

**UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT**

5. LEASE DESIGNATION AND SERIAL NO. UTU-6616
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 #8
10. FIELD OR LEASE NAME Seep Ridge 650
11. Sec., T., R., M., OR BLK AND SURVEY OR AREA Sec 23, T13S, R22E
12. COUNTY OR PARISH Uintah
13. STATE Utah
17. NO. OF ACRES ASSIGNED TO THIS WELL 40
20. ROTARY OR CABLE TOOLS Rotary
22. APPROX. DATE WORK WILL START June 1, 2005

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a TYPE OF WORK
DRILL **DEEPEN** **PLUG BACK**

B TYPE OF WELL
OIL **GAS** **OTHER**
WELL **WELL** **ZONE** **MULTIPLE ZONE**

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 **6359424 596' FSL & 796' FEL SESE 39.666532**
 At proposed prod. Zone **43917384 109.415187**

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*
33.05 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)
596'

16. NO. OF ACRES IN LEASE
1280

17. DISTANCE FROM PROPOSED LOCATION * TO NEAREST WELL, DRILLING COMPLETED. OR APPLIED FOR, ON THIS LEASE, FT.
NA

19. PROPOSED DEPTH
11,700

21. ELEVATION (SHOW WHETHER DF. RT, GR, etc.)
6663.0 GR

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. 43-047-36931 APPROVAL DATE _____

APPROVED BY Bradley G Hill TITLE BRADLEY G. HILL ENVIRONMENTAL SCIENTIST III DATE 08-10-05

***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**

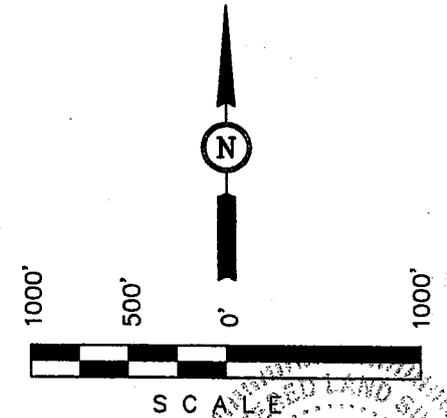
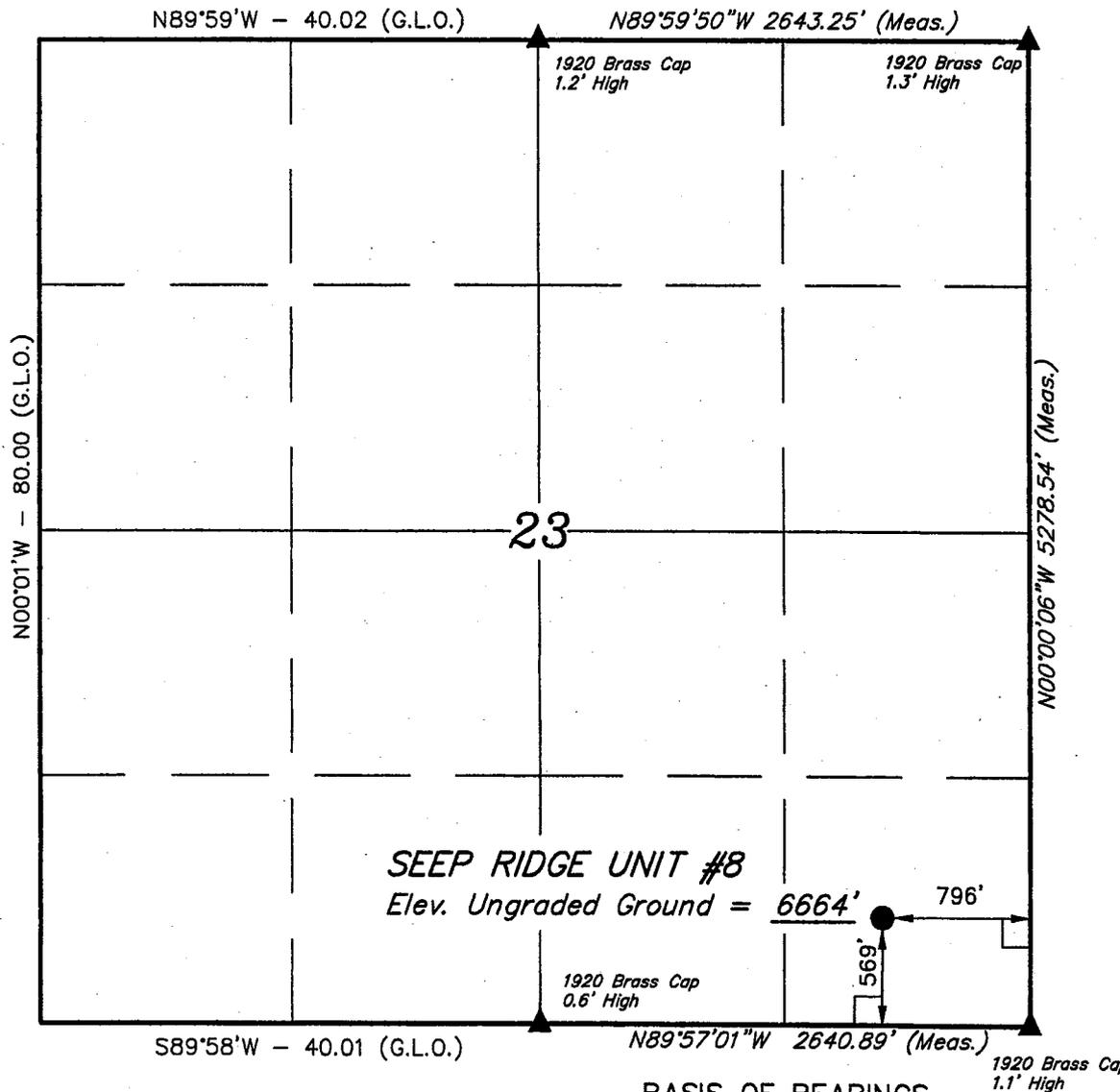
T13S, R22E, S.L.B.&M.

Summit Operating, LLC

Well location, SEEP RIDGE UNIT #8, located as shown in the SE 1/4 SE 1/4 of Section 23, 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.
 REGISTERED LAND SURVEYOR
 REGISTRATION NO. 161319
 STATE OF UTAH

SEEP RIDGE UNIT #8
 Elev. Ungraded Ground = 6664'

BASIS OF BEARINGS

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

LATITUDE = 39°39'59"
 LONGITUDE = 109°24'55"

LEGEND:

- = 90° SYMBOL
- = PROPOSED WELL HEAD.
- = SECTION CORNERS LOCATED.

UINTAH ENGINEERING & LAND SURVEYING			
85 SOUTH 200 EAST - VERNAL, UTAH 84078			
(435) 789-1017			
SCALE 1" = 1000'	DATE SURVEYED: 11-02-01	DATE DRAWN: 11-13-01	
PARTY D.K. R.W. D.R.B.	REFERENCES G.L.O. PLAT		
WEATHER COOL	FILE HOT ROD OIL		

SELF-CERTIFICATION STATEMENT

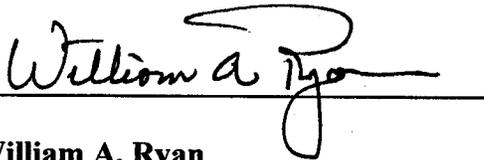
The following self-certification statement is provided per Federal requirements dated June 15, 1988.

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

**Seep Ridge Unit #8
Section 23, T13S, R.22E.
SE 1/4, SE 1/4
Lease UTU-6616
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 #8

Surface Location SE ¼ SE ¼, Section 23, T. 13S., R. 22E.

1. Surface Formation

Green River

2. Estimated Formation Tops and Datum:

<u>Formation</u>	<u>Depth</u>	<u>Datum</u>
Green River	Surface	+6,663' G.L.
Wasatch	2,182'	+4,481'
Mesaverde Group	4,033'	+2,630'
Castlegate	6,038'	+625'
Mancos Shale	6,318'	+345'
Dakota Silt	10,068'	-3,405'
Dakota Marker	10,124'	-3,461'
Morrison	10,386'	-3,723'
Summerville/Curtis	10,908'	-4,245'
Entrada Sandstone	10,988'	-4,325'
Carmel	11,144'	-4,481'
Navajo Sandstone	11,208'	-4,545'
Kayenta	11,328'	-4,665'
Wingate Sandstone	11,466'	-4,803'
TD	11,700'	-5,037'

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:

<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>
11	8 5/8	36#	K-55	STC	2000	NEW
7 7/8	5 1/2	11.6#	P-110	LTC	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:	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. +/-	3.38ft ³ /sk	11.0 ppg
Tail:	8 5/8	Class "G" 2% Calcium Chloride .25#/sk Cello Flake	329 sks. +/-	1.2ft ³ /sk	15.6 ppg
Top Job:	8 5/8	4% Calcium Chloride .25#/sk Cello Flake	200 sks. +/-	1.10ft ³ /sk	15.6 ppg

Production casing will be cemented to 2,500' 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: 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 +/-	3.3ft ³ /sk	11.0 ppg
Tail: 5 1/2	Class "G" .05% Static Free 2 Sodium Chloride .1% R-3 2% Bentonite	400 sks +/-	1.56ft ³ /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:

<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/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 1/2" 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 #8

LOCATED IN SE ¼ SE ¼

SECTION 23, T. 13S, R22E, S.L.B.&M.

UINTAH COUNTY, UTAH

LEASE NUMBER: UTU-6616

SURFACE OWNERSHIP: FEDERAL

1. Existing Roads:

To reach Summit Operating, LLC well Seep Ridge Unit #8 in Section 23, T13S, R 22 E, Starting in Ouray, Utah.

Proceed in a southeasterly direction from Ouray Utah approximately 25.0 miles to the junction of this road and an existing road to the west; continue along the Seep Ridge road approximately 4.8 miles to the junction of this road and an existing road to the northeast; proceed along the Seep Ridge road in a southerly direction approximately 2.9 miles to the junction of this road and an existing road to the west; turn left and proceed approximately 0.2 miles to the beginning of the proposed access; follow road flags in a southeasterly direction approximately 0.15 miles to the proposed location.

Total distance from Ouray, Utah to the proposed well location is approximately 33.05 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 796' +/- of new construction on lease. The road

will be graded once per year minimum and maintained.

- A) Approximate length 796 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 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 None
- 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 from the authorized officer.

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

Approximately 1848' +/- of 3" pipeline would be constructed on Federal Lands. The line would tie into the existing pipeline in Section 23, T13S, R22E. The line will be strung and boomed to the west of the location and the south of the access road.

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 240 ft
- C) Pit depth 10 ft
- D) Pit length 150 ft
- E) Pit width 150 ft
- F) Max cut 22.6 ft
- G) Max fill 13.1 ft
- H) Total cut yds. 19,310 cu yds
- I) Pit location west side
- J) Top soil location
 north end
- K) Access road location
 south 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 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 **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.

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 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.

G) Flare pit:

The flare pit will be located in **corner 5** 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

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.

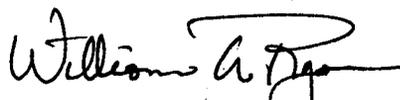
This drilling permit will be valid for a period of one year from the date of approval. After permit termination, a new application will be filed for approval for any future operations.

Onsite Dates:

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 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

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 #8
 LOCATED IN UINTAH COUNTY, UTAH
 SECTION 23, T13S, R22E, S.L.B.&M.



PHOTO: VIEW FROM CORNER #5 TO LOCATION STAKE

CAMERA ANGLE: NORTHEASTERLY

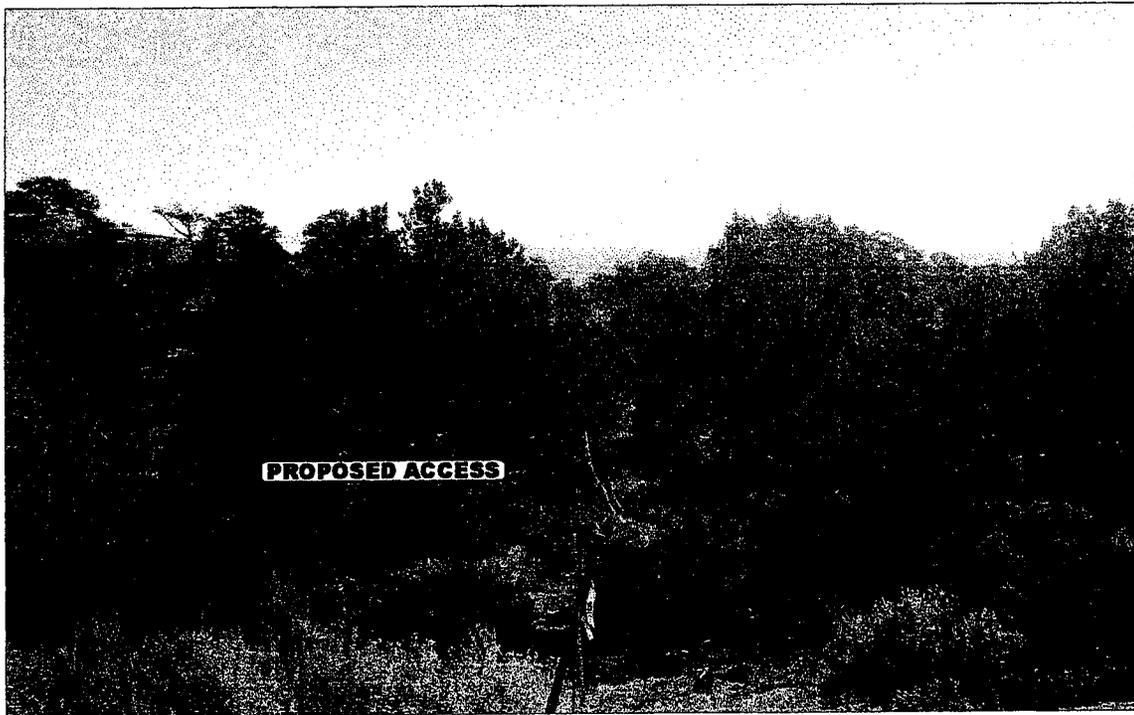


PHOTO: VIEW FROM BEGINNING OF PROPOSED ACCESS

CAMERA ANGLE: SOUTHERLY



- Since 1964 -

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

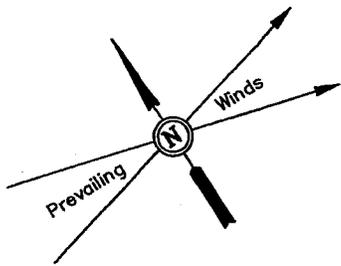
LOCATION PHOTOS			11	5	01	PHOTO
			MONTH	DAY	YEAR	
TAKEN BY: D.K.		DRAWN BY: K.G.		REVISED: 00-00-00		

Summit Operating, LLC

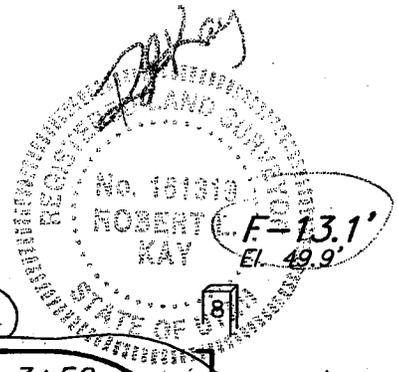
LOCATION LAYOUT FOR

FIGURE #1

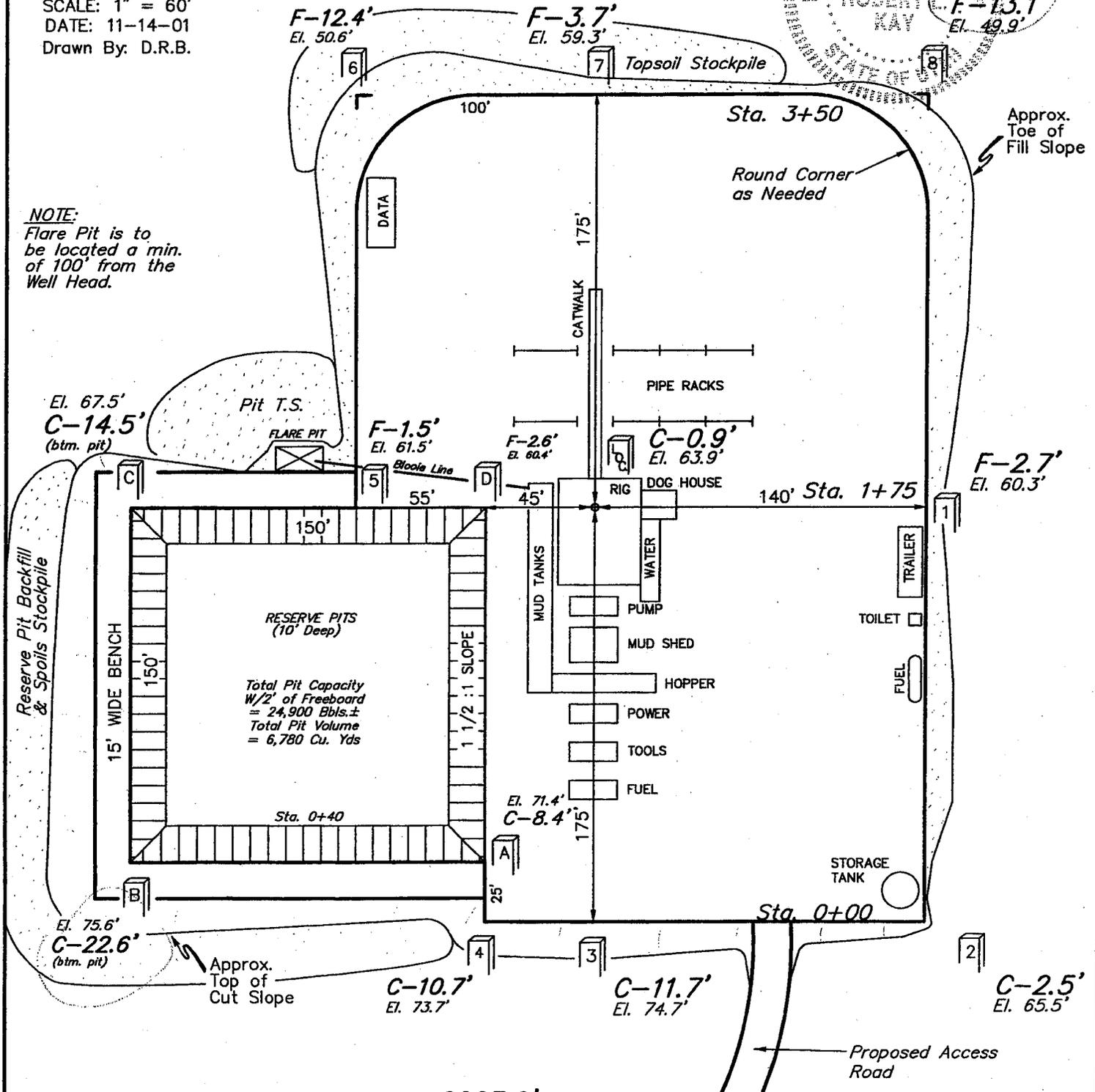
SEEP RIDGE UNIT #8
SECTION 23, T13S, R22E, S.L.B.&M.
569' FSL 796' FEL



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



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



Elev. Ungraded Ground at Location Stake = 6663.9'
Elev. Graded Ground at Location Stake = 6663.0'

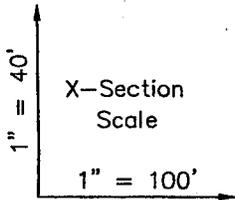
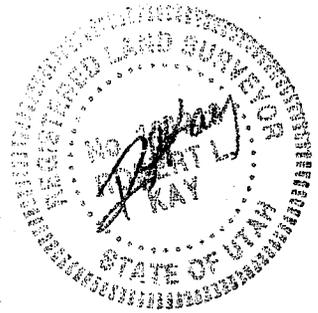
UINTAH ENGINEERING & LAND SURVEYING
85 So. 200 East * Vernal, Utah 84078 * (435) 789-1017

Summit Operating, LLC

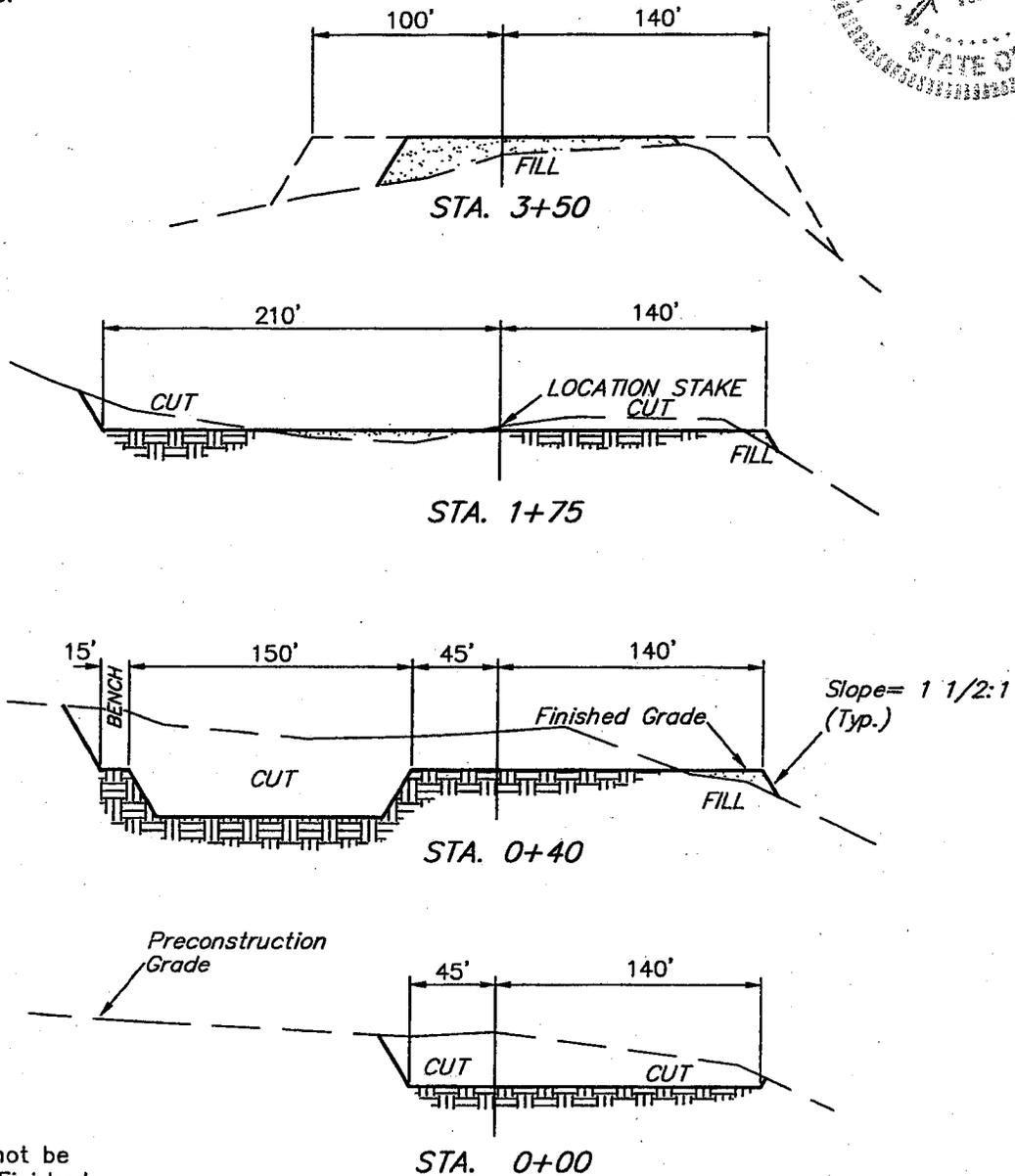
FIGURE #2

TYPICAL CROSS SECTIONS FOR

SEEP RIDGE UNIT #8
SECTION 23, T13S, R22E, S.L.B.&M.
569' FSL 796' FEL



DATE: 11-14-01
Drawn By: D.R.B.



NOTE:

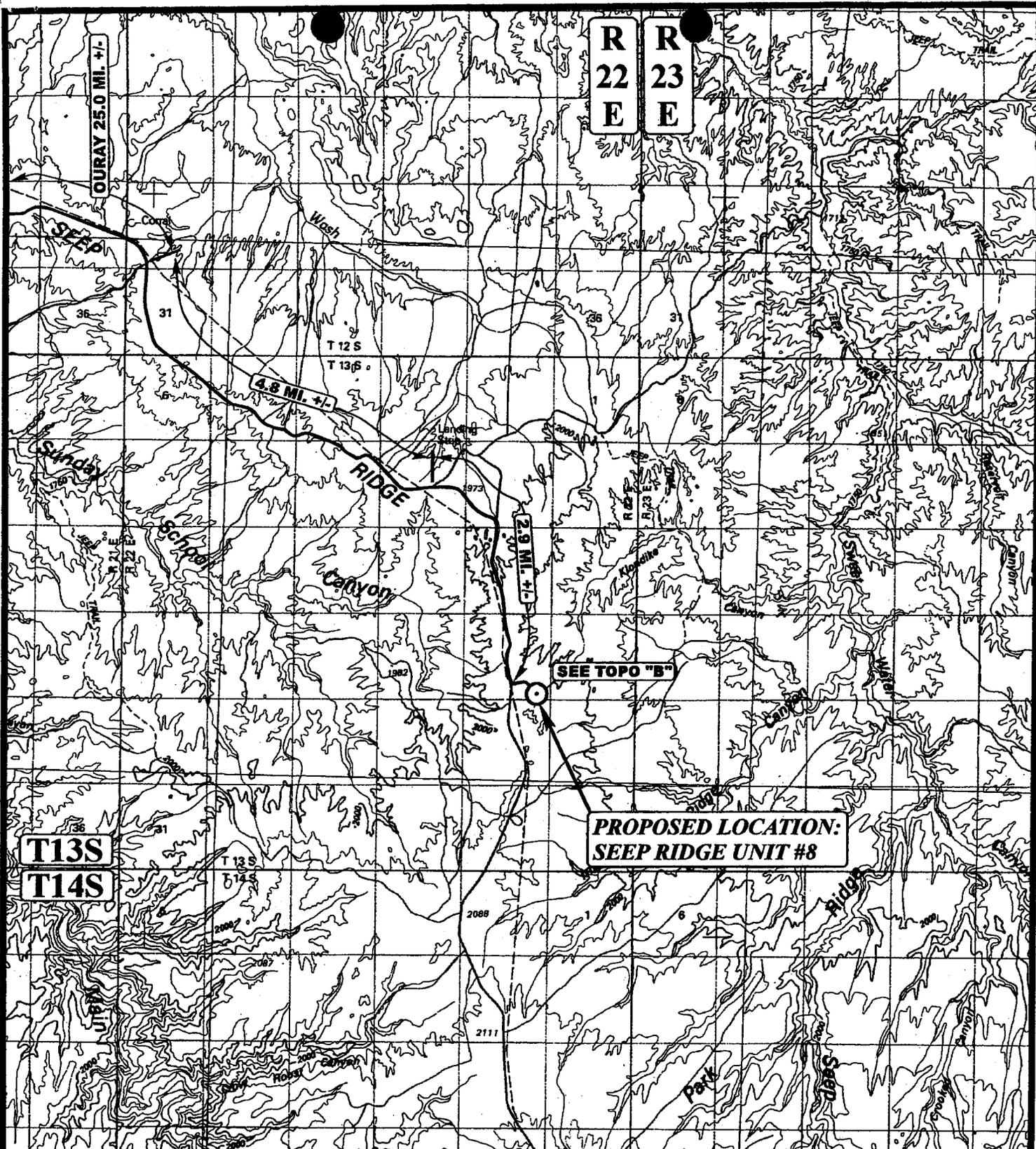
Topsoil should not be Stripped Below Finished Grade on Substructure Area.

APPROXIMATE YARDAGES

(6") Topsoil Stripping	=	2,040 Cu. Yds.
Remaining Location	=	17,270 Cu. Yds.
TOTAL CUT	=	19,310 CU.YDS.
FILL	=	7,140 CU.YDS.

EXCESS MATERIAL AFTER 5% COMPACTION	=	11,790 Cu. Yds.
Topsoil & Pit Backfill (1/2 Pit Vol.)	=	5,430 Cu. Yds.
EXCESS UNBALANCE (After Rehabilitation)	=	6,360 Cu. Yds.

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



LEGEND:

○ PROPOSED LOCATION



Summit Operating, LLC

SEEP RIDGE UNIT #8
SECTION 23, T13S, R22E, S.L.B.&M.
569' FSL 796' FEL



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

TOPOGRAPHIC
MAP

11 5 01
 MONTH DAY YEAR

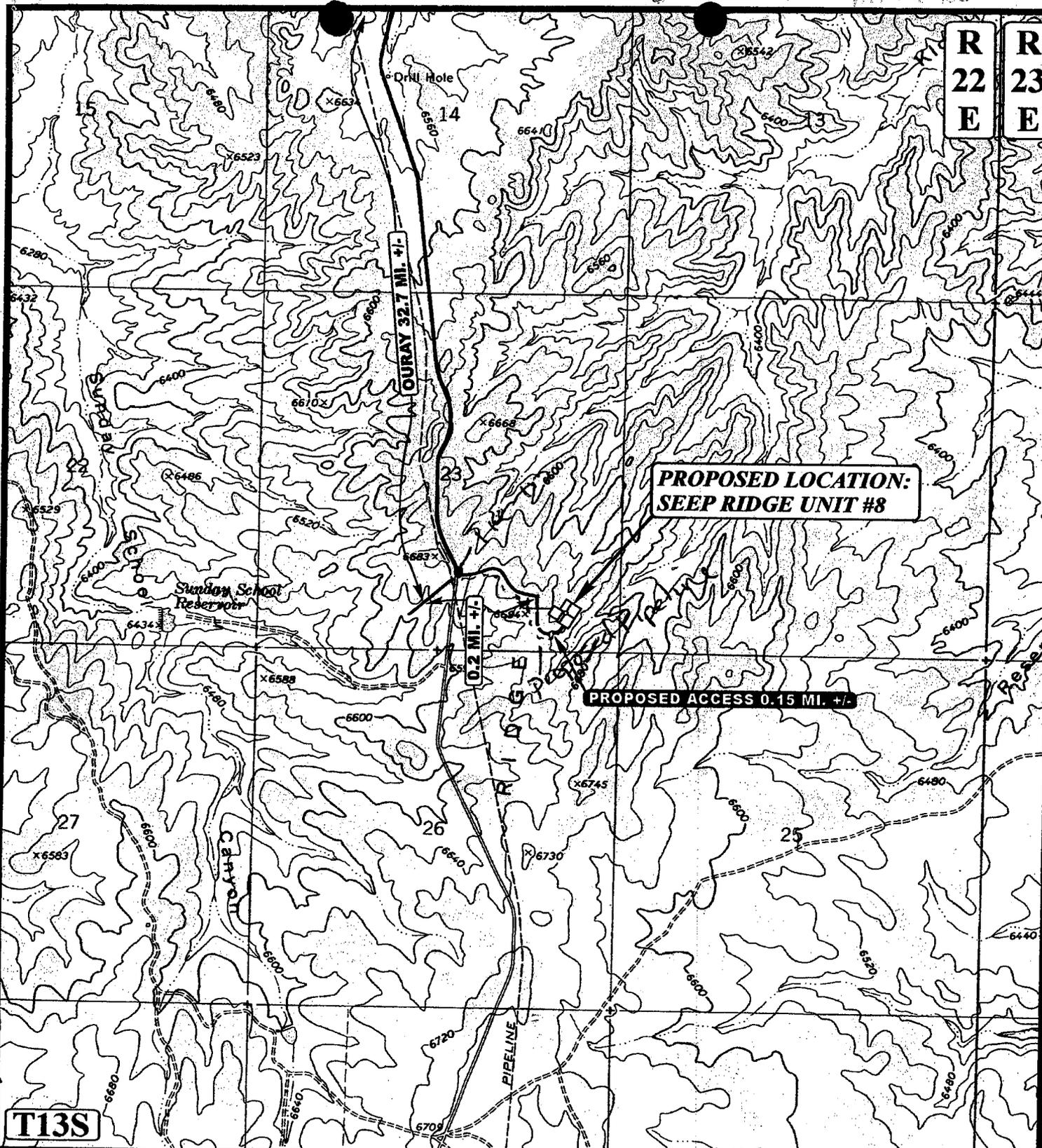
SCALE: 1:100,000 | DRAWN BY: K.G. | REVISED: 00-00-00



LOD 11/10/01 8:55:00

R
22
E

R
23
E



T13S

LEGEND:

- PROPOSED ACCESS ROAD
- EXISTING ROAD



Summit Operating, LLC
SEEP RIDGE UNIT #8
SECTION 23, T13S, R22E, S.L.B.&M.
569' FSL 796' FEL

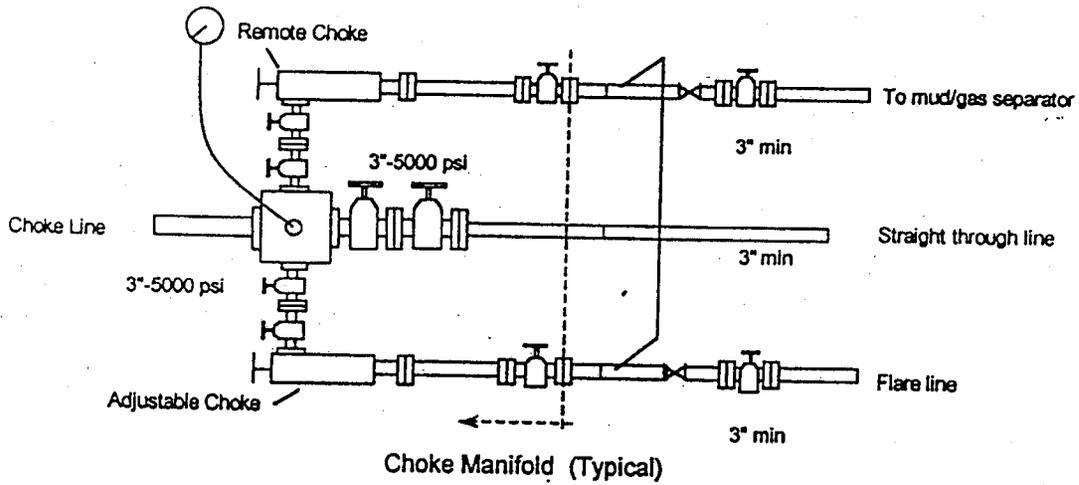
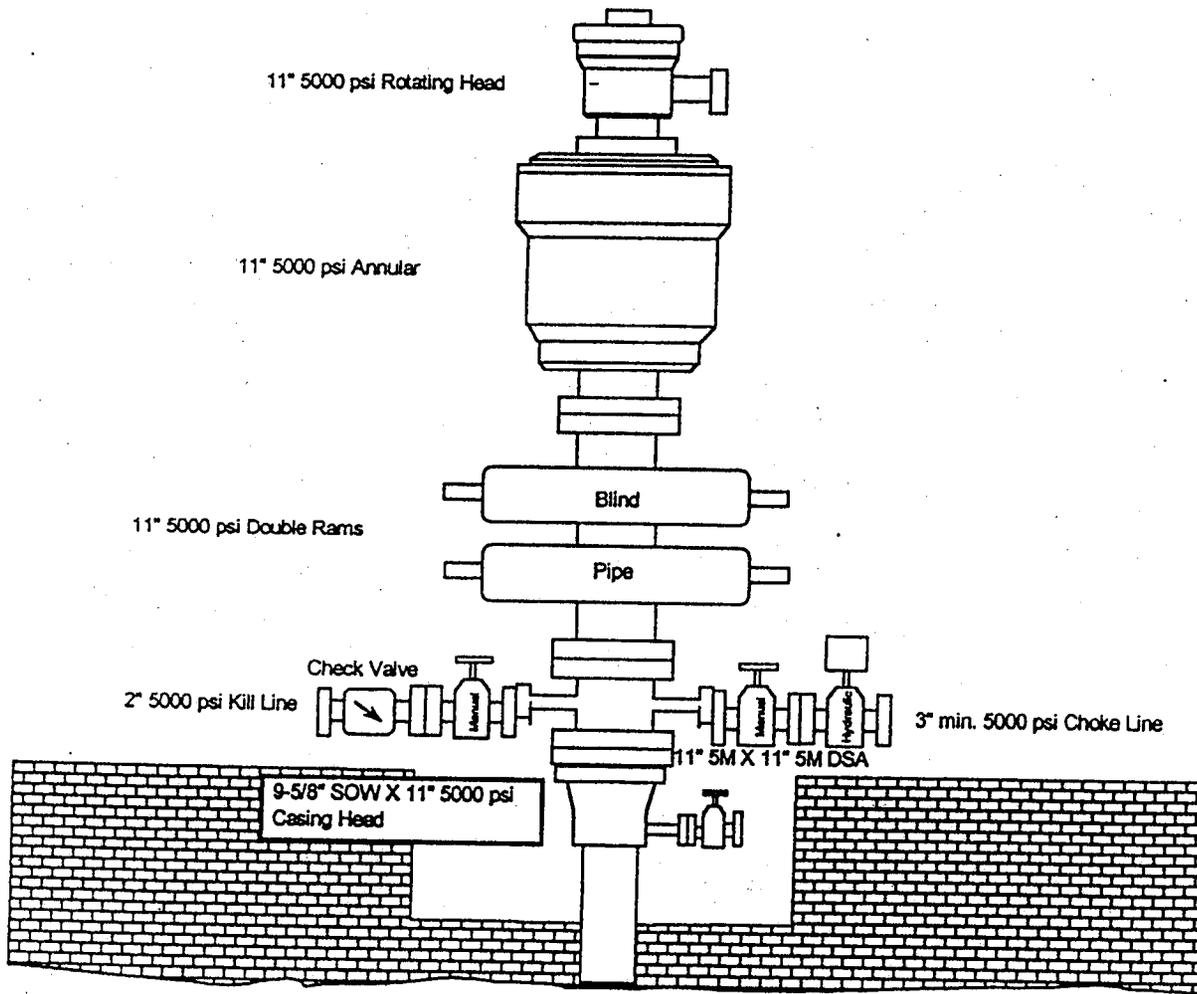


Utah Engineering & Land Surveying
 85 South 200 East Vernal, Utah 84078
 (435) 789-1017 * FAX (435) 789-1813

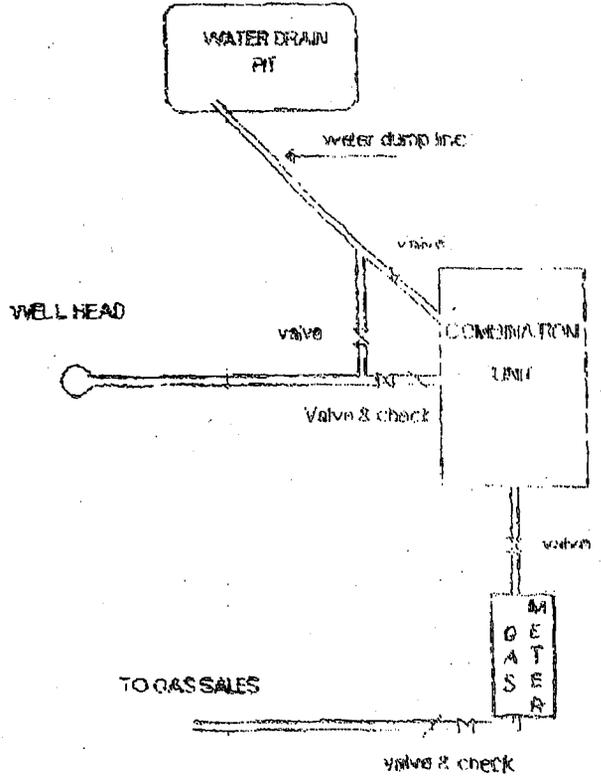
TOPOGRAPHIC **11** **5** **01**
MAP MONTH DAY YEAR
 SCALE: 1" = 2000' DRAWN BY: K.G. REVISED: 00-00-00



BOPE Diagram 5000 psi WP



TYPICAL
GASWELL



**WORKSHEET
APPLICATION FOR PERMIT TO DRILL**

APD RECEIVED: 05/24/2005

API NO. ASSIGNED: 43-047-36731

WELL NAME: SRU #8

OPERATOR: SUMMIT OPERATING LLC (N2315)

CONTACT: BILL RYAN

PHONE NUMBER: 435-789-0968

PROPOSED LOCATION:

SESE 23 130S 220E
 SURFACE: 0596 FSL 0796 FEL
 BOTTOM: 0596 FSL 0796 FEL
 UINTAH
 SEEP RIDGE (680)

INSPECT LOCATN BY: / /		
Tech Review	Initials	Date
Engineering		
Geology		
Surface		

LEASE TYPE: 1 - Federal

LEASE NUMBER: UTU-6616

SURFACE OWNER: 1 - Federal

PROPOSED FORMATION: WINGT

COALBED METHANE WELL? NO

LATITUDE: 39.66653

LONGITUDE: -109.4152

RECEIVED AND/OR REVIEWED:

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



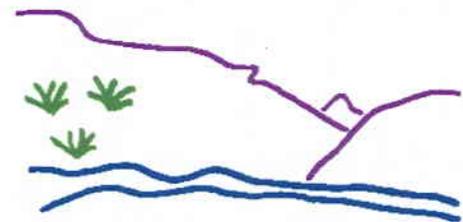
OPERATOR: SUMMIT OPERATING (N2315)

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

FIELD: SEEP RIDGE (680)

COUNTY: UINTAH

SPACING: R649-3-2 / GENERAL SITING



Utah Oil Gas and Mining

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



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

June 22, 2005

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

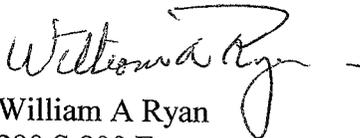
RE: Oil and Gas Operations
Hot Rod Oil
Seep Ridge Unit #8 *43-047-36731*
Section 23, Township 13 South, Range 22 East
UTU-6616

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
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

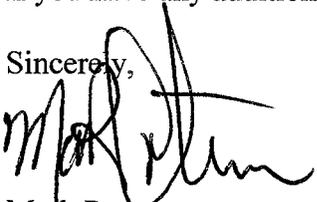
Dear Sir:

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



State of Utah

**Department of
Natural Resources**

MICHAEL R. STYLER
Executive Director

**Division of
Oil, Gas & Mining**

JOHN R. BAZA
Division Director

JON M. HUNTSMAN, JR.
Governor

GARY R. HERBERT
Lieutenant Governor

August 10, 2005

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

Re: Seep Ridge Unit #8 Well, 596' FSL, 796' FEL, SE SE, Sec. 23, 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 43-047-36731.

Sincerely,

Gil Hunt
Associate Director

pab
Enclosures

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

Operator: Summit Operating LLC
Well Name & Number Seep Ridge Unit #8
API Number: 43-047-36731
Lease: UTU-6616

Location: SE SE Sec. 23 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

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 # 8 in the SE¼ SE¼, sec. 23, 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.

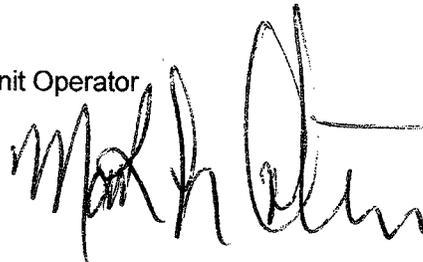
This designation is given only to enable the agent herein designated to drill the above specified well. It is understood that this designation of agent is limited to the field operations performed while drilling and completing the specified well and does not include administrative actions requiring specific 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

UNITED STATES DEPARTMENT OF THE INTERIOR BUREAU OF LAND MANAGEMENT

MAY 23 2005

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a TYPE OF WORK

DRILL [X]

DEEPEN []

PLUG BACK []

B TYPE OF WELL

OIL WELL []

GAS WELL [X]

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

435-947-36731

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

at surface 596' FSL & 796' FEL SESE At proposed prod. Zone

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*

33.05 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)

596'

16. NO. OF ACRES IN LEASE

1280

17. NO. OF ACRES ASSIGNED TO THIS WELL

40

16. DISTANCE FROM PROPOSED LOCATION * TO NEAREST WELL, DRILLING COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT.

NA

19. PROPOSED DEPTH

11,700

20. ROTARY OR CABLE TOOLS

Rotary

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

6663.0 GR

22. APPROX. DATE WORK WILL START

June 1, 2005

PROPOSED CASING AND CEMENT PROGRAM

Table with 5 columns: SIZE OF HOLE, SIZE OF CASING, WEIGHT PER FOOT, SETTING DEPTH, QUANTITY OF CEMENT. Row 1: 11", 8 5/8, 36, 2000', To Surface. Row 2: 7 7/8, 5 1/2, 17-11.8, T.D., To Surface.

Confirmed w/ Summit Rep

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.

APPROVAL DATE

APPROVED BY CONDITIONS OF APPROVAL, IF ANY:

Handwritten signature of Howard B. Cleaving

Assistant Field Manager Mineral Resources

DATE

09/01/2005

*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.

NOTICE OF APPROVAL CONDITIONS OF APPROVAL ATTACHED

CONDITIONS OF APPROVAL
APPLICATION FOR PERMIT TO DRILL

Operator/Company: Summit Operating
Well Name/Number: SRU # 8
API Number: 43-047-36731
Location: SESE Sec.23 T13S R22E
Lease Number: UTU-6616
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 2128 fm Wasatch (319 fm Mahogany Oil Shale). Production casing string circulation or top of cement is to be at or above 1928 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	<i>Artemisia tridentata</i>	1lbs. /acre
Needle and Threadgrass	<i>Stipa comata</i>	4lbs. /acre
Scarlet globemallow	<i>Sphaeralcea coccinea</i>	3lbs. /acre
Indian Ricegrass	<i>Pleuraphis hymenoides</i>	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 include 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.

DIVISION OF OIL, GAS AND MINING

SPUDDING INFORMATION

Name of Company: SUMMIT OPERATING LLC

Well Name: SRU #8

Api No: 43-047-36731 Lease Type: FEDERAL

Section 23 Township 13S Range 22E County UINTAH

Drilling Contractor BILL JUNIOR'S RIG # RATHOLE

SPUDDED:

Date 10/03/05

Time _____

How DRY

Drilling will Commence: _____

Reported by DAVID L ALLIN

Telephone # 1-970-254-3114

Date 10/04/2005 Signed CHD

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

FORM 6

ENTITY ACTION FORM

Operator: Summit Operating, LLC Operator Account Number: N 2315
 Address: PO Box 683909
city Park City
state UT zip 84068-3909 Phone Number: (435) 940-9001

Well 1

4304736731	SRU #8	NWSE	14	13S	22E	Uintah
A	99999	149 to 6	10/4/2005	10/7/05	Comments: WINGT	

Well 2

Comments:						

Well 3

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

10/4/2005

Title

Date

(5/2000)

RECEIVED

OCT 04 2005

DIV. OF OIL, GAS & MINING

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

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
Summit Operating, LLC	N2315	SRU#7	4304736730
Summit Operating, LLC	N2315	SRU#8	4304736731

T135 R22E S-26
T135 R22E S-24
T135 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



CONFIDENTIAL

To: Carol Daniels **Fax:** (801) 359-3940

From: Marie Adams **Date:** 10/19/2005

Re: SRU#8 Daily Report **Pages:** 5 including cover

API# ~~200400731~~ T135 R22E 523



For Review Please Comment Please Reply Please Recycle

Summit Energy, LLC PO Box 683909 Park City, UT 84068-3909

Email - marie@summitcorp.net

RECEIVED

OCT 18 2005

DIV. OF OIL, GAS & MINING

Message

Page 1 of 2

Marie Adams

From: David Lillywhite [dave@summitcorp.net]
Sent: Wednesday, October 19, 2005 7:24 AM
To: 'Marie Adams'
Subject: FW: SRU #8 Daily Report

CONFIDENTIAL

T135 R23E S-23
43-047-36931

-----Original Message-----

From: David L Allin [mailto:allinpro@bresnan.net]
Sent: Tuesday, October 18, 2005 9:23 AM
To: Robert J Pierson; David Lillywhite
Cc: Pat Grissom; Rob Kruger
Subject: FW: SRU #8 Daily Report

10-10-05 Report from acting company man, Doug Miller, for 24 hours prior to 0700 hrs: 6 hrs rigging up & completing move; 6 hrs testing BOP; 3.5 hrs nipping up BOP, rig up rotating head & flow line; 8.5 hrs change out blocks-rig repair. 9.625" surface casing previously set and cemented by Bill Junior's Rat Hole Service to KB depth 2062'. Rig repair and preparing to drill surface casing shoe. 2062'

10-11-05 Report from Doug Miller for 24 hrs prior to 0700 hrs: 1 hr change out blocks-rig repair; 5 hrs trip in hole ("TIH") with Bit 1 (rerun HC 506Z); 1.5 hrs drilling cement in surface casing; 1.5 hrs drilling 2062-2130' (drilled through surface casing shoe at 1430 hrs); 0.5 hr lube rig; 5.5 hrs drilling 2130-2601'; 0.5 hr deviation survey-0.5 degree at 2601'; 8.5 hrs drilling 2061-3245'. Drilled 1183' in 15.5 rotating hrs and average of 76.3 ft/hr. Pason mud logger on site by 1200 hrs, but lacked equipment to log drill cuttings due to damage to mobile office during move and subsequent change out of mobile office. Mud gas detection system operating and in good order. Drilling. 3245'

10-12-05 Report from Doug Miller for 24 hrs prior to 0700 hrs: 2 hrs drilling 3245-3547'; 0.5 hr deviation survey-2.5 degrees at 3547'; 4 hrs drilling 3547-3893'; 0.5 hr lube rig; 6 hrs drilling 3893-4425'; 0.5 hr deviation survey-3.75 degrees at 4425'; 9.5 hrs drilling 4425-5010'. Drilled 1765' in 22.5 rotating hours and average of 78.4 ft/hr. Pason mud logger received equipment to log drill cuttings late 10-11-05. Drilling. 5010'

10-13-05 Report from Doug Miller for 24 hrs prior to 0700 hrs: 8.5 hrs drilling 5020-5739'; 0.5 hr lube rig; 15 hrs drilling 5739-6320'. Drilled 1310' in 23.5 rotating hrs and averaged 55.8 ft/hr. Castlegate top was intersected 93' higher than prognosis near 5950'. Mud gas shows were logged from the Neslen Fm coal, carbonaceous shale and sandstone layers from 5200-5700' and the underlying Castlegate Sandstone. Prognosis revised: Upper Blue Gate Member of Mancos Shale 6300', Dakota silt 9960' and Dakota Formation marker 10005'. That should also reduce TD projection from 10550' to near 10430'. Drilling. 6320'

10-14-05 Report from Jerry Outlaw for 24 hrs prior to 0700 hrs: 1 hr drilling 6320-6463'; 1 hr repair time to replace swivel packing; 6 hrs drilling 6463-6839'; 0.5 hr lube rig; 13.5 hrs drilling 6839-7353'; 2 hrs to pump slug and condition hole to trip out Bit 1 due to reduced penetration rate. Drilled 1039' in 20.5 rotating hrs and averaged 50.7 ft/hr. Mud gas shows were recognized below 6850' along with sandstone in the cuttings that matched new prognosis for the top of the Prairie Canyon Member of Mancos Shale aka Mancos "B". The gas buster should be made operational today during the round trip. Tripping for long string hole Bit 2. 7353'

10-15-05 Report from Jerry Outlaw for 24 hrs prior to 0700 hrs: 3 hrs tripping out Bit 1; 4 hrs lay down Bit 1 and mud motor and pick up Bit 2 (HC 506Z) and recon mud motor and tripping in; 2 hrs correct pipe tally to 7415' and drilling 7415-7465'; 0.5 hr lube rig; 14.5 hrs drilling 7465-8245'. Drilled 830' in 16.5 rotating hrs and averaged 50.3 ft/hr. Prognosis and sample tops revised after pipe tally correction: Castlegate Ss 6012' Upper Blue Gate Member of Mancos Shale 6354', Prairie Canyon Mbr Mancos 6914' Dakota silt 10022', Dakota Formation marker 10067' and Morrison Fm 10355'. That alters TD projection to near 10500'. Drilling. 8245'

10/19/2005

10-16-05 Report from Jerry Outlaw for 24 hrs prior to 0700 hrs. 10 hrs drilling 8245-8776'; 0.5 hr lube rig; 13.5

Message

hrs drilling 8776-9466'. Drilled 1223' in 23.5 rotating hrs and averaged 52.0 ft/hr. Drilling. 9468'

10-17-05 Report from Jerry Outlaw for 24 hrs prior to 0700 hrs: 15 hrs drilling 9468-9925', 6 hrs attempting to restart bit in clay-rich beds and tripping out Bit 2; 3 hrs slipping and cutting drilling line adding drill collars to accommodate drilling with a TCI bit and tripping in hole with Bit 3 (Smith MF456H). Drilled 457' in 15 rotating hrs and averaged 30.5 ft/hr. Tripping. 9925'

10-18-05 Report from Jerry Outlaw for 24 hrs prior to 0700 hrs: 8 hrs cutting off drilling line and TIH; 8 hrs drilling 9925-10050'; 2.5 hrs conditioning mud and circulating; 5.5 hrs drilling 10050-10097'. Drilled 172' in 13.5 rotating hrs and averaged 12.7 ft/hr. Depending upon sandstone intersection to increase ROP, TD could be reached near 1200 hrs Wednesday 10-19. Drilling. 10097'

10/19/2005

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: UTU6616
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: SRU #8	
2. NAME OF OPERATOR: Summit Operating, LLC		9. API NUMBER: 4304736731
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: _____		
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 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"/> 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 type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> TUBING REPAIR
	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> VENT OR FLARE
	<input type="checkbox"/> CHANGE WELL NAME	<input type="checkbox"/> PLUG BACK	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> CHANGE WELL STATUS	<input checked="" type="checkbox"/> PRODUCTION (START/RESUME)	<input type="checkbox"/> WATER SHUT-OFF
	<input type="checkbox"/> COMINGLE 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.
Production began 11/23/2005.

NAME (PLEASE PRINT) Marie Adams	TITLE Operations
SIGNATURE <i>Marie Adams</i>	DATE 3/21/2006

(This space for State use only)

(See instructions on Reverse Side)

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SUMMIT ENERGY, LLC
PO BOX 683909
PARK CITY, UT 84068-3909
PHONE (435) 940-9001 **FAX (435) 940-9002**

Fax

To: Carol Daniels	From: Marie Adams
Fax: (801) 359-3940	Date: March 21, 2006
Phone:	Pages: 4 including cover
Re: Form 6 & Form 9's	CC:

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DIV. OF C.

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

WELL COMPLETION OR RECOMPLETION REPORT AND LOG

FORM APPROVED
OMB NO. 1004-0187
Expires: March 31, 2007

1. Type of Well: Oil Well Gas Well Dry Other
 2. Type of Completion: New Well Work Over Deepen Plug Back Drill Ream
 Other: _____

3. Name of Operator: Summit Operating, LLC
 4. Address: P. O. Box 683909, Park City, UT 84068-3909
 5. Phone No. (include area code): 435-940-9001

6. Location of Well (Report location accurately and in accordance with Federal requirements):
 A) surface: 596' fsl & 796' fel, SESE Section 23, T13S, R22E, SLM
 B) top ground: same as reported below: Vertical, same as surface location
 C) total depth: Vertical, same as surface location

14. Date Spudded: 10-3-05 with rathole rig
 15. Date TD Reached: 10-19-05
 16. Date Completed: 3-23-06
 D & A Ready to Prod

17. Total Depth: MD 10465' TVD 10465'
 18. Plug Back TD: MD 10405' TVD 10405'
 19. Depth Bridge Plug Set: MD TVD

21. Type Electric & other Mechanical Logs Run (Submit copy of each):
 High Resolution Induction Microlog GR, Spectral Density Dual Spaced Neutron GR and CBL GR

22. Was well cased? No Yes (Submit analysis)
 Was DST run? No Yes (Submit report)
 Directional Survey? No Yes (Submit copy)

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

Hole Size	Size/Grade	WT (#/ft)	Top (MD)	Bottom (MD)	Stage Cementer Depth	No. of Sls. & Type of Cement	Shelly Vol (BBL)	Cement Top*	Amount Packed
12.25"	9.625" K55	36	Surface	2062		585 Class G	121	Surface	
7.875"	5.5" P110	17	Surface	561					
7.875"	5.5" N80	17	561	10455	9446	1st 250 50-50 Poz 2nd 572 V & G	66 368	Stage tool 1700 CBL	

24. Tubing Record: 6.5 #/ft N80 last setting 3-15-06

Size	Length Set (MD)	Packer Depth (MD)	Size	Depth Set (MD)	Packer Depth (MD)
2.875"	10130				

25. Perforation Record

Formation	Top	Bottom	Perforated Interval	Size	No. Holes	Perf. Status
Dakota Ss	10134	10180	10152-60, 10170-80	0.35"	36 (2 spf)	Open (Dakota)
Cedar Mountain Fm	10276	10349	10277-94, 10310-24			
A & B commingled by final completion			10338-44	0.35"	74 (2 spf)	Open (Cedar Mt)

26. Acid Fracture Treatment, Cement Squeeze, etc.

Depth Interval	Amount and Type of Material
10277-344 (Cedar Mtn)	BD w/150 bbbs net (65-35%) 7.5% HCl acid-methanol
10152-80 (Dakota)	BD w/72 bbbs net (70-30%) 7.5% HCl acid-methanol; Frac w/75k lbs 20-40 ceramic proppant in 70% CO2 foamed KCl water

28. Production - Interval A

Date Prod. Started	Date	Hours Tested	Test Production	GOR (BBL)	Gas M/T	Water BBL	Oil Gravity (API)	Gas Gravity	Production Method
3-21-06	3-23-06	24	→	0	657	1			Flowed through sep/dehy & meter
26/64"	XX 298	403	→	0	657	1			Producing commingled with Interval B (Cedar Mtn)

29a. Production - Interval B

Date Prod. Started	Date	Hours Tested	Test Production	GOR (BBL)	Gas M/T	Water BBL	Oil Gravity (API)	Gas Gravity	Production Method
			→						
			→						

*See instructions and spaces for additional data on page 2

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28b. Production - Interval C

Date First Produced	Test Date	Hours Tested	Test Production →	Oil BBL	Gas MCF	Water BBL	Oil Gravity Over API	Gas Gravity	Production Method
Check No.	Drp. Press. Hg. S.	Log 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 Over API	Gas Gravity	Production Method
Check No.	Drp. Press. Hg. S.	Log 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.)

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.

31. Formation (Log) Markers

Formation	Top	Bottom	Description, Contents, etc.	Name	Top
					Meas. Depth

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 Notices for plugging and cement verification
 Core Analysis
 Other:

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.

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old to Canyon Gas Resources' Seep Ridge Pipeline

Wasatch	3796	3912	OH logs indicate zones w/unknown cont.	Main body Wasatch Fm (Tw)	2180'	+4505'
Mesaverde	3965	4581	OH log indicate zones w/unknown cont.	Mesaverde Group (Kmv)	3960'	+2725'
Dakota	10134	10160	Natural gas	Neslen Fm (Kn)	5080'	+1605'
Dakota	10164	10180	Natural gas	Sego Ss (Ks)	5742'	+943'
Cedar Mtn	10276	10294	Natural gas	Buck Tongue of Mancos Sh (Kmbt)	5800'	+885'
Cedar Mtn	10306	10348	Natural gas & brine water	Castlegate Ss (Kc)	6006'	+679'
				Base Kc	6131'	+554'
				Upr Blue Gate Mbr Mancos (Kmbgu)	6353'	+332'
				Prairie Cyn Mbr ("B") Mancos (Kmpc)	6905'	-220'
				Lwr Blue Gate Mbr Mancos (Kmgf)	7525'	-840'
				Dakota Silt (Kds)	10071'	-3386'
				Dakota marker-base bentonite (Kd mkr)	10116'	-3431'
				first Dakota sandstone (Kd1)	10134'	-3449'
				second Dakota sandstone (Kd2)	10163'	-3478'
				Cedar Mountain Fm and K-1 (Kcm)	10205'	-3520'
				upper Kcm sandstone (Kcmu)	10276'	-3591'
				lower Kcm sandstone (Kcml)	10306'	-3620'
				Morrison Fm and K-0 (Jm)	10414'	-3729'

X

X

Drilling history and completion history

Subject: SRU #8 Daily Drilling Report 10-10-05 through 10-24-05

10-3-05 Surface hole spudded by Pete Martin

10-10-05 Report from acting company man, Doug Miller, for 24 hours prior to 0700 hrs: 6 hrs rigging up & completing move; 6 hrs testing BOP; 3.5 hrs nipple up BOP, RU rotating head & flow line; 8.5 hrs change out blocks-rig repair. 9.625" surface casing previously set and cemented on 10-6-05 by Bill Junior's Rat Hole Service to KB depth 2062'. Rig repair and prep to drill surface casing shoe. 2062'

10-11-05 Report from Doug Miller for 24 hrs prior to 0700 hrs: 1 hr change out blocks-rig repair; 5 hrs trip in hole ("TIH") with Bit 1 (rerun HC 506Z); 1.5 hrs drilling cement in surface casing; 1.5 hrs drilling 2062-2130' (drilled through surface casing shoe at 1430 hrs); 0.5 hr lube rig; 5.5 hrs drilling 2130-2601'; 0.5 hr deviation survey-0.5 degree at 2601'; 8.5 hrs drilling 2601-3245'. Drilled 1183' in 15.5 rotating hrs and average of 76.3 ft/hr. Pason mud logger on site by 1200 hrs, but lacked equipment to log drill cuttings due to damage to mobile office during move and subsequent change out of mobile office. Mud gas detection system operating and in good order. Drilling. 3245'

10-12-05 Report from Doug Miller for 24 hrs prior to 0700 hrs: 2 hrs drilling 3245-3547'; 0.5 hr deviation survey-2.5 degrees at 3547'; 4 hrs drilling 3547-3893'; 0.5 hr lube rig; 6 hrs drilling 3893-4425'; 0.5 hr deviation survey-3.75 degrees at 4425'; 9.5 hrs drilling 4425-5010'. Drilled 1765' in 22.5 rotating hours and average of 78.4 ft/hr. Pason mud logger received equipment to log drill cuttings late 10-11-05. Drilling. 5010'

10-13-05 Report from Doug Miller for 24 hrs prior to 0700 hrs: 8.5 hrs drilling 5020-5739'; 0.5 hr lube rig; 15 hrs drilling 5739-6320'. Drilled 1310' in 23.5 rotating hrs and averaged 55.8 ft/hr. Mud gas shows were logged from the Neslen Fm coal, carbonaceous shale and sandstone layers from 5200-5700' and the underlying Castlegate Sandstone. TD projection reduced from 10550' to near 10430'. Drilling. 6320'

10-14-05 Report from Jerry Outlaw for 24 hrs prior to 0700 hrs: 1 hr drilling 6320-6463'; 1 hr repair time to replace swivel packing; 6 hrs drilling 6463-6839'; 0.5 hr lube rig; 13.5 hrs drilling 6839'-7353'; 2 hrs to pump slug and condition hole to trip out Bit 1 due to reduced penetration rate. Drilled 1039' in 20.5 rotating hrs and averaged 50.7 ft/hr. Tripping for long string hole Bit 2. 7353'

10-15-05 Report from Jerry Outlaw for 24 hrs prior to 0700 hrs: 3 hrs tripping out Bit 1; 4 hrs lay down Bit 1 and mud motor and pick up Bit 2 (HC 506Z) and recon mud motor and tripping in; 2 hrs correct pipe tally to 7415' and drilling 7415-7465'; 0.5 hr lube rig; 14.5 hrs drilling 7465-8245'. Drilled 830' in 16.5 rotating hrs and averaged 50.3 ft/hr. Drilling. 8245'

10-16-05 Report from Jerry Outlaw for 24 hrs prior to 0700 hrs. 10 hrs drilling 8245-8776'; 0.5 hr lube rig; 13.5 hrs drilling 8776-9466'. Drilled 1223' in 23.5 rotating hrs and averaged 52.0 ft/hr. Drilling. 9468'

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10-17-05 Report from Jerry Outlaw for 24 hrs prior to 0700 hrs: 15 hrs drilling 9468-9925' 6 hrs attempting to restart bit in clay-rich beds and tripping out Bit 2; 3 hrs slipping and cutting drilling line adding drill collars to accommodate drilling with a TCI bit and tripping in hole with Bit 3 (Smith MF456H). Drilled 457' in 15 rotating hrs and averaged 30.5 ft/hr. Tripping. 9925'

10-18-05 Report from Jerry Outlaw for 24 hrs prior to 0700 hrs: 8 hrs cutting off drilling line and TIH; 8 hrs drilling 9925-10050'; 2.5 hrs conditioning mud and circulating; 5.5 hrs drilling 10050-10097'. Drilled 172' in 13.5 rotating hrs and averaged 12.7 ft/hr. Drilling. 10097'

10-19-05 Report from Jerry Outlaw for 24 hrs prior to 0700 hrs. 4.5 hrs drilling 10097-10151; 0.5 hr lube rig; 19.5 hrs drilling 10151-10392'. Drilled 295' in 23.5 rotating hrs and averaged 12.6 ft/hr. Drilling. 10392'

10-20-05 Report from Jerry Outlaw for 24 hrs prior to 0700 hrs: 8 hrs drilling 10392-10464' where TD was called; 4 hrs pumping pill, short tripping 10 stands, conditioning mud and circulation for open hole logging; 5 hrs tripping out of hole; 7 hrs standing by for open hole logging. Drilled 73' in 8 rotating hrs and averaged 9.1 ft/hr. PSI on location to acquire open hole logs in two runs (triple combination and sonic) and rigging up at 2330 hrs 10-19-05. Logging. TD 10464'

10-21-05 Report from Jerry Outlaw for 24 hrs prior to 0700 hrs: 0.5 hr lube rig; 9.5 hrs standing by for open hole logging; 4.5 hrs tripping in hole for wiper run; 2.5 hrs conditioning mud and circulation prior to running long string casing; 7 hrs tripping out of hole laying down drill pipe. Report of calendar day activities 10-20-05: PSI tools for open hole triple combination logging run #1 began trip in hole @ 0015 hrs. PSI OH logging tools reached TD @ 0100 hrs. Surface electronic problems precluded getting clean SP and resistivity data. PSI repair plan organized, but HES OH logging unit found available to record triple combination log (no sonic log on board). Rigged down PSI and logging unit left location @ 0430 hrs. HES on location to acquire open hole logs @ 0740 hrs. HES tools began trip in hole @ 1010 hrs. Tight spots encountered through much of the Mancos Shale section from 6650-9900'. Logs acquired without caliper and microlog data over several sections of the Mancos Shale and tools recovered from hole @ 1615 hrs. Field prints of HES logs delivered @ 1800 hrs. Laying down drill pipe. TD 10464'

Open hole log tops measured from KB elevation 6685':

Main body Wasatch Fm (Tw) 2180' +4505'
Mesaverde Group (Kmv) 3960' +2725'
Neslen Fm (Kn) 5080' +1605'
Sego Ss (Ks) 5742' +943'
Buck Tongue of Mancos Sh (Kmbt) 5800' +885'
Castlegate Ss (Kc) 6006' +679'
Base Kc 6131' +554'

Upper Blue Gate Mbr of Mancos Sh (Kmbgu) 6353' +332'
Prairie Canyon Mbr ("B") of Mancos Sh (Kmpc) 6905' -220'
Lower Blue Gate Mbr of Mancos Sh (Kmgf) 7525' -840'
Dakota Silt (Kds) 10071' -3386'
Dakota marker-base bentonite (Kd mkr) 10116' -3431'
first Dakota sandstone (Kd1) 10134' -3449'
second Dakota sandstone (Kd2) 10163' -3478'
Cedar Mountain Fm and K-1 (Kcm) 10205' -3520'
upper Kcm sandstone (Kcmu) 10276' -3591'
lower Kcm sandstone (Kcml) 10306' -3621'
Morrison Fm and K-0 (Jm) 10414' -3729'

10-22-05 5.5", 17 ppf, N-80 & P-110, LTC LS casing landed at 10455'. Two stage LS cement job with multi-stage tool near 9446' completed @ 0400 10-22-05. LS casing set in slips. Rig mud pits have been dumped. Expect rig to be released at 1000 hrs today for moving to SRU # 7. Cased TD 10464'

10-23-05 Rigging down in preparation to move to SRU #7 location. Waiting for LS cement to cure. TD 10464'

10-24-05 Moving crew on site to move Pat 136 to SRU #7 location. Waiting for LS cement to cure. TD 10464'

SUMMIT OPERATING, LLC SEEP RIDGE UNIT #8
Version 05-29-06

API No.: 43-047-36731

LOCATION: 596 FSL, 796 FEL, SESE, Sec 23, T13S, R22E, SLM, Uintah CO., UT

ELEVATION: 6663 Grnd, 6685 KB

TUBULARS: 9 5/8 36 Lb, K55 at 2062; 10-6-05 lead, tail and top fall back 585 sx Class G cmt (121 bbls) to surface
5 1/2 17 lb P110 Surface to 561.12, (13 jts)
5 1/2 17 lb N80 561.12 to 10455 (233 jts)
DV Tool at 9446 to 9448, 1st Stage 250 sx 50/50-POZ (66 bbls) mixed with 2% gel, 0.7% HALAD-344, 0.25 lb/sk Flocele, 5 lb/sk Silicalite to yield 1.49 cuft/sk with slurry weight 13.5 lb/gal; 2nd Stage lead 522 sx Type V mixed with 16% gel, 0.75% EX-1, 10 lb/sk Gilsonite, 0.25 lb/sk Flocele and 1% HR-7 to yield 3.85 cuft/sk and slurry weight 11.0 lb/gal and tail/cap 50 sx Class G mixed with 0.2% HR-5 and 0.2% CFR-3 to yield 1.16 cuft/sk and slurry weight 15.8 lb/gal. Total 368 bbls of Type V and Class G. Good bond up to DV tool, Ratty looking cmt to 1700 est cmt top.
PBSD 10388, loggers. Got to 10405 w/tbg.
336 jts 2 7/8 EUE 8 RND 6.5 lb N80 tbg on location.
Tbg set at 10130 KB with seating nipple above one full joint 03-15-06

PERFORATIONS: 11-12-05: 10338 to 10344
Cdr Mtn 10310 to 10324
10277 to 10294

11-21-05: 10170 to 10180
Dakota 10152 to 10160

SUPERVISION: J. Newton Burkhalter in 2005 and Lawrence C. Caldwell, II in 2006

11-09-05 Rig down from SRU #6, move rig to SRU #8 & rig up. PU 4 3/4 bit and 5
Wed 1/2 scraper. Tally & rabbit 2 7/8 tbg and GIH.

11-10-05 Continue tally, PU & rabbit 2 7/8 tbg and GIH. Tag cmt on top of DV tool
Thu at 9438, rig up pwr swivel, drill out cmt and DV tool at 9446 to 9448.
Continue GIH, clean out to 10405 w/ tbg. Pressure test BOP and flange to
2300 lbs - holds OK, no leaks. Roll hole w/ 225 bbls clean 4% KCl water.
Pooh w/ 2 7/8 tbg & tools. Lay down bit & scraper. SDFN.

11-11-05 Rig up Cutters Wireline & run CBL. Good bond from PBSD to DV tool.
Fri "Filler" cmt from DV tool to approx est cmt top at 1700. POOH w/ logging tools.
GIH w/ SN on bottom of 2 7/8 tbg, start swabbing out hole. Swabbing KCl
water back to flat tank. Swabbed fluid to 7200 from surface. SDFN.

11-12-05 Finish swabbing fluid to 8600 w/ tbg on bottom, POOH w/ tbg. Cutters rigs
Sat up 3 3/8 Powerpaks expendable csg guns and perforates Open Hole Zones
10338 to 10344, 10310 to 10324 and 10277 to 10294, Cedar Mountain w/ 2

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spf. POOH w/ perforating tools. Had gas to surface when rigging down perf tools. Made two perf runs, FL at 1st run 8817, rose 100' after 1st run, another 100' during 2nd run.

GIH pkr, SN and 2 7/8 tbg. Set pkr 10248 and commence swabbing. First run gassy and w/ some after flow. 2nd run well kicks off, unloads fluid and commences flowing and burning gas. SI for weekend and Buildup.

- 11-13-05 Sun Mike Shields calls and well has "over 2000 lbs" on it. Mike unhooked my 2000 lb recorder. I warned everybody to be careful - no more rubber hoses - only chokes and hard lines to handle 2000 lbs pressure.
- 11-14-05 Mon 0700 hrs well has 2200 lbs on tbg. Rig up choke & hardline and blow down to about 1100 lbs w/ 16/64 choke. Rig up Critical Flow Prover w/ 3/8 plate, well continues to blow down w/out "bending over". Put in 5/16 plate, well continues down, put in 1/4 plate, well stabilizes at 120+ lbs.
- 11-15-05 Tue Well slowly increasing pressure behind 1/4 plate. Flow is 220 mcf/d. FINALLY receive camp office and house about 1600 hrs.
- 11-16-05 Wed Pressure has increased to 160 lbs behind 1/4 plate - 247 mcf/d w/ no breakdown - just natural. No water production at all. Occasionally a slight shot of mist. Blow down well, makeup 6' pup of N80 tbg on top of string and run in hole and stack out on pkr. SIFN.
- 11-17-05 Thur Pressure 1989 on HOWCO's pressure transducer. Hook up HOWCO, fill bksd, pressure up to 1490 psi. Pump 70% 7 1/2% HCl w/ surfactants, iron sequestrants and clay stabilizers + 30% methanol (105 bbls HCl + 45 bbl methanol) + 115 1.1 SG ball sealers. After a few bbls hit perms, balls sealed off a couple of holes (probably the only two really open) and pressure went up from 3000 to 4200 immediately and treatment commenced to open more holes. Job went well with complete ball-out achieved. Breakdown at 4986, max rate 7.1 bpm, avg press 4200, ISIP 3100 (frac gradient 0.73).
- Blow down well, pull 6' sub through BOP and remove. Made 6 swab runs w/ FL bouncing from surface to 6000 and back to 800. After 6th run, well kicked off flowing and unloading acid water and burning gas. Died down, made 7th pull w/ big load of acid water and gas. Well kicked off flowing at a good rate burning gas and unloading acid water on its own. Burned and unloaded for 40 mins. Loaded up, made 8th swab run. Have recovered approx 70 bbls fluid. After run #8, well cleaned up and flowed clean gas w/out mist - just a trickle of acid water in bottom of pipe. Impossible to know how much fluid (load) was made in heavy mist.
- 11-18-05 Fri Well burned all night until about 0430 hrs. Unloaded big load of acidic fluid and commenced flowing heavy mist. Relit flare at 0530 hrs - bigger than ever flare. 0730 hrs checked pH to find it is 2 - still acid. Can also smell acid. Continue flaring. Well is unloading steady stream of acidic fluid as well as mist. Flowed and flared well all day - best and only way to recover load with high flow rate. Left well flowing overnight.
- 11-19-05 Flare went out between 0300 and 0500 hrs. Relit flare w/ heavy mist

- Sat at 0530 hrs. Can still smell strong odor of acid. Flare went out again 0630 hrs. Flowing hvy mist. pH = 4 - has come up from 1 since yesterday (11-18-05). Relit flare 0700 hrs, well was cleaned up enough to continue strong flow and flare.
- 1000 hrs: pH = 4. SI well, hooked up separator. Pressured up separator to 900 (WP = 1000). HI-LO control does not work. Will have to get NATCO out to troubleshoot controls. Pressure up PL to 700. Walked line, seems OK.
- 1100 hrs: Began blowing down well from 1100+ lbs in preparation for equalizing bksd and POOH w/ pkr. Took until 1245 hrs to blow down - well seems plenty strong. Equalized fluid behind pkr, killed well and POOH, ready for RBP set, swab down FL and Dakota perforating work.
- 11-20-05 Shut down for Sunday
Sun
- 11-21-05 0700 hrs pressure 190 psig. Rig up Cutters, Set wireline-set-tbg
Mon retrievable bridge plug at 10250 KB. Run ball catcher and latch onto RBP. Perforate Dakota 10152 to 10160 and 10170 to 10180 w 2spf w/ 3 3/8 expendable guns. Holes 0.35". FL approx 4500. Gas to surface within 3 mins. Open bksd w/ good flare. Pickup RBP-ball catcher tool on bottom of pkr and GIH. Set pkr at 10124 KB. Bottom of catcher at 10133. 19' to top perf.
- Well gassing all the time we were GIH. Set pkr and commenced swabbing. Very gassy swabbing. After 3rd pull, well commenced flowing, but still seemed to have fluid (an expected condition). Made 4th pull and well seemed to be cleaning up. Hooked up to sales line.
- 11-22-05 Well still flowing. Appears to be making 500 to 600 mcf/d. NATCO
Tue separator not working properly - water dump totally dysfunctional, oil dump must be operated by hand to dump water out of sprtr. Well is riding the line at approx 150 psig. Very little water.
- 11-23-05 Well producing to pipeline. Separator shipped w/ floats in a box - standard
Wed procedure to prevent damage to floats and controls. Well making 500 mcf/d from Dakota zones above RBP at 10250 KB.
- 11-24-05 Well producing to pipeline over Thanksgiving.
Thurs
- 11-25-05 Well producing to pipeline. Equipment working OK.
Fri
- 11-26-05 Blew well down, picked up 6' 2 7/8 N80 sub and ran on top to compensate
Sat for cold temp of brkdn fluid. Filled bksd & pressured up to 1600 lbs. At end of job, due to temperature, csg pressure was zero. Pumped 72 bbls treatment - 30% (22 bbls) methanol, 50 bbls 7 1/2% HCl containing clay stab, iron seq, surfactant, inhibitor; 54 1.1 SG balls. flushed w/ 60 bbls 4% KCl water. Ball action, but no ball-out. max press 3725, avg press 3300, avg rate 7 bpm, ISIP 1450, frac grad 0.58, 0 press in 3 mins. HOWCO temporarily lost suction 10 mins into job. Can not say for sure if that was deleterious to ball action.

- Pulled and laid down 6' sub, swabbed well. Well came around on 4th swab. Made two more runs to help from SN. Well unloading good, left flowing and burning flare all night.
- 11-27-05 Sun Well flowing and burning flare. Unloading good stream of acid water. Left flowing and unloading all day.
- 11-28-05 Mon Well pretty well cleaned up, prepare to equalize pkr, GIH, pkup RBP and POOH w/ pkr and RBP. Unlatch pkr, equalize bksd & tbg, blow down tbg, PU 4 jts 2 7/8 tbg, GIH, engage J-slots in ball catcher, unlatch RBP, POOH. On bank w/ pkr, ball catcher & RBP all in one string 1400 hrs. Ball catcher full of balls. Lay down tools, lay down three jts tbg, PU SN on bottom, GIH w/ 2 7/8 tbg. Well quiet. Got 141 stds in hole by dark. Secured well. SDFN.
- 11-29-05 Tue Tbg on slight suck, csg on slight blow. GIH w/ remaining 24 stds tbg. Land tbg at 10285 in donut in wellhead. NU wellhead and rig up to swab. Well quiet.
- 1300 hrs - well beginning to come around - had a very big load of water to get rid of. Continuing to swab. 1700 hrs - bksd 330 lbs and climbing, well flaring & unloading water - left flaring for night, will put on sales tomorrow. Flare went out 1800 hrs. Relit 1830 hrs and was out again 2400 hrs.
- 11-30-05 Wed Bksd pressure down to 220, indicating that well "came around" with all water unloading and bksd blowing around end of tbg. Well blowing good and unloading considerable water. Relit flare 0600 - good big flare that seems will stay lit. Called Red Roush 0600 and told him he could have well this morning for pipeline. Well logged off about noon after 2 hrs. Blew well to pit until 1800 hrs, put into pipeline.
- 12-01-05 Thu Well stayed on all night with 3 "wild" swings when it unloaded. The main thing is - it unloads on the pipeline on its own. Well is making 650 to 700 mcf/d this morning.
- 01-12-06 Thu Started production data recording
- 01-17-06 Tue MIRUSU (Peak) and adjusted tbg up 1 jt to 10254' 21' above Cedar Mtn top perf in gross interval 10277-344' and 102' below top Dakota perf. Found FL 9400' and made 1 run to start well. Hook up tbg to dehy and sales meter. RDMOSU to SRU #7.
- 02-14-06 Tue Avg production sold over 27 days was 264 Mcf/d from commingled Dakota and Cedar Mtn zones with tbg set between the two formations. Roughly 20% decline from 314 Mcf to 250 Mcf in 27 days.
- 02-15-06 Wed MIRUSU (Peak 400). Nipple down wellhead, strip on BOP and TOO H w/ tbg. HES wireline unit set RBP at 10240'. Rig on standby until frac stimulation.
- 02-18-06 Sat HES frac stimulated Dakota zones gross perfed interval 10152-80' down casing w/75,000 lbs 20-40 ceramic proppant in 70% CO2 foam using 130 tons CO2 and 324 bbls treated KCl water. Max press 4626 psi and break 2074 psi

with average wellhead rate of 28.83 bpm. ISIP 3400 psi, 5 min 2863 psi, 10 min 2634 psi and 15 min 2463 psi. Frac gradient calculated 0.77 psi/ft. Treatment flushed to the top perforation with 200 gal cap. Started flow back to pit.

02-19-06 Sun Flowback to pit.

02-20-06 Mon TIH w/179 jts tbg, pumped 15 bbls 3% KCl water to kill well, TIH w/140 jts tbg and tagged top of proppant at 10189', 9' below deepest Dakota zone perf. Attempted to circulate proppant from casing and off RBP but got no returns.

02-21-06 Tue TP 50 psi and CP 150 psi. Waited on nitrogen pump, then RU pump and attempted to circulate the well with nitrogen until it was discovered that the pump was not working properly. RD pump. Adjusted tbg to 10133', stripped off BOP, nipped up wellhead and RDMOSU to SRU #7. Hooked tbg up to dehy and meter.

02-22-06 Wed CO2 depleted. Flowed well to pit until 1600 hrs and hooked up to dehy/sep and meter. Sold 369 Mcf first day on line post-frac from isolated Dakota zones gross perfed interval 10152-80'.

02-23-06 Thu FTP 265 psi and FCP 410 psi. Sold 34 Mcf. RDMOSU. Waiting for availability of foam unit to clean out casing and allow removal of RBP.

02-24-06 Fri Load water depleted. Sold 619 Mcf

02-25-06 Sat Sold 638 Mcf

03-13-06 Mon Nipped down wellhead and stripped on BOP. TIH w/tbg, tagged up on proppant 10180', RU foam unit, broke circulation, continued TIH w/tbg, cleaned out to RBP at 10240', circulated and latched on to same. SI.

03-14-06 Tue TP 800 psi and CP 560 psi. Pumped 30 bbls down csg and 10 bbls down tbg, TOOH w/15 stds, well kicked off, pumped 10 bbls down csg and 10 bbls down tbg to kill and shut down due to rig mechanical problem. SI.

03-15-06 Wed TP 500 psi and CP 450 psi. Pumped 30 bbls down csg and 10 bbls down tbg, TOOH w/140 stds, well kicked off, pumped 30 bbls down csg and 15 bbls down tbg to kill and continued TOOH w/25 stds. Laid down retrieving head and RBP. TIH w/notched collar, 1 jt and SN on tbg and landed same at 10130', 22' above top perf in Dakota zones. Stripped off BOP and nipped up wellhead. SI.

03-16-06 Thu TP 100 psi and CP 200 psi. RDMOSU to SRU #7.

03-20-06 Mon Off line.

03-21-06 Tue Casing pressure 902 psi. Dropped soap sticks and started well. Sold 291 Mcf.

03-22-06 Wed Sold 319 Mcf.

03-23-06 Thu Sold 657 Mcf for initial potential test from commingled Dakota and Cedar Mtn zones with casing pressure 403 psi and tubing pressure 298 psi on 0.5" choke? On line since then.

Form 1160-1
(April 2005)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
WELL COMPLETION OR RECOMPLETION REPORT AND LOG

FORM APPROVED
OIL AND GAS 2004-04-17
Expires March 31, 2007

1. Type of Well: Oil Well Gas Well Geothermal Well
2. Type of Completion: Open Hole Perforated Plug Back Other: _____

3. Name of Operator: Summit Operating, LLC
4. Well Name: _____
5. Well No. (Alaska well only): 433-940-8001

6. Location of Well (County, Section, Township, Range, and Range):
7. Surface: 596' 1st & 796' 1st, SESE Section 23, T13S, R22E, SLM

8. Log depth: Vertical, same as surface location
9. True depth: Vertical, same as surface location

10. Date Spudded: 10-3-05 with rat hole rig
11. Date T.C. Reached: 10-19-05
12. Date Completed: 3-23-06
13. Ready to Prod: Yes No

14. Well Depth: TD 10465'
15. True Depth: TVD 10465'

16. Type of Completion: High Resolution Induction Microlog GR, Spectral Density Dual Spaced Neutron GR and CBL GR

True Depth	Surface Depth	Log (GR)	Type (GR)	Neutron (GR)	Slips Count	No. of Slits	Slip Vel (GR)	Current Log	Actual Depth
12.25'	9.625'	K55	36	Surface	2082	585 Class G	121	Surface	
7.875'	5.5'	P110	17	Surface	561	1st 250 50-50 Poz	66	Stage Tool	
7.875'	5.5'	N80	17	561	10455	2nd 572 V & G	369	1700 CBL	

True Depth	Surface Depth	Slips	Depth (GR)	Filter Depth (GR)	Slip	Depth (GR)	Filter Depth (GR)
2.875'	10130						

Formation	Top	Bottom	Perforance Interval	Size	Per Hole	Per Hole
Dakota Ss	10134	10180	10162-60, 10170-80	0.35"	36 (2 sp)	Open (Dakota)
Cedar Mountain Fm	10278	10349	10277-94, 10310-24	0.35"	74 (2 sp)	Open (Cedar Mt)

Well Interval	Amount and Type of Material
10277-344 (Cedar Mt)	BD w/150 bbls net (85-35%) 7.5% HCl acid-methanol
10142-80 (Dakota)	BD w/72 bbls net (70-30%) 7.5% HCl acid-methanol; Frac w/75k lbs 20-40 ceramic proppant in 70% CO2 foamed KCl water

Well Interval	Flow Rate	Pressure	Temperature	Gas	Oil	Water	Production Method
3-21-05 3-23-05	24	0	657	1			Flowed through sep/dehy & meter
26/64" RX 298	403	0	657	1			Producing commingled with interval B (Cedar Mt)

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AUG-16-2006 WED 11:31 AM OIL, GAS & MINING

FAX NO. 801 359 3940

P. 07

old to Cany on Gas Resources' Seep Ridge Pipeline

Wasatch	3796	3912	OH logs indicate zones w/unknown cont.	Main body Wasatch Fm (Tw)	2180'	+4509'
Mesaverde	3965	4581	OH log indicate zones w/unknown cont.	Mesaverde Group (Kmv)	3960'	+2725'
Dakota	10134	10160	Natural gas	Neslen Fm (Kn)	5080'	+1605'
Dakota	10164	10180	Natural gas	Sego Ss (Ks)	5742'	+943'
Cedar Mtn	10276	10294	Natural gas	Buck Tongue of Mancos Sh (Kmbt)	5800'	+885'
Cedar Mtn	10308	10348	Natural gas & brine water	Castlegate Ss (Kc)	6131'	+554'
				Base Kc	6353'	+332'
				Upr Blue Gate Mbr Mancos (Kmbgu)	6905'	-220'
				Prairie Cyn Mbr ("B") Mancos (Kmpc)	7525'	-840'
				Lwr Blue Gate Mbr Mancos (Kmgf)	10071'	-3365'
				Dakota Silt (Kds)	10118'	-3431'
				Dakota marker-base bentonite (Kd mkr)	10134'	-3449'
				first Dakota sandstone (Kd1)	10163'	-3478'
				second Dakota sandstone (Kd2)	10205'	-3520'
				Cedar Mountain Fm and K-1 (Kcm)	10276'	-3581'
				upper Kcm sandstone (Kcmu)	10308'	-3623'
				lower Kcm sandstone (Kcml)	10414'	-3729'
				Morrison Fm and K-0 (Jm)		

X

X

Drilling history and completion history



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

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AUG 16 2006

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