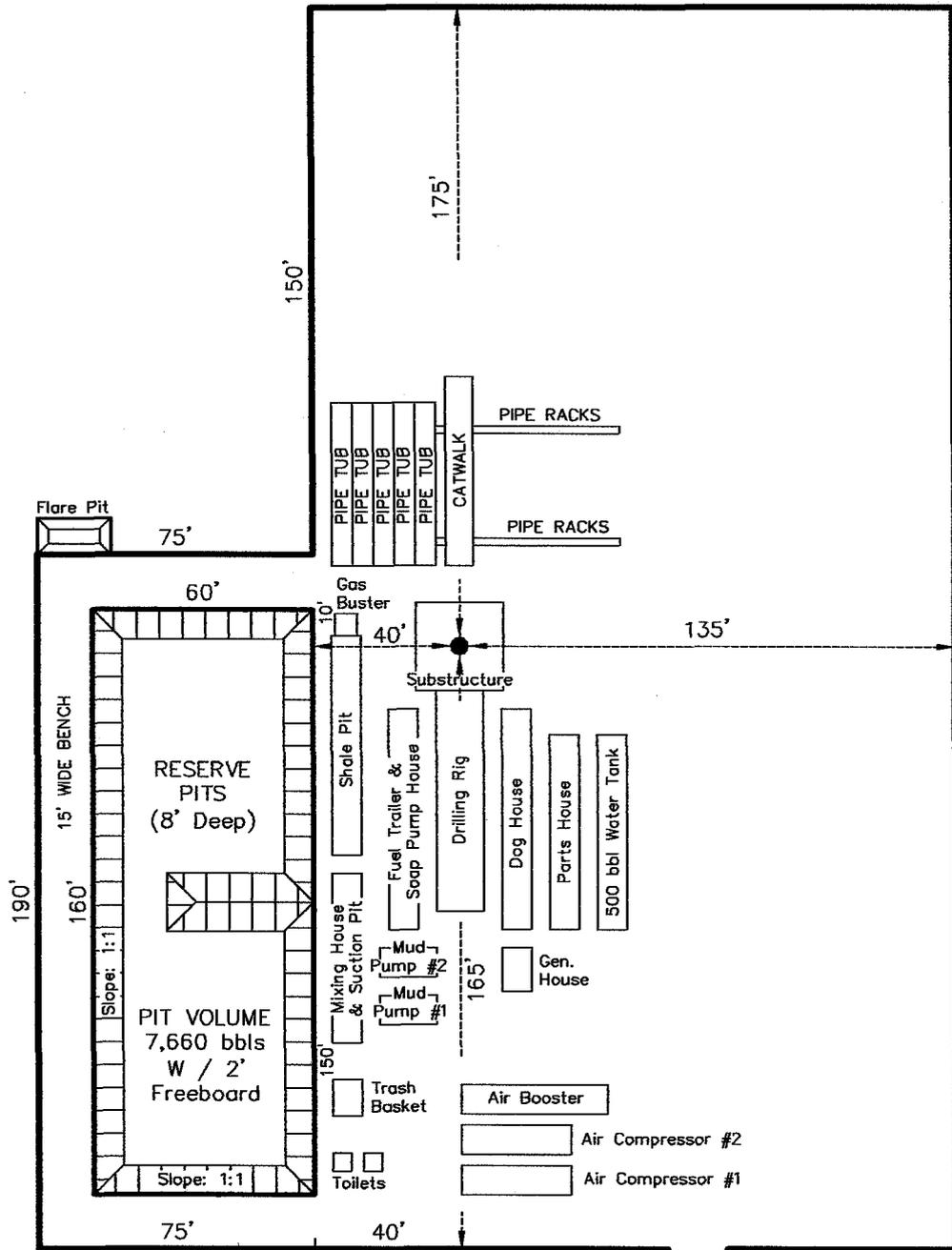
ITEM	CUT	FILL	6" TOPSOIL	EXCESS
PAD	2,240	2,590	Topsoil is not included in Pad Cut	-350
PIT	2,270	0		2,270
TOTALS	4,510	2,590	1,460	1,920

Excess Material after Pit Rehabilitation = 780 Cu. Yds.

Section 1, T13S, R20E, S.L.B.&M.		Qtr/Qtr Location: NE SE	Footage Location: 1879' FSL & 846' FEL
Date Surveyed: 2-15-05	Date Drawn: 2-26-05	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 3 OF 10

SLATE RIVER RESOURCES, LLC

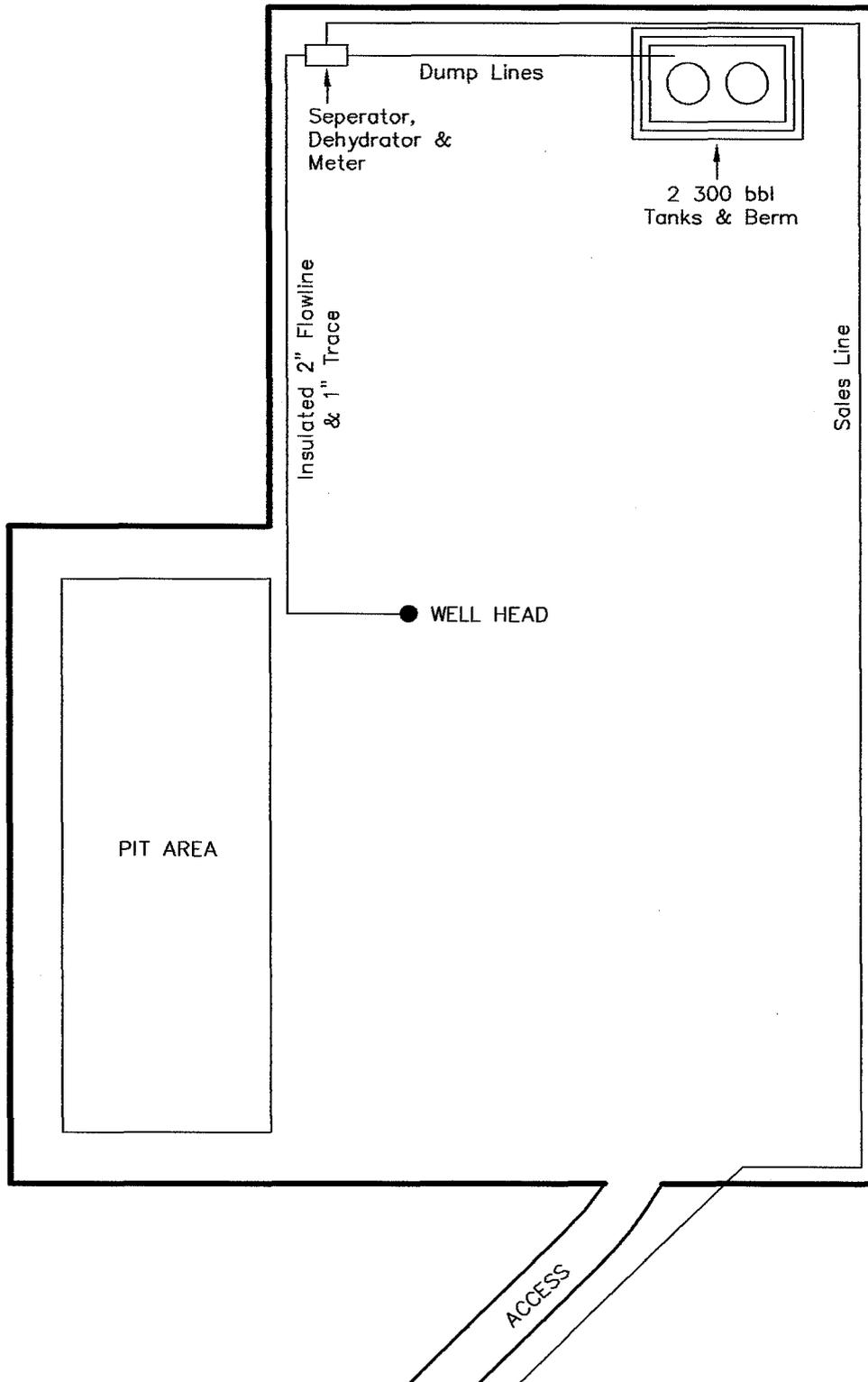
TYPICAL RIG LAYOUT MUSTANG 1320-II



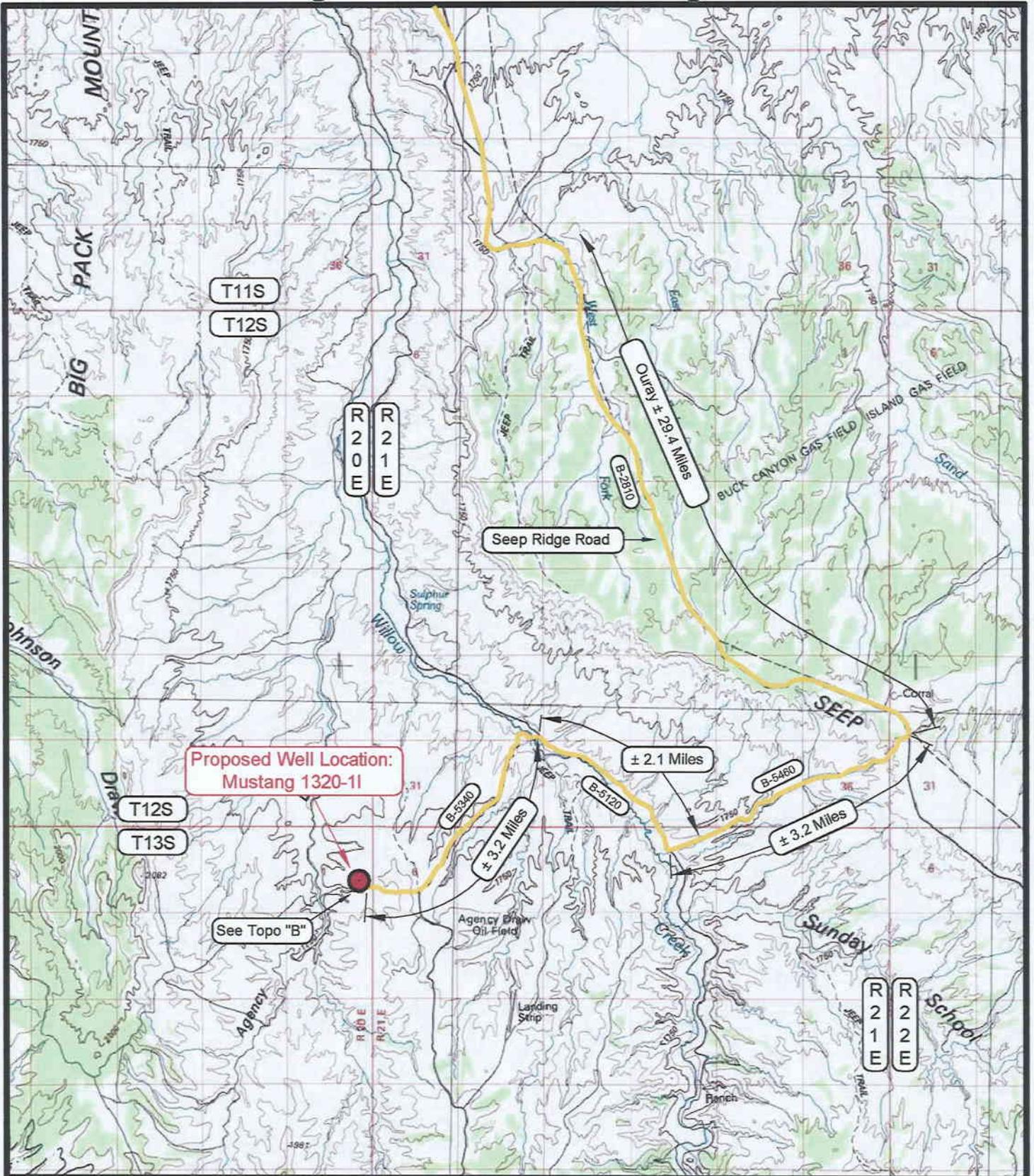
Section 1, T13S, R20E, S.L.B.&M.		Qtr/Qtr Location: NE SE		Footage Location: 1879' FSL & 846' FEL	
Date Surveyed: 2-15-05	Date Drawn: 2-26-05	Date Last Revision:		Timberline (435) 789-1365 <i>Land Surveying, Inc.</i> 38 WEST 100 NORTH VERNAL, UTAH 84078	
Surveyed By: K.K.		Drawn By: J.R.S.			
		Scale: 1" = 50'			

SLATE RIVER RESOURCES, LLC

TYPICAL PRODUCTION LAYOUT MUSTANG 1320-1I



Section 1, T13S, R20E, S.L.B.&M.		Qtr/Qtr Location: NE SE	Footage Location: 1879' FSL & 846' FEL
Date Surveyed: 2-15-05	Date Drawn: 2-26-05	Date Last Revision:	Timberline (435) 789-1365 <i>Land Surveying, Inc.</i> 38 WEST 100 NORTH VERNAL, UTAH 84078
Surveyed By: K.K.	Drawn By: J.R.S.	Scale: 1" = 50'	
			SHEET 5 OF 10



**Proposed Well Location:
Mustang 1320-11**

See Topo "B"

LEGEND

- = PROPOSED WELL LOCATION
- = EXISTING ROAD
- - - = PROPOSED ACCESS ROAD
- B-5480 = COUNTY ROAD CLASS & NUMBER

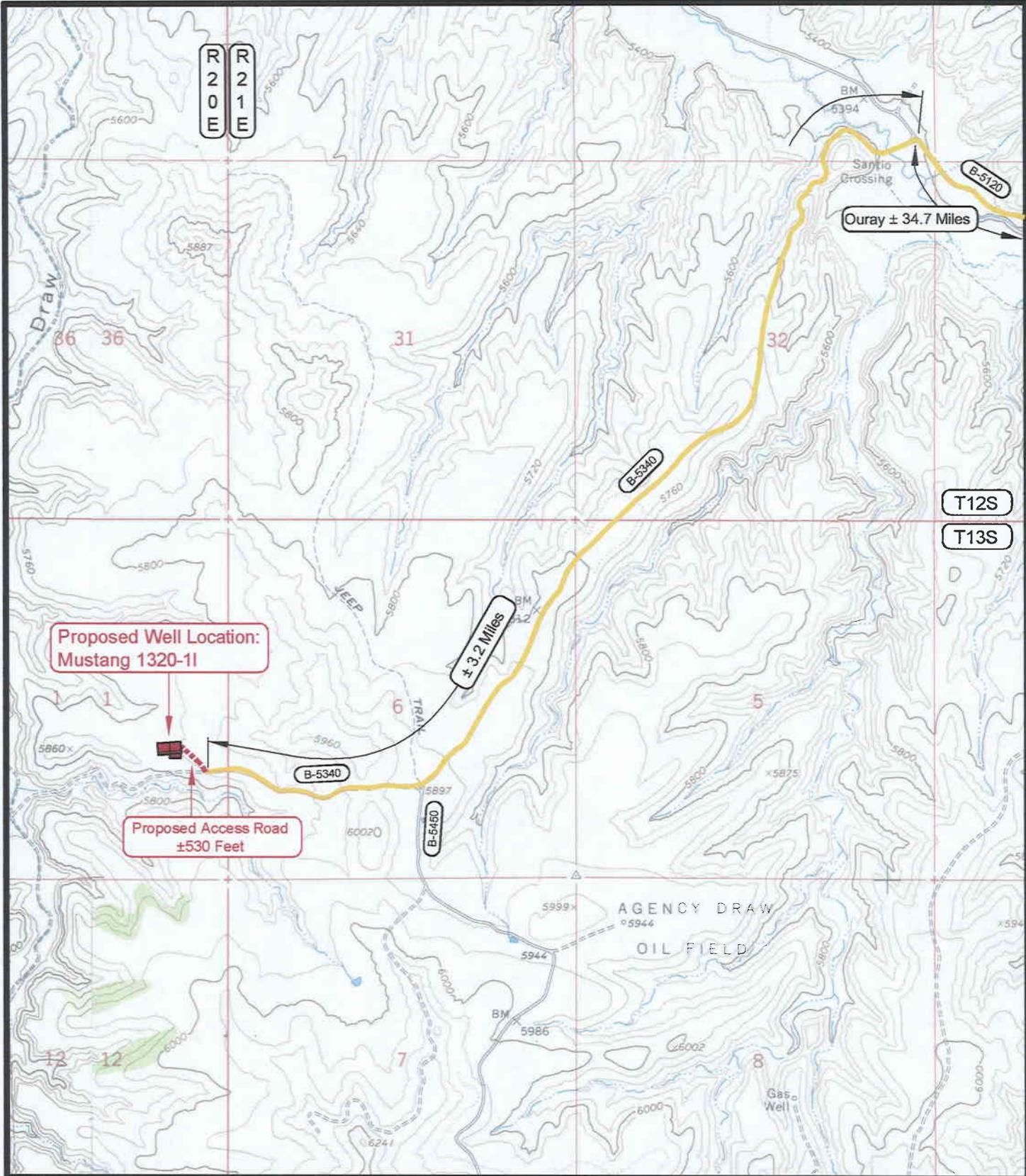
SLATE RIVER RESOURCES, LLC

**Mustang 1320-11
SECTION 1, T13S, R20E, S.L.B.&M.
1879' FSL & 846' FEL**

TOPOGRAPHIC MAP "A"		DATE SURVEYED: 2-15-05
		DATE DRAWN: 2-26-05
SCALE: 1:100,000	DRAWN BY: J.R.S.	REVISED:

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

**SHEET
6
OF 10**



LEGEND

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

TOPOGRAPHIC MAP "B"

SCALE: 1" = 2000'

DRAWN BY: J.R.S.

DATE SURVEYED: 2-15-05

DATE DRAWN: 2-26-05

REVISED:

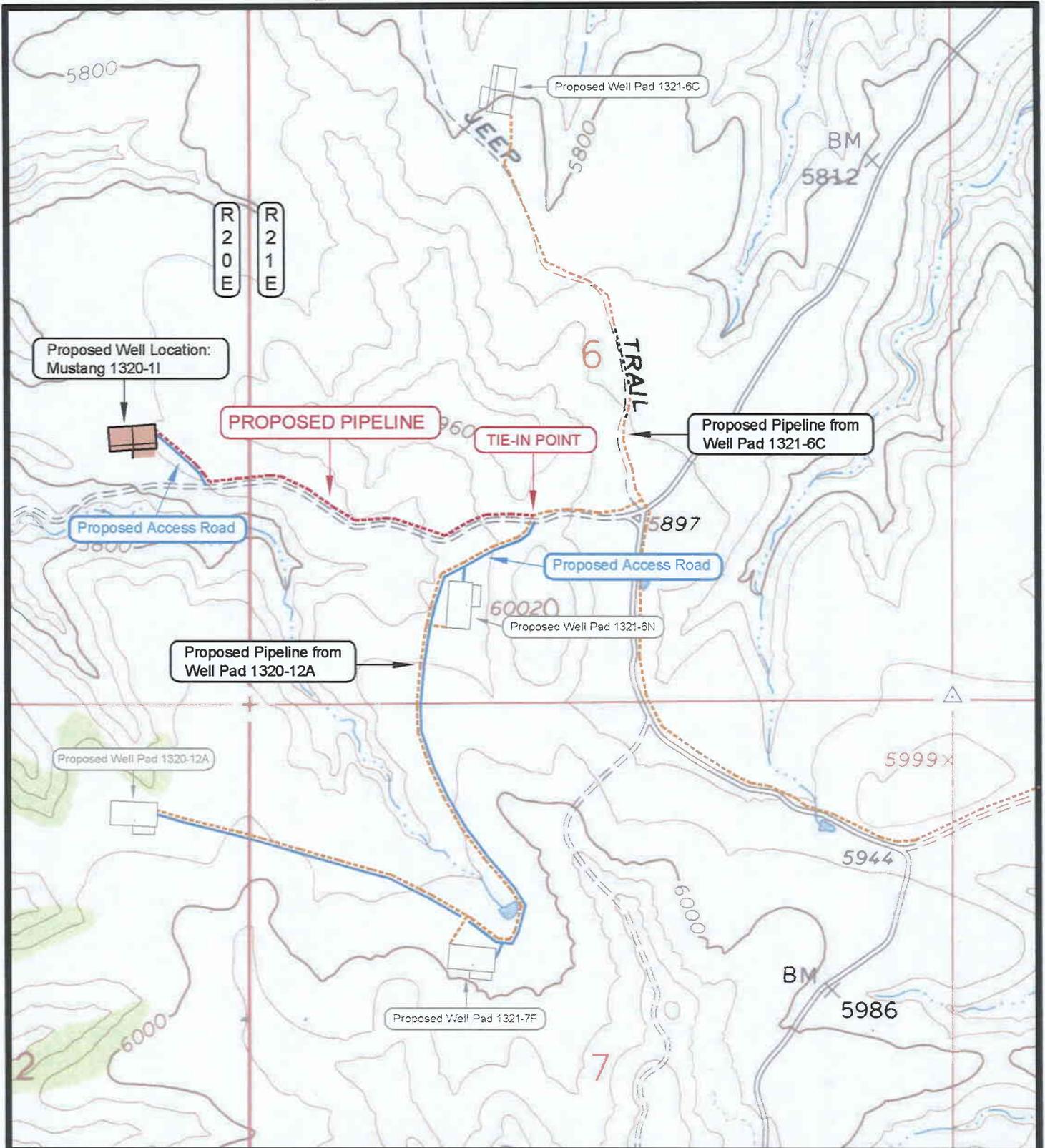
SLATE RIVER RESOURCES, LLC

**Mustang 1320-11
SECTION 1, T13S, R20E, S.L.B.&M.
1879' FSL & 846' FEL**

Timberline Land Surveying, Inc.

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

**SHEET
7
OF 10**



APPROXIMATE PIPELINE LENGTH = 3,010 FEET

LEGEND

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

SLATE RIVER RESOURCES, LLC

Mustang 1320-II
SECTION 1, T13S, R20E, S.L.B.&M.
1879' FSL & 846' FEL

TOPOGRAPHIC MAP "D"

DATE SURVEYED: 2-15-05
 DATE DRAWN: 2-26-05

SCALE: 1" = 1000'

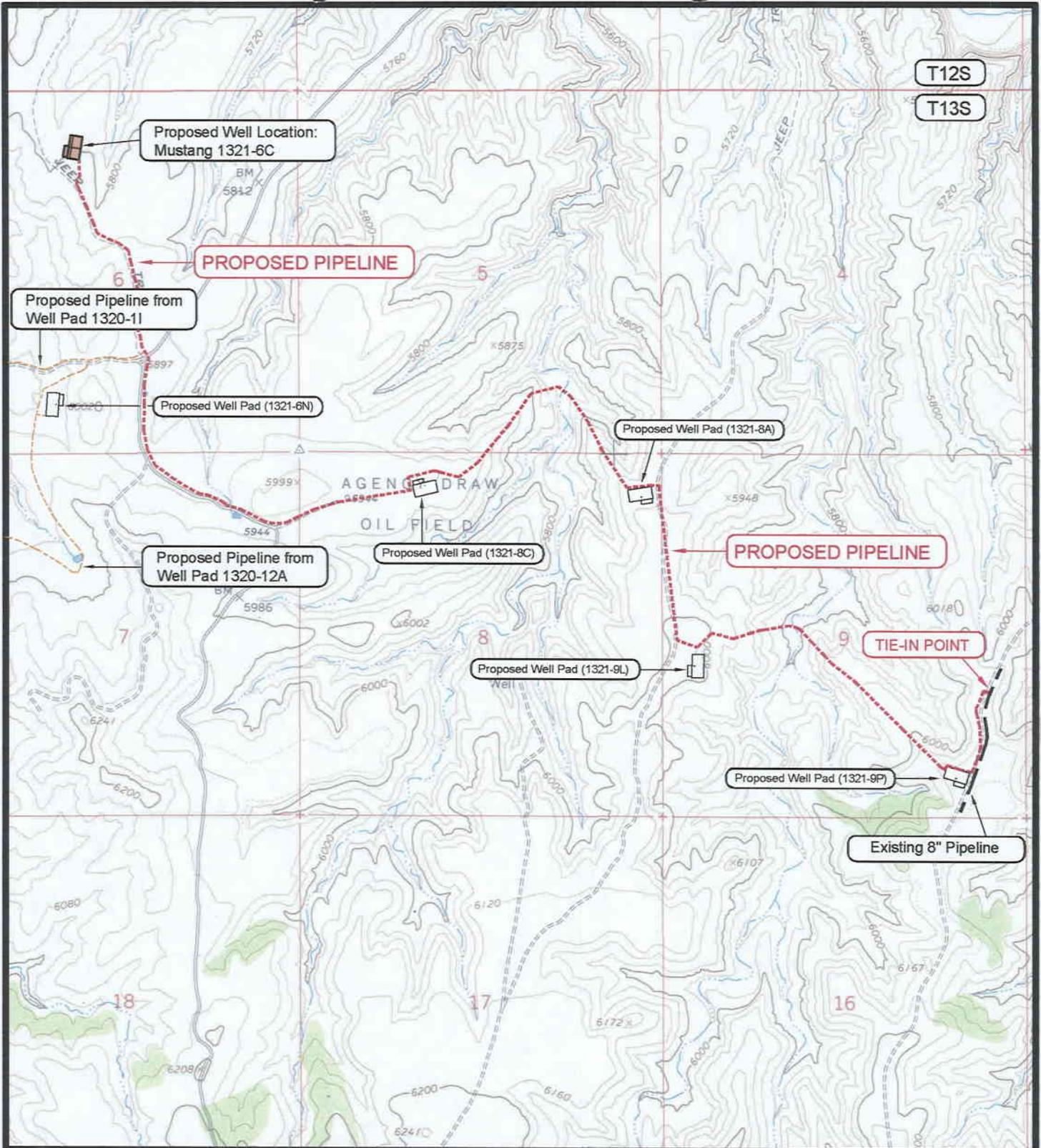
DRAWN BY: J.R.S.

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

Mustang 1320-11
Proposed Pipeline from Well 1321-6C to Tie In
SECTIONS 5, 6, 7, 8 & 9, T13S, R21E, S.L.B.&M.
1879' FSL & 846' FEL

TOPOGRAPHIC MAP "D-1"

DATE SURVEYED: 2-15-05

DATE DRAWN: 2-26-05

SCALE: 1" = 2000'

DRAWN BY: J.R.S.

LATEST REVISION: 3-3-05

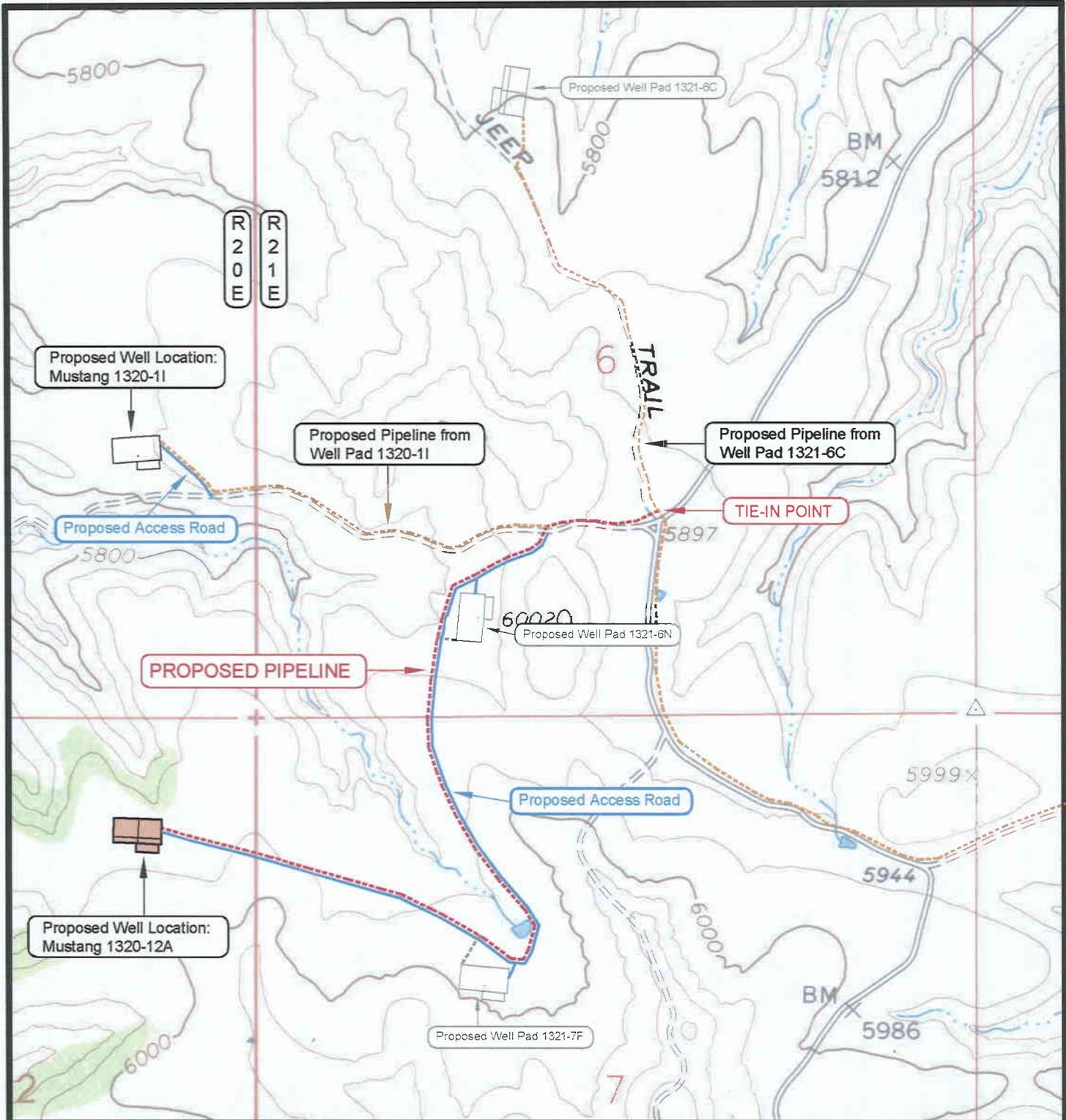
Timberline Land Surveying, Inc.

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

SHEET

9a

OF 10



APPROXIMATE PIPELINE LENGTH = 7,270 FEET

LEGEND

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

SLATE RIVER RESOURCES, LLC

Mustang 1320-11
Proposed Pipeline from Well 1320-12A to Tie In
at Proposed Pipeline from Well Pad 1321-6C
Sections 6 & 7, T13S, R21E, S.L.B.&M. &
Section 12, T13S, R20E, S.L.B.&M.
1879' FSL & 846' FEL

TOPOGRAPHIC MAP "D-2"

DATE SURVEYED: 2-15-05

DATE DRAWN: 2-26-05

SCALE: 1" = 1000'

DRAWN BY: J.R.S.

REVISED:



Timberline Land Surveying, Inc.

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

SHEET

9b

OF 10

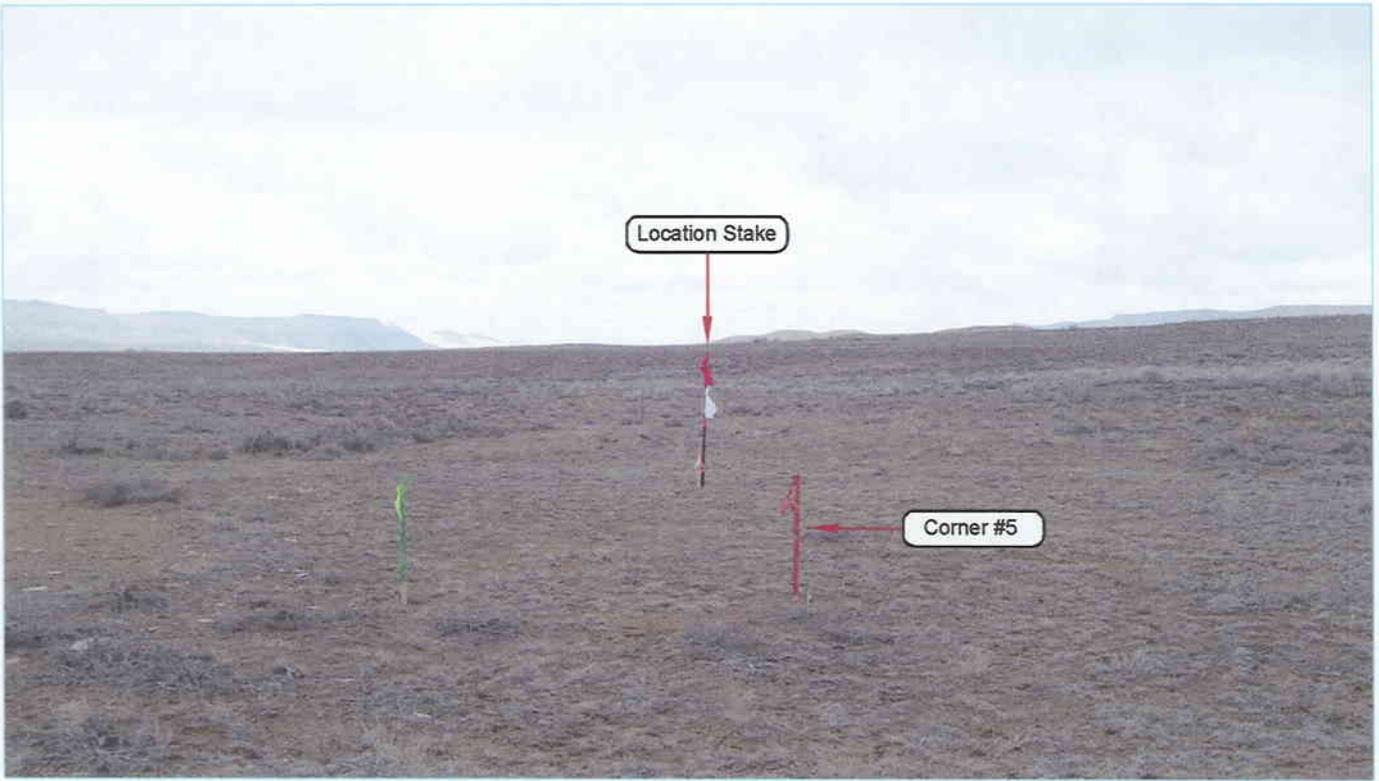


PHOTO VIEW: FROM CORNER #5 TO LOCATION STAKE

CAMERA ANGLE: NORTHERLY



PHOTO VIEW: FROM BEGINNING OF PROPOSED ROAD

CAMERA ANGLE: NORTHERLY

SLATE RIVER RESOURCES, LLC

Mustang 1320-11
SECTION 1, T13S, R20E, S.L.B.&M.
1879' FSL & 846' FEL

LOCATION PHOTOS

DATE TAKEN: 2-15-05
 DATE DRAWN: 2-26-05

TAKEN BY: K.K.

DRAWN BY: J.R.S.

REVISED:

Timberline Land Surveying, Inc.

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

SHEET
10
 OF 10

SLATE RIVER RESOURCES, LLC
Mustang 1320-11
Section 1, T13S, R20E, S.L.B.&M.

PROCEED IN A WESTERLY DIRECTION FROM VERNAL, UTAH ALONG U.S. HIGHWAY 40 APPROXIMATELY 14 MILES TO THE JUNCTION OF STATE HIGHWAY 88; EXIT LEFT AND PROCEED IN A SOUTHERLY DIRECTION ALONG STATE HIGHWAY 88 APPROXIMATELY 17 MILES TO OURAY, UTAH; FROM OURAY, PROCEED IN A SOUTHERLY DIRECTION ALONG THE SEEP RIDGE ROAD (COUNTY B ROAD 2810) APPROXIMATELY 29.4 MILES TO ITS INTERSECTION WITH THE BUCK CANYON ROAD (COUNTY B ROAD 5460); EXIT RIGHT AND PROCEED IN A SOUTHWESTERLY DIRECTION ALONG THE BUCK CANYON ROAD APPROXIMATELY 3.2 MILES TO WILLOW CREEK; TURN RIGHT AND PROCEED IN A NORTHWESTERLY DIRECTION ALONG THE WILLOW CREEK ROAD (COUNTY B ROAD 5120) APPROXIMATELY 2.1 MILES TO ITS INTERSECTION WITH THE AGENCY DRAW ROAD (COUNTY B ROAD 5340); EXIT LEFT AND PROCEED IN A WESTERLY THEN SOUTHERLY DIRECTION ALONG THE AGENCY DRAW ROAD APPROXIMATELY 3.2 MILES TO THE PROPOSED ACCESS ROAD; FOLLOW ROAD FLAGS IN A NORTHWESTERLY DIRECTION APPROXIMATELY 530 FEET TO THE PROPOSED LOCATION.

TOTAL DISTANCE FROM VERNAL, UTAH TO THE PROPOSED WELL LOCATION IS APPROXIMATELY 69.0 MILES.

WORKSHEET
APPLICATION FOR PERMIT TO DRILL

APD RECEIVED: 03/14/2005

API NO. ASSIGNED: 43-047-36384

WELL NAME: MUSTANG 1320-1I
OPERATOR: SLATE RIVER RESOURCES (N2725)
CONTACT: GINGER STRINGHAM

PHONE NUMBER: 435-790-4163

PROPOSED LOCATION:

NESE 01 130S 200E
SURFACE: 1879 FSL 0846 FEL
BOTTOM: 1879 FSL 0846 FEL
UINTAH
WILDCAT (1)

INSPECT LOCATN BY: / /		
Tech Review	Initials	Date
Engineering	DWD	4/15/05
Geology		
Surface		

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

LATITUDE: 39.71342
LONGITUDE: -109.6207

RECEIVED AND/OR REVIEWED:

- Plat
- Bond: Fed[] Ind[] Sta[] Fee[]
(No. B001596)
- Potash (Y/N)
- Oil Shale 190-5 (B) or 190-3 or 190-13
- Water Permit
(No. T75377)
- RDCC Review (Y/N)
(Date: _____)
- Fee Surf Agreement (Y/N)

LOCATION AND SITING:

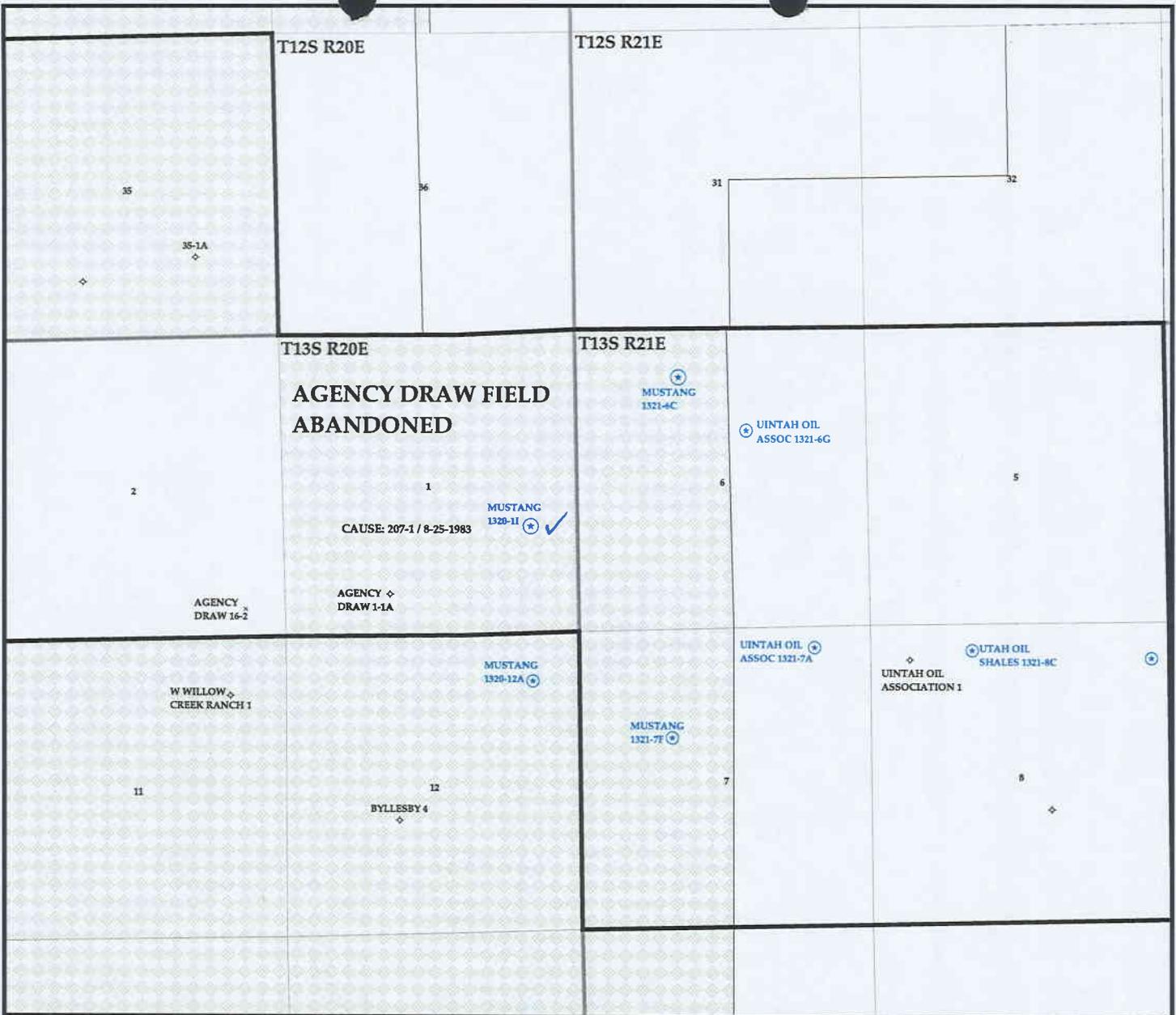
- ___ R649-2-3.
Unit _____
- ___ R649-3-2. General
Siting: 460' From Qtr/Qtr & 920' Between Wells
- ___ R649-3-3. Exception
- Drilling Unit
Board Cause No: 207-1
Eff Date: 8-25-1983
Siting: 660' front bdr of NW 1/4 or SE 1/4
- ___ R649-3-11. Directional Drill

COMMENTS:

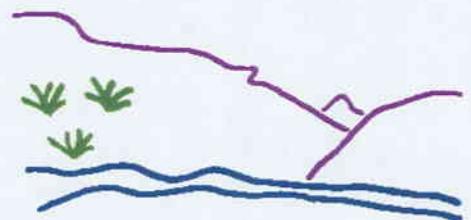
Needs Presic (03-31-05)

STIPULATIONS:

- 1- STATEMENT OF BASIS
- 2- Cement step # 3 - 4 1/2" production string cemented back to 2000' MD.



OPERATOR- SLATE RIVER RES (N2725)
SEC. 1 T.13S R.20E
FIELD: WILDCAT (001)
COUNTY: UINTAH
CAUSE: 207-1 / 8-25-1983



Utah Oil Gas and Mining



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

PREPARED BY: DIANA WHITNEY
 DATE: 14-MARCH-2005

002

FAX TRANSMISSION

SLATE RIVER RESOURCES, LLC

1600 Broadway, Suite 900

Denver, Colorado 80202

office: 303-592-4444

direct: 303-592-4448

fax: 303-592-4440

To: Diana Whitney, DOGM **Date:** March 15, 2005
Fax #: 801-359-3940 **Pages:** 8, including this cover sheet.

From: Bruce E. Johnston
Subject: Mustang Oil and Gas Lease and Surface Damage Agreement

Attached is the Oil and Gas lease covering the 19,199.80 acres owned by Mustang Fuel Corporation (Eagle Minerals Ltd.). Please note the surface use language is Item 13 of the Oil and Gas Lease.

I will fax you a copy of the Surface Use Letter Agreement with Utah Oil Shale and Uintah Oil Association tomorrow. Ed Bown was not able to finish it today. Thanks for your help.

RECEIVED
MAR 15 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@slrriver.com
303-592-4448
Fax: 303-592-4440

Entry 2005001032
 Book 914 Page 535 \$58.00
 09-FEB-05 02:27

RANDY SIMMONS

RECORDER, UINTAH COUNTY, UTAH

MUSTANG FUEL CORPORATION

OIL AND GAS LEASE
 (PAID UP) Res By: DEBRA ROOKS DEPUTY

Entry 2005001032

Book 914 Page 535

AGREEMENT, Made and entered into this 1st day of February, 2005, by and between Eagle Minerals Ltd., 13439 Broadway Extension, Oklahoma City, OK 73114-2202, hereinafter called Lessor (whether one or more), and Mustang Fuel Corporation, 13439 Broadway Extension, Oklahoma City, OK 73114-2202 hereinafter called Lessee, Witnesseth:

1. That the said Lessor, for and in consideration of TEN AND MORE DOLLARS, cash in hand paid, receipt of which is hereby acknowledged and of the covenants and agreements hereinafter contained on the part of Lessee to be paid, kept and performed, hereby grants, demises, leases and lets unto Lessee for the sole and only purpose of exploring, drilling and operating for and producing oil and gas and of laying pipelines, storing oil and building tanks, roads, and structures thereon to produce, save, care for, treat and transport said substances produced from the land leased hereunder (sometimes referred to in this Lease as the "leased premises") situated in the County of Uintah, State of Utah, to-wit:

SEE EXHIBIT "A" ATTACHED HERETO AND MADE A PART HEREOF

and containing 19,199.8 acres, more or less.

2. **Term** Subject to the provisions hereinafter contained, this Lease shall remain in force for a term of five (5) years from this date (herein called primary term) and as long thereafter as oil or gas, or either of them, is produced in paying quantities from the leased premises, or operations are being conducted as hereinafter provided. Upon the termination or any partial termination of this Lease, Lessee shall prepare, execute and deliver to Lessor a recordable release of such acreage in accordance with Section 12 of this Lease.

At the expiration of the primary term, this Lease shall automatically terminate as to the leased premises except for those portions included in a proration unit (as further defined in Section 11 below) attributable to a well capable of producing oil and/or gas in paying quantities unless operations are then being conducted in accordance with the Continuous Development provisions of Section 9 below or the Additional Drilling or Reworking provisions of Section 10 below, in which case the terms of said Sections 9 and 10 shall control. At the time of any such termination hereunder, each such producing proration unit shall be considered as a separate Lease for all purposes in this Lease.

If at the expiration of the primary term, this Lease is perpetuated by production of oil and/or gas in paying quantities, then, with respect to each proration unit on the leased premises, this Lease shall automatically terminate as to all rights granted by this Lease below the base of the deepest formation from which oil and/or gas is then being produced, provided, however, if at the expiration of the primary term, Lessee is engaged in drilling an additional well or wells pursuant to the provisions of Section 9 of this Lease, then this Lease shall not terminate with respect to the depths described in this section so long as development continues in accordance with the terms of said Section 9. Furthermore, if at the expiration of the primary term, Lessee is engaged in deepening an existing well, then for purposes of this Section only, the deepening of an existing well shall be considered a Continuous Development operation under Section 9 of this Lease, and so long as Lessee continues developing the leased premises in accordance with the terms provided therein, the rights to the depths described in this Section shall not terminate.

If at any time after the expiration of the primary term or the expiration of any extended term provided in Section 9 below, whichever is later, should the deepest producing formation attributable to any proration unit on this Lease cease to produce in paying quantities, then Lessee shall have one hundred twenty (120) days to begin either deepening that well or commencing the drilling of another well or wells on that proration unit in accordance with the provisions of Section 10 of this Lease, or this Lease, insofar as it covers such proration unit, shall automatically terminate with regard to all depths below the base of the deepest formation from which oil and/or gas is then being produced. In the event the applicable proration unit size (provided in Section 11 below) for such producing formation then being produced is smaller than that applicable for the prior producing formation, then unless perpetuated by other terms of this Lease, such acreage outside the permitted proration unit shall be released in accordance with Section 12 below.

To the extent that any part of this Lease remains in effect, Lessee shall retain such easements across the terminated portions of the Lease as shall be reasonably necessary for pipelines, roads, drilling and production facilities and ingress and egress to enable Lessee to develop and operate the remaining portion of this Lease.

3. **Limitation to Oil and Gas** This Lease is intended to cover only free flowing oil and gas producible by conventional oil and gas industry accepted means (i.e., the drilling and producing of vertical and/or horizontal wellbores) and shall not be deemed to include oil and gas which may be produced through the mining and processing of oil shale or other solid hydrocarbons or solid carbonaceous materials or processing in place of oil shale or other solid hydrocarbons or solid carbonaceous beds or deposits. Lessor expressly reserves and retains herefrom all gilsonite, trona, oil shale, tar sands and all other minerals (except oil and gas) which may underlie all or part of the leased premises. The term "oil shale" is defined as a mineable, hydrogen-bearing, finely laminated brown or black sedimentary rock that will yield liquid or gaseous hydrocarbons on distillation. This Lease does cover coal bed methane gas.

4. **Pooling** Lessee does not have the right and power to pool or combine the acreage covered by this Lease or any portion thereof as to oil and gas, or either of them, with any other land or leases, except as such pooling may be permitted in accordance

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DIV. OF OIL, GAS & MINING

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 Book 914 Page 535 \$50.00
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RANDY SIMMONS
 RECORDER, UINTAH COUNTY, UTAH
 MUSTANG FUEL CORPORATION
 BROADWAY EXTENSION OKLAHOMA CITY, O
 (PAID UP) Rec By: DEBRA ROOKS DEPUTY

Entry 2005001032
 Book 914 Page 535

AGREEMENT, Made and entered into this 1st day of February, 2005, by and between Eagle Minerals Ltd., 13439 Broadway Extension, Oklahoma City, OK 73114-2202, hereinafter called Lessor (whether one or more), and Mustang Fuel Corporation, 13439 Broadway Extension, Oklahoma City, OK 73114-2202 hereinafter called Lessee, Witnesseth:

1. That the said Lessor, for and in consideration of TEN AND MORE DOLLARS, cash in hand paid, receipt of which is hereby acknowledged and of the covenants and agreements hereinafter contained on the part of Lessee to be paid, kept and performed, hereby grants, demises, leases and lets unto Lessee for the sole and only purpose of exploring, drilling and operating for and producing oil and gas and of laying pipelines, storing oil and building tanks, roads, and structures thereon to produce, save, care for, treat and transport said substances produced from the land leased hereunder (sometimes referred to in this Lease as the "leased premises") situated in the County of Uintah, State of Utah, to-wit:

SEE EXHIBIT "A" ATTACHED HERETO AND MADE A PART HEREOF

and containing 19,199.8 acres, more or less.

2. **Term** Subject to the provisions hereinafter contained, this Lease shall remain in force for a term of five (5) years from this date (herein called primary term) and as long thereafter as oil or gas, or either of them, is produced in paying quantities from the leased premises, or operations are being conducted as hereinafter provided. Upon the termination or any partial termination of this Lease, Lessee shall prepare, execute and deliver to Lessor a recordable release of such acreage in accordance with Section 12 of this Lease.

At the expiration of the primary term, this Lease shall automatically terminate as to the leased premises except for those portions included in a proration unit (as further defined in Section 11 below) attributable to a well capable of producing oil and/or gas in paying quantities unless operations are then being conducted in accordance with the Continuous Development provisions of Section 9 below or the Additional Drilling or Reworking provisions of Section 10 below, in which case the terms of said Sections 9 and 10 shall control. At the time of any such termination hereunder, each such producing proration unit shall be considered as a separate Lease for all purposes in this Lease.

If at the expiration of the primary term, this Lease is perpetuated by production of oil and/or gas in paying quantities, then, with respect to each proration unit on the leased premises, this Lease shall automatically terminate as to all rights granted by this Lease below the base of the deepest formation from which oil and/or gas is then being produced, provided, however, if at the expiration of the primary term, Lessee is engaged in drilling an additional well or wells pursuant to the provisions of Section 9 of this Lease, then this Lease shall not terminate with respect to the depths described in this section so long as development continues in accordance with the terms of said Section 9. Furthermore, if at the expiration of the primary term, Lessee is engaged in deepening an existing well, then for purposes of this Section only, the deepening of an existing well shall be considered a Continuous Development operation under Section 9 of this Lease, and so long as Lessee continues developing the leased premises in accordance with the terms provided therein, the rights to the depths described in this Section shall not terminate.

If at any time after the expiration of the primary term or the expiration of any extended term provided in Section 9 below, whichever is later, should the deepest producing formation attributable to any proration unit on this Lease cease to produce in paying quantities, then Lessee shall have one hundred twenty (120) days to begin either deepening that well or commencing the drilling of another well or wells on that proration unit in accordance with the provisions of Section 10 of this Lease, or this Lease, insofar as it covers such proration unit, shall automatically terminate with regard to all depths below the base of the deepest formation from which oil and/or gas is then being produced. In the event the applicable proration unit size (provided in Section 11 below) for such producing formation then being produced is smaller than that applicable for the prior producing formation, then unless perpetuated by other terms of this Lease, such acreage outside the permitted proration unit shall be released in accordance with Section 12 below.

To the extent that any part of this Lease remains in effect, Lessee shall retain such easements across the terminated portions of the Lease as shall be reasonably necessary for pipelines, roads, drilling and production facilities and ingress and egress to enable Lessee to develop and operate the remaining portion of this Lease.

3. Limitation to Oil and Gas This Lease is intended to cover only free flowing oil and gas producible by conventional oil and gas industry accepted means (i.e., the drilling and producing of vertical and/or horizontal wellbores) and shall not be deemed to include oil and gas which may be produced through the mining and processing of oil shale or other solid hydrocarbons or solid carbonaceous materials or processing in place of oil shale or other solid hydrocarbons or solid carbonaceous beds or deposits. Lessor expressly reserves and retains herefrom all gilsonite, trona, oil shale, tar sands and all other minerals (except oil and gas) which may underlie all or part of the leased premises. The term "oil shale" is defined as a mineable, kerogen-bearing, finely laminated brown or black sedimentary rock that will yield liquid or gaseous hydrocarbons on distillation. This Lease does cover coal bed methane gas.

4. Pooling Lessee does not have the right and power to pool or combine the acreage covered by this Lease or any portion thereof as to oil and gas, or either of them, with any other land or leases, except as such pooling may be required to conform to spacing prescribed by applicable governing agencies of the State of Utah.

5. Royalty Percentage Lessee covenants and agrees to pay Lessor the following royalties subject to the provisions of Section 6 hereof:

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DIV. OF OIL, GAS & MINING

(a) 22% of 8/8ths (reduced to 20% of 8/8ths as of April 28, 2012) of the gross proceeds of all oil and other liquid hydrocarbons recovered or separated on the leased premises produced and saved from the leased premises and sold by Lessee in an arms' length transaction, and, as to such oil and other liquid hydrocarbons not sold by Lessee in an arms' length transaction, royalties of that share or percentage calculated by using the highest price plus premium, if any, paid or offered for oil and other liquid hydrocarbons of comparable quality in the general area where produced and when run; or after sixty (60) days written notice from Lessor, which notice may be given from time to time, Lessee shall deliver free of cost to Lessor at the well, or to the credit of Lessor into the pipeline to which the well is connected, such share or percentage of all oil and other liquid hydrocarbons produced and saved from the leased premises; and

(b) 22% of 8/8ths (reduced to 20% of 8/8ths as of April 28, 2012) of the gross proceeds received by Lessee for all gas recovered or separated on the leased premises, produced from the leased premises and sold by Lessee in an arms' length transaction; and as to such gas not sold by Lessee in an arms' length transaction, royalties of that share or percentage calculated by using the highest price paid or offered for gas of comparable quality in the general area where produced and when run.

6. Royalty Payment

(a) Lessee shall pay Lessor monthly royalty on all oil and other liquid hydrocarbons including condensate, and on all gas, including all substances contained in such gas, (all hereinafter collectively called "Products" and each individually called a "Product") produced from a well on the leased premises, whether or not such Products are produced to the credit of Lessee or sold under a contract executed by or binding on Lessee. Lessee shall pay Lessor's royalty within ninety (90) days of the sale by Lessee to the purchaser of such oil and gas produced from the leased premises or after curing of all significant title defects, whichever is later. Liquidated damages for failure to timely make such payment shall be one and one-half percent (1-1/2%) per month on the royalty due Lessor. If Lessee fails to comply with the provisions of this section, then Lessor shall, at its option, have the right to terminate this Lease, however, Lessor shall give written notice by certified mail of such intention to Lessee and Lessee shall have sixty (60) days from notice receipt in which to comply with the requirements contained in this section. Failure of Lessee to comply herewith or provide Lessor with a reasonable explanation for said noncompliance shall cause immediate forfeiture of this Lease. If Lessee provides Lessor with a reasonable explanation for said noncompliance, Lessor and Lessee will negotiate the actual amount owed and the penalty will be the liquidated damages provided for above.

(b) In no event shall Lessor's royalty for a Product be based on a price less than the price paid Lessee in an arms' length transaction for Lessee's share of that Product produced hereunder. For purposes of this Lease, an arms' length transaction is a sale of a Product by Lessee to a buyer not affiliated with Lessee or with any subsidiary or other affiliate of Lessee under an agreement negotiated in good faith by all parties.

(c) Lessor's royalty shall bear its share of applicable taxes. Lessor shall never bear, either directly or indirectly, any part of the production or post-production cost or expense, including without limitation, cost or expense for storing, separating, dehydrating, transporting, compressing, treating, gathering, or otherwise rendering marketable or marketing the Products; however, reasonable costs incurred in enhancing the value of already marketable Products, including costs of transporting Products that have been made marketable or that are otherwise then marketable, can be deducted by Lessee in calculating royalty payments hereunder.

(d) Upon demand in writing by Lessor, Lessee shall furnish to Lessor or Lessor's representative copies of production records and receipts from sales pertaining to the oil and gas produced from the leased premises. The sales contract pertaining to said production shall be furnished for inspection, copying and examination by Lessor or Lessor's representative upon request, subject to a confidentiality agreement. Lessor shall have a first lien on the oil and/or gas produced under this Lease to secure the payment of all unpaid royalties and/or shut-in payments that may become due under this Lease.

7. Right to Take Production in Kind Lessor shall always have the right, at any time and from time to time, upon reasonable written notice to Lessee, to take Lessor's share of oil, gas and processed liquids in kind. Lessor may elect to take Lessor's gas in kind at the well; or at the point of delivery where Lessee delivers Lessee's gas to any third party. If gas is processed, Lessor may elect to take Lessor's share of the residue gas attributable to production from the leased premises at the same point of delivery where Lessee received its share of residue gas or has its share of residue gas delivered to a third party. Lessor may elect to have its royalty share of processed liquids stored in tanks at the plant or delivered into pipelines on the same basis as Lessee's share of liquids is stored or delivered. Lessor shall reimburse Lessee for all reasonable costs incurred by Lessee in installing, operating or maintaining additional facilities necessary for Lessor's royalty gas and processed liquids to be separately metered, accounted for, and delivered to a third party, but Lessor shall not be charged for any expense in the production, gathering, dehydration, separation, compression, transportation, treatment, processing or storage of Lessor's share of gas and processed liquids along with Lessee's share of gas and processed liquids.

8. Shut-in Payments While there is a well on the leased premises capable of producing gas in paying quantities but the production thereof is shut-in for a period anticipated to exceed (90) days due to lack of a market, available pipeline, or because of government restrictions or, if it is economically inadvisable for Lessee to sell gas for a time then, Lessee may pay as shut-in royalty on or before ninety (90) days after the date on which (1) production from any such well is shut-in; or (2) this Lease is no longer maintained by compliance with one of the other preservation provisions hereof, whichever is the later date, and thereafter at annual intervals the sum of Five Hundred Dollars (\$500.00) per well, for each and every shut-in well. If such payment is made in accordance with the terms hereof, this Lease shall not terminate, but shall continue in force for a period of one (1) year from the date of making such shut-in payment (subject to the exceptions set out hereafter) and it shall be considered that gas is being produced from the leased premises in paying quantities within the meaning of each pertinent provision of this Lease. Any shut-in royalty payment shall not be a credit against production nor credited with prior production royalty. In the event that production is begun or resumed during the year following the payment of a shut-in royalty payment and is subsequently shut-in during such year, the second annual shut-in payment shall be due and payable on the anniversary date of the first payment. If there is production on such first anniversary date and the well is subsequently shut-in, then the second shut-in payment shall be made on or before ninety (90) days after such new shut-in date or the Lease shall terminate. Notwithstanding anything to the contrary set out above, should the shut-in period extend beyond the

expiration of the primary term such shut-in provision shall maintain the rights granted by this Lease only to the producing proration units and horizons of such gas well(s) as if they were producing gas in paying quantities pursuant to Section 2 above. Should such shut-in royalty payments not be made in a timely manner as provided for above, then, in that event it shall be considered for all purposes that there is no production of gas from any such well or wells and, unless this Lease is being maintained by any other preservation provision hereof, this Lease shall terminate automatically at midnight on the last day provided for the payment of such shut-in royalties, and Lessee shall thereupon furnish to Lessor a release of all of its interest in and to this Lease as provided in Section 12.

9. Continuous Development At the end of the primary term or upon the completion of any well then drilling on the leased premises as a well capable of producing in paying quantities or as a dry hole (completion being defined as the release of the completion rig, or if the well is a dry hole, the release of the drilling rig), Lessee shall have the recurring right for one hundred eighty (180) days thereafter, to commence the drilling of another well or wells on the leased premises (commencement being defined as the actual spudding of the succeeding well with a drilling rig capable of drilling to the permitted depth for the well and conducting continuous drilling operations to said permitted depth for the well), with no more than one hundred eighty (180) days elapsing between the completion of one well as a producer or a dry hole and the commencement of the next succeeding well. Failure to commence such additional well or wells within the time herein provided shall terminate this Lease ipso facto as to all lands except those included within the surface boundaries of any proration unit otherwise being maintained under the provisions of this Lease. In the event Lessee accelerates the drilling of additional wells, Lessee shall earn cumulative credit for such accelerated drilling. The cumulative credit for accelerated drilling shall be calculated by adding for all such accelerated wells the number of days from the date of actual well commencement to the date of required commencement pursuant to the terms of this Section 9. Such cumulative credit shall be limited to a total of three hundred sixty (360) days. No additional credit shall be given. The credited days may be used at any time during the continuous development period when Lessee is unable to timely commence a well within the one hundred eighty (180) day time period stipulated in this Section 9.

10. Additional Drilling or Reworking If, at the expiration of the primary term, or the expiration of any extended term provided in Section 9 above, whichever is later, oil and/or gas are being produced in paying quantities, but production thereafter ceases from any cause, this Lease shall not terminate as to the proration unit attributable to the well or wells affected thereby if Lessee commences reworking or additional actual drilling on such well(s) or within such proration unit(s) within one hundred twenty (120) days thereafter and such reworking or additional drilling is diligently prosecuted and production in paying quantities thereafter resumes.

If, at the expiration of the primary term, or the expiration of any extended term provided in Section 9 above, whichever is later, oil and/or gas are not then being produced from any well or wells on the leased premises, but Lessee is then engaged in operations (as defined hereinafter) on any such well or wells, this Lease shall remain in force for so long as such operations are diligently prosecuted with no cessation of more than one hundred twenty (120) consecutive days between such cessation and the resumption of such operations. If such operations result in the production of oil or gas in paying quantities, this Lease shall not terminate as to the proration unit attributable to the well or wells then producing oil or gas in such quantities; but this Lease shall terminate as to all other acreage unless Lessee shall have commenced drilling a new well or wells in accordance with the Continuous Development provisions of Section 9 of this Lease.

Wherever used in this Lease the word "operations" shall mean standard and prudent operations for and any of the following: actual drilling, testing, completing, sidetracking, reworking, recompleting, deepening, plugging back or repairing of a well in search for or in an endeavor to obtain production of oil or gas in paying quantities.

11. Proration Unit Except where agreed to otherwise between Lessor and Lessee, the term "proration unit" where used in this Lease, shall mean:

- (a) As to each well each well classified as an oil well by the appropriate governmental authority, the governmental forty (40) acres within which the well locates
- (b) As to each well classified as a gas well by the appropriate governmental authority, the acreage set out below:
 - (i). For a well producing from formations located above the base of the Wasatch formation, an eighty (80) acre governmental half-quarter section within which the well locates, as designated by Lessee
 - (ii). For a well producing from formations located between the base of the Wasatch formation and the base of the Mancos formation, a one hundred sixty (160) acre governmental quarter section within which the well locates, as designated by Lessee
 - (iii). For a well producing from formations located below the base of the Mancos formation, a three hundred twenty (320) acre governmental half section within which the well locates, as designated by Lessee

12. Releases Required Within ninety (90) days after the partial termination of this Lease as provided under any of the terms and provisions herein, Lessee shall deliver to Lessor a plat showing the proration units designated by Lessee, and a fully executed, recordable release properly describing the lands and depths to be retained by Lessee around each producing well. If the Lease terminates in its entirety, then Lessee shall deliver a complete, fully executed, recordable release to Lessor within sixty (60) days. If such release complies with the requirements of this section, Lessor shall record such release.

13. Surface Operations With respect to operations conducted on the leased premises, 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 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 Lessor 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 damages, the sum of:

- (i). \$2500 for each well permitted to a proposed depth down to the base of the Mancos formation, or
- (ii). \$5000 for each well permitted to a proposed depth deeper than the base of the Mancos formation.

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

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

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

14. Notifications Required Lessee shall advise Lessor in writing immediately upon the commencement of each well drilled hereunder and shall advise Lessor in writing of the date of completion and/or abandonment of each such well (such notice shall include furnishing Lessor a copy of the applicable completion or plugging report filed with any governmental or regulatory agency) within thirty (30) days after completion or abandonment. As to any well drilled hereunder, Lessor, or Lessor's representatives, or any one or more of the same, shall at all times and at Lessor's own risk but subject to applicable safety regulations, have full and complete access to the location, well and derrick floor. Upon request, Lessor shall be furnished with copies of daily drilling reports. Such reports and information shall be furnished within seven (7) days after the same are obtained or compiled by Lessee. In addition, Lessee shall, upon written request, furnish Lessor within thirty (30) days from the date of the request or thirty (30) days from the date that the data is received by Lessee, whichever is later:

- (a) Plans or maps showing the location of the well on this Lease.
- (b) The details of any tests taken in said well, and the results of any core analysis or analyses which shall be run on any cores taken while drilling said well.
- (c) Upon commencement of any drilling or reworking operations on this Lease with copies of all reports filed with the appropriate governmental authority or other governmental agency having jurisdiction in connection with such operation.
- (d) Upon completion of any drilling or reworking operations on this Lease with copies of all logs run in such well and copies of core or other type of formation analysis, subject to a confidentiality obligation on Lessor's part if filed as confidential with the appropriate governmental authority.
- (e) A summary report, to be made annually on the anniversary date of this Lease and commencing upon the expiration of the primary term of this Lease, to include (1) as of said date, the number of producing wells and the number of wells not producing but not plugged; (2) the number of wells that were plugged during the previous twelve (12) months; (3) a map denoting the location of each of these wells on the leased premises; and (4) a tabulation by well reflecting cumulative credit days (if any) earned and/or used due to accelerated drilling pursuant to Section 9 of this Lease.
- (f) It is understood and agreed that all information provided Lessor herein is proprietary and is to be held in confidence.

15. Water To the extent Lessor or any of its affiliate or subsidiary companies own any water rights as surface owner, Lessee shall have the free use of water from the leased premises, for all operations solely thereon. In the event Lessee drills a water well on the leased premises, such well shall be drilled in accordance with such surface owner's specifications and all governmental regulations pertaining thereto. Said surface owner shall have the option to retain any such water well, and Lessee shall leave the well and casing therein for the use of surface owner after Lessee's need for same has ceased; provided however, that Lessee may remove any pump and motor installed by Lessee. Said surface owner shall assume all rights, responsibilities and liabilities, if any, for operation, maintenance and abandonment of any water well it so retains. As to any water well which surface owner does not retain, Lessee shall plug said well in accordance with all governmental regulations pertaining thereto.

16. Ancillary Rights Lessee shall have the right for a period of one hundred eighty (180) days following the expiration of this Lease or the release of any lands covered by this Lease, to remove all property and fixtures placed by Lessee on said land including the right to draw and remove all casing. If not removed, Lessor, to the extent Lessor or any of its affiliate or subsidiary companies own surface rights, shall have the option to either claim the property, in whole or in part, as its own or to have said properties and fixtures removed, in whole or in part, at Lessee's expense. If Lessor elects for such removal, additional expenses for surface damages and restoring the land shall be charged to Lessee; provided, however, Lessee shall not be relieved of its liability to plug any well so abandoned.

17. Indemnification Lessee, its successors and assigns, agrees to indemnify, defend and hold harmless Lessor (except to the extent that any such Lessor owns rights hereunder as a Lessee), from and against any and all claims, losses, liabilities, fines, costs, expenses (including attorneys fees and expenses) resulting from or arising out of Lessee's ownership of this Lease or in connection with operations of or for Lessee, its agents, contractors, or subcontractors hereunder, regardless of

the cause of such claims, losses, liabilities, fines, costs or expenses. This Section and the indemnities provided herein shall survive the termination of this Lease and shall bind and inure to the successors, heirs and assigns of Lessor and Lessee.

18. Notices All notices or communications required or permitted to be given under this Lease shall be in writing and delivered, mailed or transmitted to the parties at the addresses set out below. Notices shall be deemed given when received except that notices given by facsimile transmission on weekends, holidays or after 5:00 local time at the location of the recipient shall be deemed received on the next business day. If delivered by commercial delivery service or mailed by registered or certified mail, the delivery receipt shall evidence the date of receipt.

TO LESSOR:

Eagle Minerals Ltd.
13439 Broadway Extension
Oklahoma City, OK 73114-2202
Attention: Sr. Vice President
Fax No. (405) 748-9420

TO LESSEE:

Mustang Fuel Corporation
13439 Broadway Extension
Oklahoma City, OK 73114-2202
Attention: Sr. Land Manager
Fax No. (405) 748-9250

No modification of any notice address shall become effective until the other party receives by United States certified mail such notification of change from the modifying party.

19. Division Orders Any division order tendered to Lessor pursuant to this Lease shall be used solely for the purpose of confirming the extent of Lessor's interest in production of oil and gas from wells located on the leased premises, and any other provisions may be stricken or disregarded by Lessor.

20. Compliance with Environmental Laws and Regulations Lessee, its successors and assigns, by its acceptance of this Lease, hereby agrees to comply with all applicable laws, rules and regulations and hereby assumes full responsibility for and agrees to indemnify, defend and hold harmless, Lessor (except to the extent that Lessor owns rights hereunder as a Lessee) from and against any loss, liability, claim, fine, expense, cost (including attorneys fees and expenses) and cause of action resulting from or arising out of the violation (or defense of the alleged violation) of any federal, state or local laws, rules or regulations applicable to any waste material, drilling matter fluid or any hazardous substances released or caused to be released by Lessee or Lessee's agents, or independent contractors from the land leased hereunder into the atmosphere or into or upon the land or any water course or body of water, including ground water.

21. Force Majeure Lessee shall not be liable for delays or defaults in its performance of any agreement or covenant hereunder due to force majeure. The term "force majeure" shall mean: any act of God including but not limited to storms, floods, washouts, landslides, and lightning; act of a public enemy; wars, blockades, insurrection or riots; strikes or lockouts; epidemics or quarantines, regulations, laws, acts, orders or requests of federal, state, municipal or other governments or governmental officers or agents under the color of authority requiring, ordering or directing Lessee to cease drilling, reworking or producing operations; freight embargoes or failures; exhaustion or unavailability or delays in delivery of any product, labor, service or material. The term "force majeure" shall not include lack of markets for production or any other events affecting only the economic or financial aspects of drilling, development or production. During the period of force majeure and for a period of sixty (60) days after termination of an event of force majeure, each and every provision of this Lease that might operate to terminate it or the estate conveyed by it shall be suspended and inoperative and this Lease shall continue in full force; provided, however, that in no event shall the primary term be extended unless Lessee has commenced as defined herein a well prior to the date of the expiration of the primary term.

22. Proportionate Reduction It is agreed that if Lessor's interest in the oil and gas minerals in and under any of the leased premises is less than the entire oil and gas mineral estate, then the royalties and all other benefits to accrue or to be paid to Lessor hereunder as to such lands shall be reduced to the proportion thereof which the oil and gas mineral estate of Lessor in such land bears to the entire oil and gas mineral estate.

23. Assignability and Consent to Assign In the event the rights of either party hereunder are assigned in whole or in part, the provisions hereof shall extend to the heirs, executors, administrators, successors and assigns of the parties hereto. Lessee or its, heirs, executors, administrators, successors or assigns may not assign this Lease in whole or in part unless such assignment is consented thereto by Lessor in writing, which consent shall not be unreasonably withheld. Any assignment made without Lessor's consent shall be void and of no force and effect. No change or division in ownership of the leased premises or royalty shall be binding on the Lessee until after Lessee has been furnished with a recorded written transfer or assignment or a certified copy thereof.

24. Rules and Regulations This Lease is expressly made subject to all state and federal laws and all rules and regulations of the Utah Division of Oil, Gas and Minerals or other governmental authority, state or federal, having jurisdiction over the leased premises, and nothing herein contained shall be construed as requiring Lessee to violate any such regulation or to penalize Lessee for complying therewith.

25. No Warranties of Title This Lease is made without warranties of any kind, either express or implied. Lessor agrees that Lessee, at its option, after having given Lessor sixty (60) days' written notice, may discharge any tax, mortgage or other lien upon Lessor's interest in said land, either in whole or in part, and in the event Lessee does so, it shall be subrogated to such lien with right to enforce same, subject to any defenses of Lessor, and apply royalties accruing hereunder toward satisfying same.

26. Alteration/Modification The terms of this Lease cannot be altered or amended except by a written instrument clearly demonstrating such purpose and effect, and executed by both parties to this Lease. The written instrument shall describe the specific terms or provisions being altered and the proposed modification or change thereto.

EXHIBIT "A"

Attached to and made a part of that certain Oil and Gas Lease dated February 1, 2005, by and between Eagle Minerals Ltd. as Lessor, and Mustang Fuel Corporation, as Lessee

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

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MAR 15 2005

DIV. OF OIL, GAS & MINING

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

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

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

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

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

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

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

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

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

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

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

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MAR 15 2005
DIV. OF OIL, GAS & MINING

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

OPERATOR: SLATE RIVER RESOURCES, LLC.
WELL NAME & NUMBER: MUSTANG 1320-1I.
API NUMBER: 43-047-36384
LEASE: FEE FIELD/UNIT: WILDCAT
LOCATION: 1/4,1/4 NE/SE Sec: 1 TWP: 13S RNG: 20E 846' FEL 1879' FSL
LEGAL WELL SITING: 660 feet from drilling unit boundary.
GPS COORD (UTM): 4396660N 12618229E SURFACE OWNER: MUSTANG FUEL.

PARTICIPANTS

DAVID W. HACKFORD (DOGM), GINGER STRINGHAM, JOHN CONLEY (SLATE RIVER),
THREE DIRT CONTRACTORS.

REGIONAL/LOCAL SETTING & TOPOGRAPHY

SITE IS ON A FLAT TOPPED RIDGE THAT LIES BETWEEN WILLOW CREEK WHICH IS
4.1 MILES TO THE EAST, AND AGENCY DRAW WHICH IS 0.9 MILES TO THE WEST.
WILLOW CREEK, AT THIS POINT, IS A YEAR ROUND STREAM WHILE AGENCY DRAW
HAS WATER ONLY DURING RUNNOFF. AGENCY DRAW ENTERS WILLOW CREEK 4 MILES
TO THE NORTH. VERNAL, UTAH IS 69.0 MILES TO THE NORTH. DRAINAGE IS TO
THE NORTH.

SURFACE USE PLAN

CURRENT SURFACE USE: WILDLIFE AND LIVESTOCK GRAZING, HUNTING.

PROPOSED SURFACE DISTURBANCE: LOCATION WILL BE 340' BY 235'. ACCESS
ROAD WILL BE 530 FEET.

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

LOCATION OF PRODUCTION FACILITIES AND PIPELINES: ALL PRODUCTION
FACILITIES WILL BE ON LOCATION AND ADDED AFTER DRILLING WELL. PIPELINE
WILL BE FOLLOW ACCESS ROAD.

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

ANCILLARY FACILITIES: NONE WILL BE REQUIRED.

WASTE MANAGEMENT PLAN:

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

ENVIRONMENTAL PARAMETERS

AFFECTED FLOODPLAINS AND/OR WETLANDS: NONE

FLORA/FAUNA: RABBITBRUSH, JUNIPER, SAGE, GREASEWOOD, PRICKLY PEAR, CHEATGRASS, RUSSIAN THISTLE: ELK, DEER, RODENTS, RAPTORS, COYOTE, SONGBIRDS, RABBIT, BOBCAT, BEAR, COUGAR, PRONGHORN.

SOIL TYPE AND CHARACTERISTICS: LIGHT BROWN SANDY CLAY.

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

PALEONTOLOGICAL POTENTIAL: NONE OBSERVED.

RESERVE PIT

CHARACTERISTICS: 160' BY 60' AND EIGHT FEET DEEP.

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

SURFACE RESTORATION/RECLAMATION PLAN

AS PER LANDOWNER AGREEMENT

SURFACE AGREEMENT: YES

CULTURAL RESOURCES/ARCHAEOLOGY: SITE IS ON FEE SURFACE.

OTHER OBSERVATIONS/COMMENTS

THIS PREDRILL INVESTIGATION WAS CONDUCTED ON A COOL , WINDY DAY.

ATTACHMENTS

PHOTOS OF THIS SITE WERE TAKEN AND PLACED ON FILE.

DAVID W. HACKFORD
DOGM REPRESENTATIVE

3/31/05 11:50 AM
DATE/TIME

**Evaluation Ranking Criteria and Ranking Score
For Reserve and Onsite Pit Liner Requirements**

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

Final Score 10 (Level III Sensitivity)

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

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

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





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

OPERATOR: SLATE RIVER RESOURCES, LLC
WELL NAME & NUMBER: MUSTANG 1320-11
API NUMBER: 43-047-36384
LOCATION: 1/4,1/4 NE/SE Sec: 1 TWP: 13S RNG:20E 846' FEL 1879' FSL

Geology/Ground Water:

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

Reviewer: Brad Hill **Date:** 04-11-2005

Surface:

The predrill investigation of the surface was performed on 3/31/05. This site is on fee surface with fee minerals, and appears to be the best site for a location in the immediate area. I notified Mr. David Satler (Representative of Mustang Fuel) of this investigation on 3/21/05 by telephone at (405) 748-9464. He told me he had no specific concerns regarding the drilling of this well or the construction of this location, and he would not be present at the predrill investigation. This area is heavily used for livestock grazing, so I asked that the reserve pit be fenced on three sides while drilling is taking place, and on the fourth side when the rig moves off. Mr. Conley (Vice President of Slate River Resources) said he would do that.

Reviewer: David W. Hackford **Date:** 4/04/05

None.



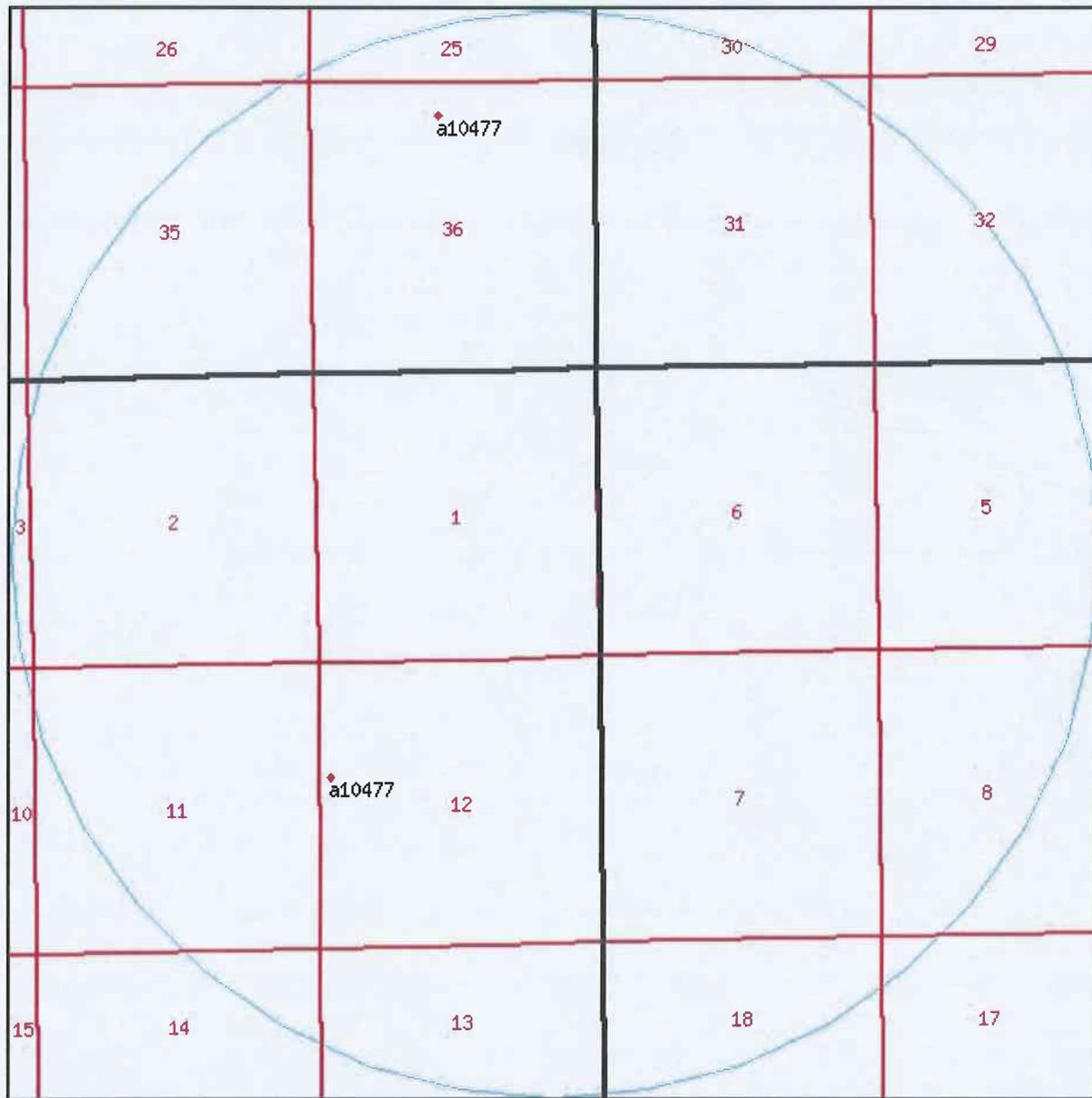
Search Utah.gov **GO**

UTAH DIVISION OF WATER RIGHTS

WRPLAT Program Output Listing

Version: 2004.12.30.00 Rundate: 04/11/2005 02:17 PM

Radius search of 10000 feet from a point N1879 W846 from the SE corner, section 01, Township 13S, Range 20E, SL b&m
Criteria:wrtypes=W,C,E podtypes=U status=U,A,P usetypes=all



0 1300 2600 3900 5200 ft

Water Rights

WR Number	Diversion Type/Location	Well Log	Status	Priority	Uses	CFS	ACFT	Owner Name
<u>49-285</u>	Underground S2125 E170 NW 12 13S 20E SL		A	19701203	S	0.015	0.000	UTAH OIL SHALES INC. C/O RAYMOND T. SENIOR, PRESIDENT
<u>49-285</u>	Underground S580 E2375 NW 36 12S 20E SL		A	19701203	S	0.015	0.000	UTAH OIL SHALES INC. C/O RAYMOND T. SENIOR, PRESIDENT
<u>a10477</u>	Underground S2125 E170 NW 12 13S 20E SL		A	19781106	S	0.015	0.000	UTAH OIL SHALES INC. 622 NEWHOUSE BLDG. (10 EXCHANGE PLACE)
<u>a10477</u>	Underground S580 E2375 NW 36 12S 20E SL		A	19781106	S	0.015	0.000	UTAH OIL SHALES INC. 622 NEWHOUSE BLDG. (10 EXCHANGE PLACE)

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

Well name:	04-05 Slate Mustang 1320-11		
Operator:	Slate River Resources, LLC		
String type:	Surface	Project ID:	43-047-36384
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	1.14	57	254	4.49 J

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

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

Date: April 12, 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 Mustang 1320-11	
Operator:	Slate River Resources, LLC	Project ID:
String type:	Production	43-047-36384
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: 6,924 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: 4,244 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 12, 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 Mustang 1320

Casing Schematic

Green River

Surface

propose Top out as Required

9-5/8"
MW 8.4
Frac 19.3

TOC @
508.

1592 TOC
Tail

Surface
2000. MD

2370 Washatch

3400 BMSW

TOC @
4244.

4870 Mesaverde

5830 TOC Tail

7500 Mancos

Production
8000. MD

w/18% Washout
Surface w/ 9% Washout

propose TOC for
production csg 2000
or higher

Strip ± 2370 protect Washatch

★ Cement Strip # 3

w/ 15% Washout

TOC 2444 w/ 0% Washout

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

Anticipate < 3600

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

BOP - 3,000 ✓

Surf csg - 2270
70% = 1589

Mat pressure @ shoe = 2424

Test TO 1500 # ✓

✓ Adequate DWD 4/15/05

4-1/2"
MW 9.

**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 18, 2005

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

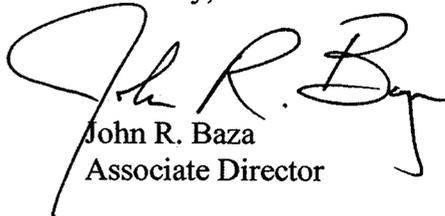
Re: Mustang 1320-1I Well, 1879' FSL, 846' FEL, NE SE, Sec. 1, T. 13 South,
R. 20 East, Uintah County, Utah

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 43-047-36384.

Sincerely,



John R. Baza
Associate Director

jc
Enclosures

cc: Uintah County Assessor

Operator: Slate River Resources, LLC
Well Name & Number Mustang 1320-1I
API Number: 43-047-36384
Lease: Fee

Location: NE SE Sec. 1 T. 13 South R. 20

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. 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.

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



Fax

To:	Dustin Ducret	From:	Lucy Nemecek
Company	DOGM	Company	Slate River Resources
Fax:	801-358-3940	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

FORM 9

STATE OF UTAH
DIVISION OF OIL, GAS AND MINING

007

5. Lease Designation and Serial Number:
FEE

6. If Indian, Allottee or Tribe Name:

7. Unit Agreement Name:

8. Well Name and Number:
MUSTANG 1320-11

9. API Well Number:
43-047-36384

10. Field and Pool, or Wildcat:
WILDCAT

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:

CONFIDENTIAL

2. Name of Operator:
SLATE RIVER RESOURCES, LLC

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

4. Location of Well:
Footage: **1879' FSL & 846' FEL**
QQ, Sec., T., R., M.: **NE/SE SEC 1 T13S R20E SLC MERIDIAN**

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

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

NOTICE OF INTENT
(Submit in Duplicate)

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

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
- Repair/reat
- Vent or Flare
- Water Shut-Off

Approximate date work will start 5/26/2005

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.)

COPY SENT TO OPERATOR
Date: 5-24-05
Initials: CHD

(4/04)

APPROVED BY THE STATE OF UTAH DIVISION OF OIL, GAS, AND MINING
DATE: 5/23/05
BY: [Signature]

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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: MUSTANG 1320-11

Api No: 43-047-36384 Lease Type: FEE

Section 01 Township 13S Range 20E County UINTAH

Drilling Contractor PETE MARTIN RIG # BUCKET

SPUDDED:

Date 05/29/05

Time _____

How DRY

Drilling will Commence: _____

Reported by LUCY NEMEC

Telephone # 1-435-781-1870

Date 06/01/2005 Signed CHD

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

FORM 6

ENTITY ACTION FORM

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

Well 1

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

K

Well 2

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

K

Well 3

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

K

ACTION CODES:

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

Lucy Nemeč

Name (Please Print)

Lucy Nemeč
Signature

Sr. Operations Specialist

5/31/2005

Title

Date

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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

1. Type of Well: OIL GAS OTHER: **CONFIDENTIAL**

2. Name of Operator: SLATE RIVER RESOURCES, LLC

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

4. Location of Well:
Footages: 1879' FSL & 846' FEL
Co., Sec., T., R., M.: NE/SE SEC 1 T13S R20E SLC MERIDIAN

5. Lease Designation and Serial Number: FEE
6. If Indian, Allottee or Tribe Name:
7. Unit Agreement Name:
8. Well Name and Number: MUSTANG 1320-11
9. API Well Number: 43-047-36384
10. Field and Pool, or Wildcat: WILDCAT

County: UTAH
State: UT

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 _____ | |

Approximate date work will start _____

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> | |

Date of work completion 5/28/2005

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 4:00 p.m. on 5/28/05. 40' of 14" conductor pipe was cemented with 3 yards of ready-mix cement.

5/31/2005

Bill Jr. Rathole Drilling, Inc. MI&RU. Drilled a 12-1/4" surface hole to 840'. Set 804.2' (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 Nemecek Title: SR. Operations Spec Date: June 2, 2005
Lucy Nemecek

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(4/94)

(See Instructions on Reverse Side)

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JUN 02 2005

OF OIL, GAS & MINING

STATE OF UTAH
DIVISION OF OIL, GAS AND MINING

SUNDRY NOTICES AND REPORTS ON WELLS		5. Lease Designation and Serial Number: FEE
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: MUSTANG 1320-11
2. Name of Operator: SLATE RIVER RESOURCES, LLC		9. API Well Number: 43-047-36384
3. Address and Telephone Number: 418 E. MAIN VERNAL, UT 84078		10. Field and Pool, or Wildcat: WILDCAT
4. Location of Well: Footages: 1879' FSL & 846' FEL QQ, Sec., T., R., M.: NE/SE SEC 1 T13S R20E SLC MERIDIAN		County: UINTAH State: UT

CONFIDENTIAL

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA																											
<p style="text-align: center;">NOTICE OF INTENT (Submit in Duplicate)</p> <table style="width: 100%;"> <tr> <td><input type="checkbox"/> Abandon</td> <td><input type="checkbox"/> New Construction</td> </tr> <tr> <td><input type="checkbox"/> Repair Casing</td> <td><input type="checkbox"/> Pull or Alter Casing</td> </tr> <tr> <td><input type="checkbox"/> Change of Plans</td> <td><input type="checkbox"/> Recomplete</td> </tr> <tr> <td><input type="checkbox"/> Convert to Injection</td> <td><input type="checkbox"/> Reperforate</td> </tr> <tr> <td><input type="checkbox"/> Fracture Treat or Acidize</td> <td><input type="checkbox"/> Vent or Flare</td> </tr> <tr> <td><input type="checkbox"/> Multiple Completion</td> <td><input type="checkbox"/> Water Shut-Off</td> </tr> <tr> <td><input type="checkbox"/> Other _____</td> <td></td> </tr> </table> <p>Approximate date work will start _____</p>	<input type="checkbox"/> Abandon	<input type="checkbox"/> New Construction	<input type="checkbox"/> Repair Casing	<input type="checkbox"/> Pull or Alter Casing	<input type="checkbox"/> Change of Plans	<input type="checkbox"/> Recomplete	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Reperforate	<input type="checkbox"/> Fracture Treat or Acidize	<input type="checkbox"/> Vent or Flare	<input type="checkbox"/> Multiple Completion	<input type="checkbox"/> Water Shut-Off	<input type="checkbox"/> Other _____		<p style="text-align: center;">SUBSEQUENT REPORT (Submit Original Form Only)</p> <table style="width: 100%;"> <tr> <td><input type="checkbox"/> Abandon*</td> <td><input type="checkbox"/> New Construction</td> </tr> <tr> <td><input type="checkbox"/> Repair Casing</td> <td><input type="checkbox"/> Pull or Alter Casing</td> </tr> <tr> <td><input type="checkbox"/> Change of Plans</td> <td><input type="checkbox"/> Reperforate</td> </tr> <tr> <td><input type="checkbox"/> Convert to Injection</td> <td><input type="checkbox"/> Vent or Flare</td> </tr> <tr> <td><input type="checkbox"/> Fracture Treat or Acidize</td> <td><input type="checkbox"/> Water Shut-Off</td> </tr> <tr> <td><input checked="" type="checkbox"/> Other <u>Set & Cement Production Casing</u></td> <td></td> </tr> </table> <p>Date of work completion <u>8/11/2005</u></p> <p style="font-size: 8px;">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.</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>Set & Cement Production Casing</u>	
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<input checked="" type="checkbox"/> Other <u>Set & Cement Production Casing</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)

7/19/05 - 8/11/05
MIRU Union Rig #7. Spud w/ rotary tool on 7/22/05. Drilled a 7-7/8" hole from 840' - 7810'. No water encountered. Ran 183 jts of new 4-1/2" 11.60# M-80 LT&C casing and set @ 7804'.

RU Big 4 Cementing and cement 4-1/2" production casing as follows:
 Pressure Test to 3000 PSI. Pumped 40 bbls of fresh water @ 8.34 ppg.
 Lead: 320 sks cement w/ 16% gel, 10# gilsonite, 3% SAH, 3# GR3, 1/4# flocel.
 Tail: 1420 sks cement w/ 2% 1/4# flocele, 3# sk GR-3
 Displacement 50/50 Poz. 3% dipersant 1/4# sk Flocele. No lead cement to surface.

8/12/2005
RDMOL. WO Completion Rig

13. Name and Signature: *Lucy Nemeč* Title: **SR. Operations Spec** Date: 15-Aug-2005
 Lucy Nemeč

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AUG 16 2005

43-047-36384

4304736384
13S 20E 01

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

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SEP 07 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 paralleled gas line within the proposed route.
Applicatio**

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

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

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

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

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

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

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

a. minimal

d. no change

b. mimimal

e. minimal

c. minimal

f. slight disturbance when pipeline is boomed off access.

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

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

b. NA

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

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

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

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

Cc: Utah Division of Oil, Gas and Mining.

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

Signature of applicant



Date

8/25/2005

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

PLAN OF DEVELOPMENT

Sunday School Canyon Pipeline

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

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

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

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

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

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

Description of the Proposed Pipeline

Purpose and Need for the Right of Way

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

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

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

Well	Field	Lease #	Spot	S-T-R
UOS #1321- 9P	Agency Draw	Utah Oil Shales	SESE	9-13S-21E
Mustang #1320- 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	SESW	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

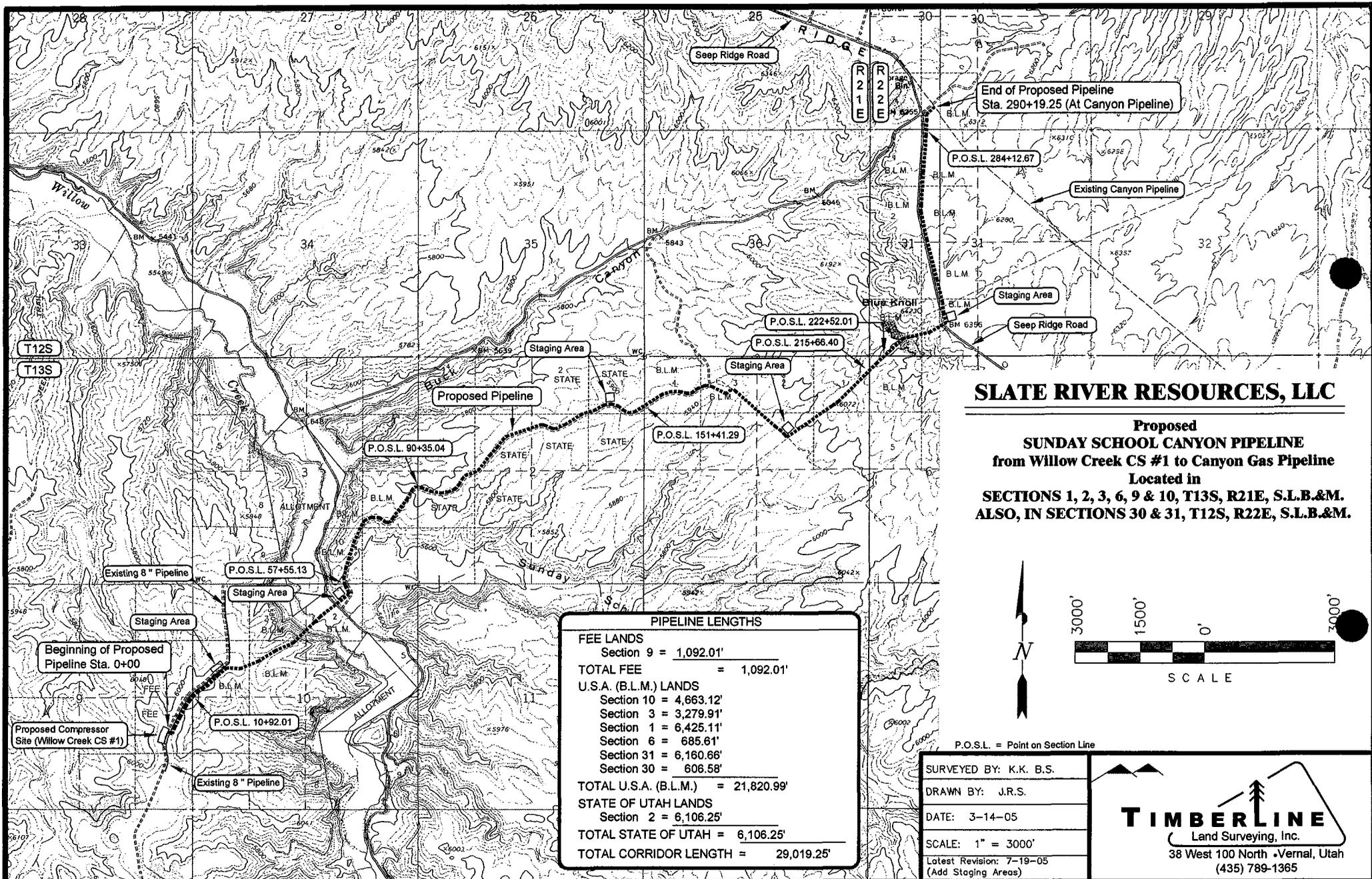
Begin Construction: October 1, 2005

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.

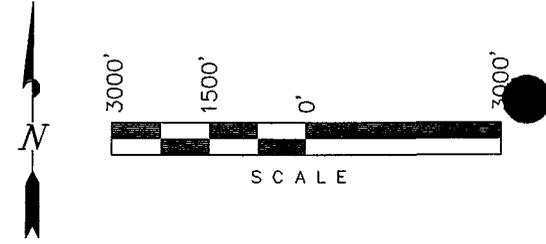
Termination and Restoration

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, T13S, R21E, S.L.B.&M.
ALSO, IN SECTIONS 30 & 31, T12S, R22E, S.L.B.&M.**

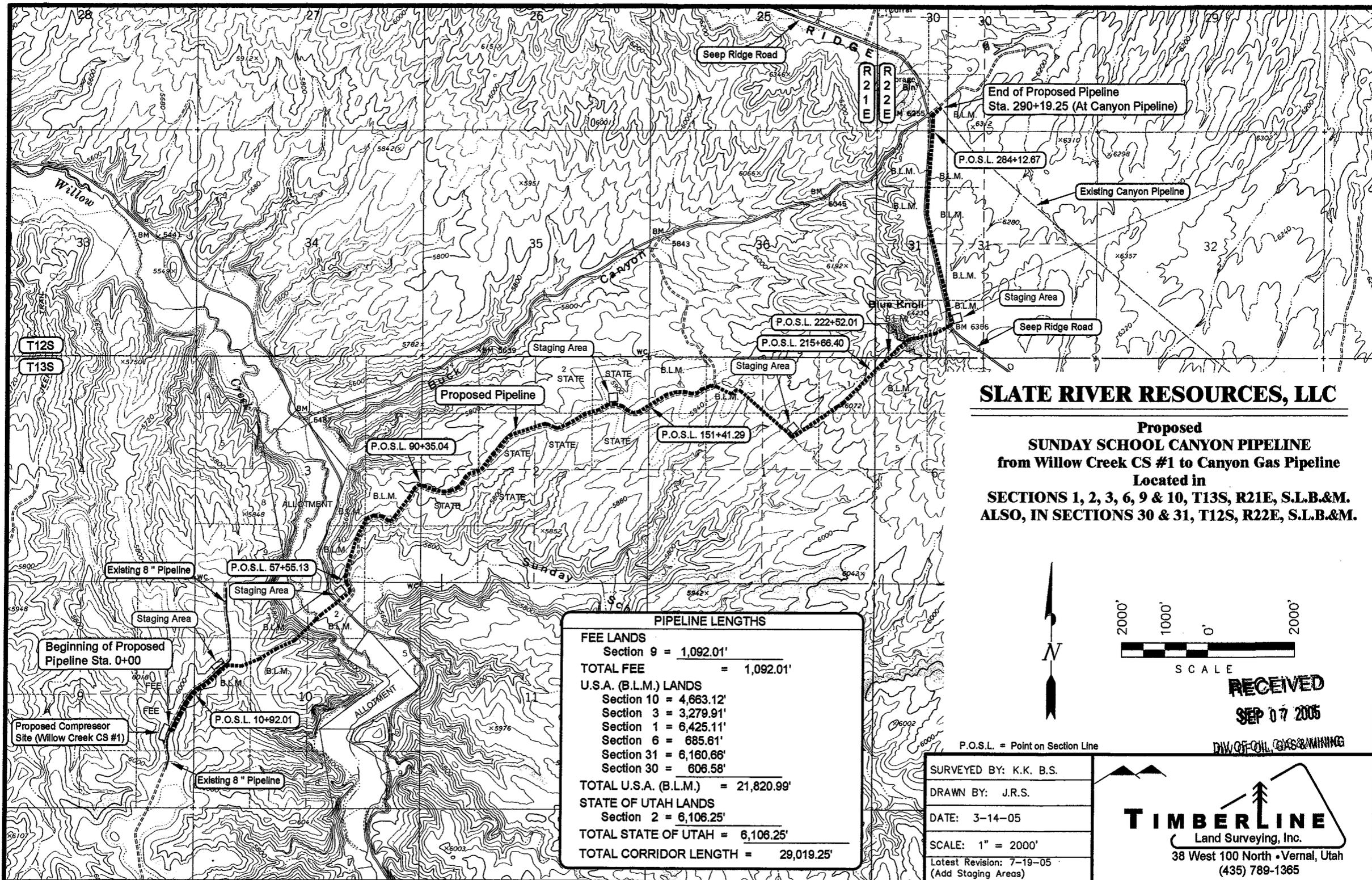


PIPELINE LENGTHS	
FEE LANDS	
Section 9 =	1,092.01'
TOTAL FEE	= 1,092.01'
U.S.A. (B.L.M.) LANDS	
Section 10 =	4,663.12'
Section 3 =	3,279.91'
Section 1 =	6,425.11'
Section 6 =	685.61'
Section 31 =	6,160.66'
Section 30 =	606.58'
TOTAL U.S.A. (B.L.M.)	= 21,820.99'
STATE OF UTAH LANDS	
Section 2 =	6,106.25'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

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

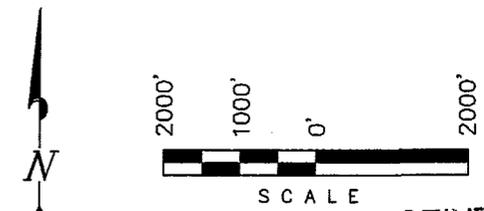
SURVEYED BY:	K.K. B.S.
DRAWN BY:	J.R.S.
DATE:	3-14-05
SCALE:	1" = 3000'
Latest Revision:	7-19-05 (Add Staging Areas)

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.



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PIPELINE LENGTHS	
FEE LANDS	
Section 9 =	1,092.01'
TOTAL FEE	= 1,092.01'
U.S.A. (B.L.M.) LANDS	
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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" = 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

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WELL COMPLETION OR RECOMPLETION REPORT AND LOG*

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 []

2. NAME OF OPERATOR

Slate River Resources LLC

3. ADDRESS AND TELEPHONE NO.

418 E. Main St. Suite 18, Vernal, UT 84078 435-781-1870

4. LOCATION OF WELL (Report locations clearly and in accordance with any State requirements)

At Surface 1879' FSL & 846' FEL

At top prod. Interval reported below

At total depth

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5. LEASE DESIGNATION AND SERIAL NO.

FEE

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

7. UNIT AGREEMENT NAME

8. FARM OR LEASE NAME, WELL NO.

MUSTANG 1320-11

9. API NO.

43-047-36384

10. FIELD AND POOL OR WILDCAT

WILDCAT

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

OR AREA

NE/SE SEC 1, T13S R20E SL&M

12. COUNTY

UINTAH

13. STATE

UTAH

14. DATE SPUNDED

7-22-05

15. DATE T.D. REACHED

8-9-05

16. DATE COMPL. (Ready to prod. or Plug & .)

10-4-05

Abandon [] Ready to Prod [X]

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

5833.5 GL

18. TOTAL DEPTH, MD & TVD

7810' MD 7810' TVD

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

7760' TD MD TVD

20. IF MULTIPLE COMPL., HOW MANY

2

21. DEPTH MD

BRIDGE PLUG

SET: TVD

CABLE TOOLS

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

Mesaverde 5304 - 6524 MD & TVD Mancos 7410 - 7470 MD & TVD

25. WAS DIRECTIONAL SURVEY MADE

NO

26. TYPE ELECTRIC AND OTHER LOGS RUN

HRI/SD/DSN, EMIL, CBL

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), SIZE, DEPTH SET (MD), PACKER SET (MD). Row shows 2-3/8" size with 7359.76' depth set.

31. PERFORATION RECORD (Interval, size and number)

INTERVAL SIZE NUMBER See attached

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

Table with columns: DEPTH INTERVAL (MD), AMOUNT AND KIND OF MATERIAL USED. Rows show intervals like 7462-7416 with 100,600# 20/40 Sand.

33.* PRODUCTION

Table with columns: DATE FIRST PRODUCTION, PRODUCTION METHOD, WELL STATUS, DATE OF TEST, HOURS TESTED, CHOKER SIZE, PROD'N. FOR TEST PERIOD, OIL-BBLS., 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

SIGNED

Signature of Lucy Nemer

TITLE Sr. Operations Specialist

DATE 11/15/2005

DIV OF OIL, GAS & MINING

See Spaces for Addition Data on Reverse Side

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NOV 17 2005

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.

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38.

GEOLOGIC MARKERS

Formation	Top	Bottom	Description, contents, etc.	Top		
				Name	Meas. Depth	True Vert. Depth
Wasatch	2490		Shale, Sandstone			
Mesaverde	4747		Sandstone, Shale			
Castlegate	6984		Sandstone, Shale, Siltstone			
Mancos	7303		Sandstone, Shale, Siltstone			

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

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Mustang #1320-11

27. PERFORATION RECORD

<u>Formation</u>	<u>Interval</u>	<u>Size</u>	<u>No Holes</u>	<u>Status</u>
Mancos	7462 - 7470	0.035	24	Open
Mancos	7410 - 7416	0.035	18	Open
		Total	42	
Mesaverde	6894 - 6898	0.035	21	Open
Mesaverde	6876 - 6880	0.035	12	Open
Mesaverde	6520 - 6524	0.035	12	Open
Mesaverde	6501 - 6506	0.035	15	Open
Mesaverde	6426 - 6430	0.035	12	Open
Mesaverde	6122 - 6128	0.035	18	Open
Mesaverde	5855 - 5860	0.035	15	Open
Mesaverde	5818 - 5824	0.035	18	Open
Mesaverde	5532 - 5535	0.035	9	Open
Mesaverde	5517 - 5520	0.035	9	Open
Mesaverde	5490 - 5493	0.035	9	Open
Mesaverde	5304 - 5307	0.035	9	Open
		Total	159	

28. FRAC HISTORY (cont'd)

<u>Depth of Interval</u>	<u>Amount / type of material</u>
6122 - 6128	100,000# 20/40 sand, 25# gel
5855 - 5518	90,000# 20/40 sand, 25# gel
5532 - 5304	87,200# 20/40 sand, 35# gel

STATE OF UTAH
DIVISION OF OIL, GAS AND MINING

SUNDRY NOTICES AND REPORTS ON WELLS		5. Lease Designation and Serial Number: FEE
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: MUSTANG 1320-11
2. Name of Operator: SLATE RIVER RESOURCES, LLC		9. API Well Number: 43-047-36384
3. Address and Telephone Number: 418 E. MAIN VERNAL, UT 84078		10. Field and Pool, or Wildcat: WILDCAT
4. Location of Well: Footages: 1879' FSL & 846' FEL County: UINTAH QQ, Sec., T., R., M.: NE/SE SEC 1 T13S R20E 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"/> 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 _____	<input type="checkbox"/> Abandon* <input type="checkbox"/> New Construction <input type="checkbox"/> Repair Casing <input type="checkbox"/> Pull or Alter Casing <input type="checkbox"/> Change of Plans <input type="checkbox"/> Reperforate <input type="checkbox"/> Convert to Injection <input type="checkbox"/> Vent or Flare <input type="checkbox"/> Fracture Treat or Acidize <input type="checkbox"/> Water Shut-Off <input checked="" type="checkbox"/> Other <u>Placed on Production</u>
Approximate date work will start _____	Date of work completion <u>1/25/2006</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)

Slate River Resources reports the Mustang 1320-11, referenced above, was placed on production on 1/25/06

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13. Name and Signature: *Lucy Nemeec* Title: SR. Operations Spec Date: 30-Jan-06
Lucy Nemeec

(This space for State use only.)

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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 a...

CONFIDENTIAL

5. Lease Designation and Serial Number:
FEE

6. If Indian, Alutian or Tribe Name:

7. Unit Agreement Name:

8. Well Name and Number:
See attached

9. API Well Number:
43-047-36284

10. Field and Pool or Wides:

1. Type of Well: OIL GAS OTHER:

2. Name of Operator:
SLATE RIVER RESOURCES, LLC

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

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

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

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

NOTICE OF INTENT
(Submit in Duplicate)

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

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

Approximate date work will start 1/25/2006

Date of work completion _____
Report results of Multiple Completions and Recompletions to different reservoirs on WELL COMPLETION OR RECOMPLETION REPORT AND LOG form.
* Must be accompanied by a cement verification report.

12. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work)

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

Dalbo/Ace
6848 W. Hwy 40
Vernal, UT

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

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

13. Name and Signature: *Lucy Werner*

Title: S.R. Operations Specialist Date: 11-Sep-06

(This space for State use only.)

Accepted by the
Utah Division of
Oil, Gas and Mining

RECEIVED
OCT 12 2006

(4/84) Date: 10-12-06
By: *[Signature]*

(See Instructions on Reverse Side)

DIV. OF OIL, GAS & MINING

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

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

FORM 8

STATE OF UTAH
DIVISION OF OIL, GAS AND MINING

5. Lease Designation and Serial Number:

FEE

SUNDRY NOTICES AND REPORTS ON WELLS

6. If Indian, Allottee or Tribe Name:

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

7. Unit Agreement Name:

1. Type of Well: OIL GAS OTHER:

8. Well Name and Number:
MUSTANG 1320-11

2. Name of Operator:
SLATE RIVER RESOURCES, LLC

9. API Well Number:
43-047-36384

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

10. Field and Pool, or Wildcat:
WILDCAT

4. Location of Well:
Footages: 1879' FSL & 846' FEL
QQ, Sec., T., R., M.: NE/SE SEC 1 T13S R20E SLC MERIDIAN

County: UINTAH
State: UT

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

NOTICE OF INTENT
(Submit in Duplicate)

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

Approximate date work will start 3/1/2007

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 cases. 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 plugback the existing Mesaverde and Blackhawk zones and perforate and test uphole Wasatch zones.

Procedure as follows:

- Set CIBP @ ±5280' to plugback and isolate existing perforated interval 5304' - 7470'
- Perforate the Wasatch zones 2312 - 2330 w/ 4 SPF, Breakdown perfs and swab test.
- Stimulate zones if necessary. Place well back on production from the Wasatch zones.

If we decide not to go back into the Mesaverde at a later date, we will place a 100' cement plug above the BP at that time. If we decide to drill out the BP and commingle zones, we will file a NOI prior to commingling.

13. Name and Signature: Lucy Nemecek Title: SR. Operations Spec Date: 22-Feb-07

(This space for State use only.)

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

DATE: 3/1/07
BY: [Signature] (See instructions on Reverse Side)

RECEIVED

FEB 22 2007

DIV. OF OIL, GAS & MINING

COPIES SENT TO OPERATIONS
DATE: 3-2-07
BY: RM

(4/94)

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

**SLATE RIVER
RESOURCES, LLC**

Fax

To:	Dustin Ducet	From:	Lucy Nemeč
Company	DOG M	Company	Slate River Resources
Fax:	801-359-3940	Pages:	2
Phone:		Date:	2-22-07
Re:	NOI - Recompletion	cc:	

Urgent **For Review** **Please Comment** **Please Reply** **Please Recycle**

• **Comments:**

Hi Dustin,

Attached is a NOI to plugback existing Mesaverde and Blackhawk zones and perforate and test uphole Wasatch zones.

Please call if you have any questions - 435-781-1874

Thanks,

Lucy

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FEB 22 2007

DIV. OF OIL, GAS & MINING

STATE OF UTAH
DIVISION OF OIL, GAS AND MINING

<p>SUNDRY NOTICES AND REPORTS ON WELLS</p> <p>Do not use this form for proposals to drill or deepen or reentry to a different reservoir. Use "APPLICATION FOR PERMIT -" for such proposals</p>		<p>5. Lease Designation and Serial Number: FEE</p>
		<p>6. If Indian, Allottee or Tribe Name:</p>
		<p>7. Unit Agreement Name:</p>
<p>1. Type of Well: OIL <input type="checkbox"/> GAS <input checked="" type="checkbox"/> OTHER:</p>		<p>8. Well Name and Number: MUSTANG 1320-11</p>
<p>2. Name of Operator: SLATE RIVER RESOURCES, LLC</p>		<p>9. API Well Number: 43-047-36384</p>
<p>3. Address and Telephone Number: 418 E. MAIN VERNAL, UT 84078</p>		<p>10. Field and Pool, or Wildcat: WILDCAT</p>
<p>4. Location of Well:</p> <p>Footages: 1879' FSL & 846' FEL</p> <p>QQ. Sec., T., R., M.: NE/SE SEC 1 T13S R20E SLC MERIDIAN</p>		<p>County: UINTAH</p> <p>State: UT</p>

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)																										
<table style="width:100%; border: none;"> <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%; border: none;"> <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>Plugback existing zones; Recomp Wasatch</u></td> <td></td> </tr> </table> <p>Date of work completion <u>3/5/2007</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>Plugback existing zones; Recomp Wasatch</u>	
<input type="checkbox"/> Abandon	<input type="checkbox"/> New Construction																										
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<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>Plugback existing zones; Recomp 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)

2/27/07 - 3/5/07
MIRU Nabors Rig #814
 Set CIBP @ 5260' to plugback and isolate existing perfed interval 5304' - 7470' Tested Csg & CIBP to 3500 PSI - Tested good.
 Perforate the Wasatch zones 2312 - 2330 w/ 4 SPF, and swab test.
 Place well back on production from the Wasatch zones.

13. Name and Signature: *Lucy Nemeec* Title: SR. Operations Spec Date: 15-Mar-07
Lucy Nemeec

(This space for State use only.)

RECEIVED

MAR 16 2007

DIV. OF OIL, GAS & MINING

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

WELL COMPLETION OR RECOMPLETION REPORT AND LOG*		5. LEASE DESIGNATION AND SERIAL NO. FEE
		6. IF INDIAN, ALLOTTEE OR TRIBE NAME
1a. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> DRY <input type="checkbox"/> Other _____		7. UNIT AGREEMENT NAME
1b. TYPE OF COMPLETION NEW WELL <input type="checkbox"/> WORK OVER <input type="checkbox"/> DEEP-EN <input type="checkbox"/> PLUG BACK <input checked="" type="checkbox"/> DIFF. RESVR. <input checked="" type="checkbox"/> Other _____		8. FARM OR LEASE NAME, WELL NO. MUSTANG 1320-11
2. NAME OF OPERATOR Slate River Resources LLC		9. API NO. 43-047-36384
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 1879' FSL & 846' FEL At top prod. Interval reported below At total depth		11. SEC., T., R., M., OR BLOCK AND SURVEY OR AREA NE/SE SEC 1, T13S R20E SL&M
		12. COUNTY UINTAH
		13. STATE UTAH

14. DATE SPUDDED 7-22-05	15. DATE T.D. REACHED	16. DATE COMPL. (Ready to prod. or Plug & . 3/5/07 Abandon <input type="checkbox"/> Ready to Prod <input checked="" type="checkbox"/>	17. ELEVATIONS (DF, RKB, RT, GR, ETC.)* 5833.5 GL
18. TOTAL DEPTH, MD & TVD 7810' MD 7810' TVD	19. PLUG, BACK T.D., MD & TVD TD MD	20. IF MULTIPLE COMPL., HOW MANY 1	21. DEPTH CIBP @ 5260' BRIDGE PLUG SET: TVD 5260' CABLE TOOLS
24. PRODUCING INTERVAL(S), OF THIS COMPLETION--TOP, BOTTOM, NAME (MD AND TVD) Wasatch 2312' - 2330'			25. WAS DIRECTIONAL SURVEY MADE
26. TYPE ELECTRIC AND OTHER LOGS RUN		27. WAS WELL CORED YES <input type="checkbox"/> NO <input type="checkbox"/> (Submit analysis) DRILL STEM TEST YES <input type="checkbox"/> NO <input type="checkbox"/> (See reverse side)	

23. CASING RECORD (Report all strings set in well)					
CASING SIZE	WEIGHT, LB./FT.	DEPTH SET (MD)	HOLE SIZE	CEMENTING RECORD	AMOUNT PULLED
9-5/8" H-40	32-30#	804.20'	12-1/4"	450 Skts "G" Cement top: surface	None
4-1/2" M-80	11.60#	7758.83'	7-7/8"	1740 Skts "GR3" Cement top: 420'	None

29. LINER RECORD				30. TUBING RECORD			
SIZE	TOP (MD)	BOTTOM (MD)	SACKS CEMENT*	SCREEN (MD)	SIZE	DEPTH SET (MD)	PACKER SET (MD)
					2-3/8"	2377	None

31. PERFORATION RECORD (Interval, size and number)			32. ACID, SHOT, FRACTURE, CEMENT SQUEEZE, ETC.	
INTERVAL	SIZE	NUMBER	DEPTH INTERVAL (MD)	AMOUNT AND KIND OF MATERIAL USED
2312 - 2330	.35	72	NA	

33.* PRODUCTION							
DATE FIRST PRODUCTION 3/5/07		PRODUCTION METHOD (Flowing, gas lift, pumping--size and type of pump) Flowing				WELL STATUS (Producing or shut-in) Producing	
DATE OF TEST 3/5/07	HOURS TESTED 24	CHOKE SIZE 12/64	PROD'N FOR TEST PERIOD ----->	OIL--BBL.S. 0	GAS--MCF. 679	WATER--BBL. 14	GAS-OIL RATIO 679:0
FLOW. TUBING PRESS. 850#	CASING PRESSURE 940#	CALCULATED 24-HOUR RATE ----->	OIL-BBL. 0	GAS--MCF. 679	WATER--BBL. 14	OIL GRAVITY-API (CORR.)	
34. DISPOSITION OF GAS (Sold, used for fuel, vented, etc.) Sold						TEST WITNESSED BY	

35. LIST OF ATTACHMENTS

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

SIGNED *Lucy Armas* TITLE Sr. Operations Specialist DATE 4/2/2007

STATE OF UTAH
DIVISION OF OIL, GAS AND MINING

SUNDRY NOTICES AND REPORTS ON WELLS		5. Lease Designation and Serial Number: FEE
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: MUSTANG 1320-11
2. Name of Operator: SLATE RIVER RESOURCES, LLC		9. API Well Number: 43-047-96884
3. Address and Telephone Number: 418 E. MAIN VERNAL UT 84078		10. Field and Pool or Wildcat: WILDCAT
4. Location of Well: Footages: 1879' FSL & 846' FEL QQ. Sec. T., R., M.: NE/SE SEC 1 T13S R20E SLC MERIDIAN		Country: UINTAH 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"/> Abandon*
<input type="checkbox"/> Repair Casing	<input type="checkbox"/> Repair Casing
<input type="checkbox"/> Change of Plans	<input type="checkbox"/> Change of Plans
<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Convert to Injection
<input type="checkbox"/> Fracture Treat or Acidize	<input type="checkbox"/> Fracture Treat or Acidize
<input type="checkbox"/> Multiple Completion	<input type="checkbox"/> Other _____
<input checked="" type="checkbox"/> Other <u>Cement squeeze and reperf</u>	
Approximate date work will start: <u>5/4/2007</u>	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)

Well began producing excessive water following the Wasatch recompletion. Workover intent is to log and determine the water source, and evaluate for a water shutoff treatment or cement squeeze. Log run 4/20/07 indicates water channeling from approximately 2340'-2345' at the base of the producing sand. Poor bond is allowing the channeling. Slate River Resources requests approval to Cement squeeze to eliminate the channel and reperf the top of the sand.

COPY SENT TO OPERATOR
Date: 5/10/07
Initials: [Signature]

13. Name and Signature: Lucy Nerrec Title: SR. Operations Spec Date: 03-May-07
Lucy Nerrec

(This space for State use only.)

APPROVED BY THE STATE
OF UTAH DIVISION OF
OIL, GAS, AND MINING
DATE: 5/14/07
BY: [Signature] (See instructions on Reverse Side)

RECEIVED
MAY 03 2007
DIV. OF OIL, GAS & MINING

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

**SLATE RIVER
RESOURCES, LLC**

Fax

To:	Dustin Ducet	From:	Lucy Nemec
Company	DOGM	Company	Slate River Resources
Fax	801-359-3940	Pages:	2
Phone:		Date:	5/3/07
Re:	NOI - Mustang 1321-1!	cc:	

Urgent **For Review** **Please Comment** **Please Reply** **Please Recycle**

• Comments:

Hi Dustin,

Here's a signed Sundry per my email.

Please call if you have any questions - 435-781-1874

Lucy

RECEIVED
MAY 03 2007
DIV. OF OIL, GAS & MINING

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

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 DRY Other _____

7. UNIT AGREEMENT NAME

1b. TYPE OF COMPLETION

NEW WELL WORK OVER DEEP-EN PLUG BACK DIFF. RESVR. Other _____

8. FARM OR LEASE NAME, WELL NO.

MUSTANG 1320-11

2. NAME OF OPERATOR

Slate River Resources LLC

9. API NO.

43-047-36384

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 1879' FSL & 846' FEL

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

NE/SE SEC 1, T13S R20E SL&M

At top prod. Interval reported below

At total depth

12. COUNTY
UINTAH

13. STATE
UTAH

14. DATE SPUDDED

7-22-05

15. DATE T.D. REACHED

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

6/5/07

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

5833.5 GL

18. TOTAL DEPTH, MD & TVD

7810' MD 7810' TVD

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

TD
MD

20. IF MULTIPLE COMPL., HOW MANY

1

21. DEPTH CIBP @ 5260'

BRIDGE PLUG SET: **TVD 5260'**

CABLE TOOLS

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

Wasatch 2310' - 2319'

25. WAS DIRECTIONAL SURVEY MADE

26. TYPE ELECTRIC AND OTHER LOGS RUN

CBL

27. WAS WELL CORED YES NO (Submit analysis)

DRILL STEM TEST YES NO (See reverse side)

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

CASING SIZE	WEIGHT, LB./FT.	DEPTH SET (MD)	HOLE SIZE	CEMENTING RECORD	AMOUNT PULLED
9-5/8" H-40	32-30#	804.20'	12-1/4"	450 Skts "G" Cement top: surface	None
4-1/2" M-80	11.60#	7758.83'	7-7/8"	1740 Skts "GR3" Cement top: 420'	None

29. LINER RECORD

SIZE	TOP (MD)	BOTTOM (MD)	SACKS CEMENT*	SCREEN (MD)

30. TUBING RECORD

SIZE	DEPTH SET (MD)	PACKER SET (MD)
2-3/8"	2377	None

31. PERFORATION RECORD (Interval, size and number)

INTERVAL	SIZE	NUMBER
2310 - 2319 Reperforated	.35	18

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

DEPTH INTERVAL (MD)	AMOUNT AND KIND OF MATERIAL USED
2312 - 2330	Squeezed w/100 sxs cement
2310 - 2319	3400# 30/50 sand; ATR 6.77 BPM, ATP 122

33.* PRODUCTION

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

TEST WITNESSED BY

35. LIST OF ATTACHMENTS

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

SIGNED

[Signature]

TITLE **Sr. Operations Specialist**

RECEIVED JUL 2 2007

(3/89)

See Spaces for Addition Data on Reverse Side

JUL 2 6 2007

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:
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: Mustang 1320-11
3. ADDRESS OF OPERATOR: 418 E. Main, Suite 18 CITY Vernal STATE UT ZIP 84078	PHONE NUMBER: (435) 781-1870	9. API NUMBER: 4304736384
4. LOCATION OF WELL FOOTAGES AT SURFACE: 1079' FSL 846' FEL		10. FIELD AND POOL, OR WLD CAT: Wildcat
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NESE 1 13S 20E		COUNTY: Uintah
		STATE: UTAH

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA			
TYPE OF SUBMISSION	TYPE OF ACTION		
<input type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: _____ <input checked="" type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion: 6/5/2007	<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 type="checkbox"/> PLUG BACK <input type="checkbox"/> PRODUCTION (START/RESUME) <input type="checkbox"/> RECLAMATION OF WELL SITE <input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION	<input type="checkbox"/> REPERFORATE CURRENT FORMATION <input type="checkbox"/> SIDETRACK TO REPAIR WELL <input type="checkbox"/> TEMPORARILY ABANDON <input type="checkbox"/> TUBING REPAIR <input type="checkbox"/> VENT OR FLARE <input type="checkbox"/> WATER DISPOSAL <input checked="" 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.

4/20/07- 6/5/07

MIRU Nabors Rig #814. Run Production Log on Wasatch perms 2312' - 2330' and bottom of perms wet.

Pumped 100 sxs cement into perms 2312' - 2330' to establish a bond over zone. Cement was drilled out and relogged.

Wasatch was reperforated 2310' - 2319'. Well was swab tested and broke down using 35 ball sealers.

Halliburton Services pumped 3400# 30/50 sand down csg: ATR 6.77 BPM, ATP 1229 PSI. Well on vac in 5 min.

Well SI pending evaluation.

I

NAME (PLEASE PRINT) <u>Lucy Nemeec</u>	TITLE <u>Sr. Operations Specialist</u>
SIGNATURE	DATE <u>7/18/2007</u>

(This space for State use only)

RECEIVED
JUL 26 2007
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:
Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.			7. UNIT or CA AGREEMENT NAME:
1. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER _____	2. NAME OF OPERATOR: Slate River Resources, LLC		8. WELL NAME and NUMBER: Mustang 1320-11
3. ADDRESS OF OPERATOR: 418 E. Main, Suite 18 CITY Vernal STATE UT ZIP 84078	PHONE NUMBER: (435) 781-1870	9. API NUMBER: 4304736384	
4. LOCATION OF WELL FOOTAGES AT SURFACE: 1979' FSL 846' FEL			10. FIELD AND POOL OR WILDCAT: Wildcat
CTRQTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NESE 1 13S 20E			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>8/22/2007</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/RESUMES)	<input checked="" 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 recomplete this well as follows:

Set a CIBP @ 2300' to isolate the existing Wasatch perms 2310'-2330'. Perforate multiple Green River Ute land Butte zones between 1760' to 2292'. Selectively test zones to determine fluid content and entry rates. Acid stimulate zones if necessary to improve production rates. Place well back on production.

If we decide not to go back into the Wasatch at a later date, we will place a 100' cement plug above the BP at that time. If we decide to drill out the BP and commingle zones, we will file a NOI prior to commingling.

COPY SENT TO OPERATOR
Date: 8/8/07
Initials: LN

NAME (PLEASE PRINT) <u>Lucy Nemecek</u>	TITLE <u>Sr. Operations Specialist</u>
SIGNATURE <u><i>Lucy Nemecek</i></u>	DATE <u>8/8/2007</u>

(This space for State use only)

APPROVED BY THE STATE OF UTAH DIVISION OF OIL, GAS, AND MINING
DATE 8/8/07
BY: *D. Smith*
(See Instructions on Reverse Side)

RECEIVED
AUG 08 2007

* A 100' cement plug shall be placed above CIBP @ 5260' to isolate Mesa Verde perms and per Sundry dated Feb 22, 2007.

DIV. OF OIL, GAS & MINING

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

**SLATE RIVER
RESOURCES, LLC**

Fax

To:	Dustin Ducet	From:	Lucy Nemec
Company	DOGM	Company	Slate River Resources
Fax	801-359-3940	Pages:	2
Phone:		Date:	8/8/07
Re:	NOI	cc:	

Urgent **For Review** **Please Comment** **Please Reply** **Please Recycle**

• **Comments:**

Hi Dustin,

Please call if you have any questions - 435-781-1874

We put a starting date of 8-22-07, but we would like to start sooner if possible. We would really appreciate a verbal approval on this if possible.

Thanks for your help,

Lucy

RECEIVED

AUG 08 2007

DIV. OF OIL, GAS & MINING

CONFIDENTIAL

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

AMENDED REPORT FORM 8
(highlight changes)

WELL COMPLETION OR RECOMPLETION REPORT AND LOG

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

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

5. LEASE DESIGNATION AND SERIAL NUMBER: _____

6. IF INDIAN, ALLOTTEE OR TRIBE NAME _____

2. NAME OF OPERATOR:
Slate River Resources, LLC

7. UNIT or CA AGREEMENT NAME _____

8. WELL NAME and NUMBER:
Mustang 1320-11

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

PHONE NUMBER:
(435) 781-1870

9. API NUMBER:
4304736384

10. FIELD AND POOL, OR WILDCAT
Wildcat

4. LOCATION OF WELL (FOOTAGES)
AT SURFACE: **1879' FSL 846' FEL**
AT TOP PRODUCING INTERVAL REPORTED BELOW: **1879' FSL 846' FEL**
AT TOTAL DEPTH: **1879' FSL 846' FEL**

11. QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN:
NESE 1 13 20E

12. COUNTY
Uintah

13. STATE
UTAH

14. DATE SPUDDED: _____

15. DATE T.D. REACHED: _____

16. DATE COMPLETED:
9/7/2007

ABANDONED READY TO PRODUCE

17. ELEVATIONS (DF, RKB, RT, GL):
5834 GL

18. TOTAL DEPTH: MD **7,810** TVD **7,810**

19. PLUG BACK T.D.: MD **7,760** TVD **7,760**

20. IF MULTIPLE COMPLETIONS, HOW MANY? *
1

21. DEPTH BRIDGE MD _____ PLUG SET: TVD _____

22. TYPE ELECTRIC AND OTHER MECHANICAL LOGS RUN (Submit copy of each)

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

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

HOLE SIZE	SIZE/GRADE	WEIGHT (#/ft.)	TOP (MD)	BOTTOM (MD)	STAGE CEMENTER DEPTH	CEMENT TYPE & NO. OF SACKS	SLURRY VOLUME (BBL)	CEMENT TOP **	AMOUNT PULLED
12-1/4	9-5/8 H-40	32.3	0	840					
7-7/8"	4-1/2 M-80	11.6	0	7,803					

25. TUBING RECORD

SIZE	DEPTH SET (MD)	PACKER SET (MD)	SIZE	DEPTH SET (MD)	PACKER SET (MD)	SIZE	DEPTH SET (MD)	PACKER SET (MD)
2-3/8	2,378							

26. PRODUCING INTERVALS

FORMATION NAME	TOP (MD)	BOTTOM (MD)	TOP (TVD)	BOTTOM (TVD)
(A) Wasatch	2,310	2,319		
(B) Uteland Butte	1,760	2,281		
(C)				
(D)				

27. PERFORATION RECORD

INTERVAL (Top/Bot - MD)	SIZE	NO. HOLES	PERFORATION STATUS
2,310 2,319	.35	36	Open <input checked="" type="checkbox"/> Squeezed <input type="checkbox"/>
2,278 2,281	.35	6	Open <input checked="" type="checkbox"/> Squeezed <input type="checkbox"/>
2,258 2,266	.35	16	Open <input checked="" type="checkbox"/> Squeezed <input type="checkbox"/>
2,252 2,255	.35	6	Open <input checked="" type="checkbox"/> Squeezed <input type="checkbox"/>

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

DEPTH INTERVAL	AMOUNT AND TYPE OF MATERIAL

29. ENCLOSED ATTACHMENTS:

ELECTRICAL/MECHANICAL LOGS GEOLOGIC REPORT DST REPORT DIRECTIONAL SURVEY

SUNDRY NOTICE FOR PLUGGING AND CEMENT VERIFICATION CORE ANALYSIS OTHER: _____

30. WELL STATUS:
SI

RECEIVED

OCT 31 2007

31. INITIAL PRODUCTION
INTERVAL A (As shown in Item #26)

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

INTERVAL B (As shown in item #26)

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

INTERVAL C (As shown in item #26)

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

INTERVAL D (As shown in item #26)

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

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

SI

33. SUMMARY OF POROUS ZONES (Include Aquifers):

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

34. FORMATION (Log) MARKERS:

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

35. ADDITIONAL REMARKS (Include plugging procedure)

SI pending further evaluation

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

NAME (PLEASE PRINT) Lucy Nemec

TITLE Sr. Operations Specialist

SIGNATURE *Lucy Nemec*

DATE 10/29/2007

This report must be submitted within 30 days of

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

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

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

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

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

Mustang 1320-1I Uteland Butte Recompletion

27. PERFORATION RECORD

<u>Formation</u>	<u>Interval</u>	<u>Size</u>	<u>No Holes</u>		<u>Status</u>
Uteland Butte	2238 - 2244	0.035	12	3 SPF	Open
Uteland Butte	1910 - 1916	0.035	12	3 SPF	Open
Uteland Butte	1850 - 1856	0.035	12	3 SPF	Open
Uteland Butte	1778 - 1784	0.035	12	3 SPF	Open
Uteland Butte	1760 - 1770	0.035	20	3 SPF	Open

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

CONFIDENTIAL

FORM 9

SUNDRY NOTICES AND REPORTS ON WELLS			5. LEASE DESIGNATION AND SERIAL NUMBER: 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: Mustang 1320-11
3. ADDRESS OF OPERATOR: 418 E. Main, Suite 18 CITY: Vernal STATE: UT ZIP: 84078		PHONE NUMBER: (435) 781-1870	9. API NUMBER: 4304736384
4. LOCATION OF WELL FOOTAGES AT SURFACE: 1979' FSL 846' FEL			10. FIELD AND POOL, OR WILDCAT: Wildcat
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NESE 1 13S 20E			COUNTY: Uintah
			STATE: UTAH

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

TYPE OF SUBMISSION	TYPE OF ACTION		
<input type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: _____	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> REPERFORATE CURRENT FORMATION
	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> SIDETRACK TO REPAIR WELL
	<input type="checkbox"/> CASING REPAIR	<input type="checkbox"/> NEW CONSTRUCTION	<input type="checkbox"/> TEMPORARILY ABANDON
	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> TUBING REPAIR
	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> VENT OR FLARE
<input checked="" type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion: 9/7/2007	<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 checked="" 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 recompleted and tested uphole Uteland Butte zones as follows:

8/27 - 9/7/2007

MIRU. CIBP set @ 5260' had 35' of sand on top, 60' of cement was dump bailed on top to make a 95' plug over existing Blackhawk and Mesaverde perms.

Set RBP @ 2292 & perforate Uteland Butte zones 2278 - 2281, 2258 - 2266, 2252 - 2255, 2238 - 2244. Broke down using 2% KCL wtr and swab tested. Release RBP @ 2292.

Set RBP @ 2200 & perforated Uteland Butte zone 1910 - 1916. Broke down using 2% KCL wtr and swab tested. Released RBP @ 2200.

Set RBP @ 1900' & perforated Uteland Butte zones 1760 - 1770, 1778 - 1784, 1850 - 1856. Broke down using 2% KCL wtr and swab tested. Released RBP @ 1900'. RIH w/ Tbg, RD & MOL.
Well SI pending further evaluation.

NAME (PLEASE PRINT) <u>Lucy Nemeec</u>	TITLE <u>Sr. Operations Specialist</u>
SIGNATURE <u><i>Lucy Nemeec</i></u>	DATE <u>10/29/2007</u>

(This space for State use only)

RECEIVED
OCT 31 2007
DIV. OF OIL, GAS & MINING

Division of Oil, Gas and Mining
OPERATOR CHANGE WORKSHEET

ROUTING

1. DJJ
2. CDW

X - Change of Operator (Well Sold)

Operator Name Change/Merger

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

2/21/2008

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

WELL NAME	CA No.	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

1. (R649-8-10) Sundry or legal documentation was received from the **FORMER** operator on: 3/28/2008
2. (R649-8-10) Sundry or legal documentation was received from the **NEW** operator on: 3/18/2008
3. The new company was checked on the **Department of Commerce, Division of Corporations Database** on: 4/28/2008
- 4a. Is the new operator registered in the State of Utah: Yes Business Number: 1467562-0143
- 4b. If **NO**, the operator was contacted on: _____
- 5a. (R649-9-2)Waste Management Plan has been received on: _____ Requested
- 5b. Inspections of LA PA state/fee well sites complete on: n/a
- 5c. Reports current for Production/Disposition & Sundries on: _____
6. **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
7. **Federal and Indian Units:**
 The BLM or BIA has approved the successor of unit operator for wells listed on: n/a
8. **Federal and Indian Communization Agreements ("CA"):**
 The BLM or BIA has approved the operator for all wells listed within a CA on: n/a
9. **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:

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

BOND VERIFICATION:

1. Federal well(s) covered by Bond Number: n/a
2. Indian well(s) covered by Bond Number: n/a
- 3a. (R649-3-1) The **NEW** operator of any fee well(s) listed covered by Bond Number 400KB7078
- 3b. 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:

4. (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

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: Mustang Fuel Corporation <i>N1675</i>	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"/> ALTER CASING	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> SIDETRACK TO REPAIR WELL
<input type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion: _____	<input type="checkbox"/> CASING REPAIR	<input type="checkbox"/> NEW CONSTRUCTION	<input type="checkbox"/> TEMPORARILY ABANDON
	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input checked="" type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> TUBING REPAIR
	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> VENT OR FLARE
	<input type="checkbox"/> CHANGE WELL NAME	<input type="checkbox"/> PLUG BACK	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> PRODUCTION (START/RESUME)	<input type="checkbox"/> WATER SHUT-OFF
	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input type="checkbox"/> OTHER: _____
	<input type="checkbox"/> CONVERT WELL TYPE	<input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION	

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

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) <u>Jim Hill</u>	TITLE <u>Operations Manager</u>
SIGNATURE <i>Jim Hill</i>	DATE <u>2/21/2008</u>

(This space for State use only)

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

RECEIVED
MAR 18 2008

DIV. OF OIL, GAS & MINING

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

FORM 9

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 <i>N2725</i>		6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
3. ADDRESS OF OPERATOR: 418 E. Main, Suite 18 CITY Vernal STATE UT ZIP 84078		7. UNIT or CA AGREEMENT NAME:
4. LOCATION OF WELL FOOTAGES AT SURFACE: See attached schedule of wells		8. WELL NAME and NUMBER: See attached
PHONE NUMBER: (435) 781-1874		9. API NUMBER: See attach
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN:		10. FIELD AND POOL, OR WILDCAT: See attached
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.

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 Nemeec</u>	TITLE <u>Sr. Operations Specialist</u>
SIGNATURE <i>Lucy Nemeec</i>	DATE <u>3/27/2008</u>

(This space for State use only)

APPROVED 4128108
Earlene Russell
Division of Oil, Gas and Mining
Earlene Russell, Engineering Technician

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



JON M. HUNTSMAN, JR.
Governor

GARY R. HERBERT
Lieutenant Governor

State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA
Division Director

September 3, 2008

CERTIFIED MAIL NO.: 7004 2510 0004 1824 6220

Mr. Rand Phipps
Mustang Fuel Corporation
13439 Broadway Extension
Oklahoma City, OK 73114-2202

135 20E 1

Re: Mustang 1320-1I API# 43-047-36384; Uintah Oil Assc 1321-7P API# 43-047-37290; UT Oil Shales 1321-4M API # 43-047-37292; & UT Oil Shales 1321-17A API# 43-047-37293 Extended Shut-in and Temporarily Abandoned Well Requirements for Fee or State Leases

Dear Mr. Phipps:

As of July 2008, Mustang Fuel Corporation has four (4) Fee Lease Wells (see Attachment A) that are currently in non-compliance with the requirements for extended shut-in or temporarily abandoned (SI/TA) status. 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 Utah Division of Oil, Gas & Mining ("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 Division with the following:

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



Page 2
September 3, 2008
Mr. Phipps

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

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

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

Sincerely,



Dustin K. Doucet
Petroleum Engineer

JP/js
Enclosure

cc: Well Files
Compliance File

ATTACHMENT A

	Well Name	API	Lease Type	Years Inactive
1	Mustang 1320-1I	43-047-36384	Fee	1 Year 0 Months
2	UINTAH OIL ASSC 1321-7P	43-047-37290	Fee	2 Years 3 Months
3	UT OIL SHALES 1321-4M	43-047-37292	Fee	2 Years 3 Months
4	UT OIL SHALES 1321-17A	43-047-37293	Fee	2 Years 3 Months



JON M. HUNTSMAN, JR.
Governor

GARY R. HERBERT
Lieutenant Governor

State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA
Division Director

February 24, 2009

CERTIFIED MAIL NO.: 7004 2510 0004 1824 6916

Mr. Rand Phipps
Mustang Fuel Corporation
13439 Broadway Extension
Oklahoma City, OK 73114-2202

43 047 36389
Mustang 1320-1E
13S 2DE 1

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

Dear Mr. Phipps:

As of January 2009, Mustang Fuel Corporation (Mustang) has six (6) Fee Lease Wells (see Attachment A) that are currently in non-compliance with the requirements for extended shut-in or temporarily abandoned (SI/TA) status. 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 Utah Division of Oil, Gas & Mining ("Division) grants approval for extended shut-in time upon a showing of good cause by the operator (649-3-36-1.3.3).

On September 3, 2008 the Division sent a notice via certified mail, which addressed four of the six listed wells non-compliance issues (see Attachment A). Mustang was given 30 days to address this matter. To date the Division has not seen any such correspondence.

The Division also wishes to inform Mustang that wells Mustang 1321-7F (API 43-047-36371) and Utah Oil Shales 1321-9P (API 43-047-36375) have been added to the non-compliance list (Attachment A). This is a **First Notice** for these wells, and requires the same response as the others listed.



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

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

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

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

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

Sincerely,



Dustin K. Doucet
Petroleum Engineer

ATTACHMENT A

	Well Name	API	Lease Type	Years Inactive
SECOND NOTICE				
1	Mustang 1320-1I	43-047-36384	Fee	1 Year 5 Months
2	UINTAH OIL ASSC 1321-7P	43-047-37290	Fee	2 Years 9 Months
3	UT OIL SHALES 1321-4M	43-047-37292	Fee	2 Years 9 Months
4	UT OIL SHALES 1321-17A	43-047-37293	Fee	2 Years 9 Months
FIRST NOTICE				
5	MUSTANG 1321-7F	43-047-36371	Fee	1 Year 3 Months
6	UTAH OIL SHALES 1321-9P	43-047-36375	Fee	1 Year 4 Months

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, Suite 18 CITY Vernal STATE UT ZIP 84078		7. UNIT or CA AGREEMENT NAME:
4. LOCATION OF WELL FOOTAGES AT SURFACE: 1979' FSL 846' FEL		8. WELL NAME and NUMBER: Mustang 1320-11
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NESE 1 13S 20E		9. API NUMBER: 4304736384
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 checked="" type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: Upon approval	<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 checked="" type="checkbox"/> TEMPORARILY ABANDON
	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> TUBING REPAIR
	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> VENT OR FLARE
	<input type="checkbox"/> CHANGE WELL NAME	<input type="checkbox"/> PLUG BACK	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> PRODUCTION (START/RESUME)	<input type="checkbox"/> WATER SHUT-OFF
	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input type="checkbox"/> OTHER: _____
	<input type="checkbox"/> CONVERT WELL TYPE	<input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION	

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

Mustang Fuel Corporation requests approval to TA the above referenced well until additional evaluation of the well can be completed. Mustang has only had operation of the well for less than a year and needs additional time to adequately review possible options. Mustang submits the following supporting data to prove casing integrity for an extended TA status:
 8/19/05: Tested csg from PBDT to surface @ 4500 psi - tested good. The well was completed by Slate River Resources and the lower perforated Mesaverde and Blackhawk intervals were isolated under a CIBP @ 5260' and later capped with 35' of sand and 60' of cement. The Wasatch interval was completed and later squeezed because it was wet. A CBL was run on 5/9/07 from 2470' to 2075' and the bond on the squeezed Wasatch perms 2312 - 2330 was very good.(see attached copy of CBL) 8/29/07: A Baker RBP was set @ 2292 and tested to 3500 PSI - it tested good. The RBP was reset @ 1900', tested to 3500 psi - and tested good. The EOT was set @ 2378 and the well was SI pending further evaluation. 9/7/07: FFL 600'. SICP 0 psi. 3-20-09: SICP 265 psi, FL @ 899'. This location is in a recharge area for the aquifers of the Green River Formation, so 2052' of 9-5/8" casing was run and cemented to surface. 8-11-05: 7804' of 4-1/2" 11.60# M-80 casing was run and cemented w/ 320 sxs lead and 1420 sks tail cement. 5-18-05: Ran GR/CCL/VDL Log from 7760' to 290'. TOC @ 420'. A search of Division of Water Rights records indicates 1 water well within a 10,000' radius of the well. This well was drilled to a depth of 70' and listed as used for stock watering. The casing and cementing program described adequately protects any useable ground water. (Cementing reports are attached).

The above tests and cementing procedures conducted would indicate the casing has integrity and does not pose a risk to public health and safety or to the environment. A current wellbore diagram is also attached.

NAME (PLEASE PRINT) <u>Lucy Nemecc</u>	TITLE <u>Sr. Operations Specialist</u>
SIGNATURE 	DATE <u>4/14/2009</u>

(This space for State use only)

APPROVED BY THE STATE
OF UTAH DIVISION OF
OIL, GAS, AND MINING
DATE 4/17/09
BY: [Signature] (See Instructions on Reverse Side)

COPY SENT TO OPERATOR

Date: 11-24-2009
Initials: VS

RECEIVED
APR 15 2009

(5/2000)

* Valid Through 5/11/10
Monitoring of pressures/fluid levels should be maintained throughout approval period

DIV. OF OIL, GAS & MINING

Big4

CEMENTING

(435) 789-1735

NO 1195

P.O. Box 1817, Vernal, Utah 84078

JOB SUMMARY REPORT

Customer SLATE RIVER RESOURCES			Date 5-31-05		Ticket Number 3346	
Lease & Well Name MUSTANG #1320-1 I		Sec. 1	Twp. 13 S.	Range 20 E	County UINTAH	
Job Type 9 5/8" SURFACE PILING			Drilling Contractor BILL JR. #4			
Surface CSG Size 9 5/8"	Wt./Grade # 32.30 #	Thread 8 RD	Depth From 0		To 804.20	
Inter CSG Size	Wt./Grade	Thread	Depth From		To	
Prod. CSG Size	Wt./Grade	Thread	Depth From		To	
Liner CSG Size	Wt./Grade	Thread	Depth From		To	
TBG or D.P. Size	Wt./Grade	Thread	Depth From		To	

SKS	Materials Furnished	Slurry Wt. P.P.G.	Slurry Yield FT ³	Water Gal./Sk.
450	PREMIUM CEMENT '6"	15.8	1.15	5.0
10	CALCIUM CHLORIDE			
113	FLOCCULE			
4	Gel			

Float Equipment
9 5/8" GUIDE SHOE - 9 5/8" FLOAT COLLAR - 9 5/8" CLAMP - 9 5/8" TOP PLUG -
9 5/8" X 12 1/4" CENTRALIZERS 6 EA - THREAD LOCK 3 EA.

Equipment & Personnel
W.K. MORRIS (Pick up #4) STEVE BRILSFORD (~~PUMP~~ Pump Unit #02)
PETE LAULU (6-60* 8-3)

Notes:
+ 15 RBL CEMENT SLURRY RET. TO SURFACE (73 SX.)
MAX PRESS: 800 PSI.

(435) 789-1735

P.O. Box 1817, Vernal, Utah 84078

Date 5-31, 2005

For SLATE RIVER RESOURCES

Lease MUSTANG #1320-11

Rig No. BILL IR. #4

JOB LOG

TIME	DESCRIPTION	RATE	PSI	VOLUME
18:30	ON LOCATION			
18:45	SAFETY MEETING			
20:35	PRIME & TEST PUMP & LINES	0	1000	0
20:40	MIX GEL			
20:52	ST. FRESH H ₂ O ANCAD	0	0	0
21:03	END FRESH H ₂ O	4	100	40
21:03	ST. GEL SWEEP	4	100	0
21:10	END GEL SWEEP	4	120	20
21:10	ST. CEMENT at 15.8 PPLG.	4	120	0
21:16	FLUID Ret. To Surface	3.9	150	15
21:33	DROP TOP PLUG ON FLY	4	120	92.1
21:33	ST. DISPLACEMENT	4	120	0
21:45	Press & Rate	3.3	400	40
21:47	CEMENT SLURRY Ret. To Surface	3.3	450	44
21:53	Bump PLUG	15	600	59.7
21:53	200 PSI OVER Pump Press	0	800	59.7
21:54	✓ Float (OK)	0	0	0
	450 SX Premium Cement			
	+ 15 BBL Cement Slurry Ret. to Surface (73 SX)			
	Max Press: 800 PSI.			
	THANKS. BIG 4 CREW!			

Operator W. Thomas

Accepted and Approved by [Signature]

OPERATOR: SLATE RIVER RESOURCES, LLC
 WELL: Mustang #1320-11
 FIELD: AGENCY DRAW
 API # 43-047-36384
 LEASE #: FEE
 UIC #: N/A

CNTY: UINTAH FTG: 1879' FSL, 846' FEL
 STATE: UT Q-Q: NESE
 SPUD: 22-Jul-05 SEC.: 1
 COMP: _____ TWS: 13S
 STATUS: COMPL RGE: 20E
 WBD DATE: 7-Sep-07 BY: TF

IP GAS: _____
 IP OIL: _____
 IP WTR: _____
 CUM GAS: _____
 CUM OIL: _____
 CUM WTR: _____
 LAST PROD: _____

WELLBORE DIAGRAM

KBE: 5849.6
 KB: 15.6
 GLE: 5834.0
 TD (ft): 7810
 PBTB (ft): 7760

TOC @ 420

1 1/4" Hole
 9 5/8", 32.3# Csg @ 840

Base of USDW @ n/a
 Original TOC @ _____

Top Wasatch @ _____
 Top Mesaverde @ _____
 Top Castlegate @ _____
 Top Mancos @ _____
 Top Blackhawk @ _____

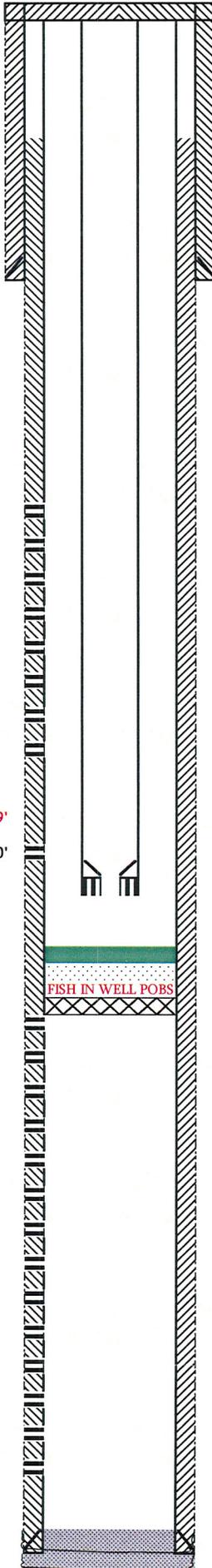
Ute land Butte 1760'-1770'
 Ute land Butte 1778'-1784'
 Ute land Butte 1850'-1856'
 Ute land Butte 1910'-1916'
 Ute land Butte 2238'-2244'
 Ute land Butte 2252'-2255'
 Ute land Butte 2258'-2266'
 Ute land Butte 2278'-2281'

RESHOT 5-15-07
 Wasatch 2310'-2319'
SQUEEZED 5-4-07
 Wasatch 2312'-2330'
 EOT @ 2378'

8-29-07 @ 35' sand & 60' cmt set on fish

CIBP Set 5260' 2/28/07
 Mesaverde 5304'- 5307'
 Mesaverde 5490'- 5493'
 Mesaverde 5517'- 5520'
 Mesaverde 5532'- 5535'
 Mesaverde 5818'- 5824'
 Mesaverde 5855'- 5860'
 Mesaverde 6122'- 6128'
 Mesaverde 6426'- 6430'
 Mesaverde 6501'- 6506'
 Mesaverde 6520'- 6524'
 Mesaverde 6876'- 6880'
 Mesaverde 6894'- 6898'
 Blackhawk 7410'-7416'
 Blackhawk 7462'-7470'

PBTB @ 7754' 9/3/05
 ORIG PBTB (FC) @ 7760
 4 1/2", 11.6#, M-80 Csg @ 7803
 Cmtd w/ 320 sxs Lead & 1420 sxs Tail
 TD @ 7810
 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)	ITS
12 1/4	9 5/8	32.3	H-40	0	840	
7 7/8	4 1/2	11.6	M-80	0	7803	184

Flag Joint @ 5454'

TUBING RECORD COND: NEW DATE: 20-Aug-05

SIZE (in)	WT (lb/ft)	GRADE	TOP (ft)	TALLY (ft)	JTS
2 3/8	4.7	J-55		7339.87	227

ITEM	DESC	SIZE (in)	TALLY (ft)	JTS
K.B.			15.60	
Tbg Hanger			0.68	
TBG	2-3/8", 4.7#, J-55	2 3/8	2359.12	73
R-Nipple	1.781 I.D		1.43	
POBS	Top		0.80	
EOT			2377.63	

PERFORATION RECORD

ZONE	TOP (ft)	BTM (ft)	SPF	DATE SHOT	STATUS	STIM
Blackhawk	7462	7470	3	Aug-05	Below CIBP	
Blackhawk	7410	7416	3	Aug-05	Below CIBP	
Mesaverde	6894	6898	6	Sep-05	Below CIBP	
Mesaverde	6876	6880	3	Sep-05	Below CIBP	
Mesaverde	6520	6524	3	Sep-05	Below CIBP	
Mesaverde	6501	6506	3	Sep-05	Below CIBP	
Mesaverde	6426	6430	3	Sep-05	Below CIBP	
Mesaverde	6122	6128	3	Sep-05	Below CIBP	
Mesaverde	5855	5860	3	Sep-05	Below CIBP	
Mesaverde	5818	5824	3	Sep-05	Below CIBP	
Mesaverde	5532	5535	3	Sep-05	Below CIBP	
Mesaverde	5517	5520	3	Sep-05	Below CIBP	
Mesaverde	5490	5493	3	Sep-05	Below CIBP	
Mesaverde	5304	5307	3	Sep-05	Below CIBP	
Wasatch	2312	2330	4	Mar-07	SQUEEZED	NONE
Wasatch	2310	2319	4	May-07	OPEN	REPERF, SCOUR FRAC
Uteland Butte	2278	2281	2	Aug-07	OPEN	NONE
Uteland Butte	2258	2266	2	Aug-07	OPEN	NONE
Uteland Butte	2252	2255	2	Aug-07	OPEN	NONE
Uteland Butte	2238	2244	2	Aug-07	OPEN	NONE
Uteland Butte	1910	1916	2	Sep-07	OPEN	NONE
Uteland Butte	1850	1856	2	Sep-07	OPEN	NONE
Uteland Butte	1778	1784	2	Sep-07	OPEN	NONE
Uteland Butte	1760	1770	2	Sep-07	OPEN	NONE

WELLWORK HISTORY

COMPLETION 08-19-2005
 Run CBL. Perf Blackhawk zones 7410'-7470' gross interval. BD perfs @ 3500 psig w/ hotoiler.
 09-01-05 CONTINUE COMPLETION BLACKHAWK TEST
 2/27/07 to 3/5/07 RECOMPLETION IN WASATCH
 4/20/07 to 6/05/07 LOCATE WASATCH WATER SOURCE
 Fluid entry w/ shut in temp log was ran on well put back on production found that bottom of Wasatch zone 2312'-2330' was wet production tbg was pulled & 50 sxs cmt was pumped to put bond over zone cmt was drilled out an reglogged 5-9-07 & Wasatch was reperfated 2310'-2314' and added 2314'-2319' on 05-15-07.
 8/27/07 to 9/07/07 RECOMPLETION IN UTELAND BUTTE



Cement Bond
Gamma Ray

WIRELINE SERVICE INC.

After Square Log - Marked

Company Slate River Resources
Well Mustang 1320-11
Field Agency Draw
County Uintah
State UT

Company Slate River Resources
Well Mustang 1320-11
Field Agency Draw
County Uintah State UT

Location: 1879' FSL & 846' FEL
NE/SE

SEC. 1 TWP. 13S RGE. 20E
Permanent Datum Ground Level Elevation 5834'
Log Measured From K.B. 16' E.F. 5849'
Drilling Measured From K.B. G.L. 5834'

Date	9-May-07
Run Number	One
Depth Driller	2470'
Depth Logger	2470'
Bottom Logged Interval	2075'
Top Log Interval	7.875'
Open Hole Size	Water
Type Fluid	
Density / Viscosity	
Max. Recorded Temp.	
Estimated Cement Top	
Time Well Ready	
Time Logger on Bottom	106
Equipment Number	Vernal
Location	Greg Herline
Recorded By	Todd Farley
Witnessed By	
Run Number	Bit From To Size Weight From To
Casing Record	Size Weight Top Bottom
Surface String	9.5/8" 32.3# Surface 840'
Prot. String	
Production String	4 1/2" 11.6# Surface 7750'
Liner	

Fold Here
All interpretations are opinions based on inferences from electrical or other measurements and we cannot and do not guarantee the accuracy or correctness of any interpretation, and we shall not, except in the case of gross or willful negligence on our part, be liable or responsible for any loss, costs, damages or expenses incurred or sustained by anyone resulting from any interpretation made by any of our officers, agents or employees. These interpretations are also subject to our general terms and conditions set out in our current Price Schedule.

Comments

Correlated To Cutters Cement Bond Gamma Ray Log Dated 19-Aug-05
Crew: BJ, Cody R. Dave M.



Main Pass

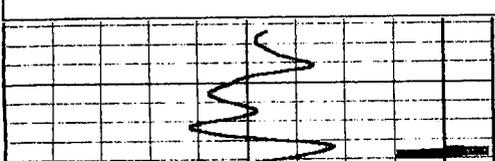
Logged With 0-PSI Surface Pressure

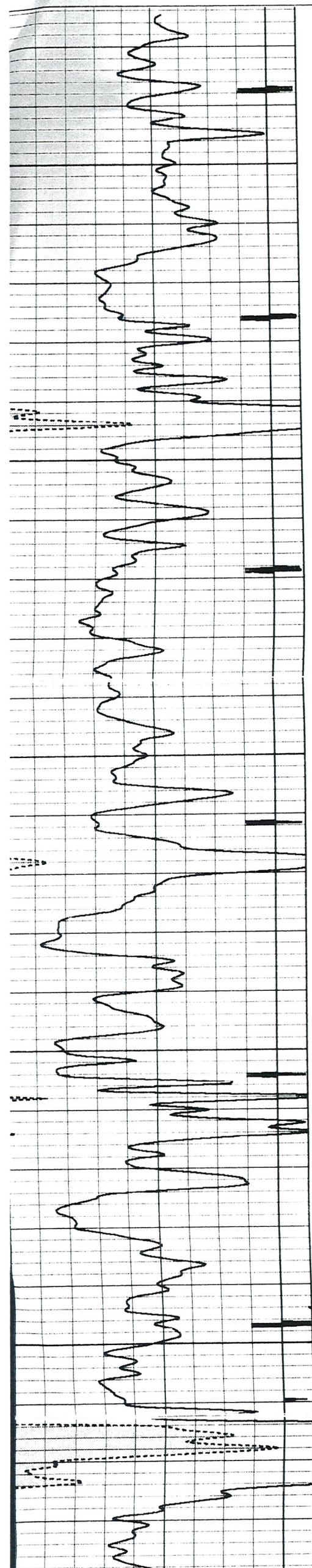
WIRELINE SERVICE INC.

Database File: sr mustang1320-1i.db
Dataset Pathname: pass5
Presentation Format: cbl01
Dataset Creation: Wed May 09 09:41:35 2007 by Log Std Casedhole 05111
Charted by: Depth in Feet scaled 1:240

9	Collar Locator	-1
0	Gamma Ray (GAPI)	150

0	Amplified Amplitude (mV)	20	200	Variable Density
0	Amplitude (mV)	100		
180	Travel Time (usec)	280		



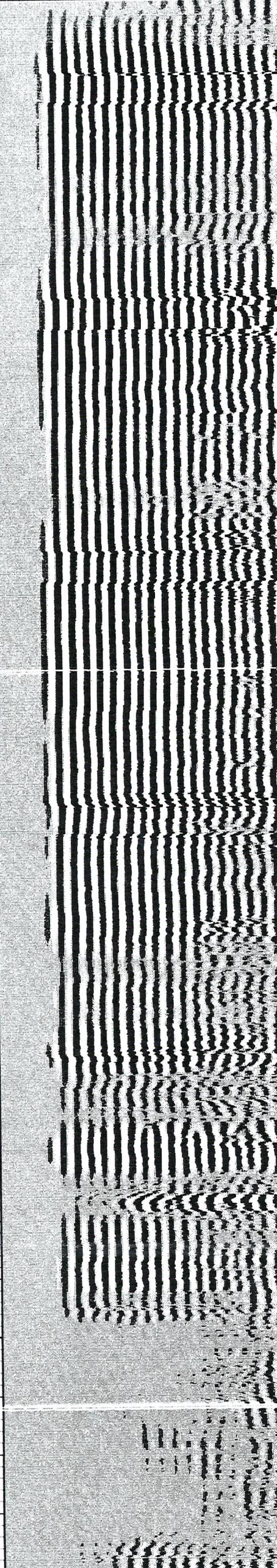
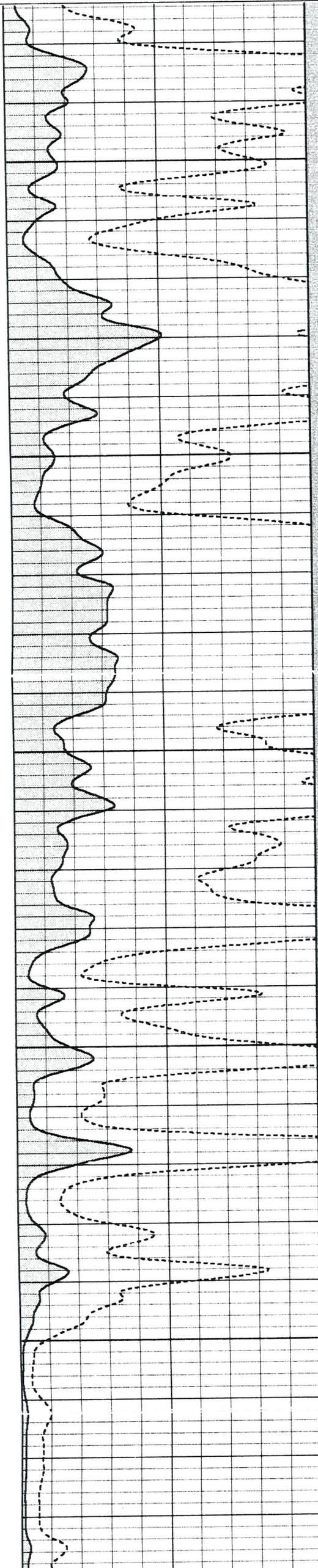


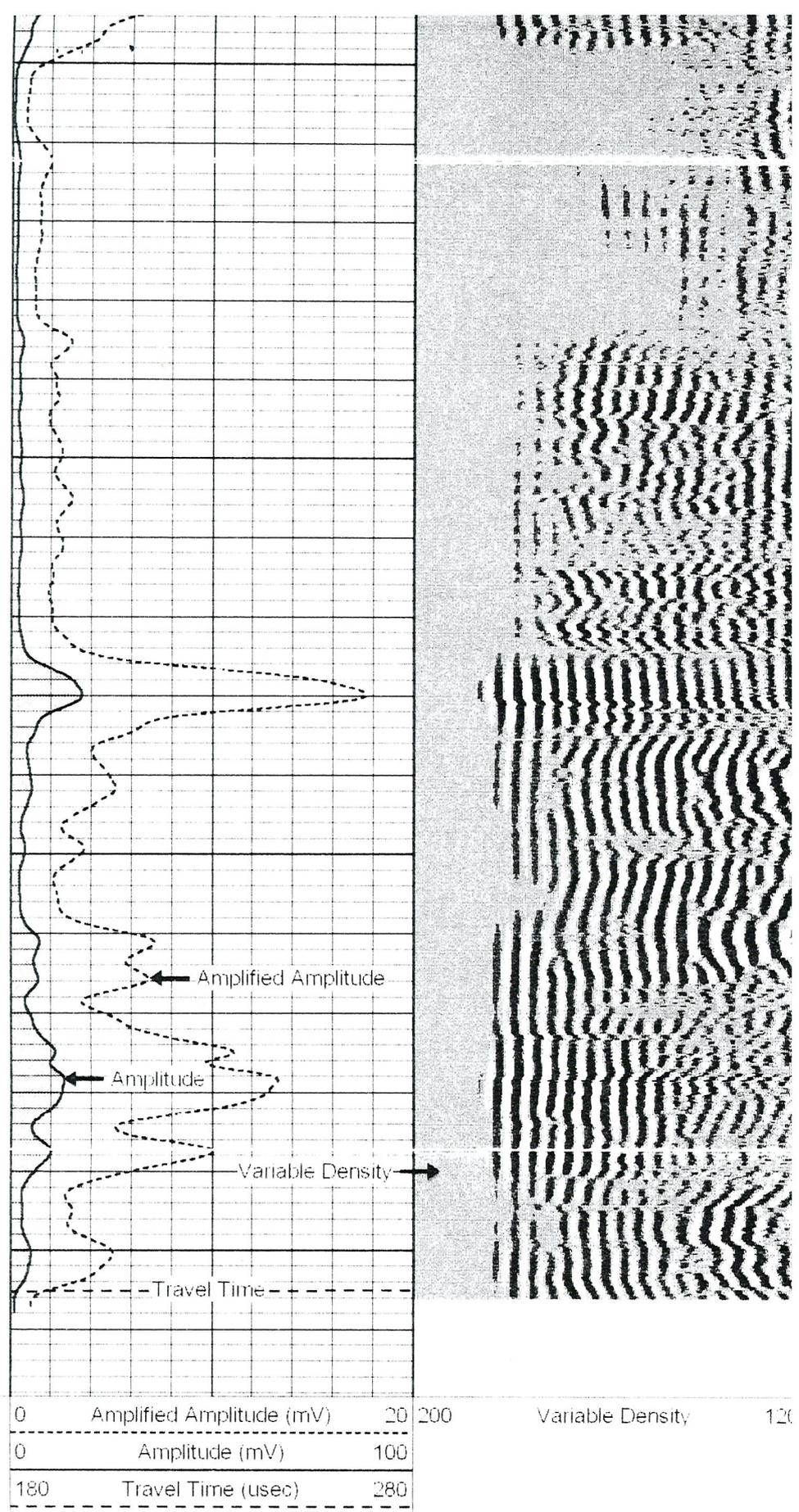
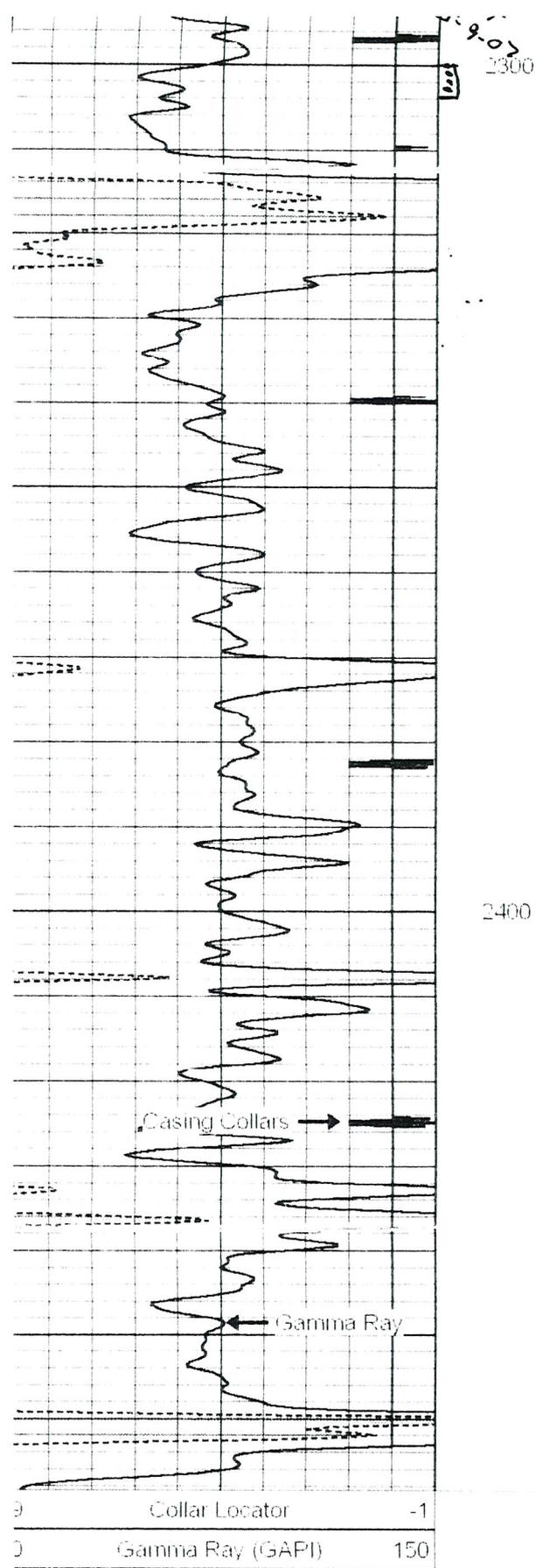
2100

2200

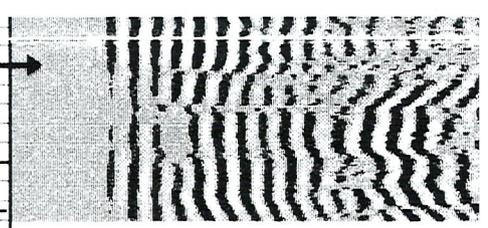
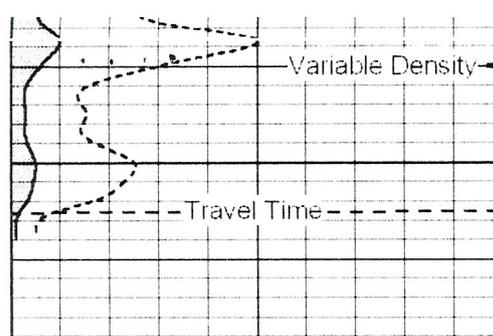
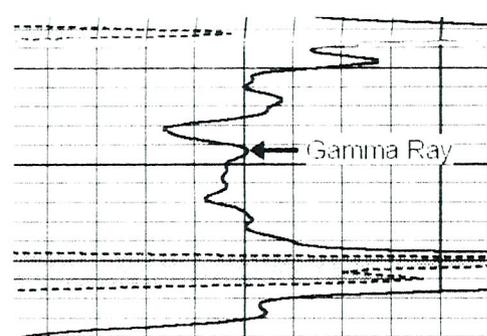
2300

Shot 5-9-07
150





Sensor	Offset (ft)	Schematic	Description	Len (ft)	OD (in)	Wt (lb)
CHD	21.75		CHD-STNDRD (1) Standard Cable Head	1.00	1.69	10.00
GEHT	20.75		2 3/4 Probe	2.83	2.75	20.00
WVF3	13.50		CBL-HurstBond (hb1)	8.83	2.75	50.00



Collar Locator	-1
Gamma Ray (GAPI)	150

0	Amplified Amplitude (mV)	20	200
0	Amplitude (mV)	100	
180	Travel Time (usec)	280	

Variable Density	120
------------------	-----

Sensor	Offset (ft)	Schematic	Description	Len (ft)	OD (in)	Wt (lb)
CHD	21.75		CHD-STNDRD (1) Standard Cable Head	1.00	1.69	10.00
CENT	20.75		2 3/4 Probe	2.83	2.75	20.00
WVF3	13.50		CBL-HurstBond (hb1) Hurst Bond Tool Dual Receiver	8.83	2.75	50.00
WVF5	12.50					
CENT	9.08					
			2 3/4 Probe	2.83	2.75	20.00
CCL	5.33		CCL-TITAN (TITN) Titan 2 3/4" Collar Locator	1.92	2.75	11.00
			GR-TITAN (TITN) TITAN 2 3/4" GR	4.33	2.75	50.00
GR	1.00					

Dataset: /field/well/run1/_plots/_/jobs_/job1
 Total Length: 21.75 ft
 Total Weight: 161.00 lb
 O.D.: 2.75 in

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, Suite 18 CITY Vernal STATE UT ZIP 84078		7. UNIT or CA AGREEMENT NAME:
4. LOCATION OF WELL FOOTAGES AT SURFACE: 1979' FSL 846' FEL		8. WELL NAME and NUMBER: Mustang 1320-11
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NESE 1 13S 20E		9. API NUMBER: 4304736384
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 checked="" type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: <u>5/1/2009</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 checked="" type="checkbox"/> TEMPORARILY ABANDON
	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> TUBING REPAIR
	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> VENT OR FLARE
	<input type="checkbox"/> CHANGE WELL NAME	<input type="checkbox"/> PLUG BACK	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> PRODUCTION (START/RESUME)	<input type="checkbox"/> WATER SHUT-OFF
	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input type="checkbox"/> OTHER: _____
	<input type="checkbox"/> CONVERT WELL TYPE	<input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION	

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

Mustang Fuel Corporation submits this addendum to the NOI Sundry submitted on 4/14/2009 requesting extended TA status. Mustang requests a one year TA status for the Mustang 1320-11 in order to explore the economics of drilling out the BP and reentering the Mesaverde and Blackhawk zones for the purpose of returning the well to production. Another option would be to reenter the well and try again to isolate the water zone in the Wasatch formation, reperforate the interval and return the well to production. At this time, it is not economical to attempt either one of the above options.

COPY SENT TO OPERATOR

Date: 11.24.2009

Initials: KS

NAME (PLEASE PRINT) <u>Lucy Nemeec</u>	TITLE <u>Sr. Operations Specialist</u>
SIGNATURE <u>Lucy Nemeec</u> <small>Digitally signed by Lucy Nemeec DN: cn=Lucy Nemeec, o=US, ou=Mustang Fuel Corporation, email=Lucy.nemeec@mustangfuel.com Date: 2009.04.30 09:32:14 -0700</small>	DATE <u>4/30/2009</u>

(This space for State use only)

Agency Draw
Mustang 1320-11
Fluid Level Shot History
3/20/2009

<u>Date</u>	<u>Well</u>	<u>Shot, FFS</u>	<u>SICP</u>	<u>Top Perf</u>	<u>Btm Perf</u>	<u>EOT Notes</u>
9/21/2006	#1320-11	5368		5304	7470	7358
9/28/2006	#1320-11	5490		5304	7470	7358
10/5/2006	#1320-11	5429	1034	5304	7470	7358
10/12/2006	#1320-11	5398	1097	5304	7470	7358 well open after shot came back no mcf shown
10/19/2006	#1320-11	5490	1049	5304	7470	7358
10/26/2006	#1320-11	5398	962	5304	7470	7358
11/2/2006	#1320-11	5307	1060	5304	7470	7358
11/9/2006	#1320-11	5307	1078	5304	7470	7358
12/14/2006	#1320-11	5625	897	5304	7470	7358
12/21/2006	#1320-11	4655	838	5304	7470	7358
1/4/2007	#1320-11	3136	344	2310	7470	3104
9/7/2007	#1320-11	600	0	1760	7470	2378
3/20/2009	#1320-11	899	265	1760	7470	2378

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: Mustang Fuel Corporation			8. WELL NAME and NUMBER: Mustang 1320-11
3. ADDRESS OF OPERATOR: 418 E. Main, Suite 18 CITY Vernal STATE UT ZIP 84078		PHONE NUMBER: (435) 781-1870	9. API NUMBER: 4304736384
4. LOCATION OF WELL FOOTAGES AT SURFACE: 1979' FSL 846' FEL			10. FIELD AND POOL, OR WILDCAT: Wildcat
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NESE 1 13S 20E			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>5/1/2009</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 checked="" type="checkbox"/> TEMPORARILY ABANDON
	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> TUBING REPAIR
	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> VENT OR FLARE
	<input type="checkbox"/> CHANGE WELL NAME	<input type="checkbox"/> PLUG BACK	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> PRODUCTION (START/RESUME)	<input type="checkbox"/> WATER SHUT-OFF
	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input type="checkbox"/> OTHER: _____
	<input type="checkbox"/> CONVERT WELL TYPE	<input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION	

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

Mustang Fuel Corporation submits this addendum #2 to the NOI Sundry submitted on 4/14/2009 requesting extended TA status.

On September 9 , 2009, Clay Batty checked the surface casing pressure on the above referenced well. It was 0 PSI.

RECEIVED
OCT 05 2009
DIV. OF OIL, GAS & MINING

NAME (PLEASE PRINT) <u>Lucy Nemeec</u>	TITLE <u>Sr. Operations Specialist</u>
SIGNATURE	DATE <u>10/2/2009</u>

(This space for State use only)

3/20/09 Data

Input Data (Provided By Operator)						Output Data						Data Comparative	
Sfc Csg Depth	Sfc Csg Psi	Prod Csg Psi	Tbg Psi	Fluid Level	Depth (Csg, Perf or Plug back)	Water Column Dv	Gas Head Psi	Water Head Psi	Formation Frac @ Sfc Shoe	Reservoir Pressure Total	Calc Press @ Sfc Shoe	Normal Reservoir Psi for Depth	
840	0	265	0	899	1760	861	90	373	588	728	349	762	
Packer	No												
Fluid Gradient psi/ft	0.433												
Gas Gradient psi/ft	0.1												
Frac Gradient psi/ft	0.7												
SCENARIOS						Indicates Integrity?							
#1	SFC CSG = 0 PSI MEANS NO COMMUNICATION, REASSURING INTEGRITY						Yes						
#2	If measured reservoir psi is equal to normal gradient reservoir pressure, well has integrity. Otherwise, pressure would be less; therefore leaching into formation.						Yes						
#3	If it is a producing well and reservoir pressure is less than calculated normally pressured reservoir; an evaluation of frac gradient at the sfc shoe is necessary. If calculated pressure is less than frac pressure at the shoe, than fluid is probably not moving into the formation.						Yes						
#4	If packer is in the hole, with psi on tbg and no psi on prod csg, this indicates tbg and packer integrity.						NA						

UTAH DEPARTMENT OF NATURAL RESOURCES

Division of Oil, Gas & Mining

Oil and Gas Program

1594 West North Temple, Suite 1210, Box 145801

Salt Lake City, Utah 84114-5801

(801) 538-5340 Phone

(801) 359-3940 Fax

NOTICE OF VIOLATION

STATE OF UTAH

OIL AND GAS CONSERVATION ACT

To the following operator: 13 S 20E 1

Name: MUSTANG FUEL CORPORATION

Well(s) or Site(s): 1.) <u>UINTAH OIL ASSC 1321-7P</u>	API #: <u>43-047-37290</u>
2.) <u>UT OIL SHALES 1321-4M</u>	<u>43-047-37292</u>
3.) <u>UT OIL SHALES 1321-17A</u>	<u>43-047-37293</u>
4.) <u>MUSTANG 1320-1I</u>	<u>43-047-36384</u> ←

Date and Time of Inspection/Violation: March 08, 2011

Mailing Address: Attn: Lucy Nemick

418 East Main, Suite 18

Vernal, UT 84078

Under the authority of the Utah Oil and Gas Conservation Act, Section 40-6 et. Seq., Utah Code Annotated, 1953, as amended, the undersigned authorized representative of the Division of Oil, Gas and Mining (Division) has conducted an inspection of the above described site and/or records on the above date and has found alleged violation(s) of the act, rules or permit conditions as described below.

Description of Violation(s):

Rule R649-3-36, Shut-in and Temporarily Abandoned Wells – With the exception of well 4 listed above, the above referenced wells have been Shut-in or Temporarily Abandoned (SI/TA) over 5 consecutive years. Well 4 is approaching 5 years consecutive shut-in. According to Rule R649-3-36, the operator is required to supply the Division with reasons for extended SI/TA, the length of time for extended SI/TA and proof of well bore integrity for every well SI/TA over 12 consecutive months. After 5 years of continued SI/TA, the wells are to be plugged unless good cause is supplied to the Division for extended SI/TA in addition to the required information just mentioned.

UTAH DEPARTMENT OF NATURAL RESOURCES

Division of Oil, Gas & Mining

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Salt Lake City, Utah 84114-5801

(801) 538-5340 Phone

(801) 359-3940 Fax

The Division has initiated several contacts with Mustang Fuel Corporation (Mustang) requesting required documents and action per R649-3-36. All wells listed above had a first notice sent out via certified mail on September 3, 2008, to Mustang. In April of 2009 Mustang responded to the Division with request for extended SI/TA status based on the premises of time to explore various options for putting above wells on production, three of which were pending evaluation and pipeline construction. Extensions were given for these wells valid through April and May of 2010. Our records show nothing has been done to date to move these wells out of violation status. In addition to the wells subject to this NOV, Mustang has 3 additional wells SI/TA beyond 12 months, two of which are past due on given SI/TA extensions. Immediate action must be taken on those wells also.

Action: For the wells subject to this notice, Mustang shall either submit the information required by R649-3-36, plug and abandon or place the wells on production.

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

Compliance Deadline: May 1, 2011

Date of Service Mailing: March 10, 2011

CERTIFIED MAIL NO: 7005 1820 0001 5562 8118



Division's Representative

Operator or Representative
(If presented in person)

6/2005

RECEIVED

MAY 02 2011

FORM 9

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

DIV. OF OIL, GAS & 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: FREE
2. NAME OF OPERATOR: Mustang Fuel Corporation		6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
3. ADDRESS OF OPERATOR: 418 E. Main, Suite 18 CITY Vernal STATE UT ZIP 84078		7. UNIT or CA AGREEMENT NAME:
PHONE NUMBER: (435) 781-1870		8. WELL NAME and NUMBER: Mustang 1320-11
4. LOCATION OF WELL FOOTAGES AT SURFACE: 1979' FSL: 846' FEL		9. API NUMBER: 4304736384
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NESE 1 13S 20E		10. FIELD AND POOL, OR WILDCAT: Wildcat
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: 6/1/2011	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> REPERFORATE CURRENT FORMATION
<input type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion:	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> SIDETRACK TO REPAIR WELL
	<input type="checkbox"/> CASING REPAIR	<input type="checkbox"/> NEW CONSTRUCTION	<input type="checkbox"/> TEMPORARILY ABANDON
	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> TUBING REPAIR
	<input type="checkbox"/> CHANGE TUBING	<input checked="" type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> VENT OR FLARE
	<input type="checkbox"/> CHANGE WELL NAME	<input type="checkbox"/> PLUG BACK	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> PRODUCTION (START/RESUME)	<input type="checkbox"/> WATER SHUT-OFF
	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input type="checkbox"/> OTHER: _____
	<input type="checkbox"/> CONVERT WELL TYPE	<input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION	

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

Mustang Fuel Corporation requests approval to Plug & Abandon the above referenced well. The well has been Temporarily Abandoned since November 17, 2009.

A current wellbore diagram is attached.

COPY SENT TO OPERATOR

Date: AUG 11 2011

Initials: KS

NAME (PLEASE PRINT) Lucy Nemecek
SIGNATURE Lucy Nemecek

TITLE Sr. Operations Specialist
DATE 4/25/2011

(This space for State use only)

REQUEST DENIED
Utah Division of
Oil, Gas and Mining

Date: 8/4/2011

By: [Signature] (See Instructions on Reverse Side)

(5/2000)

* A plugging plan should be submitted and approved prior to commercial PCA work.

RECEIVED

MAY 02 2011

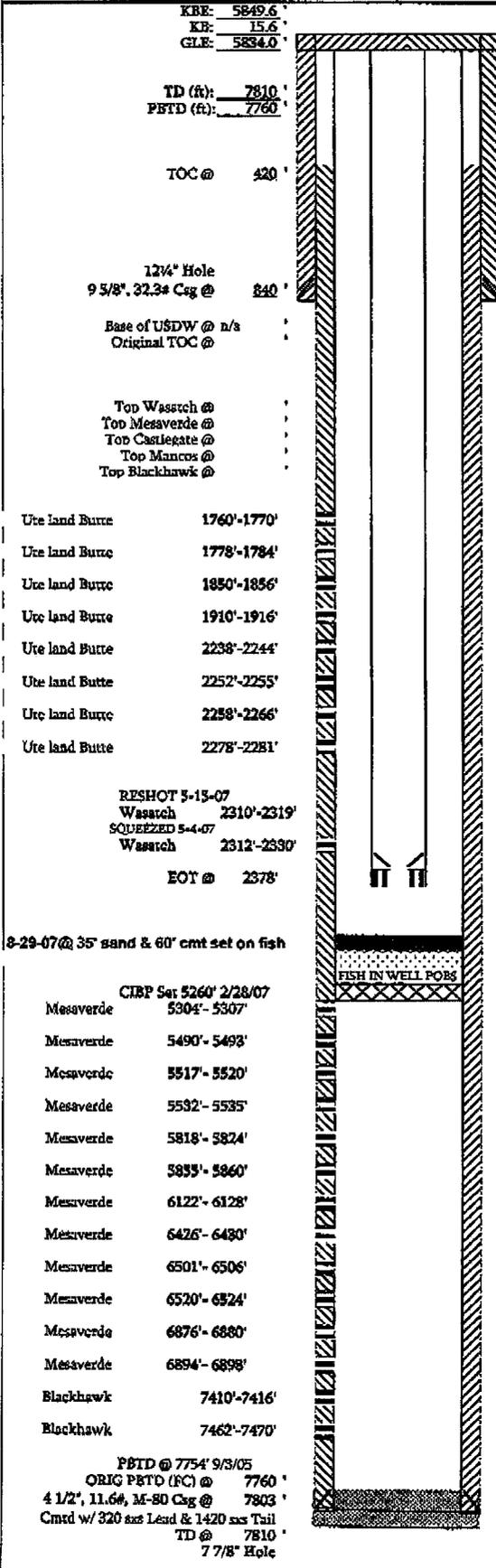
DIV. OF OIL, GAS & MINING

OPERATOR: Mustang Fuel Corporation
 WELL: Mustang #1320-11
 FIELD: AGENCY DRAW
 API # 43-047-36384
 LEASE #: FEE
 UIC #: N/A

CNTY: UNTAH FIG: 1879' FSL, 846' FEL
 STATE: UT Q-Q: NESE
 SPUD: 22-Jul-05 SRC.: 1
 COMP: TWS: 135
 STATUS: COMPL RGE: 20E
 WBD DATE: 17-Nov-09 BY: LN

IP GAS:
 IP OIL:
 IP WTR:
 CUM GAS:
 CUM OIL:
 CUM WTR:
 LAST PROD:

WELLBORE DIAGRAM



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)	ITS
12 1/4	9 5/8	32.3	H-40	0	840	
7 7/8	4 1/2	11.6	M-80	0	7803	184

Flag Joint @ 5454'

TUBING RECORD COND: NEW DATE: 20-Aug-05

SIZE (in)	WT (lb/ft)	GRADE	TOP (ft)	TALLY (ft)	ITS
2 3/8	4.7	I-55		7359.57	227

ITEM	DESC	SIZE (in)	TALLY (ft)	ITS
K.B.			15.60	
Tub Hanger			0.68	
TBG	2-3/8" 4.7# I-55	2 3/8	2359.12	73
R-Nipple	1.781 LD		1.43	
POBS	Top		0.80	
EOY			2377.63	

PERFORATION RECORD

ZONE	TOP (ft)	BTM (ft)	SFF	DATE SHOT	STATUS	STIM
Blackhawk	7462	7470	3	Aug-05	Below CIBP	
Blackhawk	7410	7416	3	Aug-05	Below CIBP	
Mesaverde	6894	6898	6	Sep-05	Below CIBP	
Mesaverde	6876	6880	3	Sep-05	Below CIBP	
Mesaverde	6520	6524	3	Sep-05	Below CIBP	
Mesaverde	6501	6506	3	Sep-05	Below CIBP	
Mesaverde	6426	6430	3	Sep-05	Below CIBP	
Mesaverde	6122	6128	3	Sep-05	Below CIBP	
Mesaverde	5833	5860	3	Sep-05	Below CIBP	
Mesaverde	5818	5824	3	Sep-05	Below CIBP	
Mesaverde	5532	5538	3	Sep-05	Below CIBP	
Mesaverde	5517	5520	3	Sep-05	Below CIBP	
Mesaverde	5490	5493	3	Sep-05	Below CIBP	
Mesaverde	5304	5307	3	Sep-05	Below CIBP	
Wasatch	2312	2330	4	Mar-07	SCHEDULED	NONE
Wasatch	2310	2319	4	May-07	OPEN	REFRAC, SCOUR FRAC
Ireland Butte	2278	2281	2	AUG-07	OPEN	NONE
Ireland Butte	2258	2266	2	AUG-07	OPEN	NONE
Ireland Butte	2257	2255	2	AUG-07	OPEN	NONE
Ireland Butte	2238	2244	2	AUG-07	OPEN	NONE
Ireland Butte	1910	1916	2	Sep-07	OPEN	NONE
Ireland Butte	1850	1856	2	Sep-07	OPEN	NONE
Ireland Butte	1778	1784	2	Sep-07	OPEN	NONE
Ireland Butte	1760	1770	2	Sep-07	OPEN	NONE

WELLWORK HISTORY

COMPLETION 08-19-2003
 Run CBL Perf Blackhawk zones 7410'-7470' gross interval. 3D peels @ 3500 psig w/ heater,
 09-01-05 CONTINUE COMPLETION FOLLOWING BLACKHAWK TEST
 1/27/07 to 3/3/07 RECOMPLETION IN WASATCH
 4/26/07 to 6/08/07 LOCATE WASATCH WATER SOURCE
 Fluid entry w/ shut in temp log was run on well put back on production found that bottom of Wasatch zone 2312'-2330' was wet
 production log was pulled @ 50 lbs cmt was pumped to put bond over zone that was drilled out on relogged 5-9-07 @ Wasatch was
 reperfomed 2310'-2316' and added 2314'-2319' on 05-15-07.
 8/27/07 to 9/07/07 RECOMPLETION IN IRELAND BUTTE
 please note one run was made to fish pobs on cibp set @ 5260' it appears ball is along side of pobs please see fish diagram!
 The well was Temporarily Abandoned November 17, 2009.

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

FORM 9

SUNDRY NOTICES AND REPORTS ON WELLS

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1. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER _____		6. 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, Suite 18 CITY: Vernal STATE: UT ZIP: 84078		7. UNIT or CA AGREEMENT NAME:
4. LOCATION OF WELL FOOTAGES AT SURFACE: 1979' FSL 846' FEL		8. WELL NAME and NUMBER: Mustang 1320-11
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NESE 1 13S 20E		9. API NUMBER: 4304736384
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 checked="" type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: <u>6/15/2011</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 checked="" type="checkbox"/> TEMPORARILY ABANDON
	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> TUBING REPAIR
	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> VENT OR FLARE
	<input type="checkbox"/> CHANGE WELL NAME	<input type="checkbox"/> PLUG BACK	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> PRODUCTION (START/RESUME)	<input type="checkbox"/> WATER SHUT-OFF
	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input type="checkbox"/> OTHER: _____
	<input type="checkbox"/> CONVERT WELL TYPE	<input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION	

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

Mustang Fuel Corporation requests approval to extend TA status one year from June 13, 2011 for the above referenced well until additional evaluation of the well can be completed. Mustang is evaluating the well for the purpose of plugging the lower perforated Mesaverde & Blackhawk intervals and producing the well as a water well. Mustang submits the following supporting data to prove casing integrity for an extended TA status:

8/19/05: Tested csg from PBSD to surface @ 4500 psi - tested good. The well was completed by Slate River Resources and the lower perforated Mesaverde and Blackhawk intervals were isolated under a CIBP @ 5260' and later capped with 35' of sand and 60' of cement. The Wasatch interval was completed and later squeezed because it was wet. A CBL was run on 5/9/07 from 2470' to 2075' and the bond on the squeezed Wasatch perms 2312 - 2330 was very good. A Baker RBP was set @ 2292 and tested to 3500 PSI - it tested good. The RBP was reset @ 1900', tested to 3500 psi - and tested good. The EOT was set @ 2378 and the well was SI pending further evaluation. 9/7/07: FFL 600'. SICP 0 psi. 3-20-09: SICP 265 psi, FL @ 899'. This location is in a recharge area for the aquifers of the Green River Formation, so 2052' of 9-5/8" casing was run and cemented to surface. 8-11-05: 7804' of 4-1/2" 11.60# M-80 casing was run and cemented w/ 320 sxs lead and 1420 sks tail cement. 5-18-05: Ran GR/CCL/VDL Log from 7760' to 290'. TOC @ 420'. A search of Division of Water Rights records indicates 1 water well within a 10,000' radius of the well. This well was drilled to a depth of 70' and listed as used for stock watering. The casing and cementing program described adequately protects any useable ground water.

See page 2 for additional information.

COPY SENT TO OPERATOR
Date: AUG 11 2011
Initials: KS

NAME (PLEASE PRINT) Lucy Nemeč
SIGNATURE *Lucy Nemeč*

TITLE Sr. Operations Specialist
DATE 6/15/2011

REQUEST DENIED
Utah Division of
Oil, Gas and Mining

Date: 8/4/2011
By: *D. W. DeWitt*

RECEIVED
JUN 16 2011
DIV. OF OIL, GAS & MINING

*See attached Reasons for Denial document

Mustang 1320-1I
Extended TA Status
Page 2

12. (Continued)

9/9/2009: Surface casing pressure was 0 PSI.
4/18/11: SICP 17 psi; SITP 0 psi; Fluid level @ 244.

The FL is not below a depth of a possible USDW. This show that it cannot migrate through a possible casing hole and a possible USDW is not feeding water into the casing to fill-up the pipe to the USDW depth. It is my belief that the wellbore integrity has not been compromised.

A current wellbore diagram is also attached.

RECEIVED

JUN 16 2011

DIV. OF OIL, GAS & MINING

REASONS FOR DENIAL OF REQUEST TO EXTEND SI/TA OF WELL

Well Name and Number:	Mustang 1320-11
API Number:	43-047-36384
Operator:	Mustang Fuel Corporation
Reference Document:	Original Sundry dated June 15, 2011, received by DOGM on June 16, 2011

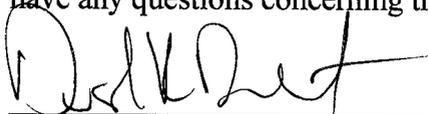
The well has been Shut-in/Temporarily Abandoned for 4 years 0 months. Insufficient information was submitted to the Division to approve the referenced well for continued Shut-in or Temporary Abandonment (SI/TA). The following requirements of R649-3-36 have not been met with this request for SI/TA approval.

1. 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)

The following concerns were noted with the data supplied.

1. The data showed the well to be in a dynamic state not a static state.
2. The data suggests a hole in the casing is possible around the surface casing shoe.
3. The cement bond is poor above the perforations up to the surface casing shoe.
4. The 2009 approval for extended SI/TA was conditioned on continued monitoring of pressures and fluid levels. This was not done or not submitted as part of this request.
5. The base of moderately saline groundwater was estimated to be at 3400' so statement about USDW does not appear to be entirely accurate.

Please pressure test, propose remedial work, put well back into production or get approval for and complete the proposed plug back for conversion to water well. 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.



Dustin K. Doucet
Petroleum Engineer

August 4, 2011

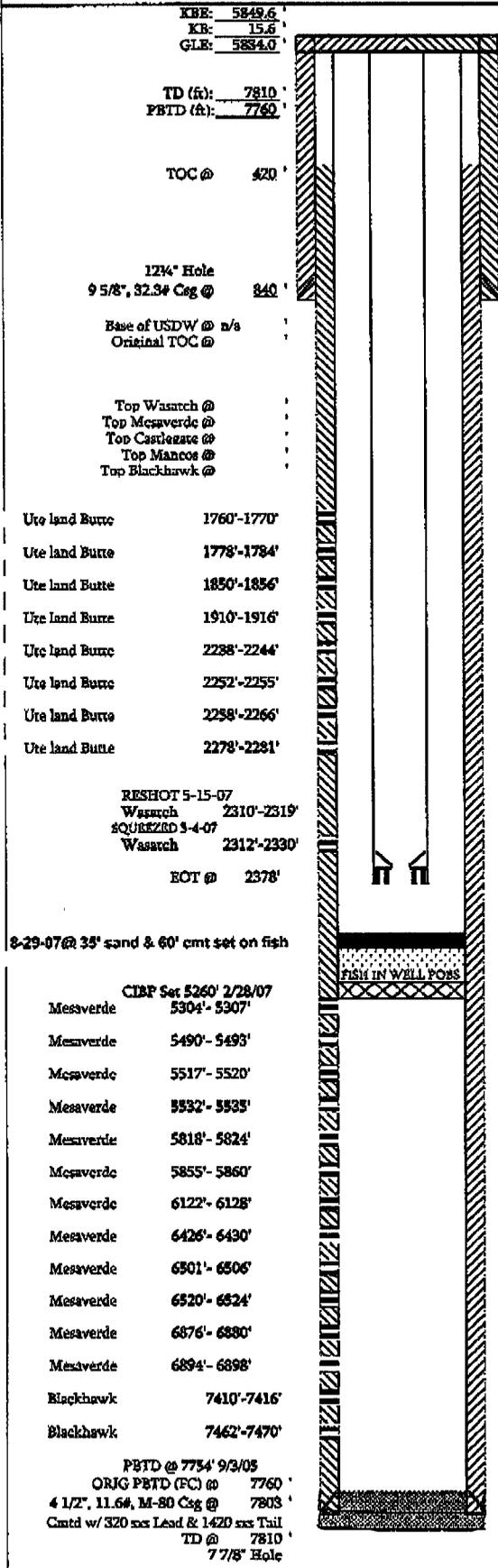
Date

OPERATOR: Mustang Fuel Corporation
 WELL: Mustang #1320-II
 FIELD: AGENCY DRAW
 API # 43-047-36384
 LEASE #: FEE
 UIC #: N/A

CNTY: UNTAH
 STATE: UT
 SPUD: 22-Jul-05
 COMP:
 STATUS: COMPL
 WBD DATE: 17-Nov-09

FTG: 1879' FSL 846' FEL
 Q-O: NESE
 SEC: 1
 TWS: 13S
 RGE: 20E
 BY: LN
 IP GAS:
 IP OIL:
 IP WTR:
 CUM GAS:
 CUM OIL:
 CUM WTR:
 LAST PROD:

WELLBORE DIAGRAM



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)	ITS
12 1/4	9 5/8	32.3	H-40	0	840	
7 7/8	4 1/2	11.6	M-80	0	7803	184

Flng Joint @ 5454'
 TUBING RECORD COND: NEW DATE: 20-Aug-05

SIZE (in)	WT (lb/ft)	GRADE	TOP (ft)	TALLY (ft)	ITS
2 3/8	4.7	J-55		2339.87	227

ITEM	DESC	SIZE (in)	TALLY (ft)	ITS
K.B.			15.60	
Tbg Hanger			0.68	
TBG	2-3/8", 4.7#, J-55	2 3/8	2339.12	72
R-Nipple	1.781 LD		1.48	
POBS	Top		0.30	
EOT			2377.63	

PERFORATION RECORD

ZONE	TOP (ft)	BTM (ft)	SPF	DATE SHOT	STATUS	STIM
Blackhawk	7462	7470	3	Aug-05	Below CIBP	
Blackhawk	7410	7416	3	Aug-05	Below CIBP	
Mesaverde	6894	6898	6	Sep-05	Below CIBP	
Mesaverde	6876	6880	3	Sep-05	Below CIBP	
Mesaverde	6520	6524	3	Sep-05	Below CIBP	
Mesaverde	6501	6506	3	Sep-05	Below CIBP	
Mesaverde	6426	6430	3	Sep-05	Below CIBP	
Mesaverde	6122	6128	3	Sep-05	Below CIBP	
Mesaverde	5855	5860	3	Sep-05	Below CIBP	
Mesaverde	5818	5824	3	Sep-05	Below CIBP	
Mesaverde	5532	5535	3	Sep-05	Below CIBP	
Mesaverde	5517	5520	3	Sep-05	Below CIBP	
Mesaverde	5490	5493	3	Sep-05	Below CIBP	
Mesaverde	5304	5307	3	Sep-05	Below CIBP	
Wasatch	2312	2330	4	Mar-07	SQUEEZED	NONE
Wasatch	2310	2319	4	May-07	OPEN	REFER SCOUR FRAG
Ireland Butte	2278	2281	2	Aug-07	OPEN	NONE
Ireland Butte	2258	2266	2	Aug-07	OPEN	NONE
Ireland Butte	2232	2255	2	Aug-07	OPEN	NONE
Ireland Butte	2238	2244	2	Aug-07	OPEN	NONE
Ireland Butte	1910	1916	2	Sep-07	OPEN	NONE
Ireland Butte	1850	1856	2	Sep-07	OPEN	NONE
Ireland Butte	1778	1784	2	Sep-07	OPEN	NONE
Ireland Butte	1760	1770	2	Sep-07	OPEN	NONE

WELLWORK HISTORY

COMPLETION 08-19-2005
 Run CBL, Post Blackhawk open 7410'-7470' gross interval, BD ports @ 3500 psig w/ handle.
 08-01-05 CONTINUE COMPLETION FOLLOWING BLACKHAWK TEST
 2/27/07 to 3/5/07 RECOMPLETION IN WASATCH
 4/20/07 to 6/05/07 LOCATE WASATCH WATER SOURCE
 Fluid entry of shut in temp log was run on well put back on production found that bottom of Wasatch zone 2312'-2330' was wet
 production; the well pulled 8250 lbs cmt was pumped to put bond over zone; cmt was drilled out on 5-9-07 & Wasatch was
 repositioned 2310'-2319' and added 2314'-2319' on 05-15-07.
 9/27/07 to 9/27/07 RECOMPLETION IN UTELAND BUTTE
 please note; one run was made to fish ports on cibp set @ 5260' it appears ball is along side of ports please see fish diagram!
 The well was Temporarily Abandoned November 17, 2009.

RECEIVED

JUN 16 2011

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: Mustang 1320-11	
2. NAME OF OPERATOR: Mustang Fuel Corporation		9. API NUMBER: 4304736384
3. ADDRESS OF OPERATOR: 418 E. Main, Suite 18 CITY Vernal STATE UT ZIP 84078	PHONE NUMBER: (435) 781-1870	10. FIELD AND POOL, OR WILDCAT: Wildcat
4. LOCATION OF WELL FOOTAGES AT SURFACE: 1979' FSL 846' FEL		COUNTY: Uintah
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NESE 1 13S 20E		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>9/30/2011</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 type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION	

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

Mustang Fuel Corporation submits this addendum to the Sundry Notice submitted on 9/8/11 requesting approval to plug back and then test fresh water zones from 950' - 1576' for the above referenced well .

A revised plugging procedure is attached. *Replaced O&O*

COPY SENT TO OPERATOR
Date: 9-28-2011
Initials: KS

NAME (PLEASE PRINT) <u>Lucy Nemeec</u>	TITLE <u>Sr. Operations Specialist</u>
SIGNATURE <u><i>Lucy Nemeec</i></u>	DATE <u>9/16/2011</u>

(This space for State use only)

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

DATE: 9/27/2011

BY: *D. Stettin*

* See Conditions of Approval (Attached)

RECEIVED
SEP 20 2011
DIV. OF OIL, GAS & MINING

(5/2000)



Mustang Fuel Corporation

#1320-11

Agency Draw

API# 43-047-36384

Uintah County, Utah

Section 1, 13S-20E

1,879' FSL & 846' FEL



Mustang Fuel Corporation

Well # 1320-11, Agency Draw

Procedure to Plug Well Back to test all fresh water zones.

Primary Objective: Produce Fresh Water using existing gas well.

Casing Detail

9 5/8", 32.3#, H-40, ST&C Set @ 840'

4½", 11.6#, N-80, LT&C Set @ 7,803'

Obstructions

CIBP @ 5,260' w POBS on CIBP and 35' of sand and 60' of cement on fish.

On top of CIBP is a POBS and 35' of sand and 60' of cmt.

Perforations

Ute Land Butte:

1,760'-70', 1,778'-84', 1,750'-56', 1,910'-16', 2,238'-44', 2,252'-55', 2,258'-66' &
2,278'-81'

Wasatch:

2,310'-19'

Production Tubing



2 3/8", 4.7#, J-55, EUE, 8rnd Tbg @ 2,377'

"R" Landing Nipple @ 2,375'. ID 1.791"

Water Zones to be tested

1,560' - 1576' (16')

1,460'- 1,492' (32')

1,310'-1,334' (24')

1,246'-1,248' (12')

1,138'- 1,186' (48')

1,068'- 1,084' (16')

900'-950' (50')

Procedure

1. MI & RU WOR. RU return tank off "B" Section w/ 100 bbl capacity.
2. Blow down tbg and casing. ND tree and NU 7 1/16" x 5M Hydraulic BOP's
3. Pull wrap around. TIH w/ extra 2 3/8", 4.7#, J-55, EUE, 8rnd Tbg from 2,378' to TOC @ 5,165'. (89 jnts tbg.)
4. **Pump at least 75' not exceeding 100' balanced cement plug @ 5,165'.**
Due to small amount of cement it's recommended to pump 100' of cement to comply with state regulations. Plug will be 1.6 bbls cement. Use 5 bbl fresh water spacer ahead and behind of plug if needed.
5. TOOH 10 stds. WOC 4 hrs. **TIH and tag TOC.**
6. **Displace casing with produced water with proper amount of corrosion inhibitor to comply with state regulations.** Approx. 80 bbls. TOOH.



7. TOO H PU & MU 3 3/4" junk bit to TOC @ 5,065'. TOO H.
8. **RIH w/ electric line or tbg and set 4 1/2" CIBP @ 2,300'**. To plug off Wasatch @ 2,310'-2,319'. **Cap with 100' of cmt to comply with state regulations.** Pump 5 bbl fresh water spacer ahead and behind cement if needed. If electric line is used make GR/JB run before running CIBP.
9. **RIH w/ electric line or tbg and set 4 1/2" CIBP, set @ 1,740'** to isolate Ute land Butte @ 1,760'- 2,281'. **Pressure test casing and BP to 3,000 psi. Cap with 100' of cement to comply with state regulations.**
10. **At this point in plugging procedure, all downhole requirements have been met to Plug and Abandon well to test fresh water zones. Mustang Fuel Corporation will be applying for a permit to perforate 4 1/2" Casing and 9 5/8" to test producing fresh water zones. All fresh water zones are below TOC @ 420'. Operations will continue to prepare for the pumping of fresh water. The procedure steps at this point will cover those operations. If Mustang Fuel fails to acquire said permit, or produce a useable amount of fresh water then steps will be taken to plug and abandoned well complying with all state regulations. Cut off 4 1/2" casing @ TOC @ 420'. Pull and lay down 4 1/2" casing. Place 100' cement plug across the 4 1/2" stump. Surface casing will be cut off 4' below ground level, capped and labeled per State Regulations.**
11. RD Western Wellsite Plugging Rig. ND and release 7 1/16" x 5000 psi BOP's. NU 7 1/16" full opening valve, 7 1/16" stripping head and running plate. RU pole unit.
12. RIH w/ 3 1/8" perforating gun and perforate fresh water zone from 1,560' – 1,576', (16') 6 spf, 90 degree phasing, .39" EH w/ 40.56" penetration. Total shots 96. TIH w/ tbg and pump and test zone for 24 hrs. Have salinity tests run on water and make sure it is usable fresh water. If zone is inadequate go to step 13.



13. TOOH w/ tbg and pump. Set CIBP @ 1,550'.
14. RIH w/ 3 1/8" perforating gun and perforate fresh water zone from 1,460'-1,492' (32'), 4 spf, 90 degree phasing, .39" EH w/ 40.56" penetration. Total shots 128. TIH w/ tbg and pump and test zone for 24 hrs. Have salinity tests run on water and make sure it is usable fresh water. If zone is inadequate go to step 15.
15. TOOH w/ tbg and pump. Set CIBP @ 1,450'.
16. RIH w/ 3 1/8" perforating gun and perforate fresh water zone from 1,360'-1,400' (40'), 4 spf, 90 degree phasing, .39" EH w/ 40.56" penetration. Total shots 120. TIH w/ tbg and pump and test zone for 24 hrs. Have salinity tests run on water and make sure it is usable fresh water. If zone is inadequate go to step 17.
17. TOOH w/ tbg and pump. Set CIBP @ 1,350'.
18. RIH w/ 3 1/8" perforating gun and perforate fresh water zone from 1,310'-1,334' (24'), 6 spf, 90 degree phasing, .39" EH w/ 40.56" penetration. Total shots 144. TIH w/ tbg and pump and test zone for 24 hrs. Have salinity tests run on water and make sure it is usable fresh water. If zone is inadequate go to step 19.
19. TOOH w/ tbg and pump. Set CIBP @ 1,300'.
20. RIH w/ 3 1/8" perforating gun and perforate fresh water zone from 1,236'-1,248' (12'), 6 spf, 90 degree phasing, .39" EH w/ 40.56" penetration. Total shots 72. TIH w/ tbg and pump and test zone for 24 hrs. Have salinity tests run on water and make sure it is usable fresh water. If zone is inadequate go to step 21.
21. TOOH w/ tbg and pump. Set CIBP @ 1,220'.
22. RIH w/ 3 1/8" perforating gun and perforate fresh water zone from 1,138'- 1,186' (16'), 6 spf, 90 degree phasing, .39" EH w/ 40.56"



- penetration. Total shots 96. TIH w/ tbg and pump and test zone for 24 hrs. Have salinity tests run on water and make sure it is usable fresh water. If zone is inadequate go to step 23.
23. TOOH w/ tbg and pump. Set CIBP @ 1,120'.
24. RIH w/ 3 1/8" perforating gun and perforate fresh water zone from 1,138'- 1,186' (48'), 3 spf, 90 degree phasing, .39" EH w/ 40.56" penetration. Total shots 144. TIH w/ tbg and pump and test zone for 24 hrs. Have salinity tests run on water and make sure it is usable fresh water. If zone is inadequate go to step 25.
25. TOOH w/ tbg and pump. Set CIBP @ 1,120'.
26. RIH w/ 3 1/8" perforating gun and perforate fresh water zone from 1,068'-1,084' (16'), 6 spf, 90 degree phasing, .39" EH w/ 40.56" penetration. Total shots 96. TIH w/ tbg and pump and test zone for 24 hrs. Have salinity tests run on water and make sure it is usable fresh water. If zone is inadequate go to step 27.
27. TOOH w/ tbg and pump. Set CIBP @ 1,050'.
28. RIH w/ 3 1/8" perforating gun and perforate fresh water zone from 900'-950' (50'), 3 spf, 90 degree phasing, .39" EH w/ 40.56" penetration. Total shots 150. TIH w/ tbg and pump and test zone for 24 hrs. Have salinity tests run on water and make sure it is usable fresh water. If zone is inadequate go to step 27.
29. **Contact state to complete P&A procedure.**
30. **TIH w/ 2 3/8" to 900'. Set a balanced 100' cement plug from 900 to 800. (1.5 bbls) TOOH TO 400'. WOC 4 hrs. TIH and tag plug. TOOH keeping 500' of tbg in derrick.**
31. Remove "B" section and weld on 4 1/2", 11.6#, N-80 Lift Sub.
32. Latch on to 4 1/2" casing and work casing. Figure free point.



33. RIH w/ jet cutter and cut off 4 ½" casing 40' above free point. Pull and lay down 4 ½" casing. A notice to pull 4 ½" casing needs to be filed with state. If 4 ½" casing is not pulled perforations will need to be shot @ a depth of 110' and cement will need to be circulated down 4 ½" casing and to surface in 9 5/" annulus. Or a 1" string will need to be used to set at least 100' of cement in 4 ½" casing and annulus.
34. TIH w/ 2 3/8" tbg and set a 100' plug in and out of casing stub. (4.6 bbls). TOOH, WOC. TIH and tag plug.
35. Cut 9 5/8" casing off 4' below GL. Place 100' cement plug as mentioned in step 33. Cap and date casing.
36. A 10' piece of either 4 ½" casing or 5 ½" casing measuring 10' in length will be cemented in cellar and well head covered. At least 6' needs to be in ground and 4' sticking above ground with well name and number welded on casing for permanent marker. All pertinent paperwork and logs will need to be filed with state.



GARY R. HERBERT
Governor

GREGORY S. BELL
Lieutenant Governor

State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas and Mining

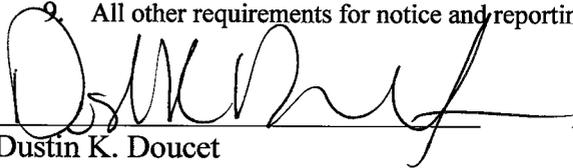
JOHN R. BAZA
Division Director

CONDITIONS OF APPROVAL TO PLUG AND ABANDON WELL

Well Name and Number: Mustang 1320-11
API Number: 43-047-36384
Operator: Mustang Fuel Corporation
Reference Document: Original Sundry Notice dated September 16, 2011,
received by DOGM on September 20, 2011

Approval Conditions:

1. Notify the Division at least 24 hours prior to conducting abandonment operations. Please call Dan Jarvis at 801-538-5338.
2. **ADD Plug # 1A:** A 100' plug shall be balanced across the Base of Moderately Saline Groundwater @ 3400' as required by rule R649-3-24-3.3. The plug shall be balanced from 3450' to 3350'
3. All annuli shall be cemented from a minimum depth of 100' to the surface.
4. Surface reclamation shall be done in accordance with R649-3-34 – Well Site Restoration. Evidence of compliance with this rule should be supplied to the Division upon completion of reclamation.
5. Note: Mustang Fuel Corporation (Mustang) will be held responsible until such time that adequate proof has been supplied to the Division to convert this well to a water well. The proof should include an acceptance of responsibility from the landowner; release of the well bore from Mustang to the landowner and proof that the well has been adequately converted and working as a water supply well under the Division of Water Rights authority (see R649-3-24-6 for more information on this requirement). The well will be considered Temporarily Abandoned and fall subject to all requirements in the Oil and Gas Conservation General Rules, including R649-3-36, until such time that the conversion is complete and approved by the Division.
6. If the well is not converted to a water source well, Mustang shall contact the Division prior to the continuing on with the P&A procedures and setting plugs 4 through 6.
7. All requirements in the Oil and Gas Conservation General Rule R649-3-24 shall apply.
8. If there are any changes to the plugging procedure or the wellbore configuration, notify Dustin Doucet at 801-538-5281 prior to continuing with the procedure.
9. All other requirements for notice and reporting in the Oil and Gas Conservation General Rules shall apply.


Dustin K. Doucet
Petroleum Engineer

September 27, 2011

Date



Wellbore Diagram

API Well No: 43-047-36384-00-00

Permit No:

Well Name/No: MUSTANG 1320-11

Company Name: MUSTANG FUEL CORPORATION

Location: Sec: 1 T: 13S R: 20E Spot: NESE

String Information

Coordinates: X: 618229 Y: 4396650

Field Name: AGENCY DRAW

County Name: Uintah

String	Bottom (ft sub)	Diameter (inches)	Weight (lb/ft)	Length (ft)	Capacity (F/CF)
HOL1	804	12.25			
SURF	804	9.625	32	804	2.263
HOL2	7810	7.875			
PROD	7758	4.5	11.6	7758	11.459
T1	7359	2.375			

Plug #6 (if cut)
 $100' / (1.15) (2.263) = 39.5x \text{ req'd}$

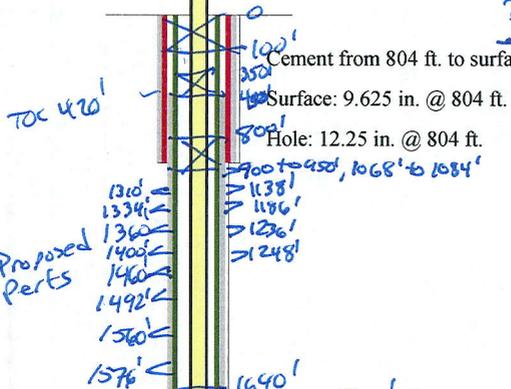
Plug #5 (if cut)
 $50' / (1.15) (11.459) = 4.5x$
 $20' / (1.15) (2.263) = 20.5x$

24.5x req'd. ✓

Plug #4 (if not converted to water source well)

100' = 8.5x min.

Proposed Perfs
 1310'
 1334'
 1360'
 1400'
 1460'
 1492'
 1560'
 1576'



Cement Information

String	BOC (ft sub)	TOC (ft sub)	Class	Sacks
PROD	7758	420	G	1740
SURF	804	0	G	450

Plug #3

100' = 8.5x minimum
 TOC @ 1640'

Plug #2

100' = 8.5x minimum OR
 TOC @ 2200'

Perforation Information

Top (ft sub)	Bottom (ft sub)	Shts/Ft	No Shts	Dt Squeeze
5304	7470			
2310	2330			
1760	2281			

Add Plug #1 A

100' plug across BMSGW
 $100' / (1.15) (11.459) = 8.5x \text{ req'd}$
 TOC @ 3350'

Plug #1

$520' / 75' / (1.15) (11.459) = 6.5x \text{ min}$
 TOC @ 5260' w/ 35' sand
 60' cut

Formation Information

Formation	Depth
WSTC	2490
BMSW	3400
MVRD	4747
CSLGT	6984
MNCS	7303

Cement from 7758 ft. to 420 ft.

Tubing: 2.375 in. @ 7359 ft.

Production: 4.5 in. @ 7758 ft.

Hole: Unknown

Hole: 7.875 in. @ 7810 ft.

TD: 7810 TVD: 7810 PBD: 7760

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

RECEIVED

OCT 24 2011

FORM 9

DIV. OF OIL, GAS & 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 GAS WELL OTHER _____

2. NAME OF OPERATOR:
Mustang Fuel Corporation

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

PHONE NUMBER:
(435) 781-1870

4. LOCATION OF WELL
FOOTAGES AT SURFACE: 1979' FSL 846' FEL
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NESE 1 13S 20E

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:
Mustang 1320-11

9. API NUMBER:
4304736384

10. FIELD AND POOL, OR WILDCAT:
Wildcat

COUNTY: Uintah

STATE: UTAH

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

TYPE OF SUBMISSION	TYPE OF ACTION		
<input type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: _____	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> REPERFORATE CURRENT FORMATION
	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> SIDETRACK TO REPAIR WELL
	<input type="checkbox"/> CASING REPAIR	<input type="checkbox"/> NEW CONSTRUCTION	<input type="checkbox"/> TEMPORARILY ABANDON
	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> TUBING REPAIR
	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> VENT OR FLARE
<input checked="" type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion: 10/10/2011	<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 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 the above well was P & A'd per State regulations to the bottom of the fresh water zone.

See attached plugging operations

The well is currently waiting on equipment to test the fresh water zone. If Mustang fails to produce a useable amount of water, then plugging and abandon steps will be completed. Further reports will be submitted.

NAME (PLEASE PRINT) Lucy Nemeec

TITLE Sr. Operations Specialist

SIGNATURE *Lucy Nemeec*

DATE 10/21/2011

(This space for State use only)

MUSTANG FUEL CORPORATION
 Mustang #1320-11 P&A Lower Intervals/Test Upper Intervals for Water
 October 11, 2011

MUSTANG #1320-11
NE/SE S1-T13S-R20E

Last Csg	4-1/2 11.60# M-80	Set @	7804	KB	15.6	PBTD	1738
GL	5834	KBE	5849.6	RBP		PKR	
PERFS	Water	1560-1576	<u>Under RBP @ 1738</u>		Uteland Butte		
	<u>Under RBP @ 2292</u>		2278 - 2281	2258 - 2266	2252 - 2255	2238 - 2244	1910 - 1916
	2310 - 2314		1850 - 1856	1778 - 1784	1760 - 1770		
	<u>Squeezed Perfs 5/4/07</u>	2315 - 2330	Wasatch Zones				
	<u>Perfs Isolated Under CIBP @ 5260</u>						
	7462 - 7470	7410 - 7416	6894 - 6898	6876 - 6880	6520 - 6524	6501 - 6506	6426 - 6430
	6122 - 6128	5855 - 5860	5818 - 5824	5532 - 5535	5517 - 5520	5490 - 5493	5304 - 5307

Operations Summary

10/1/2011

SITP 0 PSI. SICP 0 PSI. MIRU CU. ND 7 1/16"X2 3/8" 5M TREE. NU 7 1/16"X 3M HYD BOP. PULL DONUT. TALLY 73 JNTS TBG OUT OF HOLE. TIH WITH 159 JNTS 2 3/8", 4.7#, N-80, EUE 8RND TBG. TAG @ 5,180.6' RKB. PICK UP OFF BTM. SDFW.

10/3/2011

SITP 0 PSI. SICP 0 PSI. PUMP 1 BBL FW SPACER, 10 SX CLASS "G" CMT, MIXED @15.8 PPG, YIELD 1.15, DISP W/1 BBL FW. TOC @ 5,050'. DISPLACE HOLE W/TREATED PKR FLUID. TOOH TO 3,468', PUMP 1 BBL FW SPACER, PUMP 20 SX CLASS "G" CMT BALANCE PLUG MIXED @ 15.8 PPG, YIELD 1.15, DISP W/1 BBL FW. TOOH. PU & MU 3 3/4" JUNK BIT. WAIT 2 HRS. TIH W/2 3/8" TBG, TAG @ 3,100'. TOOH LAYING DOWN RENTAL TBG, STANDING BACK MFC TBG. SECURE WELL. SDFN.

10/4/2011

PU & MU 4 1/2" CIBP. TIH, SET @ 2,300' RKB. PUMP TREATED FL. CIRCULATION BROKE W/10 BBL AWAY, PUMP 1 BBL FW SPACER, PUMP 100' CMT, DISPLACE W/1 BBL FW. TOOH. PU & MU CIBP. TIH, SET CIBP @ 1,738' RKB. TEST TO 650 PSI. PUMP 1 BBL FW SPACER, PUMP 100' CMT, DISPLACE W/1 BBL FW. TOOH. LAY DOWN TBG. RD PLUGGING RIG. WELL P & AED PER STATE REGULATIONS TO BTM FRESH WATER ZONE.

10/5/2011

RD 7 1/16"X2 3/8" 5M TREE. RU 7 1/16" FULL OPEN VALVE. RU THE PERFORATORS E-LINE. RIH W 3 1/8" PERFORATOR GUN TO PERFORATE FRESH WATER ZONE FROM 1,560'-1,576', (16') 4 SPF, 120 DEGREE PHASING, .36" EH W/17" PENETRATION. TOTAL SHOTS 64. POOH. WELL ON SLITE VACUM. RD E-LINE.

SECURE WELL SDFN. WO CU.

10/8/2011

MI @ RU CU, PUMP, WATER TANK & FBT. ND FULL OPEN VALVE. NU 7 1/16"X3M BOP. PU & MU 1.781" SSN. TIH W/48 JNTS 2 3/8", 4.7#, N-80, 8RND TBG TO 1,570' RKB. LOAD HOLE W/1.5 BBL FW. BREAKDOWN W/4 BBL FW @400 PSI@1.5 BPM. RU SWAB. MAKE 33 SWAB RUNS. BFL @ SURFACE, EFL 650', AFL 650'. ALL PULLS FROM SSN @ 1,570'. CATCH SAMPLE ON LAST RUN FOR ANALYSIS. SDFN.

10/9/2011

TOH W/TBG. RU PERFORATORS E-LINE. RIH W/GR CCL TO LOG BEFORE PERF. (RECEIVED RESULTS OF WATER TEST, GOOD WATER.) RD E-LINE. TIH W/SSN & 48 JNTS TBG, EOT @ 1,570' RKB. RU SWAB. MAKE 99 SWAB RUNS. BFL 300', EFL 650', AFL 650', ALL PULLS FROM SSN @ 1,570'. CATCH SAMPLE ON LAST RUN FOR ADDITIONAL TEST. SDFS. WILL TOOH & RD MONDAY THE 10TH.

10/10/2011

TOOH & LAY DOWN TBG. ND BOP, NU TREE, RD CU.

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: MUSTANG 1320-11
2. NAME OF OPERATOR: MUSTANG FUEL CORPORATION	9. API NUMBER: 43047363840000
3. ADDRESS OF OPERATOR: 418 East Main , Vernal , UT, 84078	9. FIELD and POOL or WILDCAT: AGENCY DRAW
4. LOCATION OF WELL FOOTAGES AT SURFACE: 1879 FSL 0846 FEL QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: Qtr/Qtr: NESE Section: 01 Township: 13.0S Range: 20.0E 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 checked="" type="checkbox"/> NOTICE OF INTENT Approximate date work will start: 5/1/2012	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> CASING REPAIR
<input type="checkbox"/> SUBSEQUENT REPORT Date of Work Completion:	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> CHANGE WELL NAME
<input type="checkbox"/> SPUD REPORT Date of Spud:	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> CONVERT WELL TYPE
<input type="checkbox"/> DRILLING REPORT Report Date:	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> NEW CONSTRUCTION
	<input type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> PLUG BACK
	<input type="checkbox"/> PRODUCTION START OR RESUME	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input type="checkbox"/> RECOMPLETE DIFFERENT FORMATION
	<input type="checkbox"/> REPERFORATE CURRENT FORMATION	<input type="checkbox"/> SIDETRACK TO REPAIR WELL	<input type="checkbox"/> TEMPORARY ABANDON
	<input type="checkbox"/> TUBING REPAIR	<input type="checkbox"/> VENT OR FLARE	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> WATER SHUTOFF	<input checked="" type="checkbox"/> SI TA STATUS EXTENSION	<input type="checkbox"/> APD EXTENSION
	<input type="checkbox"/> WILDCAT WELL DETERMINATION	<input type="checkbox"/> OTHER	OTHER: <input style="width: 100px;" type="text"/>

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

Mustang fuel Corporation requests a one year SI/TA Extension beginning May 1, 2012 to May 1 2013 to obtain a permit from the Division of Water Rights to convert this well to a water well. 10/3/2011 - SITP 0 PSI, SICP 0 PSI. 10/4/11 - The well was P&A'd per State Regulations to the btm of the fresh water zone (CIBP @ 1738' Tested to 650 psi w/100' cement on top. The well was perforated from 1560' - 1576' and tbg was set @ 1570'. Current FL @ 650'. The well is currently SI and listed as TA waiting on water tests and a permit from the Division of Water Rights to convert to a water well.

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

Date: April 11, 2012

By: *Derek Duff*

NAME (PLEASE PRINT) Lucy Nemec	PHONE NUMBER 435 781-1870	TITLE Sr Operation Spec
SIGNATURE N/A	DATE 3/28/2012	

RECEIVED

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

MAY 28 2012

AMENDED REPORT FORM 8
(highlight changes)

WELL COMPLETION OR RECOMPLETION REPORT AND LOG
DIV. OF OIL, GAS & MINING

1a. TYPE OF WELL: OIL WELL, GAS WELL, DRY, OTHER
b. TYPE OF WORK: NEW WELL, HORIZ. LATS., DEEP-EN, RE-ENTRY, DIFF. RESVR., OTHER

2. NAME OF OPERATOR: Slate River Resources, LLC
9. API NUMBER: 4304736384

3. ADDRESS OF OPERATOR: 418 E. Main Ste 18, Vernal, UT 84078
PHONE NUMBER: (435) 781-1870
10. FIELD AND POOL, OR WILDCAT: Wildcat

4. LOCATION OF WELL (FOOTAGES)
AT SURFACE: 1879' FSL 846' FEL
AT TOP PRODUCING INTERVAL REPORTED BELOW: 1879' FSL 846' FEL
AT TOTAL DEPTH: 1879' FSL 846' FEL
11. QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NESE 1 13 20E

12. COUNTY: Uintah
13. STATE: UTAH

14. DATE SPURRED:
15. DATE T.D. REACHED:
16. DATE COMPLETED: 10/10/2011
ABANDONED, READY TO PRODUCE
17. ELEVATIONS (DF, RKB, RT, GL): 5834 GL

18. TOTAL DEPTH: MD 7,810, TVD 7,810
19. PLUG BACK T.D.: MD 1,738, TVD 1,738
20. IF MULTIPLE COMPLETIONS, HOW MANY?
21. DEPTH BRIDGE MD 1,738, TVD 1,738

22. TYPE ELECTRIC AND OTHER MECHANICAL LOGS RUN
23. WAS WELL CORED?, WAS DST RUN?, DIRECTIONAL SURVEY?

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

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

25. TUBING RECORD

Table with columns: SIZE, DEPTH SET (MD), PACKER SET (MD)

26. PRODUCING INTERVALS

Table with columns: FORMATION NAME, TOP (MD), BOTTOM (MD), TOP (TVD), BOTTOM (TVD), INTERVAL (Top/Bot - MD), SIZE, NO. HOLES, PERFORATION STATUS

27. PERFORATION RECORD

Table with columns: DEPTH INTERVAL, AMOUNT AND TYPE OF MATERIAL

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

31. INITIAL PRODUCTION

INTERVAL A (As shown in item #26)

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

INTERVAL B (As shown in item #26)

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

INTERVAL C (As shown in item #26)

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

INTERVAL D (As shown in item #26)

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

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

Plugged

33. SUMMARY OF POROUS ZONES (Include Aquifers):

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

34. FORMATION (Log) MARKERS:

Formation	Top (MD)	Bottom (MD)	Descriptions, Contents, etc.	Name	Top (Measured Depth)
Water zone	1,560	1,576	Fresh Water		

35. ADDITIONAL REMARKS (Include plugging procedure)

Plugged to fresh water zone - waiting on water well permit

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

NAME (PLEASE PRINT) Lucy Nemec

TITLE Sr. Operations Specialist

SIGNATURE Lucy Nemec

DATE 5/24/2012

This report must be submitted within 30 days of

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

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

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

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

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

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

COPY

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, Suite 18 CITY Vernal STATE UT ZIP 84078		7. UNIT or CA AGREEMENT NAME:
4. LOCATION OF WELL FOOTAGES AT SURFACE: 1979' FSL 846' FEL COUNTY: Uintah		8. WELL NAME and NUMBER: Mustang 1320-11
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NESE 1 13S 20E STATE: UTAH		9. API NUMBER: 4304736384
		10. FIELD AND POOL, OR WILDCAT: Wildcat

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

TYPE OF SUBMISSION	TYPE OF ACTION		
<input type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: _____	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> REPERFORATE CURRENT FORMATION
<input checked="" type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion: 10/10/2011	<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 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 the above well was P & A'd per State regulations to the bottom of the fresh water zone.

See attached plugging operations

The well is currently waiting on equipment to test the fresh water zone. If Mustang fails to produce a useable amount of water, then plugging and abandon steps will be completed. Further reports will be submitted.

RECEIVED
MAY 28 2012
DIV. OF OIL, GAS & MINING

NAME (PLEASE PRINT) Lucy Nemeč	TITLE Sr. Operations Specialist
SIGNATURE <i>Lucy Nemeč</i>	DATE 10/21/2011

(This space for State use only)

MUSTANG FUEL CORPORATION
Mustang #1320-11 P&A Lower Intervals/Test Upper Intervals for Water
October 11, 2011

MUSTANG #1320-11
NE/SE S1-T13S-R20E

RIG #: Nabors	Plug lower intervals/Test upper intervals for water	Start Date 28-Sep-11
Last Csg 4-1/2 11.60# M-80	Set @ 7804	KB 15.6
GL 5834	KBE 5849.6	RBP
TBG 2-3/8" 4.7# J-55	Set @ 2378	TD 7810
Daily Costs \$17,235	Cum Costs \$79,469	CIBP 5260
PERFS		COM Days 9

	Water	1560-1576	Under CIBP @ 1738	Uteland Butte		
	Under RBP @ 2292		2278 - 2281	2258 - 2266	2252 - 2255	2238 - 2244
	2310 - 2314		1850 - 1856	1778 - 1784	1760 - 1770	1910 - 1916
	Squeezed Perfs 5/4/07		2315 - 2330	Wasatch Zones		
	Perfs Isolated Under CIBP @ 5260					
	7462 - 7470	7410 - 7416	6894 - 6898	6876 - 6880	6520 - 6524	6501 - 6506
	6122 - 6128	5855 - 5860	5818 - 5824	5532 - 5535	5517 - 5520	5490 - 5493

Operations Summary

9/28/2007

8/24 - 8/26 - Looking for rig and rentals
 9/28/11 - Pull Test Anchors. WO plugging Unit. Locate water test unit.

10/1/2011

SITP 0 PSI. SICP 0 PSI. MIRU CU. ND 7 1/16"X2 3/8" 5M TREE. NU 7 1/16"X 3M HYD BOP. PULL DONUT. TALLY 73 JNTS TBG OUT OF HOLE. TIH WITH 159 JNTS 2 3/8", 4.7#, N-80, EUE 8RND TBG. TAG @ 5,180.6' RKB. PICK UP OFF BTM. SDFW.

10/3/2011

SITP 0 PSI. SICP 0 PSI. PUMP 1 BBL FW SPACER, 10 SX CLASS "G" CMT, MIXED @15.8 PPG, YIELD 1.15, DISP W/1 BBL FW. TOC @ 5,050'. DISPLACE HOLE W/TREATED PKR FLUID. TOOH TO 3,468', PUMP 1 BBL FW SPACER, PUMP 20 SX CLASS "G" CMT BALANCE PLUG MIXED @ 15.8 PPG, YIELD 1.15, DISP W/1 BBL FW. TOOH. PU & MU 3 3/4" JUNK BIT. WAIT 2 HRS. TIH W/2 3/8" TBG, TAG @ 3,100'. TOOH LAYING DOWN RENTAL TBG, STANDING BACK MFC TBG. SECURE WELL. SDFN.

10/4/2011

PU & MU 4 1/2" CIBP. TIH, SET @ 2,300' RKB. PUMP TREATED FL. CIRCULATION BROKE W/10 BBLS AWAY, PUMP 1 BBL FW SPACER, PUMP 100' CMT, DISPLACE W/1 BBL FW. TOOH. PU & MU CIBP. TIH, SET CIBP @ 1,738' RKB. TEST TO 650 PSI. PUMP 1 BBL FW SPACER, PUMP 100' CMT, DISPLACE W/1 BBL FW. TOOH. LAY DOWN TBG. RD PLUGGING RIG. WELL P & AED PER STATE REGULATIONS TO BTM FRESH WATER ZONE.

10/5/2011

RD 7 1/16"X2 3/8" 5M TREE. RU 7 1/16" FULL OPEN VALVE. RU THE PERFORATORS E-LINE. RIH W 3 1/8" PERFORATOR GUN TO PERFORATE FRESH WATER ZONE FROM 1,560'-1,576', (16') 4 SPF, 120 DEGREE PHASING, .36" EH W/17" PENETRATION. TOTAL SHOTS 64. POOH. WELL ON SLITE VACUM. RD E-LINE.

SECURE WELL SDFN. WO CU.

10/6/2011

WOCU

10/8/2011

MI @ RU CU, PUMP, WATER TANK & FBT. ND FULL OPEN VALVE. NU 7 1/16"X3M BOP. PU & MU 1.781" SSN. TIH W/48 JNTS 2 3/8", 4.7#, N-80, 8RND TBG TO 1,570' RKB. LOAD HOLE W/1.5 BBL FW. BREAKDOWN W/4 BBLS FW @400 PSI@1.5 BPM. RU SWAB. MAKE 33 SWAB RUNS. BFL @ SURFACE, EFL 650', AFL 650'. ALL PULLS FROM SSN @ 1,570'. CATCH SAMPLE ON LAST RUN FOR ANALYSIS. SDFN.

10/9/2011

TOH W/TBG. RU PERFORATORS E-LINE. RIH W/GR CCL TO LOG BEFORE PERF. (RECEIVED RESULTS OF WATER TEST, GOOD WATER.) RD E-LINE. TIH W/SSN & 48 JNTS TBG, EOT @ 1,570' RKB. RU SWAB. MAKE 99 SWAB RUNS. BFL 300', EFL 650', AFL 650', ALL PULLS FROM SSN @ 1,570'. CATCH SAMPLE ON LAST RUN FOR ADDITIONAL TEST. SDFS. WILL TOOH & RD MONDAY THE 10TH.

10/10/2011

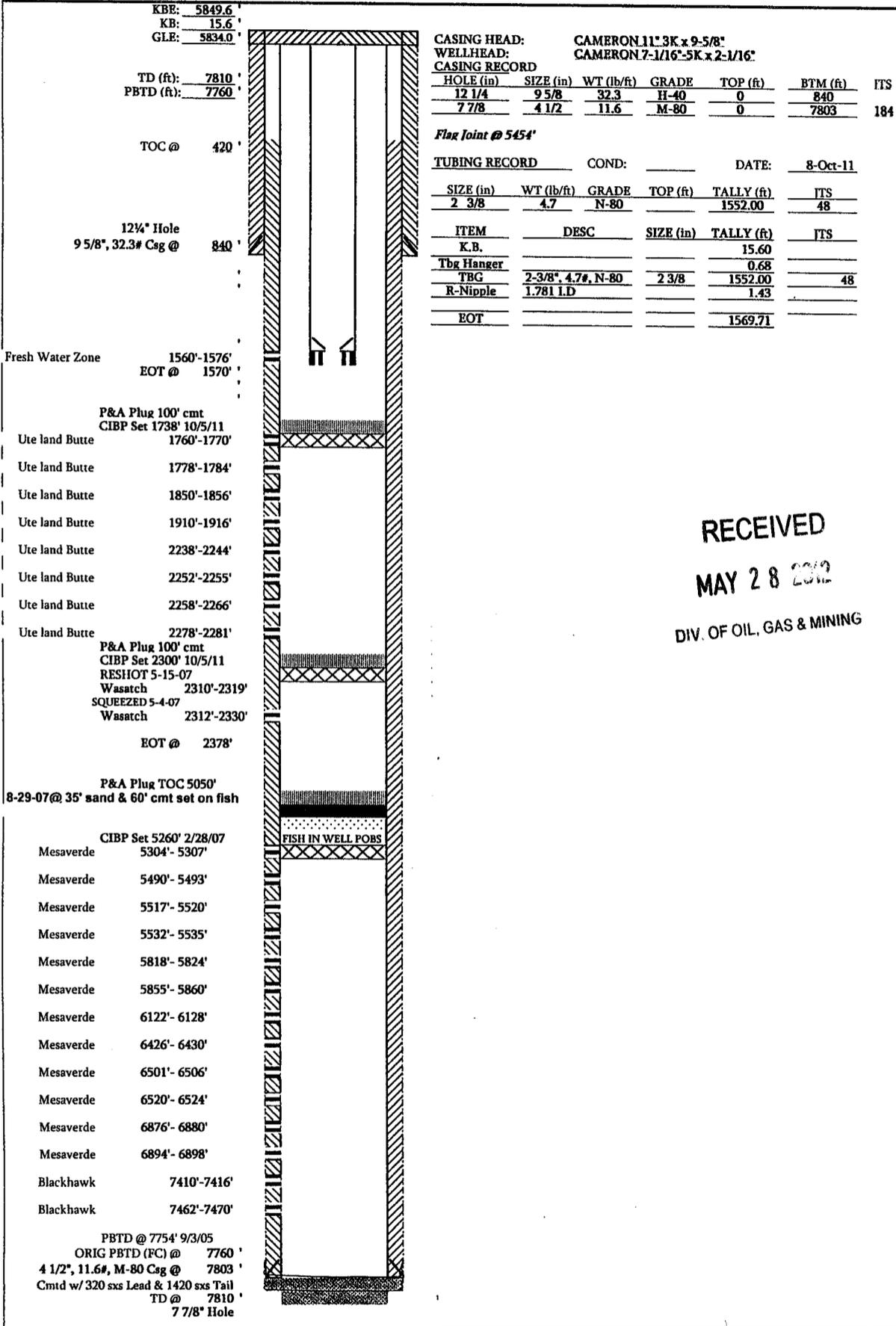
TOOH & LAY DOWN TBG. ND BOP, NU TREE, RD CU. SEARCHING FOR EQUIPMENT TO PERFORM TEST.

OPERATOR: Mustang Fuel Corporation
 WELL: Mustang #1320-11
 FIELD: AGENCY DRAW
 API # 43-047-36384
 LEASE #: FEE
 UIC #: N/A

CNTY: UINTAH FTG: 1879' FSL, 846' FEL
 STATE: UT Q-Q: NESE
 SPUD: 22-Jul-05 SEC.: 1
 COMP: _____ TWS: 13S
 STATUS: T&A RGE: 20E
 WBD DATE: 17-Oct-11 BY: LN

IP GAS: _____
 IP OIL: _____
 IP WTR: _____
 CUM GAS: _____
 CUM OIL: _____
 CUM WTR: _____
 LAST PROD: _____

WELLBORE DIAGRAM



RECEIVED
 MAY 28 2012
 DIV. OF OIL, GAS & MINING

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

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

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

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

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

Compliance Deadline: May 1, 2013

Date of Service Mailing: March 19, 2013

Certified Mail No.: 7010 1670 0001 4810 3959



Division Representative Signature

Operator Representative (if presented in person)

cc: Compliance File
Well Files

1/2013

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

FORM 9

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: Mustang Fuel Corporation		8. WELL NAME and NUMBER: Mustang 1320-11
3. ADDRESS OF OPERATOR: 9800 N. Oklahoma Ave CITY Oklahoma City STATE OK ZIP 73114		9. API NUMBER: 4304736384
4. LOCATION OF WELL FOOTAGES AT SURFACE: 1879' FSL, 846' FEL		10. FIELD AND POOL, OR WILDCAT: Wildcat
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NESE 1 13S 20E		COUNTY: Uintah
		STATE: UTAH

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA		
TYPE OF SUBMISSION	TYPE OF ACTION	
<input type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: <input checked="" type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion: 11/13/2013	<input type="checkbox"/> ACIDIZE <input type="checkbox"/> ALTER CASING <input type="checkbox"/> CASING REPAIR <input type="checkbox"/> CHANGE TO PREVIOUS PLANS <input type="checkbox"/> CHANGE TUBING <input type="checkbox"/> CHANGE WELL NAME <input type="checkbox"/> CHANGE WELL STATUS <input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS <input type="checkbox"/> CONVERT WELL TYPE	<input type="checkbox"/> DEEPEN <input type="checkbox"/> FRACTURE TREAT <input type="checkbox"/> NEW CONSTRUCTION <input type="checkbox"/> OPERATOR CHANGE <input checked="" type="checkbox"/> PLUG AND ABANDON <input type="checkbox"/> PLUG BACK <input type="checkbox"/> PRODUCTION (START/RESUME) <input type="checkbox"/> RECLAMATION OF WELL SITE <input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION <input type="checkbox"/> REPERFORATE CURRENT FORMATION <input type="checkbox"/> SIDETRACK TO REPAIR WELL <input type="checkbox"/> TEMPORARILY ABANDON <input type="checkbox"/> TUBING REPAIR <input type="checkbox"/> VENT OR FLARE <input type="checkbox"/> WATER DISPOSAL <input type="checkbox"/> WATER SHUT-OFF <input type="checkbox"/> OTHER: _____

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

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

MOL and RU daylight pulling unit. RIH and tag existing plug at approximately 1638'.

Plug #1: If plug is there then spot 50 sxs Class B cement from 1638' to 800'. If necessary modify plug as appropriate.

Plug #2: Perforate 3 squeeze holes at 100'. Establish circulation. Mix and pump 40 sxs Class B cement from 100' to surface, circulate good cement out casing and bradenhead.

Cut off wellhead. Top off casing(s) as necessary and install P&A marker. RD and MOL.

COPY SENT TO OPERATOR

Date: 11.21.2013

Initials: KS

NAME (PLEASE PRINT) <u>Jason Goss (405-842-7888)</u>	TITLE <u>Consulting Engineer</u>
SIGNATURE	DATE <u>11/13/2013</u>

(This space for State use only)

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

DATE: 11/13/2013 (See Instructions on Reverse Side)

BY: Derek [Signature]
* See Conditions of Approval (Attached)

RECEIVED

NOV 13 2013

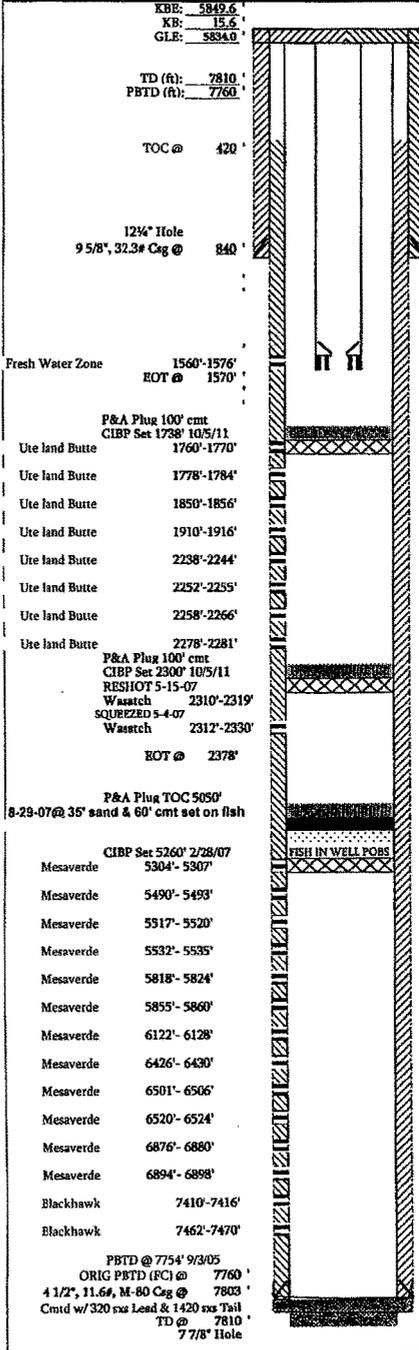
DIV. OF OIL, GAS & MINING

OPERATOR: Mustang Fuel Corporation
 WELL: Mustang #1320-11
 FIELD: AGENCY DRAW
 API #: 43-047-36384
 LEASE #: FEE
 UIC #: N/A

CNTY: UINTAH FTG: 1879' FSL, 846' FEL
 STATE: UT Q-Q: NESE
 SPUD: 22-Jul-05 SEC.: 1
 COMP: TWS: 13S
 STATUS: T&A RGE: 20E
 WBD DATE: 17-Oct-11 BY: LN

IP GAS:
 IP OIL:
 IP WTR:
 CUM GAS:
 CUM OIL:
 CUM WTR:
 LAST PROD:

WELLBORE DIAGRAM



CASING HEAD: CAMERON 11\"/>

HOLE (in)	SIZE (in)	WT (lb/ft)	GRADE	TOP (ft)	BTM (ft)	ITS
12 1/4	9 5/8	32.3	IL-40	0	840	184
7 7/8	4 1/2	11.6	M-80	0	7803	

Flux Joint @ 545'
 TUBING RECORD COND: DATE: 8-Oct-11

SIZE (in)	WT (lb/ft)	GRADE	TOP (ft)	TALLY (ft)	ITS
2 3/8	4.7	N-80		1582.00	48
ITEM	DESC	SIZE (in)	TALLY (ft)	ITS	
K.B.			15.60		
Tbr Hanger			0.68		
TRG	2-3/8\"/>				

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 MAY 28 2012
 DIV. OF OIL, GAS & MINING



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

CONDITIONS OF APPROVAL TO PLUG AND ABANDON WELL

Well Name and Number: Mustang 1320-3I
API Number: 43-047-36384
Operator: Mustang Fuel Corporation
Reference Document: Original Sundry Notice dated November 13, 2013,
received by DOGM on November 13, 2013.

Approval Conditions:

1. Notify the Division at least 24 hours prior to conducting abandonment operations. Please call Dan Jarvis at 801-538-5338.
2. If existing plug is not tagged at a minimum of 1650', then further approval will be necessary.
3. Plug #1 shall be tagged at a minimum of 800' (Estimate 64 sx from PBTD of 1638') Minimum plug shall be from 1500' – immediately above perf'd water zone to 800' (\pm 53 sx).
4. All annuli shall be cemented from a minimum depth of 100' to the surface.
5. Surface reclamation shall be done in accordance with R649-3-34 – Well Site Restoration.
6. All requirements in the Oil and Gas Conservation General Rule R649-3-24 shall apply.
7. If there are any changes to the procedure or the wellbore configuration, notify Dustin Doucet at 801-538-5281 (ofc) or 801-733-0983 (home) prior to continuing with the procedure.
8. All other requirements for notice and reporting in the Oil and Gas Conservation General Rules shall apply.

Dustin K. Doucet
Petroleum Engineer

November 13, 2013

Date



Wellbore Diagram

API Well No: 43-047-36384-00-00 Permit No: Well Name/No: MUSTANG 1320-11
 Company Name: MUSTANG FUEL CORPORATION
 Location: Sec: 1 T: 13S R: 20E Spot: NESE
 Coordinates: X: 618167 Y: 4396855
 Field Name: AGENCY DRAW
 County Name: UINTAH

String Information

String	Bottom (ft sub)	Diameter (inches)	Weight (lb/ft)	Length (ft)	Capacity (ft/cf)
HOL1	804	12.25			
SURF	804	9.625	32	804	
HOL2	7810	7.875			
PROD	7758	4.5	11.6	7758	11.459
T1	1570	2.375			

Plug #2
 $100' / (1.15) (11.459) = 85x$
 $100' / (1.15) (3.017) = 295x$
 $377x \text{ total!}$
 9 5/8" X 4 1/2"
 Propose 40 SK ✓ OK

Plug #1
 $838' / (1.15) (11.459) = 645x$ → Propose 50 SK *
 * Tag @ 800' Minimum

Cement Information

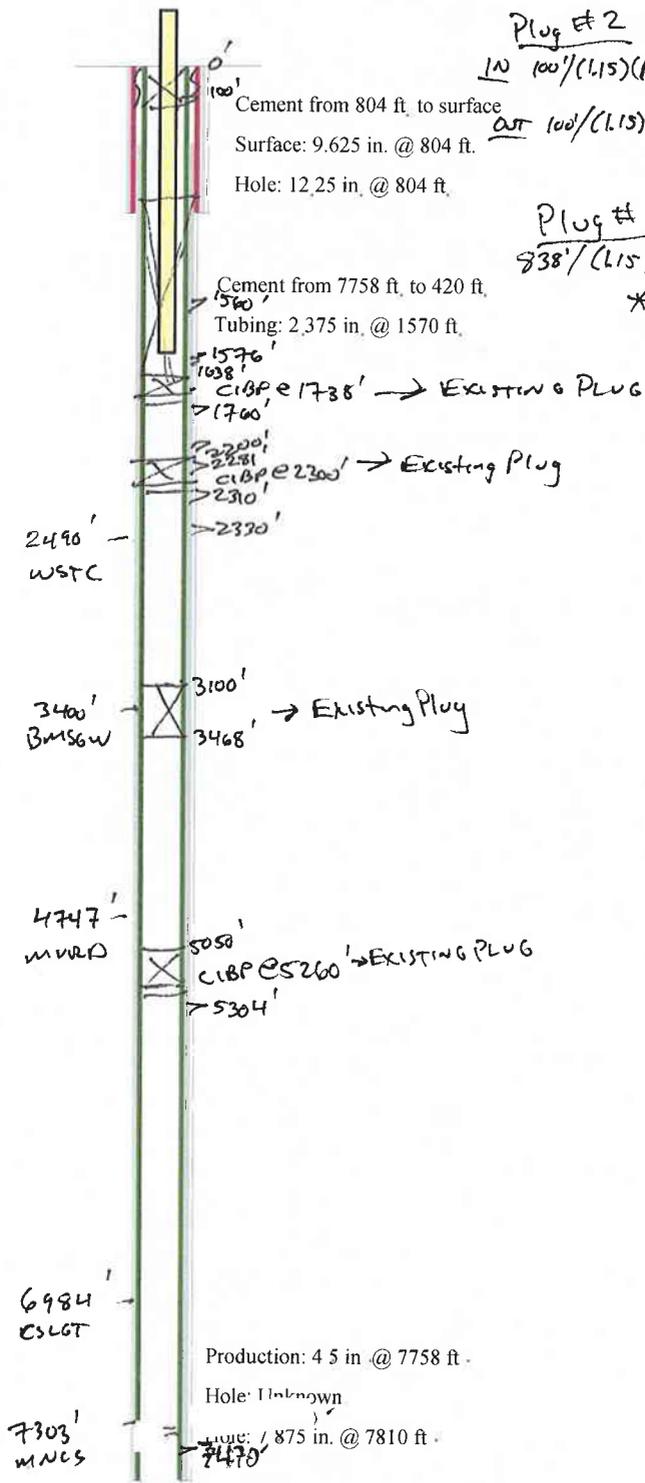
String	BOC (ft sub)	TOC (ft sub)	Class	Sacks
PROD	7758	420	G	1740
SURF	804	0	G	450

Perforation Information

Top (ft sub)	Bottom (ft sub)	Shts/Ft	No Shts	Dt Squeeze
5304	7470			
2310	2330			
1760	2281			
1560	1576			

Formation Information

Formation	Depth
WSTC	2490
BMSW	3400
MVRD	4747
CSLGT	6984
MNCS	7303



TD: 7810 TVD: 7810 PBD: 7760

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: 9800 North Oklahoma Ave CITY OKC STATE OK ZIP 73114		7. UNIT or CA AGREEMENT NAME:
4. LOCATION OF WELL FOOTAGES AT SURFACE: 1879' FSL, 846' FEL QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NESE 1 13S 20E		8. WELL NAME and NUMBER: Mustang #1320-11
PHONE NUMBER: (405) 748-9261		9. API NUMBER: 4304736384
COUNTY: Uintah		10. FIELD AND POOL, OR WILDCAT: Agency Draw
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 type="checkbox"/> REPERFORATE CURRENT FORMATION
	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> SIDETRACK TO REPAIR WELL
	<input type="checkbox"/> CASING REPAIR	<input type="checkbox"/> NEW CONSTRUCTION	<input type="checkbox"/> TEMPORARILY ABANDON
	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> TUBING REPAIR
	<input type="checkbox"/> CHANGE TUBING	<input checked="" type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> VENT OR FLARE
<input checked="" type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion: 11/14/2013	<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.

11-13/14-2013
MIRU, TIH, tag @ 1637', TOOH, pump 68 sx cmt fr/ 1637'-750', WOC, spot in WL, RIH w/ WL, tag plug @ 801', POOH, RIH w/ WL, shoot 3 holes @ 100', POOH, RU pump, pump surf plug & circ to surf, ND BOP's, cut off WH, install P & A marker, well Plugged & Abandoned on 11-14-13.

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

(This space for State use only)

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