Form 3160-3
(formerly 9-331c)

SUBMIT IN TRIPLICATE *

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

5. LEASE DESIGNATION AND SERIAL NO.	UTU-10178A
6. IF INDIAN, ALLOTTEE OR TRIBE NAME	NA
7. UNIT AGREEMENT NAME	~~NA~~ Seep Ridge
8. FARM OR LEASE NAME	NA
9. WELL NO.	SRU #7
10. FIELD OR LEASE NAME	Seep Ridge
11. Sec., T., R., M., OR BLK AND SURVEY OR AREA	Sec. 24, T13S, R22E
12. COUNTY OR PARISH	Uintah
13. STATE	Utah

1a TYPE OF WORK
DRILL [X] DEEPEN [ ] PLUG BACK [ ]

B TYPE OF WELL
OIL WELL [ ] GAS WELL [X] OTHER SINGLE ZONE [ ] MULTIPLE ZONE [X]

2. NAME OF OPERATOR
Summit Operating 435-940-9001

3. ADDRESS OF OPERATORS
PO BOX 683909 Park City, UT 84068

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirement)
at surface 636380X **625' FSL & 645' FWL** **SWSW** 39.666413
At proposed prod. Zone 4391754Y -109.410071

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*
39.4 miles South of Ouray, UT

15. DISTANCE FROM PROPOSED LOC. TO NEAREST PROP. OR LEASE LINE, FT. (Also to nearest drlg. Unit line, if any)	16. NO. OF ACRES IN LEASE	17. NO. OF ACRES ASSIGNED TO THIS WELL
625'	1280	40
16. DISTANCE FROM PROPOSED LOCATION * TO NEAREST WELL, DRILLING COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT.	**19. PROPOSED DEPTH**	**20. ROTARY OR CABLE TOOLS**
3,000'	11,750	Rotary

21. ELEVATION (SHOW WHETHER DF. RT, GR, etc.)
6561.4 GR

22. APPROX. DATE WORK WILL START
June 1, 2005

PROPOSED CASING AND CEMENT PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
11"	8 5/8	36	2000'	To Surface
7 7/8	5 1/2	11.6	T.D.	To Surface

Operator requests permission to drill the subject well.
Please see the attached 10 Point and 13 Point Surface Use Plan.

If you require additional information please contact:

William Ryan
290 S 800 E
Vernal, Utah
435-789-0968

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposed in to deepen or plug back, give data on proposed productive zone and proposed new productive zone. If proposal is to drill or deepen directional, give pertinent data on subsurface location and measure and true vertical depths. Give blowout preventer program, if any.

24

SIGNATURE William A Ryan TITLE Agent DATE April 15, 2005

(This space for Federal or State Office use)

PERMIT NO. 43-047-36730 APPROVAL DATE

APPROVED BY TITLE BRADLEY G. HILL ENVIRONMENTAL SCIENTIST III DATE 08-10-05
CONDITIONS OF APPROVAL, IF ANY:

*See Instructions on Reverse Side

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 United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

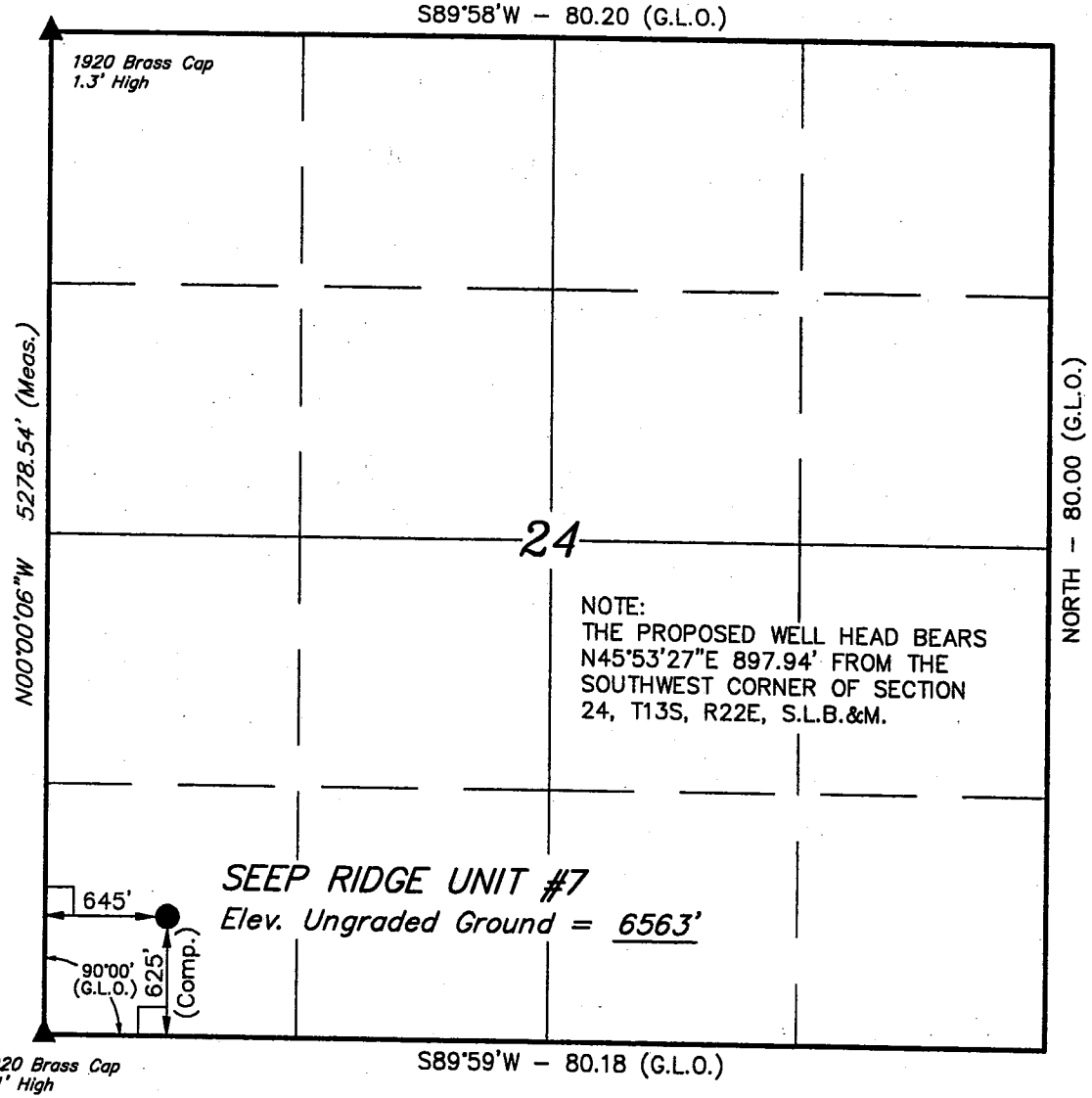
Federal Approval of this Action is Necessary

RECEIVED
MAY 24 2005
DIV. OF OIL, GAS & MINING

T13S, R22E, S.L.B.&M.

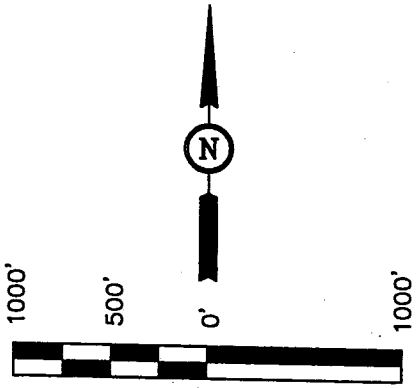
Summit Operating, LLC

Well location, SEEP RIDGE UNIT #7, located as shown in the SW 1/4 SW 1/4 of Section 24, T13S, R22E, S.L.B.&M. Uintah County, Utah.



BASIS OF ELEVATION

SPOT ELEVATION AT A ROAD INTERSECTION IN THE NE 1/4 OF SECTION 26, T13S, R22E, S.L.B.&M. TAKEN FROM THE BATES KNOLLS QUADRANGLE, UTAH, UINTAH COUNTY, 7.5 MINUTE SERIES (TOPOGRAPHICAL MAP) PUBLISHED BY THE UNITED STATES DEPARTMENT OF THE INTERIOR, GEOLOGICAL SURVEY. SAID ELEVATION IS MARKED AS BEING 6590 FEET.



CERTIFICATE

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

Robert L. Kay

REGISTERED LAND SURVEYOR
REGISTRATION NO. 161319
STATE OF UTAH

LEGEND:

└ = 90° SYMBOL

● = PROPOSED WELL HEAD.

▲ = SECTION CORNERS LOCATED.

BASIS OF BEARINGS

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

LATITUDE = 39°59'59"

LONGITUDE = 109°24'36"

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

SCALE: 1" = 1000'	DATE SURVEYED: 11-08-01	DATE DRAWN: 11-13-01
PARTY: K.K. T.A. D.R.B.	REFERENCES: G.L.O. PLAT	
WEATHER: COOL	FILE: HOT ROD OIL	

SELF-CERTIFICATION STATEMENT

The following self-certification statement is provided per Federal requirements dated June 15, 1988.

Please be advised that Summit Operating, LLC are considered to be the operator of the following well.

Seep Ridge Unit #7
Section 24, T13S, R.22E.
SW 1/4, SW 1/4
Lease UTU-10178A
Uintah County, Utah

Summit Operating, LLC is responsible under the terms and conditions of the lease for the operations conducted upon the lease lands.

Bond UTB-000014 provides state-wide bond coverage on all Federal lands.

William A. Ryan
Agent
Rocky Mountain Consulting
350 S. 800 E.
Vernal UT 84078
435-789-0968 Office
435-828-0968 Cell
435-789-0970 Fax
rmcwar@hotmail.com

Ten Point Plan

Summit Operating, LLC

Seep Ridge Unit #7

Surface Location SW ¼ SW ¼, Section 24, T. 13S., R. 22E.

1. Surface Formation

Green River

2. Estimated Formation Tops and Datum:

Formation	Depth	Datum
Green River	Surface	+6,561' G.L.
Wasatch	2,145'	+4,416'
Mesaverde Group	3,986'	+2,575'
Castlegate	5,991'	+570'
Mancos Shale	6,271'	+290'
Dakota Silt	10,116'	-3,555'
Dakota Marker	10,172'	-3,611'
Morrison	10,434'	-3,873'
Summerville/Curtis	10,931'	-4,370'
Entrada Sandstone	11,011'	-4,450'
Carmel	11,167'	-4,606'
Navajo Sandstone	11,231'	-4,670'
Kayenta	11,351'	-4,790'
Wingate Sandstone	11,489'	-4,928'
TD	11,750'	-5,189'

A 11" 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

4. Proposed Casing:

Hole Size	Casing Size	Weight/FT	Grade	Coupling & Tread	Casing Depth	New/Used
11	8 5/8	36#	K-55	STC	2000	NEW
7 7/8	5 ½	11.6#	P-110	LTC	T.D.	NEW

Cement Program:

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

	Casing Size	Cement Type	Cement Amounts	Cement Yield	Cement Weight
Lead:					
	8 5/8	Premium Lite II .05#/sk Static Free .25#/sk Cello Flake 5#/sk KOL Seal .002 gps FP-6L 10% Bentonite .5% Sodium Metasilicate 3% Potassium Chloride	250 sks. +/-	3.38ft³/sk	11.0 ppg
Tail:					
	8 5/8	Class "G" 2% Calcium Chloride .25#/sk Cello Flake	329 sks. +/-	1.2ft³/sk	15.6 ppg
Top Job:					
	8 5/8	4% Calcium Chloride .25#/sk Cello Flake	200 sks. +/-	1.10ft³/sk	15.6 ppg

Production casing will be cemented to 2,500' or higher as follows:

	Casing Size	Cement Type	Cement Amounts	Cement Yield	Cement Weight
Lead:					
	5 1/2	Premium Lite II .25#/sk Cello Flake .05#/sk Static Free 5#/sk Kol Seal 3% Potassium Chloride .055 gps FP-6L 10% Bentonite .5 Sodium Metasilicate	200 sks +/-	3.3ft³/sk	11.0 ppg
Tail:					
	5 1/2	Class "G" .05% Static Free 2 Sodium Chloride .1% R-3 2% Bentonite	400 sks +/-	1.56ft³/sk	14.3 ppg

5. BOP and Pressure Containment Data:

The anticipated bottom hole pressure will be less than 5000 psi.

A 5000-psi WP Double Gate BOP with accumulator system as described in the BOP and Pressure Containment Data (attached) will be installed and maintained from the 8 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:

Interval	Mud weight lbs./gal.	Viscosity Sec./QT.	Fluid Loss Ml/30 Mins.	Mud Type
0-2000	Air/Clear Water	------	No Control	Water/Gel
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 10' 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 05/15/05. Duration of operations is expected to be 30 days.

SUMMIT OPERATING LLC

13 POINT SURFACE USE PLAN

FOR WELL

SRU #7

LOCATED IN SW ¼ SW ¼

SECTION 24, T. 13S, R22E, S.L.B.&M.

UINTAH COUNTY, UTAH

LEASE NUMBER: UTU-10178A

SURFACE OWNERSHIP: FEDERAL

1. **Existing Roads:**

To reach Summit Operating, LLC well Seep Ridge Unit #7 in Section 24, T13S, R 22 E, Starting in Ouray, Utah.

Proceed in a southeasterly direction approximately 25.0 miles to the junction of this road and an existing road to the west; continue in a southerly direction along the Seep Ridge road in a southeasterly direction approximately 4.8 miles to the junction of this road and an existing road to the northwest; continue along the Seep Ridge road approximately 2.9 miles in a southerly direction to the junction of this road and an existing road to the west; turn left and proceed in a westerly, then northwesterly direction approximately 1.2 miles to the existing location SRU #4; follow road flags in a southwesterly direction approximately 0.5 miles to the proposed location.

Total distance from Ouray, Utah to the proposed well location is approximately 39.4 miles.

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

2. Planned access road

The proposed access road will be approximately 2640' +/- of new construction on lease. The road will be graded once per year minimum and maintained.

A) Approximate length	**2640 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	**2**
H) Turnouts	**None**
I) Major cuts and fills	**None**
J) Road Flagged	**Yes**
K) Access road surface ownership	**Federal**
L) All new construction on lease	**Yes**
M) Pipe line crossing	**No**

Please see the attached location plat for additional details.

A 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	
SRU #4	
B) Water well	**None**
C) Abandoned well	**None**
D) Temp. abandoned well	**None**

E) Disposal well **None**
F) Drilling /Permitted well **None**
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 an Olive Black. color. Facilities required to comply with O.S.H.A. (Occupational Safety and Health Act) will be excluded. The required paint color is Olive Black.

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 form the authorized officer.

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

Approximately 2640' +/- of 3" pipeline would be constructed on Federal Lands. The line would tie into the existing pipeline in Section 24, T13S, R22E. The line will be strung and boomed to the north of the location and the west of the access road and tie-in with SRU #4.

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

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

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

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

All measurement facilities will conform to API (American Petroleum Institute) and AGA (American Gas Association) standards for gas and liquid hydrocarbon measurement.

5. Location and type of water supply

Water for drilling and cementing will come from Bitter 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 **10 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 90 days after initial production. During the 90-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	**300 ft**
B) Pad width	**260 ft**
C) Pit depth	**10 ft**
D) Pit length	**150 ft**
E) Pit width	**150 ft**
F) Max cut	**40.0 ft**
G) Max fill	**14.8 ft**
H) Total cut yds.	**41,960 cu yds**
I) Pit location	**east side**
J) Top soil location	**west end**
K) Access road location	**north end**
L) Flare Pit	**corner 5**

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 leas 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 **2,040** 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 90 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

Wyoming Big Sage	**1#/acre**
Indian Rice Grass	**4#/acre**
Needle & Thread Grass	**4#/acre**
Globe Mallow	**3#/acre**

11. Surface ownership:

Access road	**Federal**
Location	**Federal**
Pipe line	**Federal**

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:

The location has been surveyed. A copy of that survey will be forwarded to your office.

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 management agency.

D) Water:

The nearest water is Bitter Creek, located 8 miles to the East.

E) Chemicals:

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

F) Notification:

a) Location Construction
At least forty eight (48) hours prior to construction of location and access roads.
b) Location completion
Prior to moving on the drilling rig.
c) Spud notice
At least twenty-four (24) hours prior to spudding the well.
d) Casing string and cementing
At least twenty-four (24) hours prior to running casing and cementing all casing strings.
e) BOP and related equipment tests
At least twenty-four (24) hours prior to initial pressure tests.
f) First production notice
Within five (5) business days after the new well begins, or production resumes after well has been off production for more than 90 days.

G) Flare pit:

The flare pit will be located in **corner 5** of the reserve pit out side the pit fences and 100 feet from the bore hole on the east side of the location. All fluids will be removed from the pit within 48 hours of occurrence.

13. Lessees or Operator's representative and certification

A) Representative

William A. Ryan
Rocky Mountain Consulting
Vernal, UT 84078

Office 435-789-0968
Fax 435-789-0970
Cellular 435-828-0968

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 preformed by Summit Operating, 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 4/15/05

William A. Ryan, Agent
Rocky Mountain Consulting

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:

William A Ryan
Agent for Summit Operating, LLC
Rocky Mountain Consulting
290 S 800 E
Vernal, UT 84078

435-789-0968 Office
435-828-0968 Cell
435-789-0970 Fax

Summit Operating, LLC

SEEP RIDGE UNIT #7

LOCATED IN UINTAH COUNTY, UTAH
SECTION 24, T13S, R22E, S.L.B.&M.

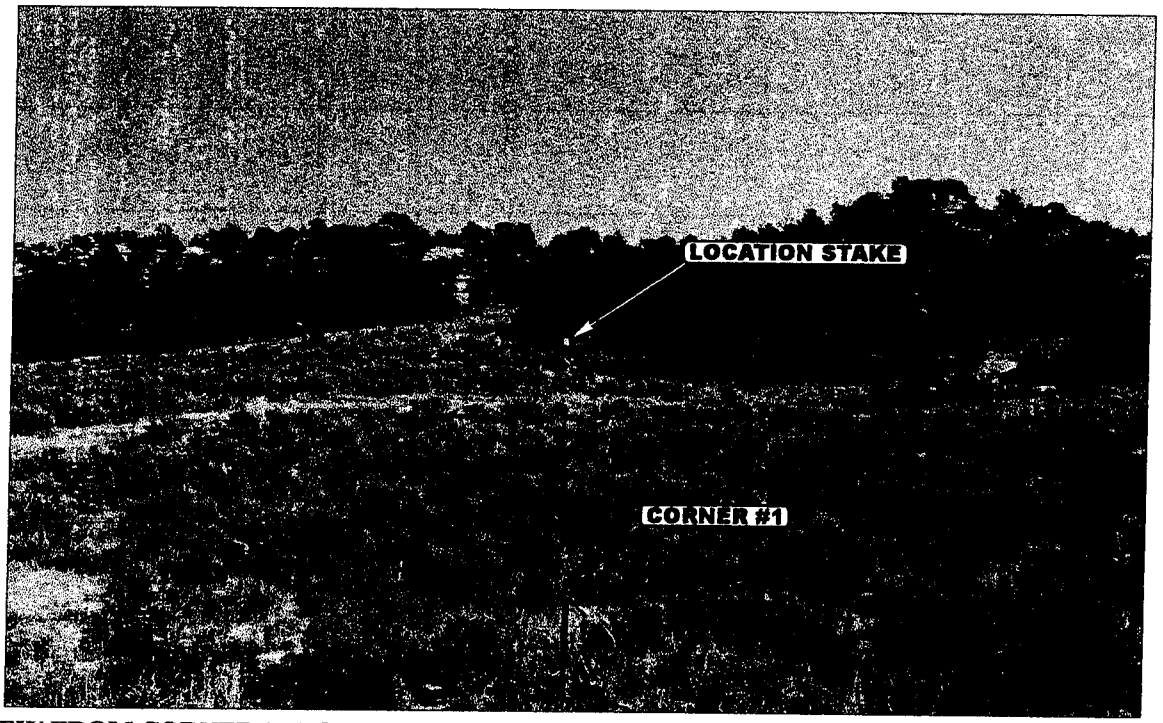


PHOTO: VIEW FROM CORNER #1 TO WELL LOCATION STAKE **CAMERA ANGLE: SOUTHEASTERLY**

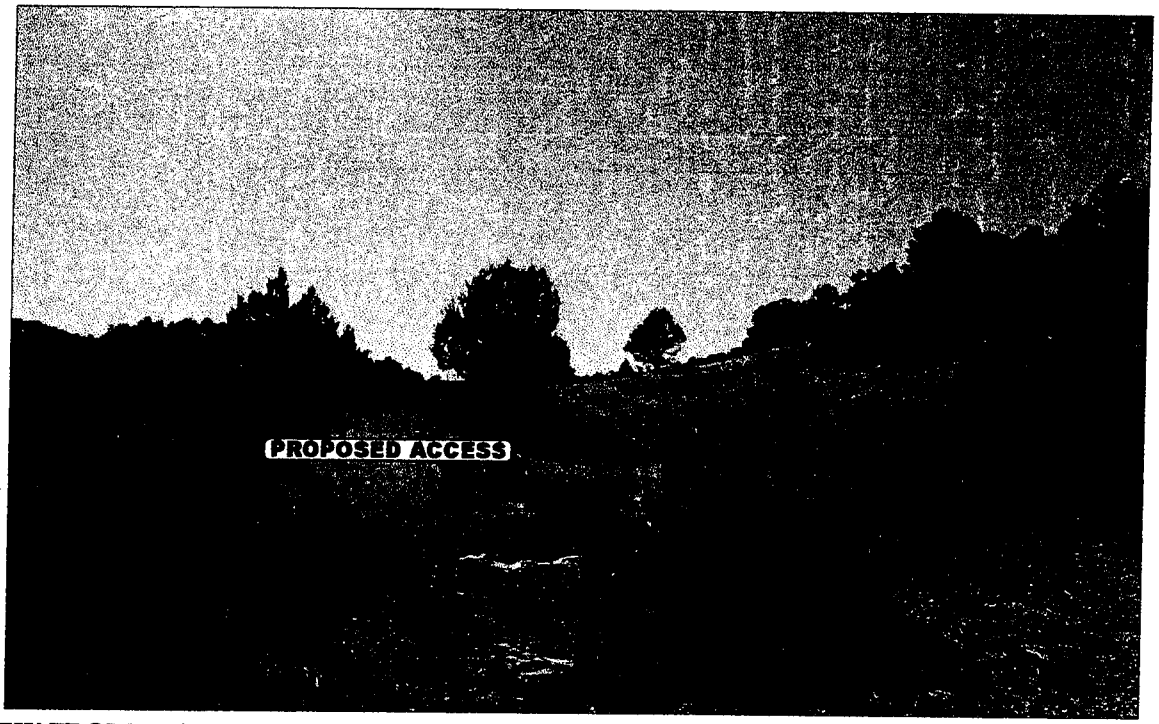


PHOTO: VIEW FROM BEGINNING OF PROPOSED ACCESS **CAMERA ANGLE: SOUTHWESTERLY**

- Since 1964 -
Uintah Engineering & Land Surveying
85 South 200 East Vernal, Utah 84078
435-789-1017 uels@uelsinc.com

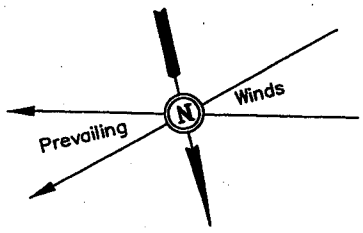
LOCATION PHOTOS	11 MONTH	5 DAY	01 YEAR	PHOTO
TAKEN BY: K.K.	DRAWN BY: K.G.	REVISED: 00-00-00		

Summit Operating, LLC

LOCATION LAYOUT FOR

SEEP RIDGE UNIT #7
SECTION 24, T13S, R22E, S.L.B.&M.
625' FSL 645' FWL

FIGURE #1



SCALE: 1" = 60'
DATE: 11-14-01
Drawn By: D.R.B.

Approx. Top of Cut Slope

Approx. Toe of Fill Slope

C-31.3'
El. 92.7'

C-5.6'
El. 67.0'

F-0.7'
El. 60.7'

6 7 8

100'

Sta. 3+50

DATA

175'

CATWALK

PIPE RACKS

NOTE:
Flare Pit is to be located a min. of 100' from the Well Head.

Pit T.S.

El. 81.5'
C-30.1'
(btm. pit)

FLARE PIT

C-12.9'
El. 74.3'

Blocky Line

C-7.0'
El. 68.4'

C-1.4'
El. 62.8'

F-7.9'
El. 53.5'

C 5 D

55'

45'

RIG

DOG HOUSE

160'

Sta. 1+75

1

150'

MUD TANKS

WATER

TRAILER

PUMP

TOILET

RESERVE PITS
(10' Deep)

MUD SHED

FUEL

Total Pit Capacity
W/2' of Freeboard
= 24,900 Bbls.±
Total Pit Volume
= 6,780 Cu. Yds

15' WIDE BENCH

150'

1 1/2 :1 SLOPE

HOPPER

POWER

TOOLS

FUEL

Topsoil Stockpile

CONSTRUCT DIVERSION DITCH

El. 62.1'
C-0.7'

Sta. 0+40

STORAGE TANK

A

175'

Round Corner as Needed

Sta. 0+00

25'

B

El. 91.4'
C-40.0'
(btm. pit)

4 3 2

Reserve Pit Backfill & Spoils Stockpile

F-0.4'
El. 61.0'

F-5.7'
El. 55.7'

Install 18" CMP

F-14.8'
El. 46.6'

CONSTRUCT DIVERSION DITCH

Proposed Access Road

Elev. Ungraded Ground at Location Stake = 6562.8'

Elev. Graded Ground at Location Stake = 6561.4'

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

Summit Operating, LLC

FIGURE #2

TYPICAL CROSS SECTIONS FOR

SEEP RIDGE UNIT #7

SECTION 24, T13S, R22E, S.L.B.&M.

625' FSL 645' FWL

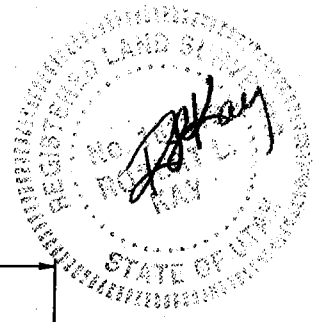
1" = 40'

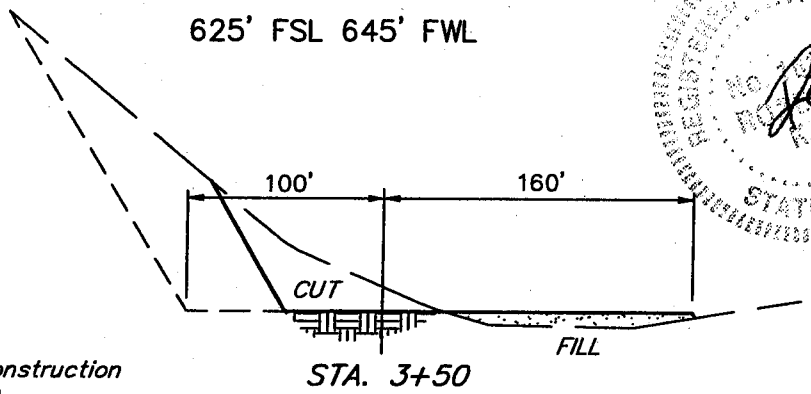
X-Section Scale

1" = 100'

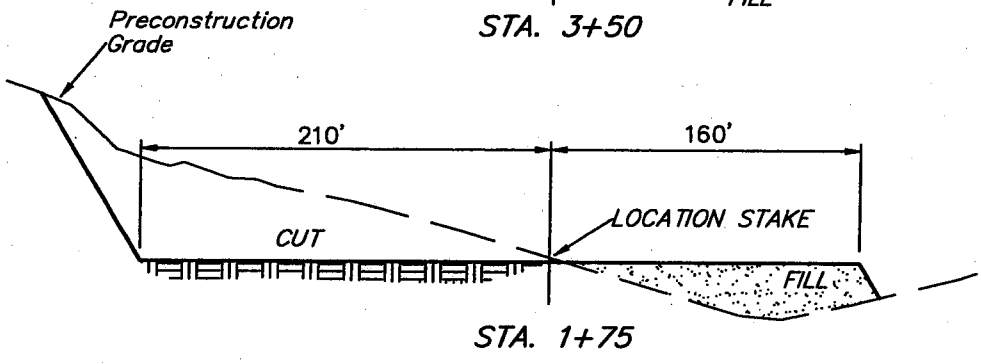
DATE: 11-14-01

Drawn By: D.R.B.

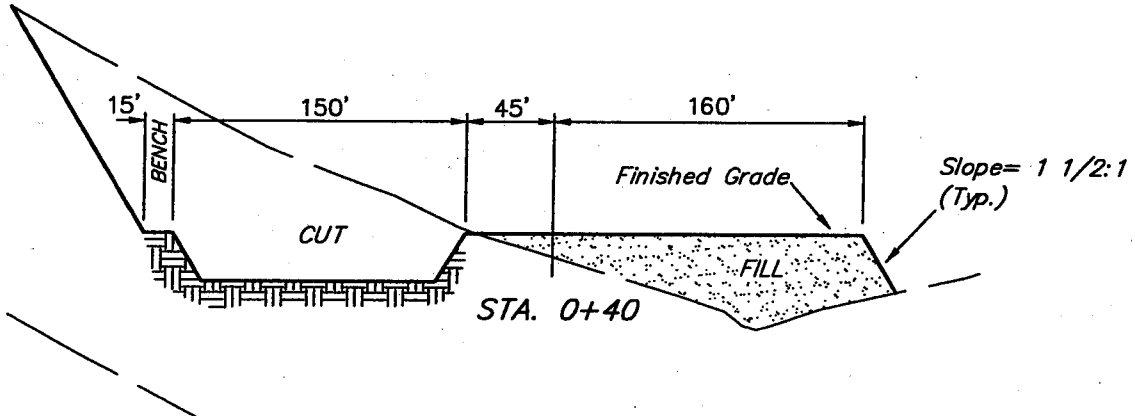




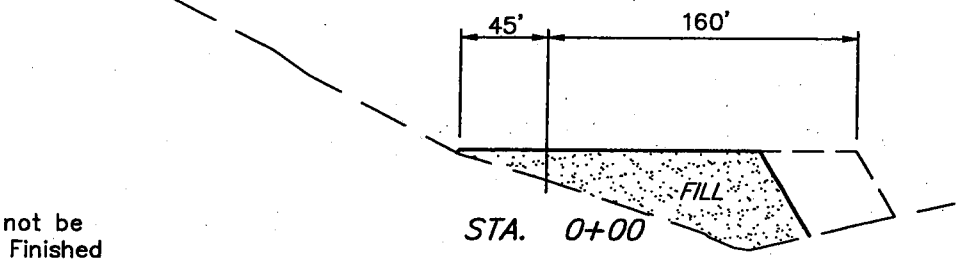
STA. 3+50



STA. 1+75



STA. 0+40



STA. 0+00

NOTE:

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

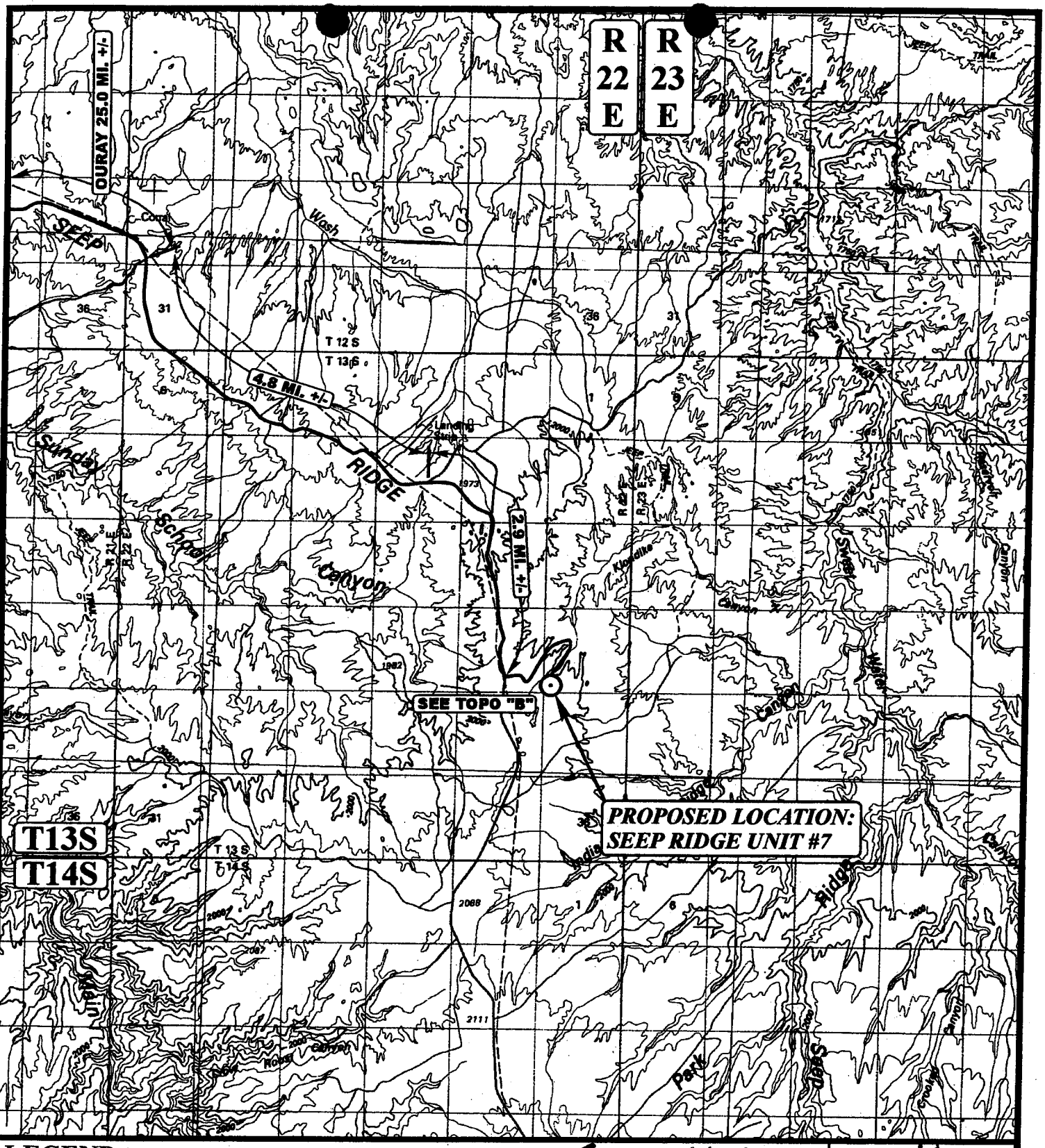
APPROXIMATE YARDAGES

(6") Topsoil Stripping	= 2,040 Cu. Yds.
Remaining Location	= 39,920 Cu. Yds.
TOTAL CUT	= 41,960 CU.YDS.
FILL	= 17,960 CU.YDS.

EXCESS MATERIAL AFTER 5% COMPACTION	= 23,100 Cu. Yds.
Topsoil & Pit Backfill (1/2 Pit Vol.)	= 5,430 Cu. Yds.
EXCESS UNBALANCE (After Rehabilitation)	= 17,670 Cu. Yds.

UINTAH ENGINEERING & LAND SURVEYING

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



LEGEND:

⊙ PROPOSED LOCATION

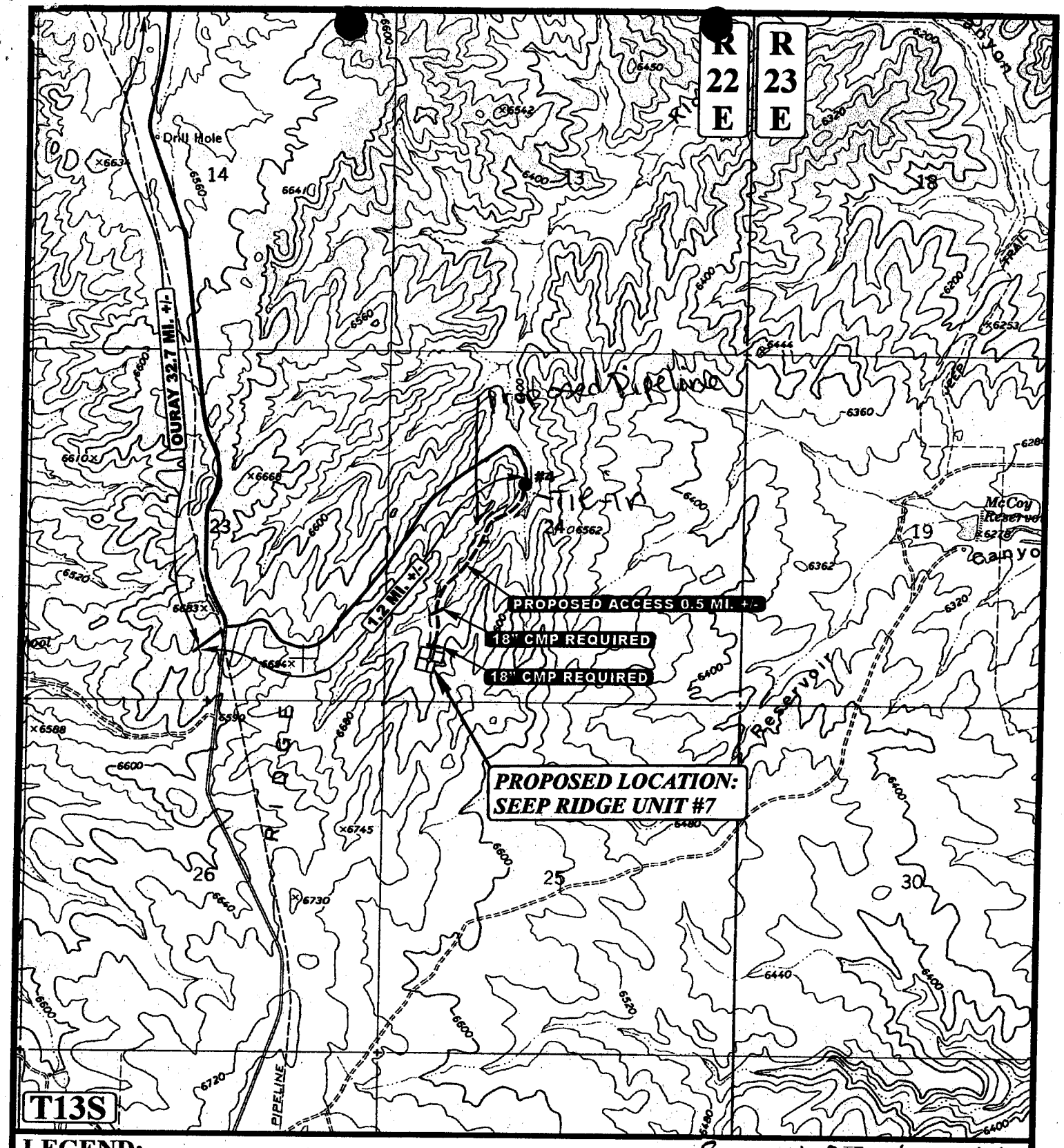
N

Summit Operating, LLC

SEEP RIDGE UNIT #7
SECTION 24, T13S, R22E, S.L.B.&M.
625' FSL 645' FWL

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

TOPOGRAPHIC MAP	11 MONTH	9 DAY	01 YEAR	A TOPO
SCALE: 1:100,000	DRAWN BY: K.G.	REVISED: 00-00-00		



LEGEND:

PROPOSED ACCESS ROAD

EXISTING ROAD

N

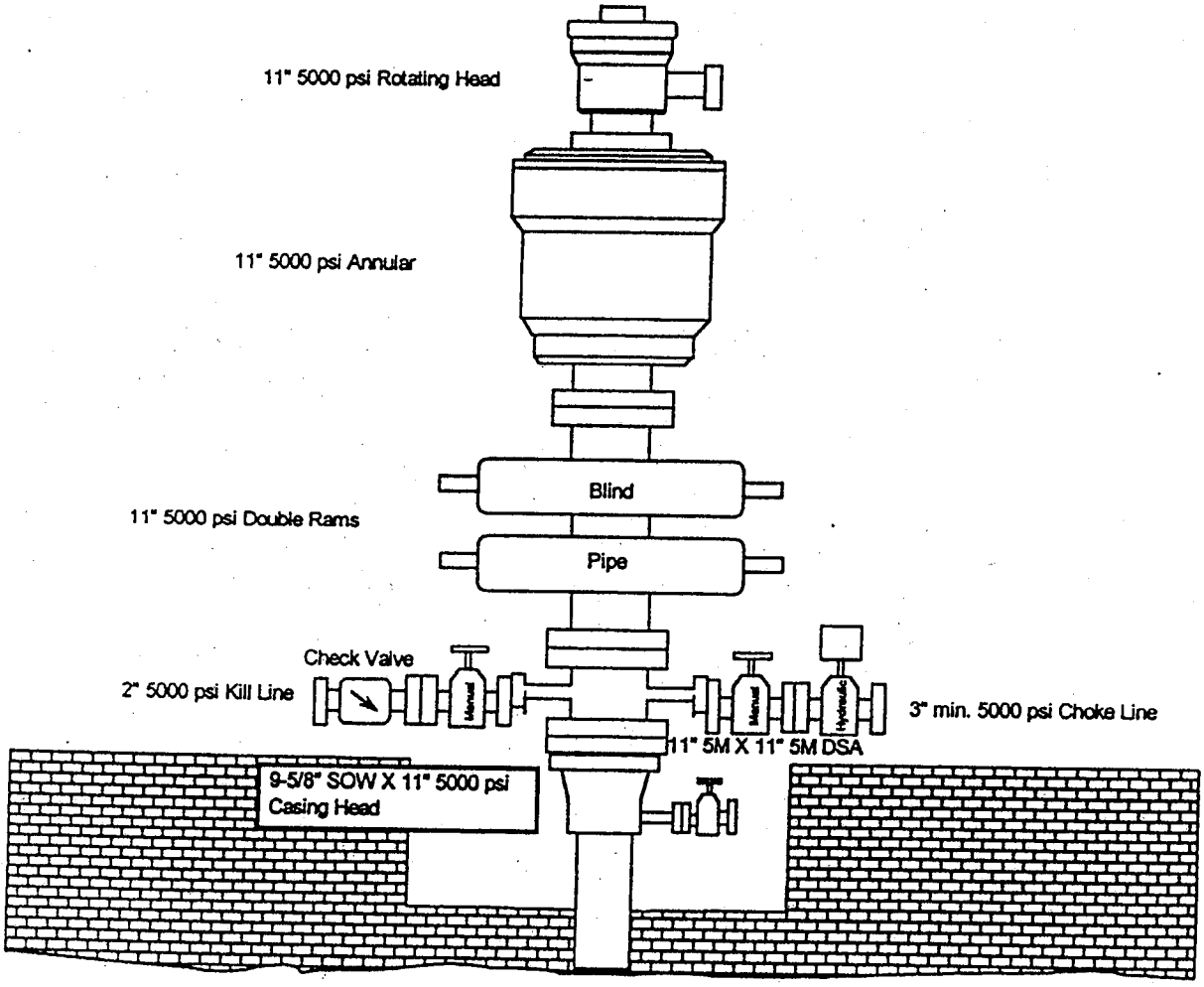
Summit Operating, LLC

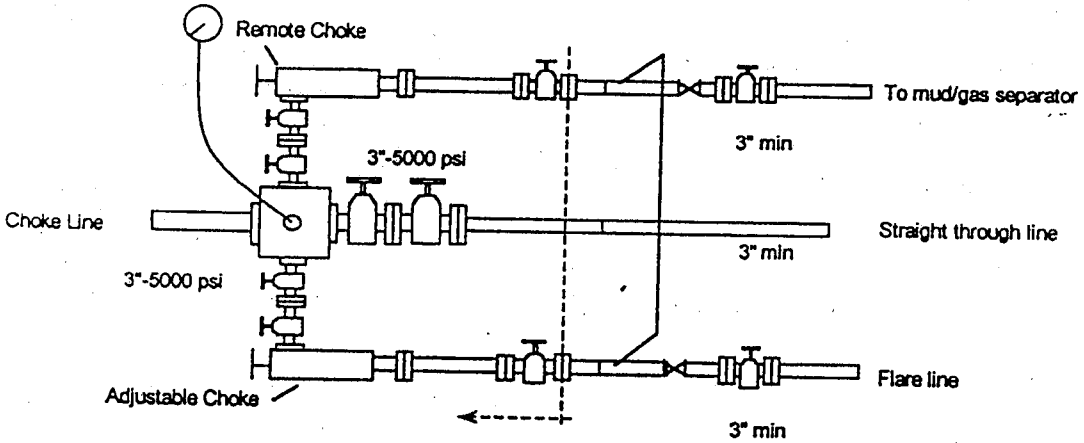
SEEP RIDGE UNIT #7
SECTION 24, T13S, R22E, S.L.B.&M.
625' FSL 645' FWL

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

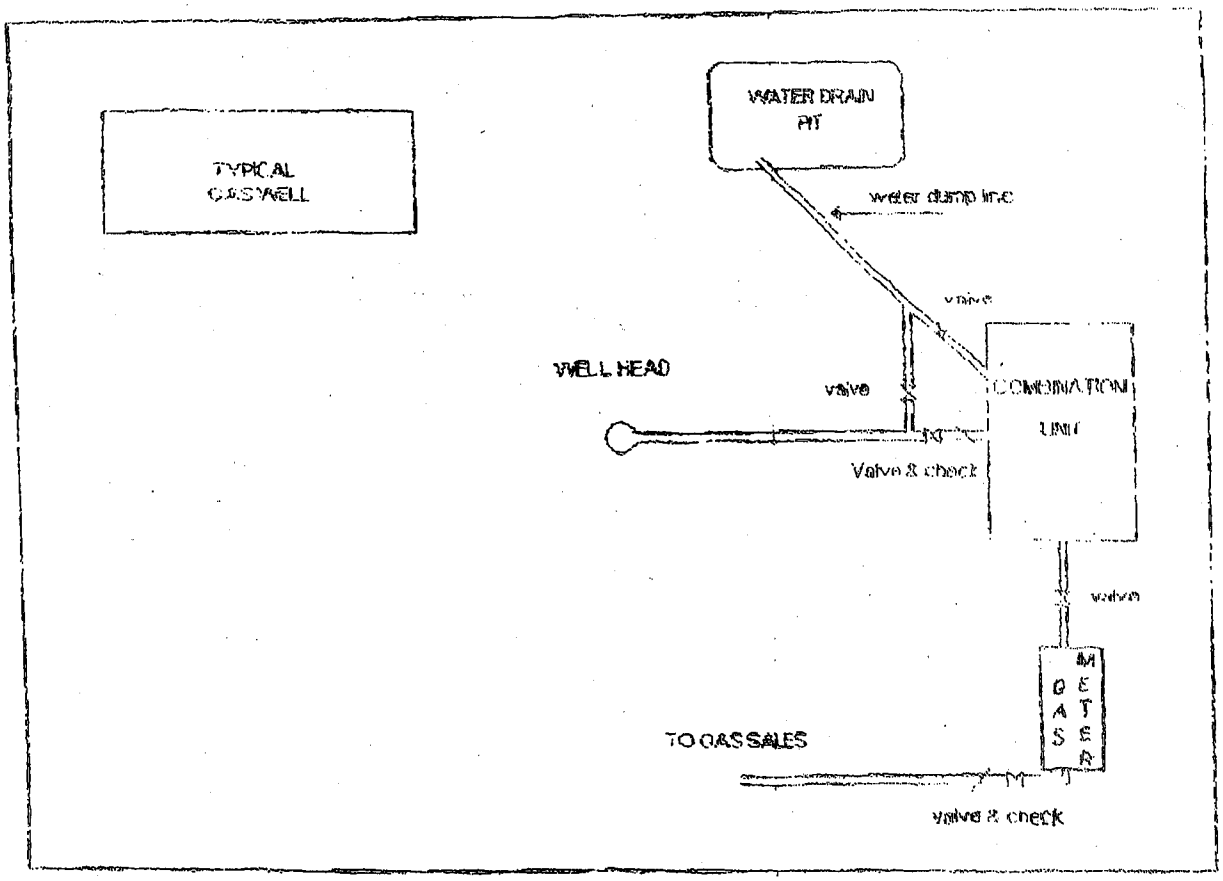
TOPOGRAPHIC MAP	11 MONTH	9 DAY	01 YEAR	B TOPO
SCALE: 1" = 2000'	DRAWN BY: K.G.	REVISED: 00-00-00		

BOPE Diagram
5000 psi WP





Choke Manifold (Typical)


TYPICAL
GAS WELL
WATER DRAIN
PIT
water dump line
valve
WELL HEAD
valve
COMBINATION
UNIT
Valve & check
valve
METER
GAS
TO GAS SALES
valve & check

WORKSHEET
APPLICATION FOR PERMIT TO DRILL

APD RECEIVED: 05/24/2005

API NO. ASSIGNED: 43-047-36730

WELL NAME: SRU #7

OPERATOR: SUMMIT OPERATING LLC (N2315)

CONTACT: BILL RYAN

PHONE NUMBER: 435-789-0968

PROPOSED LOCATION:

SWSW 24 130S 220E

SURFACE: 0625 FSL 0645 FWL

BOTTOM: 0625 FSL 0645 FWL

UINTAH

SEEP RIDGE (680)

LEASE TYPE: 1 - Federal

LEASE NUMBER: UTU-10178A

SURFACE OWNER: 1 - Federal

PROPOSED FORMATION: WINGT

COALBED METHANE WELL? NO

INSPECT LOCATN BY: / /

Tech Review	Initials	Date
Engineering		
Geology		
Surface		

LATITUDE: 39.66661

LONGITUDE: -109.4101

RECEIVED AND/OR REVIEWED:

✓ Plat

✓ Bond: Fed[1] Ind[] Sta[] Fee[]
(No. UTB-000014)

N Potash (Y/N)

N Oil Shale 190-5 (B) or 190-3 or 190-13

✓ Water Permit
(No. T75377)

N RDCC Review (Y/N)
(Date:)

Na Fee Surf Agreement (Y/N)

LOCATION AND SITING:

___ R649-2-3.

Unit SEEP RIDGE

✓ R649-3-2. General
Siting: 460 From Qtr/Qtr & 920' Between Wells

___ R649-3-3. Exception

___ Drilling Unit
Board Cause No:
Eff Date:
Siting:

___ R649-3-11. Directional Drill

COMMENTS:

STIPULATIONS: 1- Federal Approval
2- Spacing Stip

OPERATOR: SUMMIT OPERATING (N2315)

SEC: 23,24,26 T. 13S R. 22E

FIELD: SEEP RIDGE (680)

COUNTY: UINTAH

SPACING: R649-3-2 / GENERAL SITING

Wells

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

Units.shp

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

Fields.shp

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

Utah Oil Gas and Mining

N
W E
S

PREPARED BY: DIANA WHITNEY
DATE: 26-MAY-2005

June 22, 2005

Field Manager
BLM, Vernal Field Office
170 South 500 East
Vernal, UT 84078

RE: Oil and Gas Operations
Hot Rod Oil
Seep Ridge Unit #7 43-047-36730
Section 24, Township 13 South, Range 22 East
UTU-10178A

Dear Sir:

Hot Rod Oil designates Summit Operating as agent to carry out drilling, construction and installation of production equipment. Operations will revert back to Hot Rod Oil, the unit operator, upon completion and sale of oil and gas from the referenced well.

If you have any questions regarding this designation of agent please contact William A Ryan, Agent.

Sincerely,

William A Ryan

William A Ryan
290 S 800 E
Vernal, UT 84078
435-789-0968

RECEIVED
JUN 29 2005
DIV. OF OIL, GAS & MINING

June 20, 2005

Field Manager
BLM, Vernal Field Office
170 S 500 E
Vernal, UT 84078

Re: Oil and Gas Operations
Hot Rod Oil and Gas
Seep Ridge Unit #6
Seep Ridge Unit #7
Seep Ridge Unit #8

Dear Sir:

Mr. William A Ryan of Rocky Mountain Consulting is authorized to act as agent on behalf of Hot Rod Oil in all aspects of the permitting process for the subject locations, proposed on federal and state oil and gas leases as required under Onshore Oil and Gas Order Number One.

This authority would include preparing and submitting applications to drill wells, preparing and submitting applications for road and pipeline right-of-ways, submitting various sundry notices and all other issues pertaining to drilling the subject wells. In addition, he is an authorized Hot Rod Oil agent in all discussions with local, state or federal regulatory agencies regarding proposed drill sites, routing of roads or pipelines and all other matters pertaining to the subject wells.

If you have any additional questions, please contact me at 435-789-5698.

Sincerely,

Mark Peterson
Owner
Seep Ridge Unit Operator

RECEIVED
JUN 29 2005
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 & Mining

JOHN R. BAZA
Division Director

August 10, 2005

Summit Operating LLC
P O Box 683909
Park City, UT 84068

Re: Seep Ridge Unit #7 Well, 625' FSL, 645' FWL, SW SW, Sec. 24, T. 13 South, R. 22 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 43-047-36730.

Sincerely,

Gil Hunt
Associate Director

pab
Enclosures

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

1594 West North Temple, Suite 1210, PO Box 145801, Salt Lake City, UT 84114-5801
telephone (801) 538-5340 • facsimile (801) 359-3940 • TTY (801) 538-7458 • *www.ogm.utah.gov*

Operator: Summit Operating LLC

Well Name & Number Seep Ridge Unit #7

API Number: 43-047-36730

Lease: UTU-10178A

Location: SW SW **Sec.** 24 **T.** 13 South **R.** 22 East

Conditions of Approval

1. General

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

2. Notification Requirements

   Notify the Division within 24 hours of spudding the well.

   - Contact Carol Daniels at (801) 538-5284.

   Notify the Division prior to commencing operations to plug and abandon the well.

   - Contact Dan Jarvis at (801) 538-5338

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. State approval of this well does not supersede the required federal approval, which must be obtained prior to drilling.

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

United States Department of the Interior

BUREAU OF LAND MANAGEMENT

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

IN REPLY REFER TO:
3160
(UT-922)

August 10, 2005

Memorandum

To: Assistant District Manager Minerals, Vernal District

From: Michael Coulthard, Petroleum Engineer

Subject: 2005 Plan of Development Seep Ridge Unit, Uintah County, Utah.

We have received Designation of Agents from Hot Rod Oil to Summit Operating LLC for the following wells planned for calendar year 2005 within the Seep Ridge Unit, Uintah County, Utah.

API #	WELL NAME	LOCATION
(Proposed PZ Wingate Sandstone)		
43-047-36731	SRU #8	Sec 23 T13S R22E 0596 FSL 0796 FEL
43-047-36730	SRU #7	Sec 24 T13S R22E 0625 FSL 0645 FWL

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

/s/ Michael L. Coulthard

bcc: File – Seep Ridge Unit
Division of Oil Gas and Mining
Central Files
Agr. Sec. Chron
Fluid Chron

MCoulthard:mc:8-10-05

(Submit in triplicate)

DESIGNATION OF AGENT

The undersigned is, on the records of the Bureau of Land Management, unit operator under the Seep Ridge Unit Agreement, Uintah County, Utah, No. UTU-63048X approved and effective on April 15, 2005

and hereby designates:

Name: Summit Operating, LLC
Address: PO BOX 683909
Park City, Utah

as its agent, with full authority to act on its behalf in complying with the terms of the unit agreement and regulations applicable thereto and on whom the authorized officer or his representative may serve written or oral instructions in securing compliance with the oil and gas operating regulations with respect to drilling, testing, and completing unit well No. SRU # 7 in the SW¼ SW¼, sec. 24, T. 13S, R. 22E, Uintah County, Utah. Bond coverage will be provided under (Statewide, Nationwide, Lessee) Bond No. UTB-000014.

It is understood that this designation of agent does not relieve the unit operator of responsibility for compliance with the terms of the unit agreement and the oil and gas operating regulations. It is also understood that this designation of agent does not constitute an assignment of any interest under the unit agreement or any lease committed thereto.

In case of default on the part of the designated agent, the unit operator will make full and prompt compliance with all regulations, lease terms, or orders of the Secretary of the Interior or his duly authorized representative.

The unit operator agrees promptly to notify the authorized officer of any change in the designated agent.

This designation of agent is deemed to be temporary and in no manner a permanent arrangement, and a designated agent may not designate another party as agent.

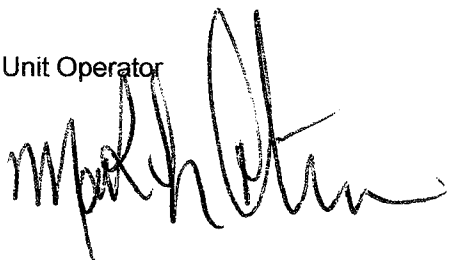
This designation is given only to enable the agent herein designated to drill the above specified well. It is understood that this designation of agent is limited to the field operations performed while drilling and completing the specified well and does not include administrative actions requiring specific authorization of the unit operator. This designation in no way will serve as authorization for the agent to conduct field operations for the specified well after it has been completed for production. Unless sooner terminated, this designation shall terminate when there is filed in the appropriate office of the Bureau of Land Management all reports and a Well Completion Report and Log (Form 3160-4) as required by the approved Application for Permit to Drill for the specified well.

In the event the above specified well is completed as a non-paying unit well, the authority for the designated agent to operate this well shall be established by completion of the Delegation of Authority to Operate Non-paying Unit Well form and submittal of the form to the appropriate office of the authorized officer.

Date

7/20/05

Unit Operator



RECEIVED
AUG 12 2005
DIV. OF OIL, GAS & MINING

Form 3160-3
(formerly 9-331c)

SUBMIT IN TRIPLICATE *

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

MAY 23 2005

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

5. LEASE DESIGNATION AND SERIAL NO.: UTU-10178A

6. IF INDIAN, ALLOTTEE OR TRIBE NAME: NA

1a TYPE OF WORK

DRILL [X] DEEPEN [ ] PLUG BACK [ ]

7. UNIT AGREEMENT NAME: NA

B TYPE OF WELL

OIL WELL [ ] GAS WELL [X] OTHER SINGLE ZONE [ ] MULTIPLE ZONE [X]

8. FARM OR LEASE NAME: NA

2. NAME OF OPERATOR: Summit Operating 435-940-9001

9. WELL NO.: SRU #7

3. ADDRESS OF OPERATORS: PO BOX 683909 Park City, UT 84068 43-047-36730

10. FIELD OR LEASE NAME

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirement)

at surface: 625' FSL & 645' FWL SWSW

At proposed prod. Zone

11. Sec., T., R., M., OR BLK AND SURVEY OR AREA: Sec. 24, T13S, R22E

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*: 39.4 miles South of Ouray, UT

12. COUNTY OR PARISH: Uintah

13. STATE: Utah

15. DISTANCE FROM PROPOSED LOC. TO NEAREST PROP. OR LEASE LINE, FT. (Also to nearest drlg. Unit line, if any)	16. NO. OF ACRES IN LEASE	17. NO. OF ACRES ASSIGNED TO THIS WELL
625'	1280	40
16. DISTANCE FROM PROPOSED LOCATION * TO NEAREST WELL, DRILLING COMPLETED. OR APPLIED FOR, ON THIS LEASE, FT.	**19. PROPOSED DEPTH**	**20. ROTARY OR CABLE TOOLS**
3,000'	11,750	Rotary

21. ELEVATION (SHOW WHETHER DF. RT, GR, etc.): 6561.4 GR

22. APPROX. DATE WORK WILL START: June 1, 2005

PROPOSED CASING AND CEMENT PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
11"	8 5/8	36	2000'	To Surface
7 7/8	5 1/2	11.6	T.D.	To Surface

Operator requests permission to drill the subject well.
Please see the attached 10 Point and 13 Point Surface Use Plan.

If you require additional information please contact:

William Ryan
290 S 800 E
Vernal, Utah
435-789-0968

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

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposed in to deepen or plug back, give data on proposed productive zone and proposed new productive zone. If proposal is to drill or deepen directional, give pertinent data on subsurface location and measure and true vertical depths. Give blowout preventer program, if any.

24

SIGNATURE: William A Ryan TITLE: Agent DATE: April 15, 2005

(This space for Federal or State Office use)

PERMIT NO.

APPROVED BY: TITLE: Assistant Field Manager Mineral Resources DATE: 09/01/2005

CONDITIONS OF APPROVAL, IF ANY:

*See Instructions on Reverse Side

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 United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

UDOGM

NOTICE OF APPROVAL CONDITIONS OF APPROVAL ATTACHED

CONDITIONS OF APPROVAL
APPLICATION FOR PERMIT TO DRILL

Operator/Company: Summit Operating

Well Name/Number: SRU # 7

API Number: 43-047-36730

Location: SWSW Sec.24 T13S R22E

Lease Number: UTU-10178A

Agreement Name (If Applicable): N/A

For more specific details on notification requirements, please check the Conditions of Approval for Notice to Drill and Surface Use Program.

CONDITIONS OF APPROVAL

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

Be aware that fire restrictions may be in effect when location is being constructed and/or when well is being drilled. Contact the appropriate Surface Management Agency for information.

Please submit an electronic copy of all logs run on this well in LAS format. This submission will supersede the requirement for submittal of paper logs to the BLM. The cement bond log must be submitted in raster format (TIF, PDF or other).

(1.) Proposed production casing cementing volumes are inadequate and does not circulate cement to a high enough fill-up. Additional cement beyond the proposed levels indicated in the operators application will need to be pumped. The cement volumes pumped should include appropriate excess factors. For the cementing program of the production casing string, the circulation or top of cement on the production string is to be at a minimum two hundred feet (200') above the formation named Wasatch. Per BLM estimates, the formation named Wasatch is estimated to be at depth feet 2020 fm Wasatch (235 fm Mahogany Oil Shale). Production casing string circulation or top of cement is to be at or above 1820 depth feet.

In the event after-hours approvals are necessary, you must contact one of the following individuals:

Michael Lee (435) 828-7875
Petroleum Engineer

Matt Baker (435) 828-4470
Petroleum Engineer

BLM FAX Machine (435) 781-4410

- If any paleontological or cultural materials are encountered, stop work immediately and report the find to this office.
- Paint all facilities Olive Black. Any paint brand may be used provided the colors match.
- No drilling or construction would be allowed between November 1st and April 15th to protect deer and elk in their winter range.
- The authorized officer may prohibit surface disturbing activities during wet and muddy periods to minimize watershed damage. This limitation does not apply to operation and maintenance of producing wells.
- The seed mix for this location shall be:

Wyoming big sage	*Artemisia tridentata*	1lbs. /acre
Needle and Threadgrass	*Stipa comata*	4lbs. /acre
Scarlet globemallow	*Sphaeralcea coccinea*	3lbs. /acre
Indian Ricegrass	*Pleuraphis hymenoides*	4lbs. /acre

  - All pounds are in pure live seed.
  - Reseeding may be required if first seeding is not successful.
- 4 to 6 inches of topsoil should be stripped from the location and windrowed as shown on the cut sheet. The topsoil shall then be broadcast seeded with the recommended seed mix immediately after it has been windrowed and the seed walked into the soil with a dozer.
- The topsoil from the reserve pit should be stripped and piled separately near the reserve pit. When the reserve pit is closed, it shall be recontoured and the topsoil respread, and the area shall be seeded in the same manner as the location topsoil.
- Once the location is plugged and abandoned, it shall be recontoured to natural contours, topsoil respread where appropriate, and the entire location seeded with the recommended seed mix. Seeding should take place by broadcasting the seed and walking it into the soil with a dozer immediately after the dirt work is completed.

- Within 90 calendar days of the approval date for this Application for Permit to Drill (APD), the operator/lessee shall submit to the Authorized Officer (AO), on Sundry Notice Form 3160-5, an Interim Surface Reclamation Plan for surface disturbance on well pads, access roads, and pipelines. At a minimum, this will include the reshaping of the pad to the original contour to the extent possible; the respreading of the top soil up to the rig anchor points; and, the area reseeded using appropriate reclamation methods. The AO will provide written approval or concurrence within 30 calendar days of receipt.

The pipeline shall be buried within the identified construction width of an access corridor that contains the access road and pipelines. The operator may request in writing an exception to this COA. Exceptions to this COA may be included but are not limited to: laterally extensive, hard indurated bedrock, such as sandstone, which is at or within 2 feet of the surface; and, soil types with a poor history for successful rehabilitation. The exception request will be reviewed by the authorized officer (AO) and a determination made.

Prior to abandonment of a buried pipeline, the operator will obtain authorization from the appropriate regulatory agency. BLM will determine whether the pipeline and all above ground pipeline facilities shall be removed and unsalvageable materials disposed of at approved sites or abandoned in place. Reshaping and revegetation of disturbed land areas will be completed where necessary.

SUMMIT OPERATING, LLC
PO BOX 683909
PARK CITY, UT 84068-3909
(435) 940-9001

CONFIDENTIAL

October 10, 2005

Attn: Carolyn Daniels

RE: Confidentiality request for wells

Carolyn,

I am requesting that any information on the wells listed below, be kept confidential for the period of one year following first production for each well.

Operator	Operator Number	Well Name	API Number	
Summit Operating, LLC	N2315	SRU#6	4304736729	T13S R22E S-26
Summit Operating, LLC	N2315	SRU#7	4304736730	T13S R22ES-24
Summit Operating, LLC	N2315	SRU#8	4304736731	T13S R22E S-23

Please call me if you have any questions, or if you need more information regarding these wells.

Sincerely,

Marie Adams
Marie Adams
Operations

RECEIVED
OCT 11 2005
DIV. OF OIL, GAS & MINING

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

FORM 6

ENTITY ACTION FORM

Operator: Summit Operating, LLC
Address: PO Box 683909
city Park City
state UT zip 84068

Operator Account Number: N 2315
Phone Number: (435) 940-9001

Well 1

API Number	Well Name	QQ	Sec	Twp	Rng	County
4304736730	SRU#7	SWSW	24	13S	22E	Uintah

Action Code	Current Entity Number	New Entity Number	Spud Date	Entity Assignment Effective Date
A	99999	15000	10/16/2005	10/20/05

Comments: WIHGT CONFIDENTIAL K

C

Well 2

API Number	Well Name	QQ	Sec	Twp	Rng	County

Action Code	Current Entity Number	New Entity Number	Spud Date	Entity Assignment Effective Date

Comments:

Well 3

API Number	Well Name	QQ	Sec	Twp	Rng	County

Action Code	Current Entity Number	New Entity Number	Spud Date	Entity Assignment Effective Date

Comments:

ACTION CODES:

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

Marie Adams
Name (Please Print)
Marie Adams
Signature
Operations
Title
10/20/2005
Date

(5/2000)

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

CONFIDENTIAL

From: "David L Allin" <allinpro@bresnan.net>
To: "Howard Cleavinger" <Howard_Cleavinger@blm.gov>
Date: 10/24/2005 7:22:58 AM
Subject: Dry spud notice SRU #7 43-047-36730 T 13S R 22E S-24

Mr. Cleavinger,

In case you did not receive notice from other sources affiliated with Summit Energy, LLC, I submit this report on the SRU #7 well construction progress. The SRU #7 well was dry spudded by Bill Junior's Rat Hole Drilliing Service on 10-17-05. 12.25" hole was drilled to approximately 2040' and new 9.625" K-55 LT&C 36 ppf casing was set and cemented to surface on 10-19-05. The surface casing wellhead was installed on 10-20-05. Patterson UTI Rig 136 is being moved from the SRU #8 site to the SRU #7 site over the next two days.

If you have any questions or comments contact Summit Operating, LLC at 435-940-2001 or me by any means available listed below.

Dave

David L. Allin
Consultant to Summit Operating, LLC
AAPG Certified Petroleum Geologist 2934
Utah Licensed Professional Geologist 5526699-2250
dba Allin Proprietary
475 Seasons Drive
Grand Junction, CO 81503-8749
Telephone (970) 254-3114
Telefax (970) 254-3117
<mailto:allinpro@bresnan.net> allinpro@bresnan.net

CC: "Carol Daniels" <CarolDaniels@utah.gov>

FORM 9

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

5. LEASE DESIGNATION AND SERIAL NUMBER: UTU10178A

SUNDRY NOTICES AND REPORTS ON WELLS

6. IF INDIAN, ALLOTTEE OR TRIBE NAME:

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

7. UNIT or CA AGREEMENT NAME:

1. TYPE OF WELL: OIL WELL ☐ GAS WELL ☑ OTHER

8. WELL NAME and NUMBER: SRU #7

2. NAME OF OPERATOR: Summit Operating, LLC

9. API NUMBER: 4304736730

3. ADDRESS OF OPERATOR: PO Box 683909 CITY Park City STATE UT ZIP 84068

PHONE NUMBER: (435) 940-9001

10. FIELD AND POOL, OR WILDCAT: Seep Ridge

4. LOCATION OF WELL

FOOTAGES AT SURFACE:

COUNTY: Uintah

QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: SWSW 24 13S 22E S

STATE: UTAH

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

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

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

Production began 3/01/2006

NAME (PLEASE PRINT) Marie Adams TITLE Operations

SIGNATURE Marie Adams DATE 6/5/2006

(This space for State use only)

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

JUN 06 2006

Form 3160-4
(April 2004)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

WELL COMPLETION OR RECOMPLETION REPORT AND LOG

FORM APPROVED
OMB NO. 1004-0137
Expires: March 31, 2007

1. Lease Serial No. UTU-10178A

6. If Indian, Allottee or Tribe Name

7. Unit or CA Agreement Name and No.
Seep Ridge Unit

8. Lease Name and Well No.
7 (SRU #7)

9. API Well No.
43-047-36730

10. Field and Pool, or Exploratory
Seep Ridge

11. Sec., T., R., M., on Block and Survey or Area 24-13S-22E, SLM

12. County or Parish
Uintah

13. State
Utah

17. Elevations (DF, RKB, RT, GL)*
6583' KB (log datum), 6561' GL

a. Type of Well: [ ] Oil Well [X] Gas Well [ ] Dry [ ] Other
b. Type of Completion: [X] New Well [ ] Work Over [ ] Deepen [ ] Plug Back [ ] Diff. Resvr.
Other

CONFIDENTIAL

2. Name of Operator
Summit Operating, LLC

3. Address
P. O. Box 683909, Park City, UT 84068-3909

3a. Phone No. (include area code)
435-940-9001

4. Location of Well (Report location clearly and in accordance with Federal requirements)*

At surface 625' fsl & 645' fwl, SWSW Section 24, T13S, R22E, SLM

At top prod. interval reported below Vertical, same as surface location

At total depth Vertical, same as surface location

14. Date Spudded
10-16-05 with rathole rig

15. Date T.D. Reached
11-5-05

16. Date Completed 3-29-06
[ ] D & A [X] Ready to Prod.

18. Total Depth: MD 11282'
TVD 11282'

19. Plug Back T.D.: MD 11220'
TVD 11220'

20. Depth Bridge Plug Set: MD 10550'
TVD 10550'

21. Type Electric & Other Mechanical Logs Run (Submit copy of each)
High Resolution Induction Microlog GR, Spectral Density Dual Spaced Neutron GR, Cross Dipole Delta-T TD to 9690 and CBL-CCL-GR

22. Was well cored? [X] No [ ] Yes (Submit analysis)
Was DST run? [X] No [ ] Yes (Submit report)
Directional Survey? [X] No [ ] Yes (Submit copy)

23. Casing and Liner Record (Report all strings set in well)

Hole Size	Size/Grade	Wt. (#/ft.)	Top (MD)	Bottom (MD)	Stage Cementer Depth	No. of Sks. & Type of Cement	Slurry Vol. (BBL)	Cement Top*	Amount Pulled
12.25"	9.625" K55	36	Surface	2019		420 Class G	87	Surface	
7.875"	5.5" N80	17	Surface	10000					
7.875"	5.5" P110	17	10000	11275	9876	1st 180 50-50 Poz	48	Stage tool	
						2nd 580 V & G	373	<1790 CBL log top	
								1540 calculated	

24. Tubing Record 6.5 #/ft N80 last setting 3-29-06

Size	Depth Set (MD)	Packer Depth (MD)	Size	Depth Set (MD)	Packer Depth (MD)	Size	Depth Set (MD)	Packer Depth (MD)
2.875"	10167							

25. Producing Intervals

Formation	Top	Bottom	26. Perforation Record: Perforated Interval	Size	No. Holes	Perf. Status
A) Cedar Mountain Fm	10182	10322	11051-61, 11062-64	0.45"	36 (3 spf)	Below CIBP (Entrada)
B) Morrison Fm (Brushy Basin Mbr)	10416	10428	10418-28	0.45"	30 (3 spf)	Open (Morrison)
C) A & B commingled by final completion			10191-95, 10212-18, 10221-27,			
D)			10238-42, 10256-62	0.48"	75 (3 spf)	Open (Cedar Mtn)

27. Acid, Fracture, Treatment, Cement Squeeze, etc.

Depth Interval	Amount and Type of Material
11051-64 (Entrada)	BD w/48 bbls net 15% HCl acid
10418-28 (Morrison)	BD w/48 bbls net 15% HCl acid; Frac w/64k lbs 20-40 ceramic proppant in 70% CO2 foamed KCl water
10191-262 (Cedar Mountain)	Frac w/34.5k lbs 20-40 ceramic proppant in 70% CO2 foamed KCl water

28. Production - Interval A

Date First Produced	Test Date	Hours Tested	Test Production	Oil BBL	Gas MCF	Water BBL	Oil Gravity Corr. API	Gas Gravity	Production Method
3-29-06	4-2-06	24	→	0	143	3			Flowed through sep/dehy & meter
Choke Size	Tbg. Press. Flwg. SI	Csg. Press.	24 Hr. Rate	Oil BBL	Gas MCF	Water BBL	Gas:Oil Ratio	Well Status	
6/64"	XX 160	700	→	0	143	3		Producing commingled with Interval B (Morrison)	

28a. Production - Interval B

Date First Produced	Test Date	Hours Tested	Test Production	Oil BBL	Gas MCF	Water BBL	Oil Gravity Corr. API	Gas Gravity	Production Method
			→						
Choke Size	Tbg. Press. Flwg. SI	Csg. Press.	24 Hr. Rate	Oil BBL	Gas MCF	Water BBL	Gas:Oil Ratio	Well Status	
			→						

(See instructions and spaces for additional data on page 2)

RECEIVED
AUG 11 2006
DIV. OF OIL, GAS & MINING

28b. Production Interval C

Date First Produced	Test Date	Hours Tested	Test Production →	Oil BBL	Gas MCF	Water BBL	Oil Gravity Corr. API	Gas Gravity	Production Method
Choke Size	Tbg. Press Flwg SI	Csg. Press	24 Hr Rate →	Oil BBL	Gas MCF	Water BBL	Gas/Oil Ratio	Well Status	

28c. Production Interval D

Date First Produced	Test Date	Hours Tested	Test Production →	Oil BBL	Gas MCF	Water BBL	Oil Gravity Corr. API	Gas Gravity	Production Method
Choke Size	Tbg. Press Flwg SI	Csg. Press	24 Hr Rate →	Oil BBL	Gas MCF	Water BBL	Gas/Oil Ratio	Well Status	

29. Disposition of Gas (*Sold, used for fuel, vented, etc.*)

Sold to Canyon Gas Resources' Seep Ridge Pipeline

30. 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.

Formation	Top	Bottom	Descriptions, Contents, etc.
Wasatch	3250	3830	OH logs indicate zones w/unknown cont.
Mesaverde	3925	4998	OH log indicate zones w/unknown cont.
Cedar Mtn	10180	10323	Natural gas
Morrison	10416	10428	Natural gas & brine water
Entrada	11052	11096	Brine water

31. Formation (Log) Markers

Name	Top Meas. Depth	
Main body Wasatch Fm (Tw)	2083'	+4500'
Mesaverde Group (Kmv)	3871'	+2712'
Neslen Fm (Kn)	4998'	+1585'
Sego Ss (Ks)	5650'	+933'
Buck Tongue of Mancos Sh (Kmbt)	5716'	+867'
Castlegate Ss (Kc)	5931'	+652'
Base Kc (Kcb)	6052'	+531'
Upr Blue Gate Mbr Mancos (Kmbgu)	6274'	+309'
Prairie Cyn Mbr ("B") Mancos (Kmpc)	6826'	-243'
Lwr Blue Gate Mbr Mancos (Kmgl)	7446'	-863'
Dakota Silt (Kds)	9990'	-3407'
Dakota marker-base bentonite (Kd mkr)	10036'	-3453'
Cedar Mountain Fm and K-1 (Kcm)	10126'	-3543'
upper Kcm sandstone (Kcmu)	10180'	-3597'
lower Kcm sandstone (Kcml)	10206'	-3623'
Morrison Fm and K-0 (Jm)	10322'	-3739'
Stump & Curtis Fms J-5 (Js/ct)	10900'	-4317'
Entrada Ss J-3 (Jes)	10982'	-4399'
Carmel Fm (Jc)	11090'	-4507'
Navajo Ss J-2 (Jn)	11164'	-4581'

32. Additional remarks (include plugging procedure):

33. Indicate which items have been attached by placing a check in the appropriate boxes:

☒ Electrical/Mechanical Logs (1 full set req'd) ☐ Geologic Report ☐ DST Report ☐ Directional Survey

☐ Sundry Notice for plugging and cement verification ☐ Core Analysis ☒ Other: Drilling history and completion history

34. I hereby certify that the foregoing and attached information is complete and correct as determined from all available records (see attached instructions)*

Name (*please print*) _____ Title _____

Signature _____ Date _____

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

CONFIDENTIAL

Subject: SRU #7 Daily Drilling Report 10-16-05 through 11-8-05

10-16-05 Dry spud. 14" conductor pipe and cellar ring set by Pete Martin's rathole drilling crew. Bill Junior's Rathole Drilling rig moved in with 12.25" bit to drill surface hole.

10-17-05 Set 2003' 9.625" K-55 ST&C 36 ppf casing. Run surface casing. KB depth 2025'

10-18-05 Cement surface casing from shoe to the surface with 420 sx Class G cement (87 bbls). KB depth 2025'

10-19-05 Wait on cement. KB depth 2025'

10-20-05 Surface casing wellhead installed. KB depth 2025'

10-23-05 MIRU Patterson-UTI 136. KB depth 2025'

10-24-05 MIRU Pat 136. KB depth 2025'

10-25-05 RU Pat 136. 2025'

10-26-05 RU Pat 136. Assembly of floor and derrick raising today. 2025'

10-27-05 Morning report of rig activities for 24 hrs up to 0700 hrs: 12 hrs rig up; 4 hrs nipple up BOP's; 6 hrs Test BOP's and surface casing; 2 hrs pick up LS hole Bit 1 (RR 1) HTC HC 506Z, mud motor and TIH with drill collars. 2025'

10-28-05 Morning report of rig activities for 23 hrs up to 0600 hrs: 5 hrs pick up 15 drill collars and drill pipe and TIH; 1.5 hrs drill and ream cement in 9.625" surface casing (first pass through surface casing shoe 1225 hrs); 3 hrs drill 2025-2316'; 0.5 hr lube rig; 2.5 hrs drill 2316-2534'; 0.5 hr deviation survey 1 degree @ 2534'; 8 hrs drill 2534-3317'; 0.5 hr install rotating head rubber; 1.5 hrs drill 3317-3443'. Average penetration rate 94.5 ft/hr for 1418' in 15 rotating hours. First gas show in Wasatch 3267-78'. Drilling Wasatch Formation. 3443'

10-29-05 Morning report of rig activities for 24 hrs up to 0700 hrs: 1 hr drill 3443-3537'; 0.5 hr deviation survey 3.0 degrees @ 3537'; 7 hrs drill 3537-4194'; 0.5 hr lube rig; 4 hrs drill 4194-4506'; 0.5 hr deviation survey 3.75 degrees @ 4506'; 10.5 hrs drill 4506-5229'. Average penetration rate 79.4 ft/hr for 1786' in 22.5 rotating hours. Drilling Mesaverde Group. 5229'

10-30-05 Morning report of rig activities for 25 hrs up to 0700 hrs: 3.5 hrs drill 5229-5575; 0.5 hr deviation survey 4.25 degrees @ 5494'; 3.5 hrs drill 5575-5825'; 0.5 hr lube rig; 12 hrs drill 5825-6546' (hour added by change to standard time); 0.5 hr deviation survey 4.0 degrees @ 6464'; 4.5 hrs drill 6546-6735'. Average penetration rate 64.1 ft/hr for 1506' in 23.5 rotating hours. Communications problems delayed mud loggers report until 1100 hrs 10-30-05, and at that time the Prairie Canyon Member Mancos [illegible] (Mancos "B") had

been intersected near 6825' with typical gas shows and the bit had reached 7041'. Drilling Mancos Shale. 6735'

10-31-05 Morning report of rig activities for 24 hrs up to 0700 hrs: 7 hrs drill 6735-7175'; 0.5 hr lube rig; 1 hr drill 7175-7239'; 5 hrs circulate bottoms up, pump pill, drop survey and TOOH; Deviation survey 4.0 degrees @ 7158'; 0.5 hr make up new bit #2 HTC HC 506Z; 4 hrs TIH; 6 hrs drill 4239-7518'. Average penetration rate 56.0 ft/hr for 783' in 14.0 rotating hours. Drilling Mancos Shale. 7518'

11-1-05 Morning report of rig activities for 24 hrs up to 0700 hrs: 8 hrs drill 7518-8147', 0.5 hr lube rig; 15.5 hrs drill 8147-9025. Average penetration rate 64.1 ft/hr for 1507' in 23.4 rotating hours. Drilling Mancos Shale. 9025'

11-2-05 Morning report of rig activities for 24 hrs up to 0700 hrs: 4 hrs drill 9025-9367; 0.5 hr lube rig; 19.5 hrs drill 9367-10424'. Average penetration rate 59.5 ft/hr for 1399' in 23.5 rotating hours. PDC bit made it through the bentonite layers in the lower Mancos Shale without balling this time and made a fast run through the Dakota and Cedar Mountain pay zones with strong mud gas shows in 8.9 ppg to 9.0 ppg mud. Drilling Morrison Formation. 10424'

11-3-05 Morning report of rig activities for 24 hrs up to 0700 hrs: 5 hrs drill 10424-10557'; 7 hrs circulate bottoms up, pump pill, drop survey (mis-run) and TOOH; 1 hr make up Bit #3 (HTC HC 506ZX) on new mud motor; 5.5 hrs TIH and 5.5 hrs drill 10557-10732'. Average penetration rate 29.3 ft/hr for 308' in10.5 rotating hours. Drilling Morrison Formation. 10732'

11-4-05 Morning report of rig activities for 24 hrs up to 0700 hrs: 9 hrs drill 10732-10968'; 0.5 hr lube rig; 1 hr drill 10968-10975'; 6.5 hrs circulate bottoms up, pump pill, drop survey and TOOH; Deviation survey 1.5 degrees @ 10933'; 2.5 hrs make up Bit #4 (STC F45H) and pick up 3 more drill collars; 1.5 hrs slip and cut drilling line; 3 hrs TIH. Average penetration rate 24.3 ft/hr for 243' in 10 rotating hours. Tripping. 10975'

11-5-05 Morning report of rig activities for 24 hrs up to 0700 hrs: 1 hr TIH with Bit #4; 6.5 hrs drill 10975-11059', 0.5 hr lube rig; and 16 hrs drill 11059-11205'. Average penetration rate 10.2 ft/hr for 230' in 22.5 rotating hours. Drilling. 11205'

11-6-05 Evening report of wellsite activites for 36 hrs up to 1900 hrs: Drilled 11205-11282' near the top of the Kayenta Formation where TD was called at 1540 hrs 11-5-05; Short tripped 10 stands and circulated bottoms up with 4351 unit mud gas show; Pumped pill and TOOH to run open hole logs; Last circulation prior to trip occurred at 2000 hrs 11-5-05; HES logger on location at 2225 hrs 11-5-05; Acquired triple combo logs on first run and Wave sonic analysis data acquisition from TD to 400' above the top of the Dakota Formation (logs and mud gas shows justified running long string casing); HES logger off location at 1500 hrs 11-6-05 and rig crew began trip in hole for wiper run to clean out to TD in preparation for laying down drill pipe and running 5.5" casing. TD 11282'

11-7-05 Evening report of wellsite activities for 24 hrs up to 1900 hrs: Completed wiper trip to TD with rerun TCI bit; TOOH laying down drill pipe and ran 5.5" 17 ppf N-80 and P-110 long string casing (24 joints of P-110 run first to TD. Running long string. TD 11282'

11-8-05 Evening report of wellsite activities for 22 hours up to 1700 hrs: Completed long string cementing operations in two stages; released Pat 136 at 1000 hrs and crew began preparations to move off location. WOCT

Allin Proprietary/David L. Allin-Consultant
AAPG Certified Petroleum Geologist 2934 ☼ Utah Licensed Professional Geologist 5526699-2250
475 Seasons Drive, Grand Junction, CO, USA 81503-8749
Telephone: 970-254-3114 Facsimile: 970-254-3117 Mobile: 801-231-7102
E-mail: allinpro@bresnan.net

Summit Operating, LLC SRU #7 Completion History Report
Version 6-19-06

CONFIDENTIAL

General Information:

Operator: Summit Operating, LLC Tel: 435-940-9001 Fax: 435-940-9002
2064 Prospector Avenue, Suite 102 P.O. Box 683909
Park City, UT 84060 Park City, UT 84068-3909

API Number: 43-047-36730

Lease Number: BLM UTU-10178A

Location: 625' FSL & 645' FWL, SWSW Section 24, T13S, R22E, SLM
Seep Ridge Unit, Seep Ridge Field, Uintah County, Utah

Elevation Data: 6583' KB and 6561' GL

RECEIVED
AUG 1 1 2006
DIV. OF OIL, GAS & MINING

Construction and Logging Information:

All depths measured from KB unless specified from another datum
TD Driller: 11282' TD Logger 11274' Eff. PBTD 11220' and CIBP 10550'
Maximum recorded temperature 208° F

Well drilled below surface casing with KCl/Gel/Polymer mud (18,000 mg/L chlorides at TD). Mud weight ranged from 8.9 to 9.1 ppg in pre-Mancos section from 9950' to TD.

Open hole logging by HES 11-5-05: High Resolution Induction Microlog TD to 2019' (surface casing shoe); Spectral Density Dual Spaced Neutron TD to 2019'; WaveSonic Delta-T TD to 9690' with Cross-Dipole Delta-T and RockXpert processing TD to 9690'.

Dry spudded: 14" conductor pipe set at 40' GL in 20" hole and cemented 10-16-05 with Class A to surface

9.625", K-55 ST&C, 36 ppf surface casing set at 2019' (per later OH log measurement) in 12.25" hole and cemented 10-18-05 to surface with: 1) 200 sacks Class G lead with slurry yield 1.56 cuft/sk and slurry weight 14.6 ppg and 2) 220 sacks Class G tail with same properties as lead for a total of 87 bbls slurry.

5.5", N-80 and P-110 (30 jts from TD to 10000'), LT&C, 17 ppf production casing set at 11275' in 7.875" hole. Cement float collar was run at 11233' with a 42' shoe joint below it.

Stage, DV tool was run at 9876' (per CBL-CCL log measurement). Cemented 11-7-05 with: Stage 1) 180 sacks Class G 50/50 Poz with slurry yield 1.49 cuft/sk and slurry weight 13.5 ppg mixed with 2% gel, 0.7% HALD-344, 0.25 lb/sk Flocele, 5 lb/sk Silicalite, 0.2% Super CBL, 0.2% CFR-3 and 0.5% HR-5 (48 bbls slurry) and Stage 2) 530 sacks Class V lead with slurry yield of 3.85 cuft/sk and slurry weight 11.0 ppg mixed with 16% gel, 0.75% EX-1, 10 lb/sk Gilsonite, 0.25 lb/sk Flocele, 1% HR-7 and 3% salt (363 bbls slurry) and 50 sacks Class G tail and cap with slurry yield of 1.16 cuft/sk and slurry weight 15.8 ppg mixed with 0.2% HR-5 and 0.2% CFR-3 (10 bbls slurry).

Cased hole logging by HES 1-20-06: GR, Casing Collar Locator and CBL 11220' to 1790' indicated top of cement above top of log.

Open Perforation Summary:

10418-28' 3 spf phased 120° (30 0.45" holes) Morrison Fm (Brushy Basin Mbr) 2-2-06

10191-95', 10212-18', 10221-27', 10238-42' and 10256-62' 3 spf phased 120° (75 0.48" holes) Cedar Mountain Fm 3-24-06

2.875" N-80, 6.5 ppf tubing set at 10167' 3-29-06 with 2.75" pop-off bit sub below seating nipple comprising first 2'

Completion Operations:

Supervision of operations by Lawrence C. Caldwell, II

1-18-06: MIRUSU (Peak); 2.875" tubing string delivered to site (292 joints); Nipple up BOP and TIH w/bit and scraper on 196 jts tbg to tag up on DV tool; SDFN.

1-19-06: Drilled out DV tool and cleaned out to PBTD 11220'; TOOH w/tubing, bit and scraper; Schedule too tight to allow for circulating full flush until after cased hole logging.

1-20-06: Complete TOOH w/tubing, bit and scraper; HES completed cased hole logging; Effective plug back TD verified at 11220' and top of second stage filler cement above top of log at 1790' (original calculated top was 1540'), TIH w/tubing.

1-21-06: Completed TIH w/tubing; Circulated 240 bbls of 4% KCl water to flush out casing: Began swabbing fluid from casing; Crew off for Sunday 1-22-06.

1-23-06: Swabbed fluid from casing to 6780' when swab assembly got stuck in crooked hole section below 9000' in probable bent tubing joint, the sand line parted and precluded further swabbing operations prior to perforating; TOOH w/tubing.

1-24-06: HES perforated lower Entrada zone 11051-61' and 11062-64' w/4" perf guns loaded 3 spf (36 gram charges) phased 120° for a total of 36 0.45" holes; No gain or loss of fluid and no shows; TIH w/packer on tubing and set at 10993'; Began swabbing but stuck swab assembly in tubing and parted sand line; No shows.

1-25-06: Fished swab assembly from tubing and reconnected to sand line (poured new rope socket).

1-26-06: Fluid level 3200'; Swabbed fluid down to 9000' with no shows, stuck swab assembly and pulled off swab cups.

1-27-06: Fluid level 3200' indicating 5800' of fluid rise and volume of 33 bbls; Stuck swab assembly in tubing at 1300 hrs; Released packer and TOOH w/tubing and packer to check SN above packer for junk; No shows.

1-28-06: Completed TOOH and found packer jammed with junk including a 12' fishing spear; Picked up new packer, TIH and set at 10993'; Fluid level 2000'; Made several swab runs without shows to reduce fluid level in tubing, but stuck swab assembly again and fouled sand line; Cleared fouled line and RU HES to pump BD; Filled tubing/casing annulus with 4% KCL water, pressured casing to 1,000 psi; HES pumped breakdown treatment of 2,000 gals 15% HCl acid diverted with 72 frac bio-balls dropped in four groups of 18 for each 10 bbls of acid pumped; No apparent ball action while pumping up to 6.8 bpm and averaging 6.6 bpm; Max press 3,475 psi and average press 3,200 psi; ISIP 1,050 psi, 5 min 748 psi, 10 min 650 psi and 15 min 598 psi; Possible break at 2,100 psi; Frac gradient estimated to be 0.54 psi/ft on poor data; Flushed to perfs w/70 bbls 4% KCl water; Total load of 117 bbls to recover; Released HES pump and SI to allow acid to spend; Crew off Sunday 1-29-06.

1-30-06: Fluid level 1200'; Adjusted tension on tubing up another 7,000 lbs to keep it as straight as possible in crooked section of hole near 9000' where swab sticking problems occurred; Fluid removed down to 5400' without shows; Next pull from 8100' brought well in flowing frothy fluid probably produced by acid reaction gas; Dropped 5 soap sticks and SDFN.

1-31-06: TP 40 psi and fluid level 2700'; Swabbed fluid down to 8800' in 11 runs with no shows; Recovered 77 bbls and 158 bbls recovered since breakdown; Caught Entrada zone (11051-64' gross) water sample for testing that later indicated Chorides 47,420 mg/L, TDS 80,070 mg/L, SG 1.054 and Resistivity 0.095 Ω*m at 73.2° F; SDFN.

2-1-06: TP 0 psi and fluid level 6300'; Swabbed 30 bbls for 188 bbls total recovery since breakdown; No shows; Released packer and swabbed down to 8700' in 15 runs and recovered another 191 bbls.

2-2-06: TP 0 psi and fluid level 7000'; Swabbed fluid down to 9300' in 4 runs and TOOH w/packer and tubing; Set CIBP at 10550'; RU HES wireline and found fluid level 8800' on

way in with guns; Perforated Morrison zone 10418-28' w/4" perf gun loaded 3 spf (36 gram charges) phased 120° for a total of 30 0.45" holes; Fluid rose 200'; No shows.

2-3-06: TIH w/packer on tubing and set at 10378'; Filled tubing/casing annulus with 4% KCL water, pressured casing to 1,000 psi; HES pumped breakdown treatment of 2,000 gals 15% HCl acid diverted with 60 frac bio-balls dropped in four groups of 15 for each 10 bbls of acid pumped; No apparent ball action while pumping up to 9.7 bpm and averaging 4.7 bpm; Max press 2,040 psi and average press 1,900 psi; ISIP 825 psi, 5 min 471 psi, 10 min 285 psi and 15 min 142 psi; Possible break at 1,780 psi; Frac gradient calculated to be 0.08 psi/ft on poor data but is estimated to be 0.50 psi/ft; Flushed to perfs w/66 bbls 4% KCl water; Total load of 112 bbls to recover; Released HES pump and SI to allow acid to spend.

2-4-06: TP 135 psi and fluid level 3000'; Swabbed down to 9300' in 10 runs with gas shows in periodic flows of gas cut BD fluid; Recovered 100 bbls; SI for pressure buildup with crew off Sunday 2-5-06 .

2-6-06: SI tubing pressure 3,000 psi; Instantaneous gas flow rates as high as 2,300 Mcfpd while flow testing during afternoon with tubing pressure 1,700 psi; Flowing tubing pressure 1,000 psi by midnight; SI for pressure recovery.

2-7-06: SI tubing pressure 1,800 psi; Flow tested at average rate of 500 Mcfpd during daylight hours; SI for pressure recovery.

2-8-06: SI tubing pressure 1,640 psi; Dropped 3 soap sticks and started flow on 18/64" choke, but well logged off with fluid by 0800 hrs; Made 3 swab runs to restart well.

2-9-06: SI tubing pressure 940 psi; Well SI due to dehy/sep shutdown; RDMOSU to another operator.

2-18-06: Restarted well periodically by dropping soap sticks; Recovered water sample for analysis that was later determined to contain Chorides 51,584 mg/L, TDS 89,482 mg/L, SG 1.050 and Resistivity 0.122 Ω*m at 74.7° F with elevated Potassium content of 4,500 mg/L.

2-23-06: MIRUSU (Peak 400); SI TP 2,200 psi; Bled tubing down in 2 hours, found fluid level at 4000', made 4 swab runs, recovered 30 bbls with gas shows, left fluid level at 9000' and SDFN; Production equipment hooked up and production monitoring equipment set up.

2-24-06: SI TP 1,800 psi; Bled tubing down, found fluid level at 6900', made 9 swab runs, recovered 44 bbls (50% gas cut), left fluid level at 8700' and SDFWE.

2-25-06: Started well by dropping soap sticks and sold 27 Mcf.

2-26-06: Flowed to pit; Off line.

2-27-06: SI TP 2,200 psi; Bled tubing down and went in with swab but had trouble with gas pockets making fluid level determination impossible; SI one hour, flow tested on 6/64" choke with flowing TP 320 psi and on 8/64" choke with flowing TP 330 psi; Sold 29 Mcf.

2-28-06: Flowing TP 220 psi on 8/64" choke; Sold 27 Mcf.

3-1-06: Flowing TP 330 psi. Bled down on 42/64" choke, RU to swab, found fluid level 4400', made 6 runs and recovered 46 bbls of fluid with 25% gas cut. RDMOSU. Sold 28 Mcf; Recovered three water samples for analysis and the most representative one contained Chorides 45,830 mg/L, TDS 76,878 mg/L, SG 1.052 and Resistivity 0.098 Ω*m at 69.4° F with Potassium concentration 2,500 mg/L.

3-2-06: Sold 50 Mcf.

3-11-06: Well logged off after two weeks of trying to manage gas production and water holdup with soap sticks; SI.

3-16-06: MIRUSU from SRU #8; RU to swab, found fluid level 4000', swabbed down to SN above packer in 8 runs and recovered 85 bbls of fluid with 35% gas cut; SI.

3-17-06: TP 1200 psi; Bled down tubing, found fluid level 6700', made 5 runs and recovered 29 bbls; Made 3 more swab runs at one hour intervals, recovered another 27 bbls (56 bbls total), released packer and dumped an estimated 127 bbls from the backside; Found fluid level 4000', made 4 swab runs and recovered 36 bbls fluid with 30% gas cut; SI with rig on standby until final preparations for two stage stimulation/completion of commingled Morrison and Cedar Mountain zones.

3-21-06: TP 1600 psi and CP 925 psi; Bled down tubing and casing, rig to swab, found fluid level 5200', made 9 runs and recovered 83 bbls with 50% gas cut (cumulative recovery 415 bbls); TOOH with tubing and packer in preparation for stimulation of Morrison perfs and completion and stimulation of overlying Cedar Mtn zones in two stages in a single day.

3-24-06: Fluid level 3448'; HES frac stimulated Morrison zone perfed interval 10418-28' down casing w/64,000 lbs 20-40 ceramic proppant in 70% CO2 foam using 110 tons CO2 and 459 bbls treated KCl water; Max press 3,456 psi and break 3,044 psi with average wellhead rate 27.75 bpm; ISIP 2,880 psi, 5 min 1,789 psi, 10 min 1,623 psi and 15 min 1,539 psi; Frac gradient calculated 0.72 psi/ft; Frac was spearheaded with 6,000 gals WaterWeb relative permeability modifier to reduce post-treatment water influx; Added a 1,000 gallon water cap and 28 bbl overflush to insure integrity of composite bridge plug to be set between the Morrison and Cedar Mtn stimulation stages;

HES set composite BP at 10330' and perforated five sites selected in Cedar Mtn zones 10256-62', 10238-42', 10221-27', 10212-18' and 10191-95' w/4" perf guns loaded 3 spf (23 gram charges) phased 120° for a total of 75 0.48" holes; Perfing runs delayed by stuck tools;

HES frac stimulated Cedar Mtn gross perfed interval 10191-262' down casing w/34,550 lbs 20-40 ceramic proppant in 70% CO2 foam using 80 tons CO2 and 257 bbls treated KCl water; Max press 7,489 psi and break 6,670 psi with average wellhead rate 24.3 bpm; ISIP 7,400? psi, 5 min 7,324 psi, 10 min 7,334 psi and 15 min 7,375 psi; Frac gradient calculated 0.73 psi/ft; When 3 lb/gal proppant slurry hit formation, pressure ramped up rapidly and operator switched to flush with 323 gals left in 5 lb/gal proppant stage; Screened out with 25,026 lbs proppant in wellbore;

Cedar Mtn stage stimulation was designed to place 82,500 lbs proppant in 70% CO2 foam using 151 tons CO2 and 1190 bbls treated KCl water but screened out due to higher than anticipated frac gradient possibly in combination with isolated perf interval placement; Started flow back from second stage to pit;

3-25-06: Flowing CP 750 psi; Flowed on variable choke at various settings reducing CP to 290 psi and back up to 800 psi until 2200 hrs when well was SI.

3-27-06: SI CP ? psi; Bled down casing on 38/64" choke; TIH w/bit on pop-off sub and SN on tubing and tagged proppant near 10300', RU foam unit and circulated proppant from casing down to 10354' through the composite bridge plug previously set at 10330'; SDNF and SI.

3-28-06: CP 1,000 psi; RU power swivel, broke circulation and circulated well clean down to 10537' without using the power swivel showing very little proppant; TOOH 12 stands, SDFN and SI.

3-29-06: TP 1,000 psi and CP 1,000 psi; Killed well with 70 bbls 3% KCl water down tubing; Stripped off BOP and nippled up wellhead; Popped bit off with 1,300 psi pump pressure on tubing; TIH w/6 stands and landed tubing with pop-off sub and SN on end at 10167', 24' above top perf in Cedar Mtn zones; SDFN with rig on standby.

3-30-06: Dropped soap sticks and monitored tubing pressure.

3-31-06: Sold 108 Mcf.

4-1-06: Sold 141 Mcf.

4-2-06: Sold 143 Mcf for **initial potential test** from combined Cedar Mtn and Morrison zones with casing pressure 700 psi and tubing pressure 160 psi on 6/64" choke.

4-3-06: RDMOSU to another operator; Sold 140 Mcf.

5-1-06: Logged off due to water loading after steep decline.

5-22-06: Casing pressure 1,290 psi and still logged off.

CONFIDENTIAL

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
OMB NO. 1004-0137
Expires: March 31, 2007

WELL COMPLETION OR RECOMPLETION REPORT AND LOG

5. Lease Serial No. UTU-10178A

6. If Indian, Allottee or Tribe Name

Type of Well: [X] Oil Well [X] Gas Well [ ] Dry [ ] Other
Type of Completion: [X] New Well [ ] Work Over [ ] Deepen [ ] Plug Back [ ] Diff. Reservoir

7. Unit or CA Agreement Name and No.
Seep Ridge Unit

8. Lease Name and Well No.
7 (SRU #7)

2. Name of Operator
Summit Operating, LLC

9. API Well No.
43-047-36730

3. Address
P. O. Box 683909, Park City, UT 84068-3909

3a. Phone No. (include area code)
435-940-9001

10. Field and Pool, or Exploratory
Seep Ridge

4. Location of Well (Report location clearly and in accordance with Federal requirements)*
At surface 625' fsl & 645' fwl, SWSW Section 24, T13S, R22E, SLM

11. Sec., T., R., M., or Block and Survey or Area 24-13S-22E, SLM

At top prod. interval reported below Vertical, same as surface location

12. County or Parish Uintah
13. State Utah

At total depth Vertical, same as surface location

14. Date Spudded 10-16-05 with rathole rig
15. Date T.D. Reached 11-6-05
16. Date Completed 3-29-06 [ ] D & A [X] Ready to Prod.
17. Elevations (DF, RKB, RT, GL)* 6583' KB (log datum), 6561' GL

18. Total Depth: MD 11282' TVD 11282'
19. Plug Back T.D.: MD 11220' TVD 11220'
20. Depth Bridge Plug Set: MD 10650' TVD 10550'

21. Type Electric & Other Mechanical Logs Run (Submit copy of each)
High Resolution Induction Microlog GR, Spectral Density Dual Spaced Neutron GR, Cross Dipole Dolla-T TD to 9690 and CBL-CCL-GR

22. Was well cored? [X] No [ ] Yes (Submit analysis)
Was DST run? [X] No [ ] Yes (Submit report)
Directional Survey? [X] No [ ] Yes (Submit copy)

23. Casing and Liner Record (Report all strings set in well)

Hole Size	Size/Grade	Wt. (#/ft.)	Top (MD)	Bottom (MD)	Stage Cementer Depth	No. of Sks. & Type of Cement	Slurry Vol. (BBL)	Cement Top*	Amount Pulled
12.25"	9.625" K55	36	Surface	2019		420 Class G	87	Surface	
7.875"	5.5" N80	17	Surface	10000'					
7.875"	5.5" P110	17	10000	11275'	9876	1st 160 50-50 Poz	48	Stage tool	
						2nd 580 V & G	373	<1790 CBL log top	
								1540 calculated	

24. Tubing Record 6.5 #/ft N80 last setting 3-29-06

Size	Depth Set (MD)	Packer Depth (MD)	Size	Depth Set (MD)	Packer Depth (MD)
2.875"	10167				

25. Producing Intervals

Formation	Top	Bottom	26. Perforation Record: Perforated Interval	Size	No. Holes	Perf. Status
A) Cedar Mountain Fm	10182	10322	11051-61, 11062-84	0.45"	36 (3 spf)	Below CIBP (Entrada)
B) Morrison Fm (Brushy Basin Mbr)	10416	10428	10416-28	0.45"	30 (3 spf)	Open (Morrison)
C) A & B commingled by final completion			10191-95, 10212-16, 10221-27, 10238-42, 10256-62	0.48"	75 (3 spf)	Open (Cedar Mtn)

27. Acid, Fracture, Treatment, Cement Squeeze, Etc.

Depth Interval	Amount and Type of Material
11051-84 (Entrada)	BD w/48 bbls net 15% HCl acid
10416-28 (Morrison)	BD w/48 bbls net 15% HCl acid; Frac w/64k lbs 20-40 ceramic proppant in 70% CO2 foamed KCl water
10191-262 (Cedar Mountain)	Frac w/34.5k lbs 20-40 ceramic proppant in 70% CO2 foamed KCl water

28. Production - Interval A

Date First Produced	Test Date	Hours Tested	Test Production	Oil BBL	Gas MCF	Water BBL	Oil Gravity Corr. API	Gas Gravity	Production Method
3-29-06	4-2-06	24	→	0	143	3			Flowed through sepidehy & meter

Choke Size	Tbg. Press. Flwg. SI	Csg. Press.	24 Hr. Rate	Oil BBL	Gas MCF	Water BBL	Gas:Oil Ratio	Well Status
6/64"	XK 160	700	→	0	143	3		Producing commingled with interval B (Morrison)

28a. Production - Interval B

Date First Produced	Test Date	Hours Tested	Test Production	Oil BBL	Gas MCF	Water BBL	Oil Gravity Corr. API	Gas Gravity	Production Method
			→						

Choke Size	Tbg. Press. Flwg. SI	Csg. Press.	24 Hr. Rate	Oil BBL	Gas MCF	Water BBL	Gas:Oil Ratio	Well Status
			→					

RECEIVED
AUG 11 2006
DIV. OF OIL, GAS & MINING

28b. Production Interval C

Date First Produced	Test Date	Hours Tested	Test Production →	Oil BBL	Gas MCF	Water BBL	Oil Gravity Corr. API	Gas Gravity	Production Method
Choke Size	Tbg. Press. Flwg. SI	Csg. Press.	24 Hr. Rate →	Oil BBL	Gas MCF	Water BBL	Gas:Oil Ratio	Well Status	

28c. Production Interval D

Date First Produced	Test Date	Hours Tested	Test Production →	Oil BBL	Gas MCF	Water BBL	Oil Gravity Corr. API	Gas Gravity	Production Method
Choke Size	Tbg. Press. Flwg. SI	Csg. Press.	24 Hr. Rate →	Oil BBL	Gas MCF	Water BBL	Gas:Oil Ratio	Well Status	

29. Disposition of Gas (Sold, used for fuel, vented, etc.)

Sold to Canyon Gas Resources' Seep Ridge Pipeline

30. 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.

Formation	Top	Bottom	Descriptions, Contents, etc.
Wasatch	3250	3830	OH logs indicate zones w/unknown cont.
Mesaverde	3925	4998	OH log indicate zones w/unknown cont.
Cedar Mtn	10160	10323	Natural gas
Morrison	10416	10428	Natural gas & brine water
Entrada	11052	11096	Brine water

31. Formation (Log) Markers

Name	Top Meas. Depth	
Main body Wasatch Fm (Tw)	2083'	+4500'
Mesaverde Group (Kmv)	3871'	+2712'
Neslen Fm (Kn)	4998'	+1585'
Sego Ss (Ks)	5650'	+933'
Buck Tongue of Mancos Sh (Kmbt)	5716'	+867'
Castlegate Ss (Kc)	5931'	+652'
Base Kc (Kcb)	6052'	+531'
Upr Blue Gate Mbr Mancos (Kmbgu)	6274'	+309'
Prairie Cyn Mbr ("B") Mancos (Kmpc)	6826'	-243'
Lwr Blue Gate Mbr Mancos (Kmgl)	7446'	-863'
Dakota Silt (Kds)	9990'	-3407'
Dakota marker-base bentonite (Kd mkr)	10036'	-3453'
Cedar Mountain Fm and K-1 (Kcm)	10126'	-3543'
upper Kcm sandstone (Kcmu)	10160'	-3597'
lower Kcm sandstone (Kcml)	10206'	-3623'
Morrison Fm and K-0 (Jm)	10322'	-3739'
Stump & Curtis Fms J-5 (Js/ct)	10900'	-4317'
Entrada Ss J-3 (Jes)	10982'	-4399'
Carmel Fm (Jc)	11090'	-4507'
Navajo Ss J-2 (Jn)	11164'	-4581'

32. Additional remarks (include plugging procedure):

33. Indicate which items have been attached by placing a check in the appropriate boxes:

☒ Electrical/Mechanical Logs (1 full set req'd) ☐ Geologic Report ☐ DST Report ☐ Directional Survey

☐ Sundry Notice for plugging and cement verification ☐ Core Analysis ☒ Other: Drilling history and completion history

34. I hereby certify that the foregoing and attached information is complete and correct as determined from all available records (see attached instructions)*

Name (please print) David L. Linscheid Title Permitting Agent

Signature [signature] Date 8-15-06

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

(Form 3160-4, page 2)

SUMMIT ENERGY

FACSIMILE TRANSMITTAL SHEET

Date: 08-16-06

TO:	Carol Daniels	FROM:	Hillary Reachill
FAX:	(801) 359-3940	FAX:	435-940-9002
SUBJECT:	Well Completion Signatures	PAGES:	1 of 8

NOTES

Hi Carol

Here are the signed well completion reports. Let me know if these will work or if you want me to mail them.

Hillary Reachill
435-940-9001