



Slate River  
Resources

October 17, 2005

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

Re: Exception Location  
Mustang 1320-11H  
T13S-R20E  
Sec 11: SE/4NE/4 (1,599' FNL, 682' FEL)  
Uintah County, Utah  
Agency Draw Prospect

Dear Ms. Whitney:

Slate River Resources, LLC and our partner Mustang Fuel Corporation propose drilling the captioned well to test the Wasatch and Mesaverde formations. The well is an exception to Cause 207-1 because of topography and closer access to existing county roads. Slate River and Mustang own the offset leasehold and do not have an objection to the exception location. Cause 207-1 provides for one well per 320-acre spacing with the wells in the NW/4 and SE/4 of the sections. The exception location will place the well location in the NE/4 of the section and immediately adjacent to the existing county road.

Chicago Energy Associates c/o Miller, Dyer & Co. own the offset lease to the north covering all of Section 2-T13S-R20E, but they are not subject to Spacing Order 207-1. Section 2 is subject to state Rule 649-3-2. Our exception location does not impinge upon Section 2 nor does our Exception Location prevent them from drilling a well at a legal location on their lease. I have obtained their approval for the exception location although it is not really required. A copy of their approval is enclosed.

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

Sincerely,

  
Bruce E. Johnston  
Vice President Land  
BEJ/151

RECEIVED  
OCT 19 2005  
DIV. OF OIL, GAS & MINING

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

# SLATE RIVER RESOURCES, LLC

S89°58'W - 79.80 (G.L.O.)

N89°46'08"W 2632.44' (Meas)

Set Marked Stone,  
Pile of Stones

Set Marked Stone,  
Pile of Stones

1599'

682'

**WELL LOCATION:  
MUSTANG 1320-11H**

ELEV. UNGRADED GROUND = 5939.3'

Set Marked Stone,  
Pile of Stones

**11**

1/4 Corner Missing

N00°20'23"W 5295.63' (Meas)

N00°01'W (G.L.O.)

N00°01'W (G.L.O.)

N00°00'13"W (Basis of Bearings)  
2620.35' (Measured)

Set Stone, Pile of  
Stones

1/4 Corner Missing

Set Marked Stone,  
Pile of Stones

N89°52'00"E 5226.52' (Meas)

S89°54'W - 79.70 (G.L.O.)

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

**NOTES:**

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



THIS IS TO CERTIFY THAT THE ABOVE PLAT WAS  
PREPARED FROM FIELD NOTES AND 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. REG. NO. 362251

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

▲ = SECTION CORNERS LOCATED

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

**MUSTANG 1320-11H**  
(Proposed Well Head)  
NAD 83 Autonomous  
LATITUDE = 39° 42' 13.9"  
LONGITUDE = 109° 38' 21.8"

## TIMBERLINE LAND SURVEYING, INC.

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

DATE SURVEYED: 9-14-05	SURVEYED BY: K.R.K.	SHEET <b>2</b> OF 10
DATE DRAWN: 9-15-05	DRAWN BY: C.B.T.	
SCALE: 1" = 1000'		Date Last Revised:

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

FORM 3

AMENDED REPORT   
(highlight changes)

<b>APPLICATION FOR PERMIT TO DRILL</b>			5. MINERAL LEASE NO: Fee	6. SURFACE: Fee
1A. TYPE OF WORK: DRILL <input checked="" type="checkbox"/> REENTER <input type="checkbox"/> DEEPEN <input type="checkbox"/>			7. IF INDIAN, ALLOTTEE OR TRIBE NAME:	
B. TYPE OF WELL: OIL <input type="checkbox"/> GAS <input checked="" type="checkbox"/> OTHER _____ SINGLE ZONE <input type="checkbox"/> MULTIPLE ZONE <input checked="" type="checkbox"/>			8. UNIT or CA AGREEMENT NAME:	
2. NAME OF OPERATOR: Slate River Resources, LLC			9. WELL NAME and NUMBER: Mustang 1320-11H	
3. ADDRESS OF OPERATOR: 418 East Main		CITY Vernal STATE UT ZIP 84078	PHONE NUMBER: (435) 781-1871	10. FIELD AND POOL, OR WILDCAT: Undesignated <i>Whidco</i>
4. LOCATION OF WELL (FOOTAGES) AT SURFACE: 1599' FNL & 682' FEL <i>616705X 39.703879</i> AT PROPOSED PRODUCING ZONE: same as above <i>43955084 109.638712</i>			11. QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: SENE 11 13S 20E	
14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE: 70.4 miles south of Vernal, UT.			12. COUNTY: Uintah	13. STATE: UTAH
15. DISTANCE TO NEAREST PROPERTY OR LEASE LINE (FEET) 682'	16. NUMBER OF ACRES IN LEASE: 640	17. NUMBER OF ACRES ASSIGNED TO THIS WELL: 40		
18. DISTANCE TO NEAREST WELL (DRILLING, COMPLETED, OR APPLIED FOR) ON THIS LEASE (FEET) 500'	19. PROPOSED DEPTH: 8,000	20. BOND DESCRIPTION: B-001556		
21. ELEVATIONS (SHOW WHETHER DF, RT, GR, ETC.): 5,938' GR	22. APPROXIMATE DATE WORK WILL START: 12/1/2005	23. ESTIMATED DURATION: 30 Days		

24. **PROPOSED CASING AND CEMENTING PROGRAM**

SIZE OF HOLE	CASING SIZE, GRADE, AND WEIGHT PER FOOT	SETTING DEPTH	CEMENT TYPE, QUANTITY, YIELD, AND SLURRY WEIGHT		
12 1/4	9 5/8 H-40 32#	2,000	CEMENT "V"	180 SKS	3.82 CF 15.8 PPG
			CEMENT "G"	225 SKS	1.15 CF 15.8 PPG
7 7/8	4 1/2 M-80 11.6#	8,000	PREMIUM CEMENT	140 SKS	3.82 CF 11.0 PPG
			CLASS "G"	580 SKS	1.26 CF 14.15 PPG

25. **ATTACHMENTS**

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

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

CONFIDENTIAL

NAME (PLEASE PRINT) Ginger Stringham TITLE Agent

SIGNATURE *Ginger Stringham* DATE 10/17/2005

(This space for State use only)

API NUMBER ASSIGNED: 43-047-57995

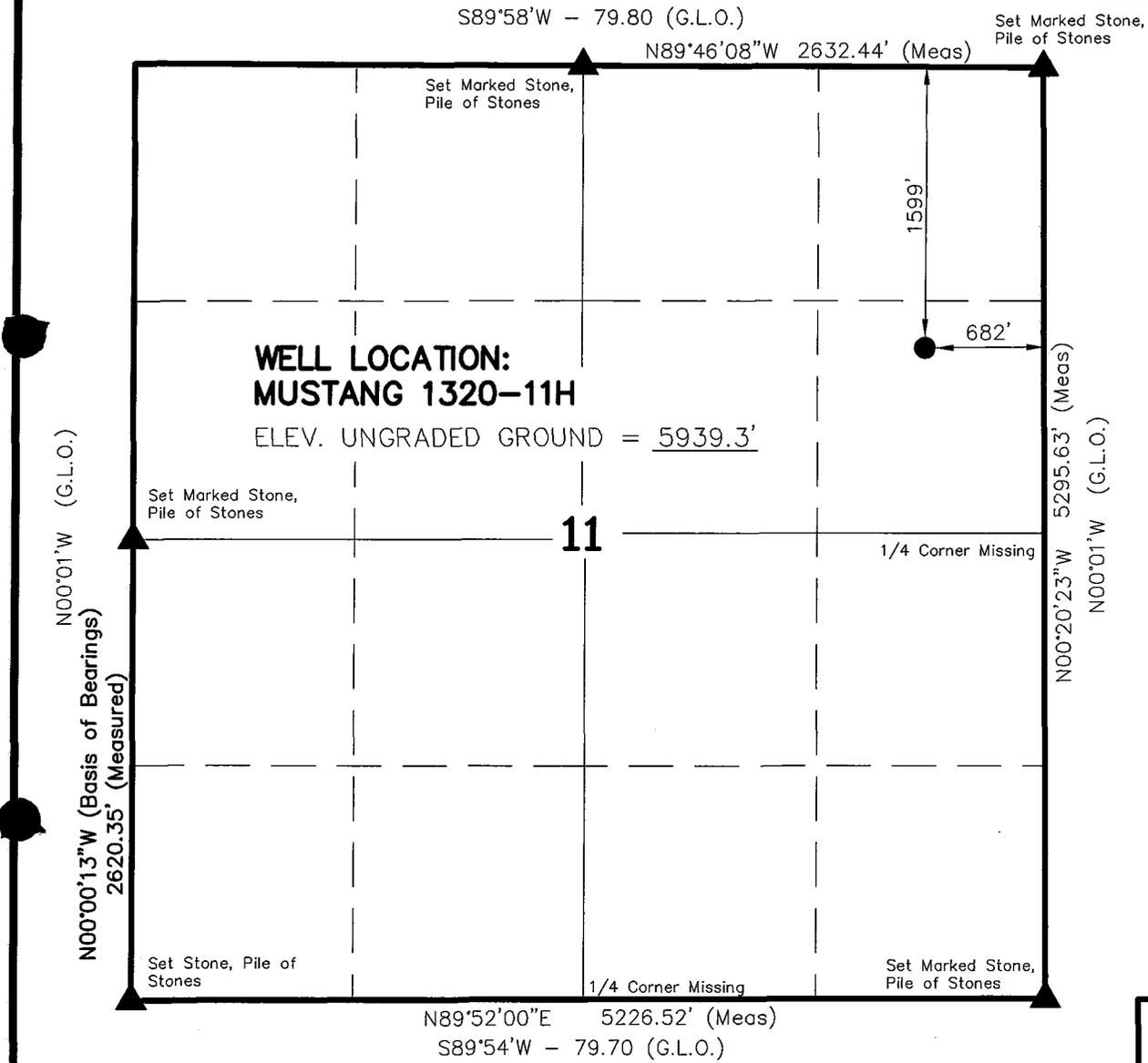
**Approved by the**  
**Utah Division of**  
**Oil, Gas and Mining**

APPROVAL:  
*[Signature]*  
Date: 11-17-05  
By: *[Signature]*

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

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

# SLATE RIVER RESOURCES, LLC



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

**NOTES:**

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

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

▲ = SECTION CORNERS LOCATED

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DATE DRAWN: 9-15-05	DRAWN BY: C.B.T.	
SCALE: 1" = 1000'		Date Last Revised:



October 17, 2005

Chicago Energy Associates  
 c/o Miller, Dyer & Co. LLC  
 Mr. John Dyer  
 475 17<sup>th</sup> Street, Ste. 1200  
 Denver, CO 80202  
 Fax 303-292-3901

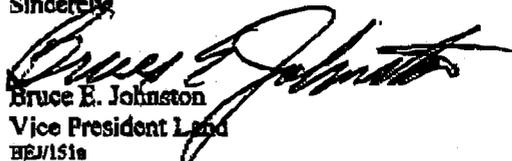
**Re: Exception Location**  
 Mustang 1320-11H  
 T13S-R20E  
 Sec 11: SE/4NE/4 (1,599' FNL, 682' FEL)  
 Uintah County, Utah  
 Agency Draw Prospect

Dear John:

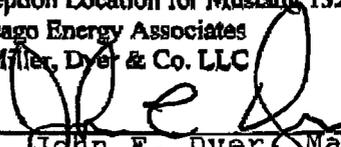
Slate River Resources, LLC and our partner Mustang Fuel Corporation propose drilling the captioned well to test the Wasatch and Mesaverde formations. The well is an exception to Cause 207-1 because of topography and closer access to existing county roads. Cause 207-1 provides for one well per 320-acre spacing with the wells in the NW/4 and SE/4 of the sections. Attached is a plat of the location of the exception location for this well.

Please approve the request for an exception location by signing and returning a copy of this letter by fax to 303-592-4440. Thank you for your assistance.

Sincerely,

  
 Bruce E. Johnston  
 Vice President Land  
 BEJ/151a

Exception Location for Mustang 1320-11H is hereby approved by  
 Chicago Energy Associates  
 by Miller, Dyer & Co. LLC

By:   
 John E. Dyer, Manager  
 Date: October 17, 2005

**DESIGNATION OF AGENT OR OPERATOR**

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

**LEASE NAME:** Fee Leases, see attached

**LEASE NUMBER:** Fee, no numbers assigned

and hereby designates

**NAME:** Ginger Stringham, Paradigm Consulting Inc.

**ADDRESS:** PO Box 790203

city Vernal state UT zip 84078

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

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

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

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

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

**Effective Date of Designation:** 03/01/2005

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

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

UT10001.000

Eagle Minerals Ltd. Oil and Gas Lease

Dated February 1, 2005

Recorded Book 914, Page 535 Uintah County, Utah

**DESCRIPTION OF LEASED PREMISES:**

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

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

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

Section 31:	Lots 3, 4, E/2SW/4 (SW/4) (149.66 acres)	Serial Number: 10:093:0002
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TOWNSHIP 13 SOUTH, RANGE 20 EAST, S.L.M.

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

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

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

UINTAH COUNTY, UTAH

containing a total of 19,199.80 acres, more or less

**UT10002.000**

**Uintah Oil Association Oil & Gas Lease**

**Dated September 15, 2004**

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

**Description of Leased Premises**

Township 12 South, Range 21 East

Sec 31: SE/4

Sec 32: S/2

Township 13 South, Range 21 East

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

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

Sec 7: E/2

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

Uintah County, Utah

2,038.96 acres

**UT10003.000**

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

**Dated September 15, 2004**

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

**Description of Leased Premises**

Township 13 South, Range 21 East

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

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

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

Sec 9: All

Sec 16: W/2

Sec 17: E/2

Uintah County, Utah

2,278.69 acres

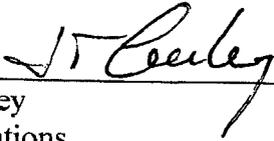
AFFIDAVIT OF SURFACE OWNER USE AGREEMENT

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

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

**Uintah Oil Association Oil & Gas Lease**

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



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

**Ten Point Plan**

**Slate River Resources, LLC**

**Mustang 1320-11H**

**Section 11, Township 13 South, Range 20 East, SE¼ NE¼**

**1. Surface Formation**

Green River

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

<u>Formation</u>	<u>Depth</u>	<u>Datum</u>
Green River	Surface	5,938' G.R.
Wasatch	2370'	3,568'
Mesaverde	4870'	1,068'
Castlegate	6850'	-912'
Mancos	7500'	-1,562'
TD	8000'	-2,062'

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

**3. Producing Formation Depth:**

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

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

**Drilling/Permitted:**

Mustang 1320-12A  
Mustang 1320-13D

**Abandon Well:**

Agency Draw 1-1A  
Byllesby 4  
W Willow Creek Ranch 1

**Abandon Location:**

Agency Draw 16-2

**4. Proposed Casing:**

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

**Cement Program:**

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

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

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

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

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

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

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

#### 6. Mud Program:

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

## 7. Auxiliary Equipment

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

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

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

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

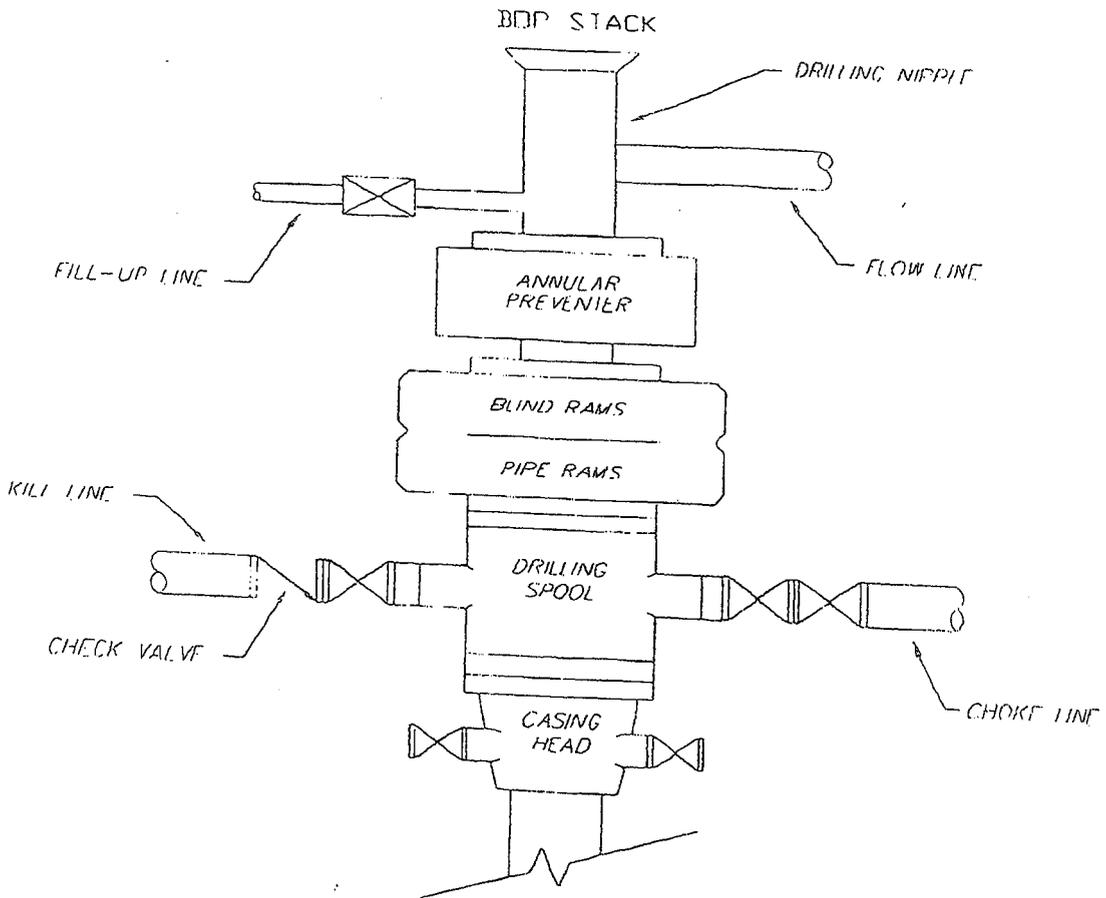
## 9. Abnormalities (including sour gas):

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

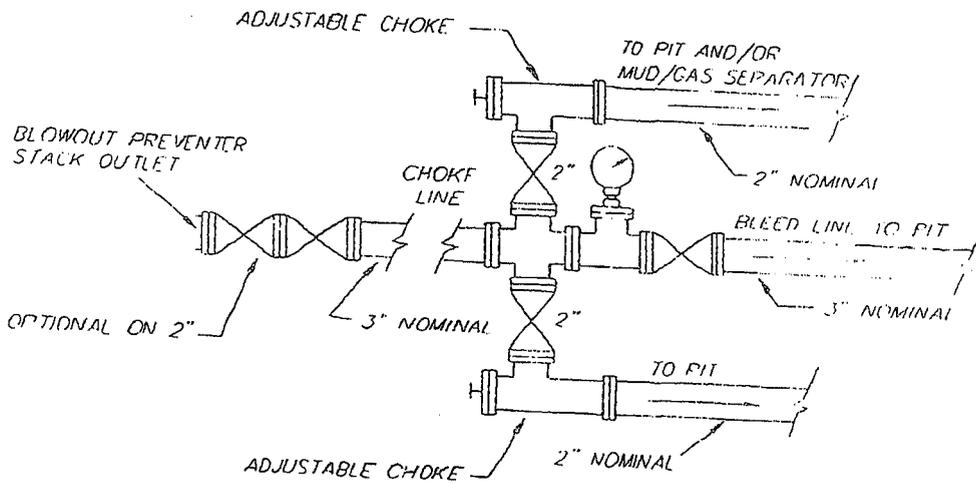
## 10. Drilling Schedule:

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

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



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



**SLATE RIVER RESOURCES, LLC**

**13 POINT SURFACE USE PLAN**

**FOR WELL**

**MUSTANG 1320-11H**

**LOCATED IN SE ¼ NE ¼**

**SECTION 11, T.13S, R20E, S.L.B.&M.**

**UINTAH COUNTY, UTAH**

**LEASE NUMBER: FEE**

**SURFACE OWNERSHIP: FEE**

1. Existing Roads:

SLATE RIVER RESOURCES, LLC

Mustang 1320-11H

Section 11, T13S, R20E, S.L.B.&M.

1599' FNL & 682' FEL

PROCEED IN A WESTERLY DIRECTION FROM VERNAL, UTAH ALONG U.S. HIGHWAY 40 APPROXIMATELY 14 MILES TO THE JUNCTION OF STATE HIGHWAY 88; EXIT LEFT AND PROCEED IN A SOUTHERLY DIRECTION ALONG STATE HIGHWAY 88 APPROXIMATELY 17 MILES TO OURAY, UTAH; FROM OURAY, PROCEED IN A SOUTHERLY DIRECTION ALONG THE SEEP RIDGE ROAD (COUNTY B ROAD 2810) APPROXIMATELY 29.4 MILES TO ITS INTERSECTION WITH THE BUCK CANYON ROAD (COUNTY B ROAD 5460); EXIT RIGHT AND PROCEED IN A SOUTHWESTERLY DIRECTION ALONG THE BUCK CANYON ROAD APPROXIMATELY 3.2 MILES TO WILLOW CREEK; TURN RIGHT AND PROCEED IN A NORTHWESTERLY DIRECTION ALONG THE WILLOW CREEK ROAD (COUNTY B ROAD 5120) APPROXIMATELY 2.1 MILES TO ITS INTERSECTION WITH THE AGENCY DRAW ROAD (COUNTY B ROAD 5340); EXIT LEFT AND PROCEED IN A WESTERLY THEN SOUTHWESTERLY DIRECTION ALONG THE AGENCY DRAW ROAD APPROXIMATELY 4.6 MILES TO THE PROPOSED ACCESS ROAD; FOLLOW ROAD FLAGS IN A SOUTHEASTERLY DIRECTION APPROXIMATELY 550 FEET TO THE PROPOSED LOCATION.

TOTAL DISTANCE FROM VERNAL, UTAH TO THE PROPOSED WELL LOCATION IS APPROXIMATELY 70.4 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 550' +/- of new construction on lease. The road will be graded once per year minimum and maintained.

- A) Approximate length 550 ft
- B) Right-of-Way width 30 ft
- C) Running surface 18 ft
- D) Surface material Native soil
- E) Maximum grade 5%
- F) Fence crossing None
- G) Culvert None
- H) Turnouts None
- I) Major cuts and fills None
- J) Road Flagged Yes
- K) Access road surface ownership Fee
- L) All new construction on lease Yes
- M) Pipe line crossing No

Please see the attached location plat for additional details.

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

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

3. Location of existing wells

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

- |                                   |      |
|-----------------------------------|------|
| A) Producing well                 | None |
| B) Water well                     | None |
| C) Abandoned well                 |      |
| Agency Draw 16-2                  |      |
| W Willow Creek Ranch 1            |      |
| Byllesby 4                        |      |
| Agency Draw 1-1A                  |      |
| D) Temp. abandoned well           | None |
| E) Disposal well                  | None |
| F) Drilling /Permitted well       |      |
| Mustang 1320-13D                  |      |
| G) Shut in wells                  | None |
| H) Injection well                 | None |
| I) Monitoring or observation well | None |

Please see the attached map for additional details.

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

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

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

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

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

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

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

**Approximately 600' +/- of 3" steel surface pipeline would be constructed on Private Lands. The line would tie into the proposed pipeline in Section 11, T13S, R20E. The line will be strung and boomed to the northwest of the location and will follow the access road. The line will be buried at road crossing.**

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

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

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

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

5. Location and type of water supply

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

6. Source of construction materials

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

7. Methods for handling waste disposal

A) Pit construction and liners:

The reserve pit will be approximately **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 120 days after initial production. During the 120-day period an application for approval for permanent disposal method and location will be submitted to the authorized officer.

C) Garbage:

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

D) Sewage:

A portable chemical toilet will be supplied for human waste.

E) Site clean-up:

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

8. Ancillary facilities

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

9. Well-site layout

Location dimensions are as follows:

- A) Pad length            340 ft
- B) Pad width            270 ft
- C) Pit depth            10 ft
- D) Pit length            160 ft
- E) Pit width            80 ft
- F) Max cut            7.7 ft
- G) Max fill            3.7 ft
- H) Total cut yds.    4,090 cu yds
- I) Pit location        North end
- J) Top soil location  
                              East and West ends
- K) Access road location  
                              West end
- L) Flare Pit            corner C

Please see the attached location diagram for additional details.

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

- A) Thirty nine inch net wire shall be used with at least one strand of wire on top of the net wire. Barbed wire is not necessary if pipe or some type of reinforcement rod is attached to the top of the entire fence.
- B) The net wire shall be no more than 2 inches above the ground. The barbed wire shall be 3 inches above the net wire. Total height of the fence shall be at least 42 inches.

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

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

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

10. Plans for restoration of the surface

Prior to construction of the location, the top 6 inches of soil material will be stripped off the location and the pit area. The topsoil removed and piled will amount to approximately 1,490 cubic yards of material. Topsoil will be stockpiled in one distinct pile. Placement of the topsoil is noted on the attached location plat. The topsoil pile from the location will be seeded as soon as the soil is stock piled with the seed mix listed. When all drilling and completion activities have been completed and the pit back-filled the topsoil from the pit area will be spread on the pit area. The pit area will be seeded when the soil has been spread. The unused portion of the location (the area outside the dead men) will be re-contoured.

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

Changes to the drainage during the construction activities shall be restored

to its original line of flow or as near as possible when the pit is back-filled

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

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

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

When restoration activities have been completed, the location site and new access road cuts and shoulders shall be reseeded. Prior to reseeding, all disturbed areas will be scarified. And left with a rough surface.

A) Seeding dates:

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

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

B) Seed Mix

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

11. Surface ownership:

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

12. Other information:

A) Vegetation

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

B) Dwellings:

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

C) Archeology:

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

D) Water:

The nearest water is Willow Creek located approximately 5.5 miles to the East.

E) Chemicals:

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

F) Notification:

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

G) Flare pit:

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

13. Lessees or Operator's representative and certification

A) Representative(s)

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

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

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

Office 435-789-4162  
Cell 435-790-4163

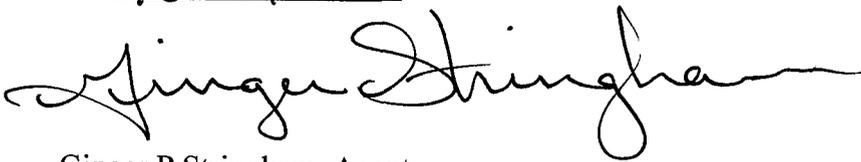
All lease and/or unit operations will be conducted in such a manner that full compliance is made with all applicable laws, regulations, onshore oil and gas orders, and any applicable notices to lessees. The operator is fully responsible for the actions of his subcontractors. A copy of these conditions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

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

B) Certification:

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

Date 10-17-05

A handwritten signature in black ink, reading "Ginger P Stringham". The signature is written in a cursive, flowing style with a long horizontal flourish at the end.

Ginger P Stringham, Agent  
Paradigm Consulting, INC

**Onsite Dates:**

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

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

If you require additional information please contact:

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

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

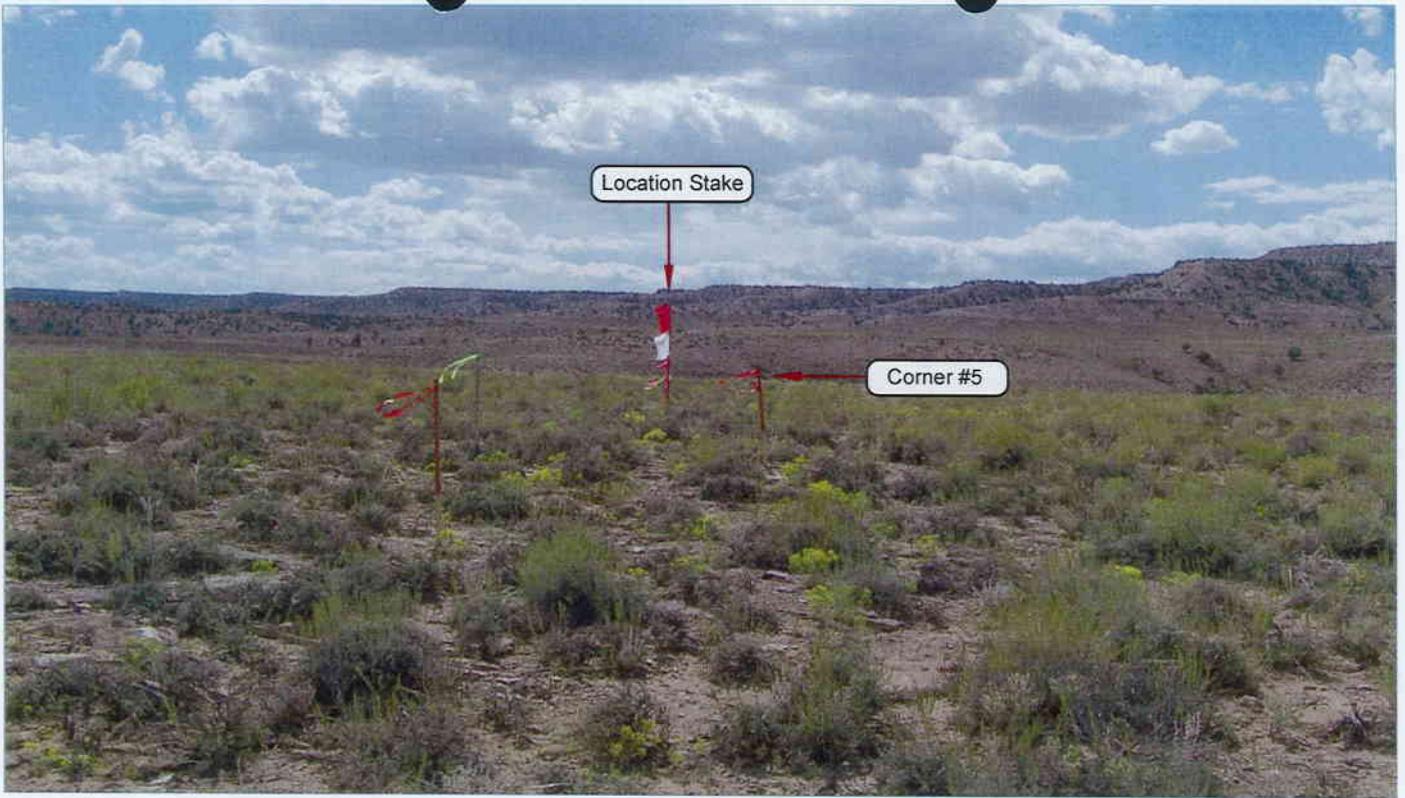


PHOTO VIEW: FROM CORNER #5 TO LOCATION STAKE

CAMERA ANGLE: SOUTHWESTERLY

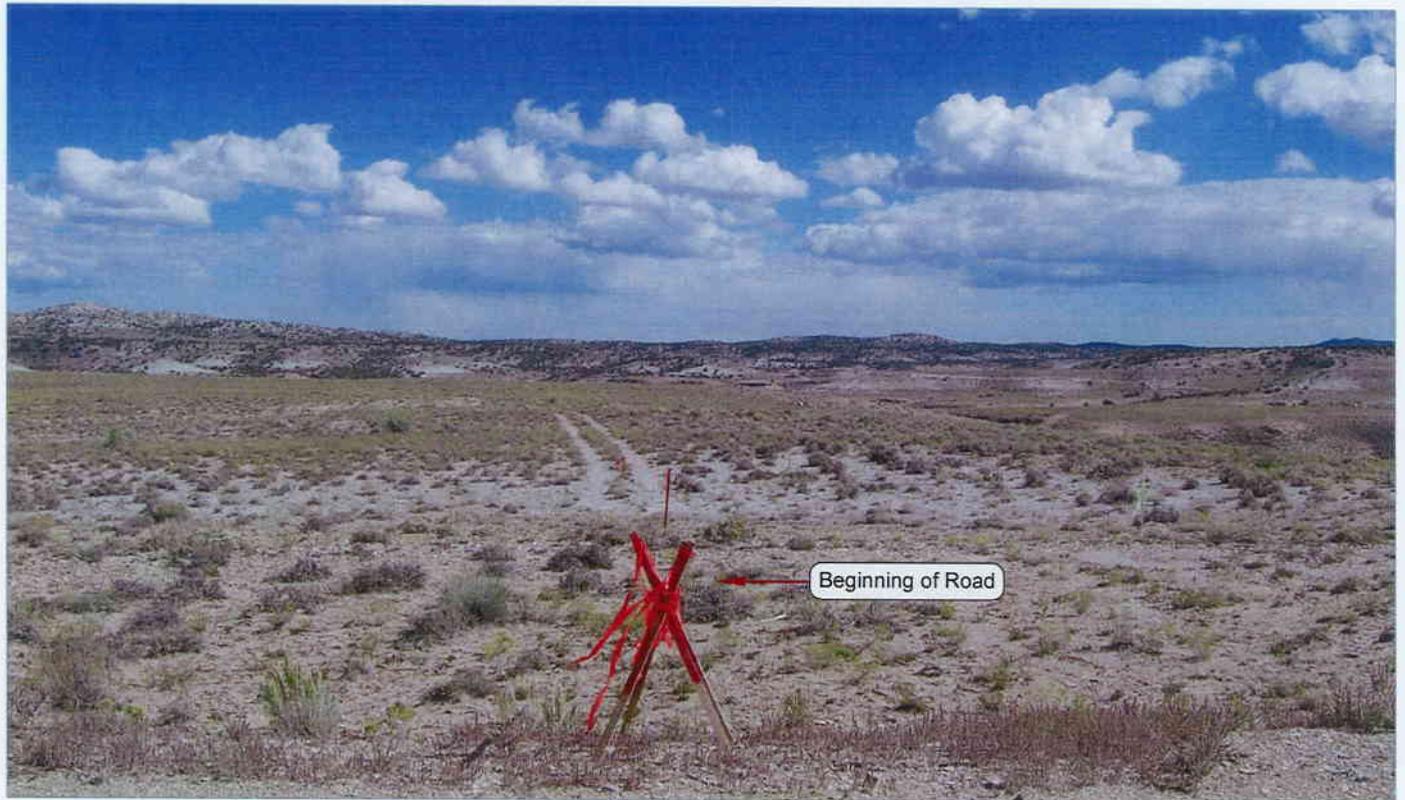


PHOTO VIEW: FROM BEGINNING OF PROPOSED ROAD

CAMERA ANGLE: SOUTHEASTERLY

**SLATE RIVER RESOURCES, LLC**

**Mustang 1320-11H  
SECTION 11, T13S, R20E, S.L.B.&M.  
1599' FNL & 682' FEL**

**LOCATION PHOTOS**

DATE TAKEN: 09-14-05

DATE DRAWN: 09-15-05

TAKEN BY:

DRAWN BY: J.R.S.

REVISED:

**Timberline Land Surveying, Inc.**

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

**SHEET**

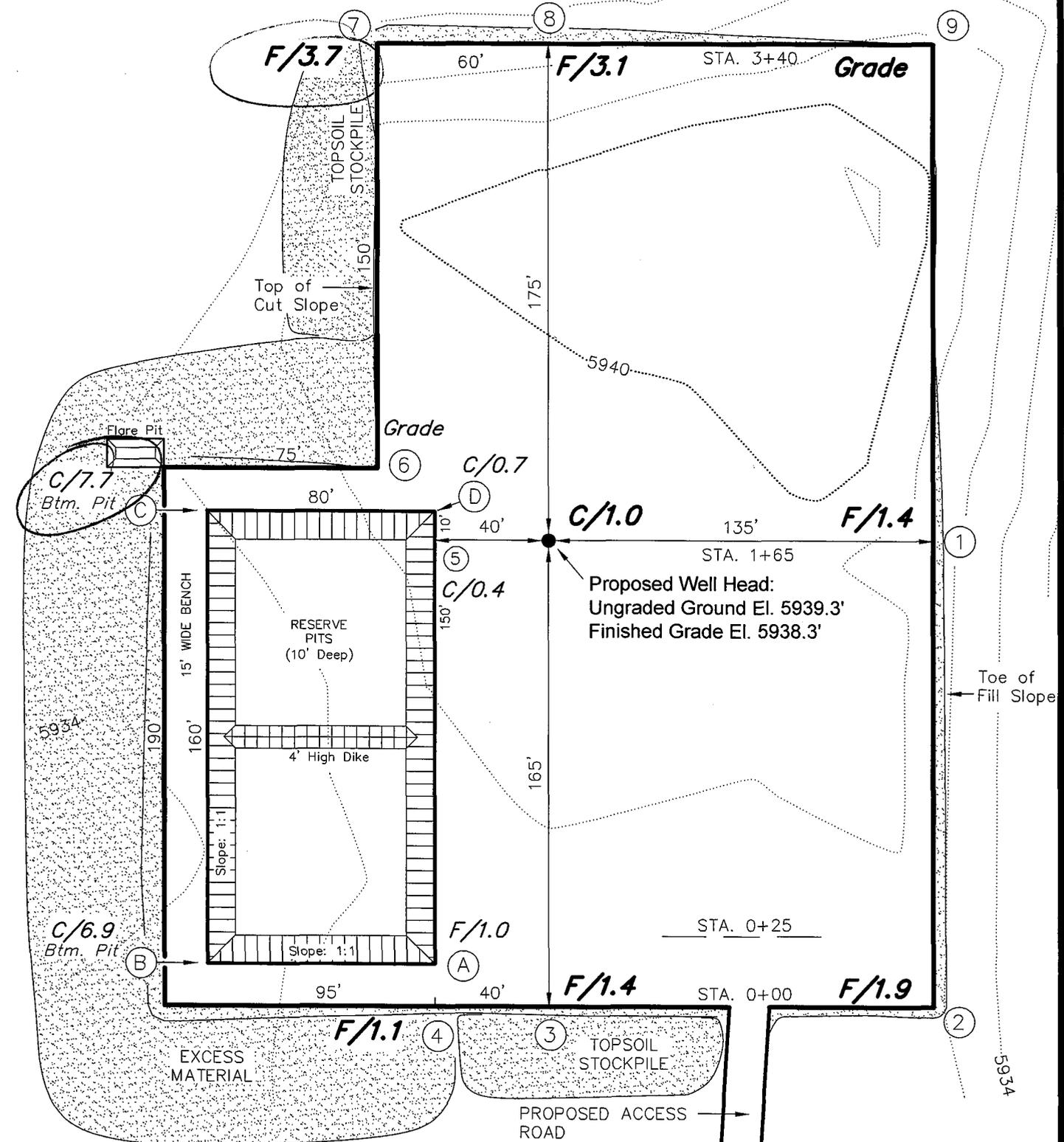
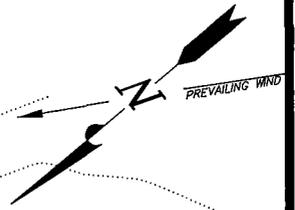
**1**

**OF 10**

# SLATE RIVER RESOURCES, LLC

## CUT SHEET MUSTANG 1320-11H

5932



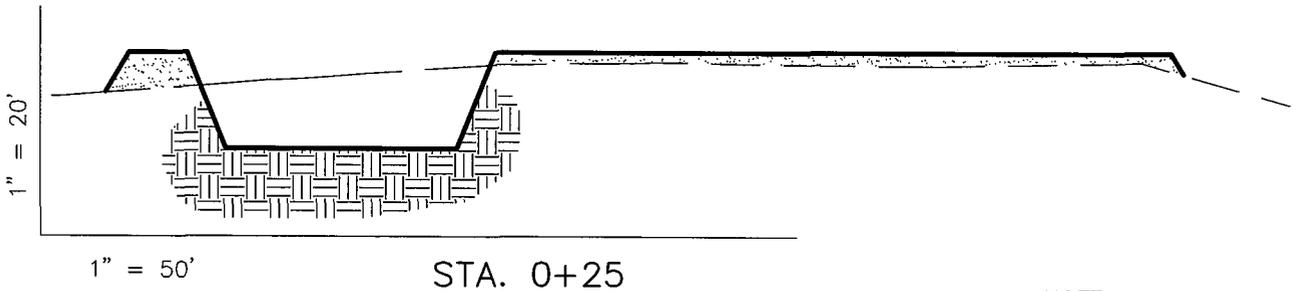
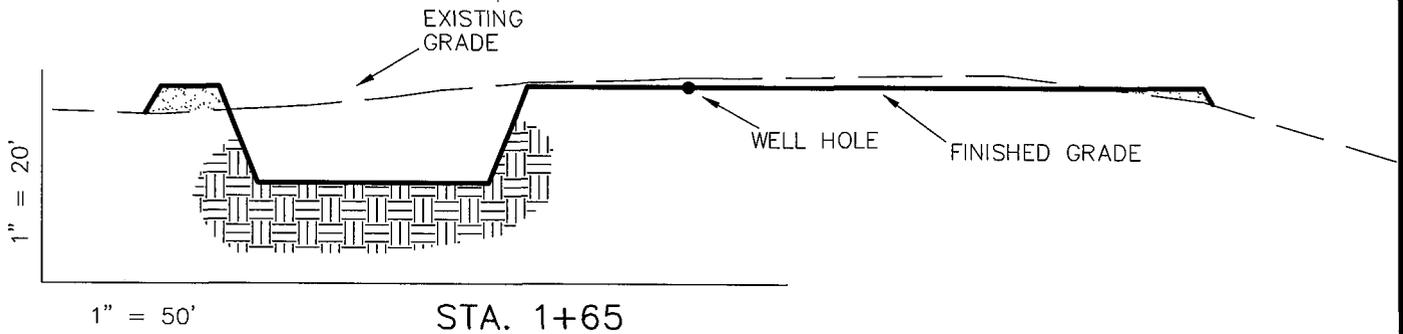
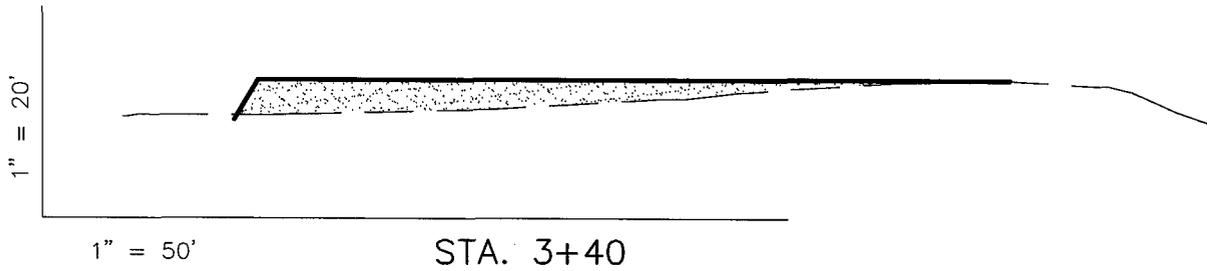
CONTOUR INTERVAL = 2'

Section 11, T13S, R20E, S.L.B.&M.		Qtr/Qtr Location: SE NE	Footage Location: 1599' FNL 682' FEL
Date Surveyed: 9-14-05	Date Drawn: 9-15-05	Date Last Revision: 9-20-05	<b>Timberline</b> (435) 789-1365 Land Surveying, Inc. 38 WEST 100 NORTH VERNAL, UTAH 84078
Surveyed By: K.R.K.	Drawn By: C.B.T.	Scale: 1" = 50'	

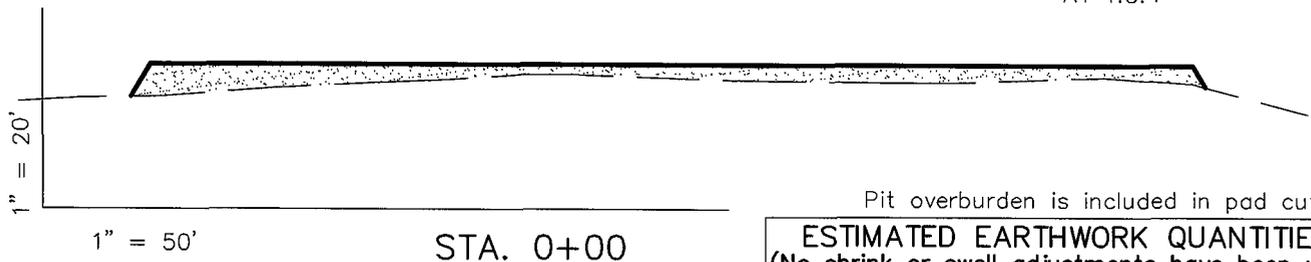
SHEET  
**3**  
OF 10

# SLATE RIVER RESOURCES, LLC

## CROSS SECTIONS MUSTANG 1320-11H



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



Pit overburden is included in pad cut.

### ESTIMATED EARTHWORK QUANTITIES (No shrink or swell adjustments have been used) (Expressed in Cubic Yards)

ITEM	CUT	FILL	6" TOPSOIL	EXCESS
PAD	240	2,160	Topsail is not included in Pad Cut	-1,920
PIT	3,850	0		3,850
TOTALS	4,090	2,160	1,490	1,930

Excess Material after Pit Rehabilitation = 0 Cu. Yds.

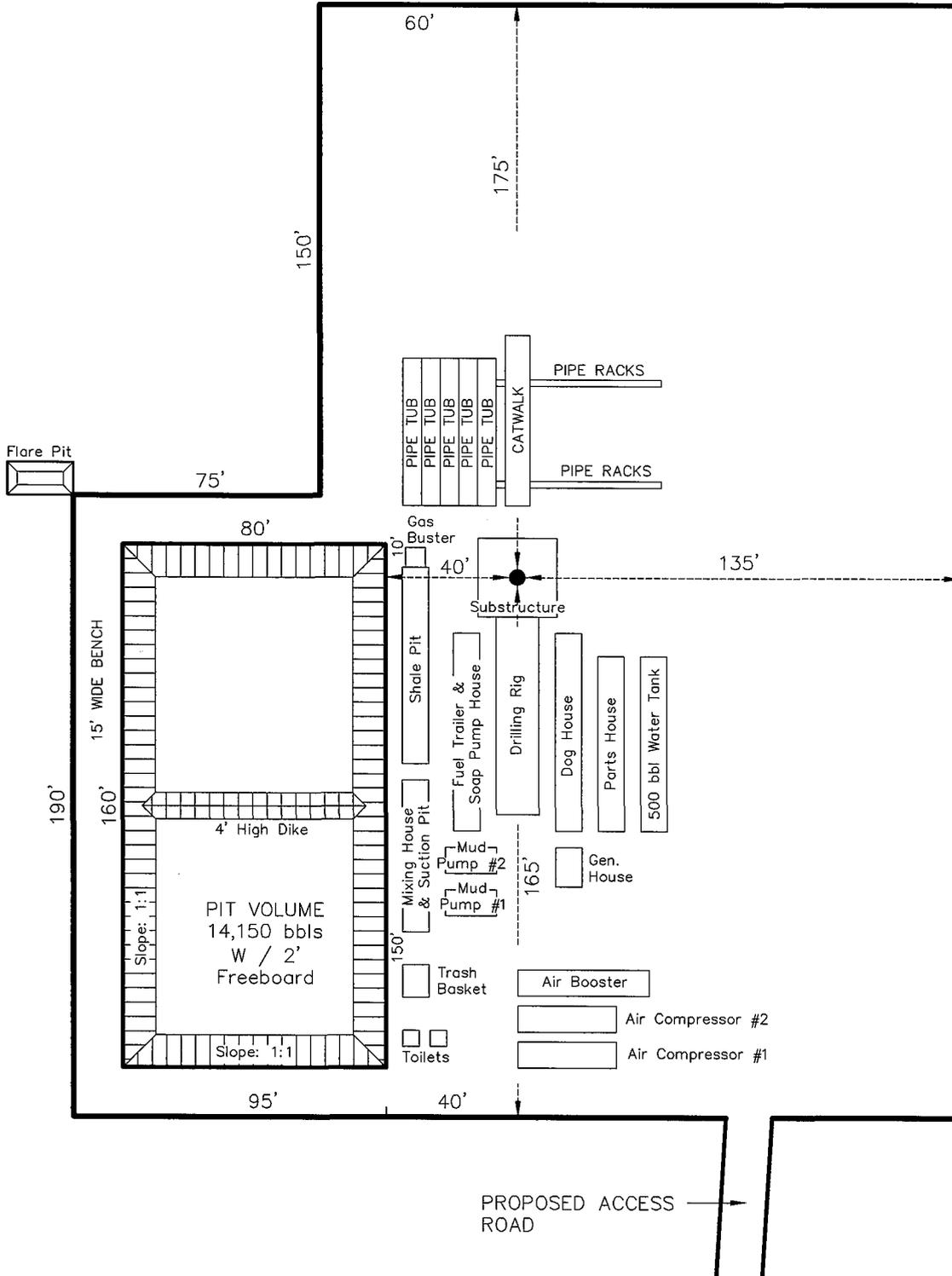
### REFERENCE POINTS

185' Southwesterly	5930.9'
235' Southwesterly	5921.6'
225' Southeasterly	5928.3'
275' Southeasterly	5919.1'

Section 11, T13S, R20E, S.L.B.&M.		Qtr/Qtr Location: SE NE		Footage Location: 1599' FNL 682' FEL	
Date Surveyed: 9-14-05	Date Drawn: 9-15-05	Date Last Revision: 9-20-05		<b>Timberline</b> (435) 789-1365 <i>Land Surveying, Inc.</i> 38 WEST 100 NORTH VERNAL, UTAH 84078	
Surveyed By: K.R.K.		Drawn By: C.B.T.			
		Scale: 1" = 50'			

# SLATE RIVER RESOURCES, LLC

## TYPICAL RIG LAYOUT MUSTANG 1320-11H

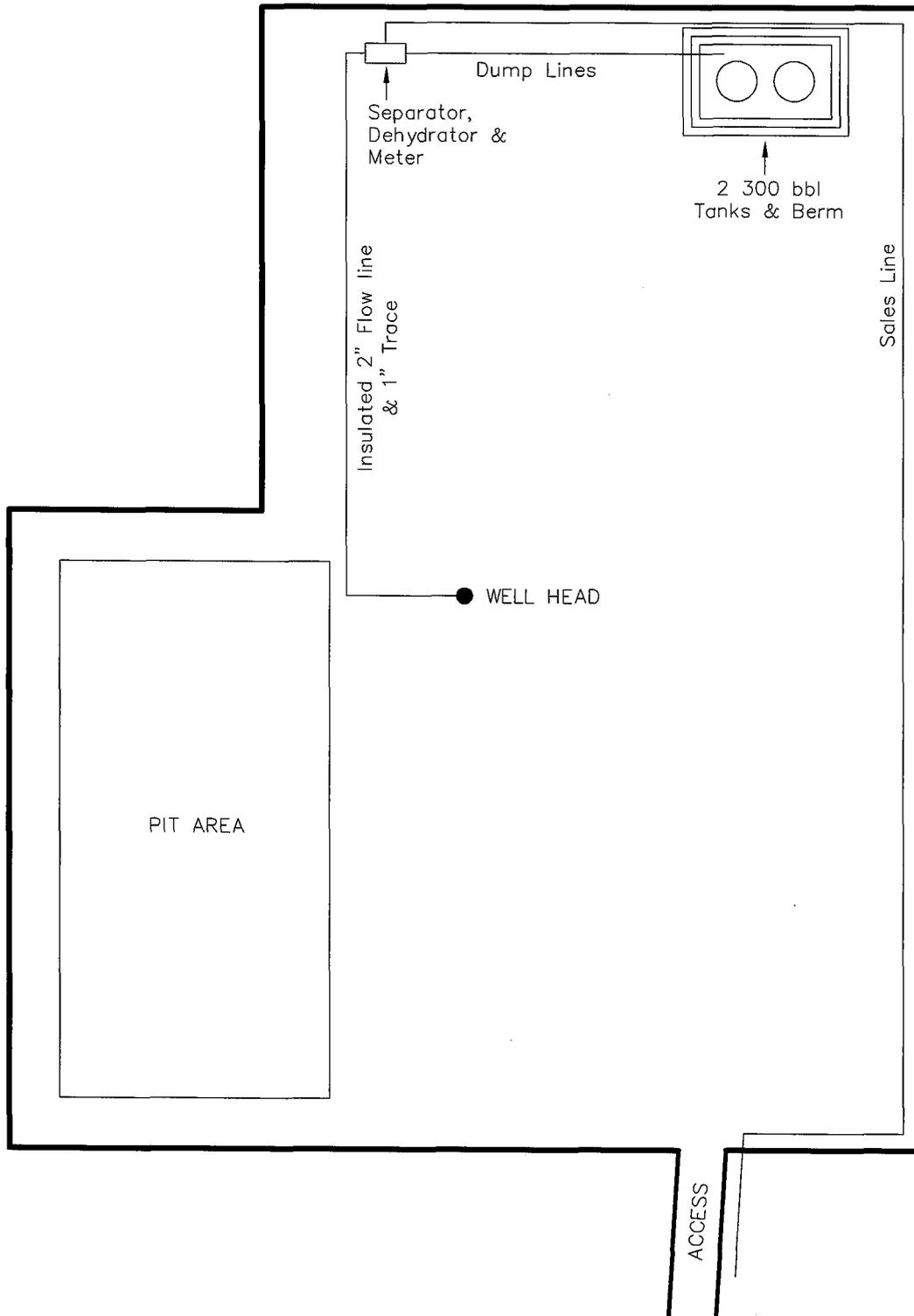


Section 11, T13S, R20E, S.L.B.&M.		Qtr/Qtr Location: SE NE	Footage Location: 1599' FNL 682' FEL
Date Surveyed: 9-14-05	Date Drawn: 9-15-05	Date Last Revision: 9-20-05	<b>Timberline</b> (435) 789-1365 Land Surveying, Inc. 38 WEST 100 NORTH VERNAL, UTAH 84078
Surveyed By: K.R.K.	Drawn By: C.B.T.	Scale: 1" = 50'	

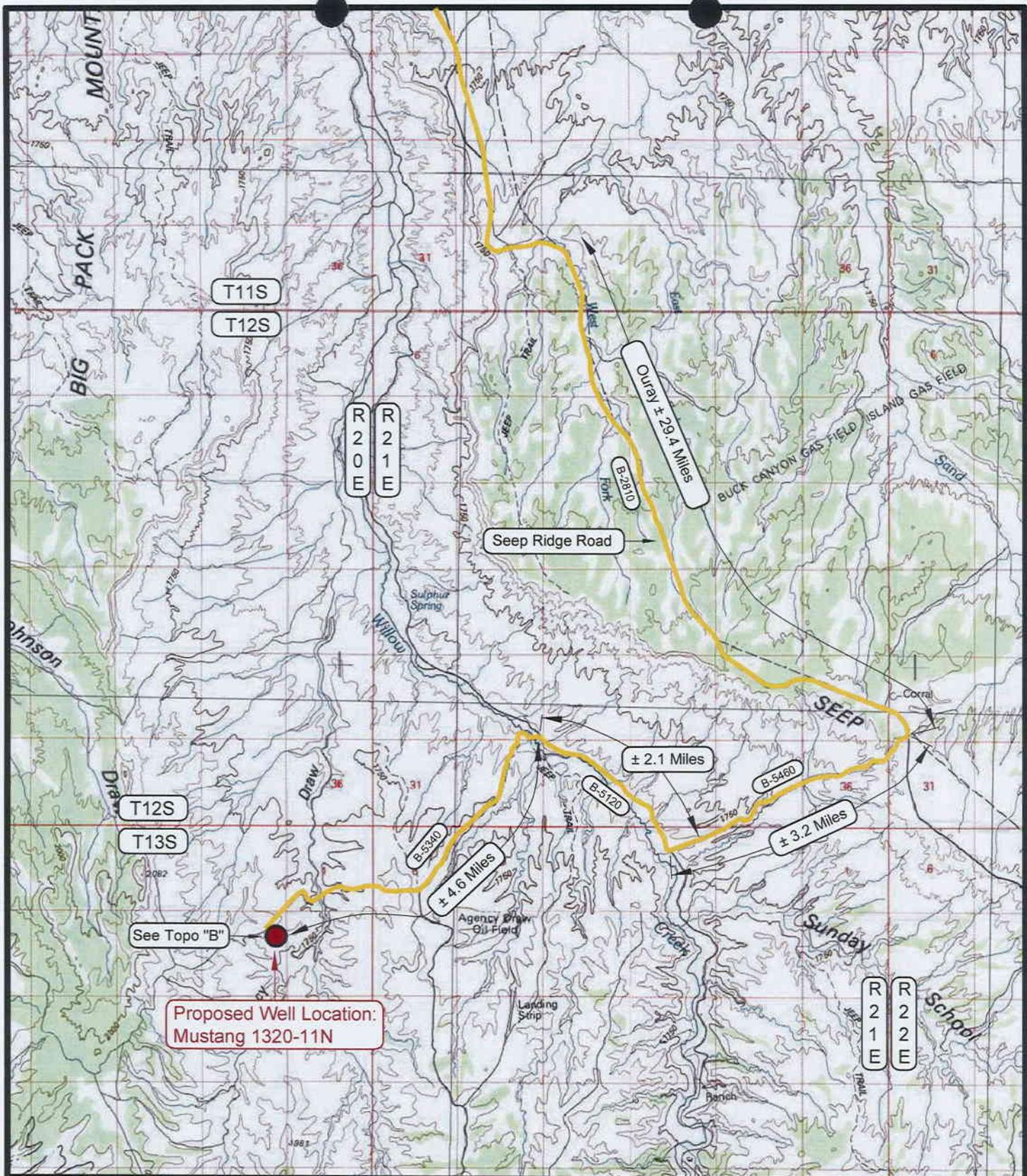
SHEET  
**5**  
OF 10

# SLATE RIVER RESOURCES, LLC

## TYPICAL PRODUCTION LAYOUT MUSTANG 1320-11H



Section 11, T13S, R20E, S.L.B.&M.		Qtr/Qtr Location: SE NE	Footage Location: 1599' FNL 682' FEL
Date Surveyed: 9-14-05	Date Drawn: 9-15-05	Date Last Revision: 9-20-05	<b>Timberline</b> (435) 789-1365 <i>Land Surveying, Inc.</i> 38 WEST 100 NORTH VERNAL, UTAH 84078
Surveyed By: K.R.K.	Drawn By: C.B.T.	Scale: 1" = 50'	
			SHEET <b>6</b> OF 10



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

**LEGEND**

- = PROPOSED WELL LOCATION
- = EXISTING ROAD
- = PROPOSED ACCESS ROAD
- B-5460 = COUNTY ROAD CLASS & NUMBER

**TOPOGRAPHIC MAP "A"**

DATE SURVEYED: 9-14-05  
DATE DRAWN: 9-15-05  
REVISED:

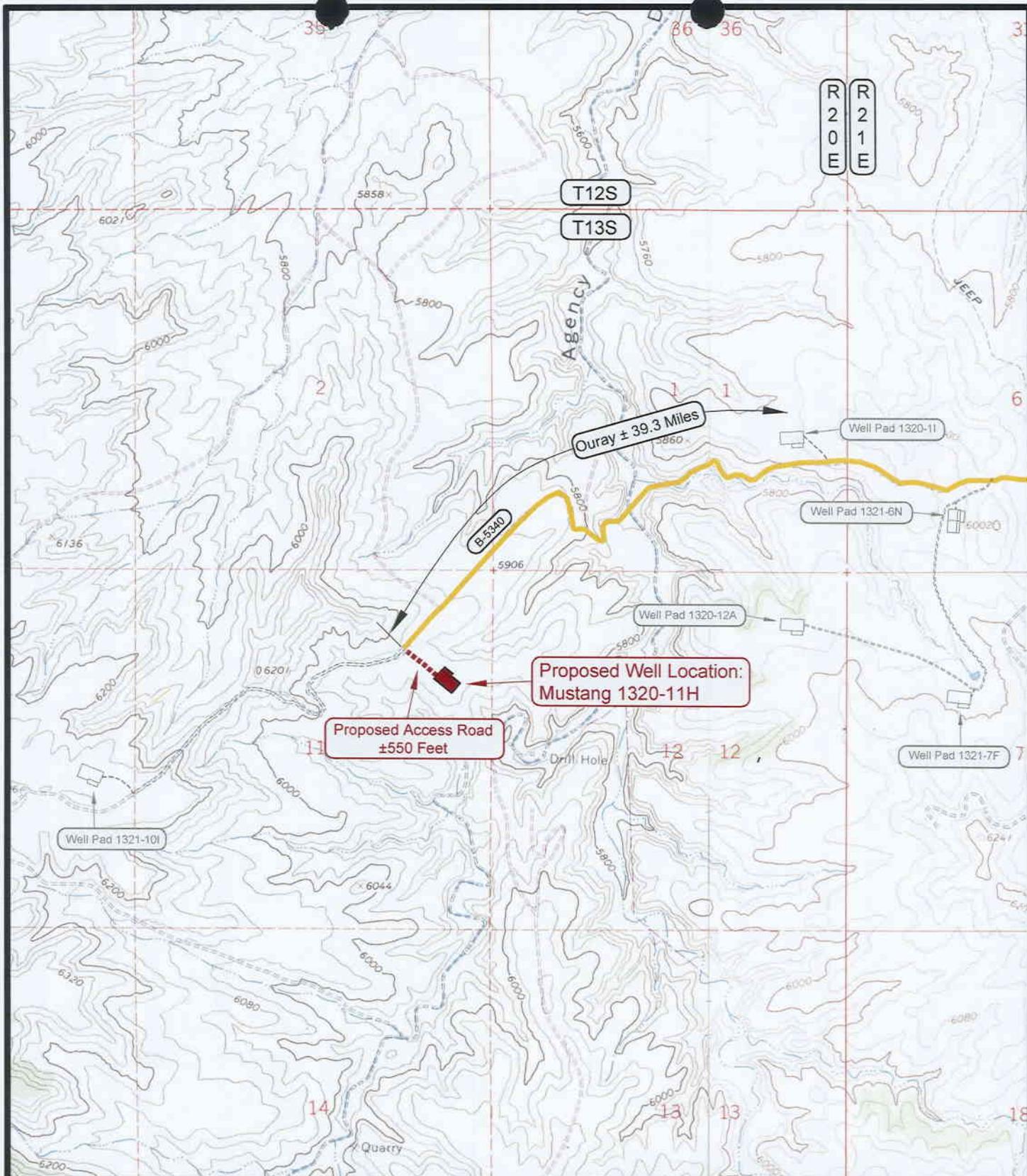
SCALE: 1:100,000      DRAWN BY: M.W.W.

**SLATE RIVER RESOURCES, LLC**

**Mustang 1320-11H  
SECTION 11, T13S, R20E, S.L.B.&M.  
1599' FNL & 682' FEL**

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

**SHEET  
7  
OF 10**



**LEGEND**

- PROPOSED ACCESS ROAD
- = SUBJECT WELL
- = SHARED ACCESS
- = EXISTING ROAD
- = EXISTING ROAD (TO BE IMPROVED)
- (B-5460) = COUNTY ROAD CLASS & NUMBER
- = LEASE LINE AND / OR PROPERTY LINE

**SLATE RIVER RESOURCES, LLC**

**Mustang 1320-11H**  
**SECTION 11, T13S, R20E, S.L.B.&M.**  
**1599' FNL & 682' FEL**

**TOPOGRAPHIC MAP "B"**

DATE SURVEYED: 09-14-05

DATE DRAWN: 09-15-05

SCALE: 1" = 2000'

DRAWN BY: M.W.W.

REVISED:

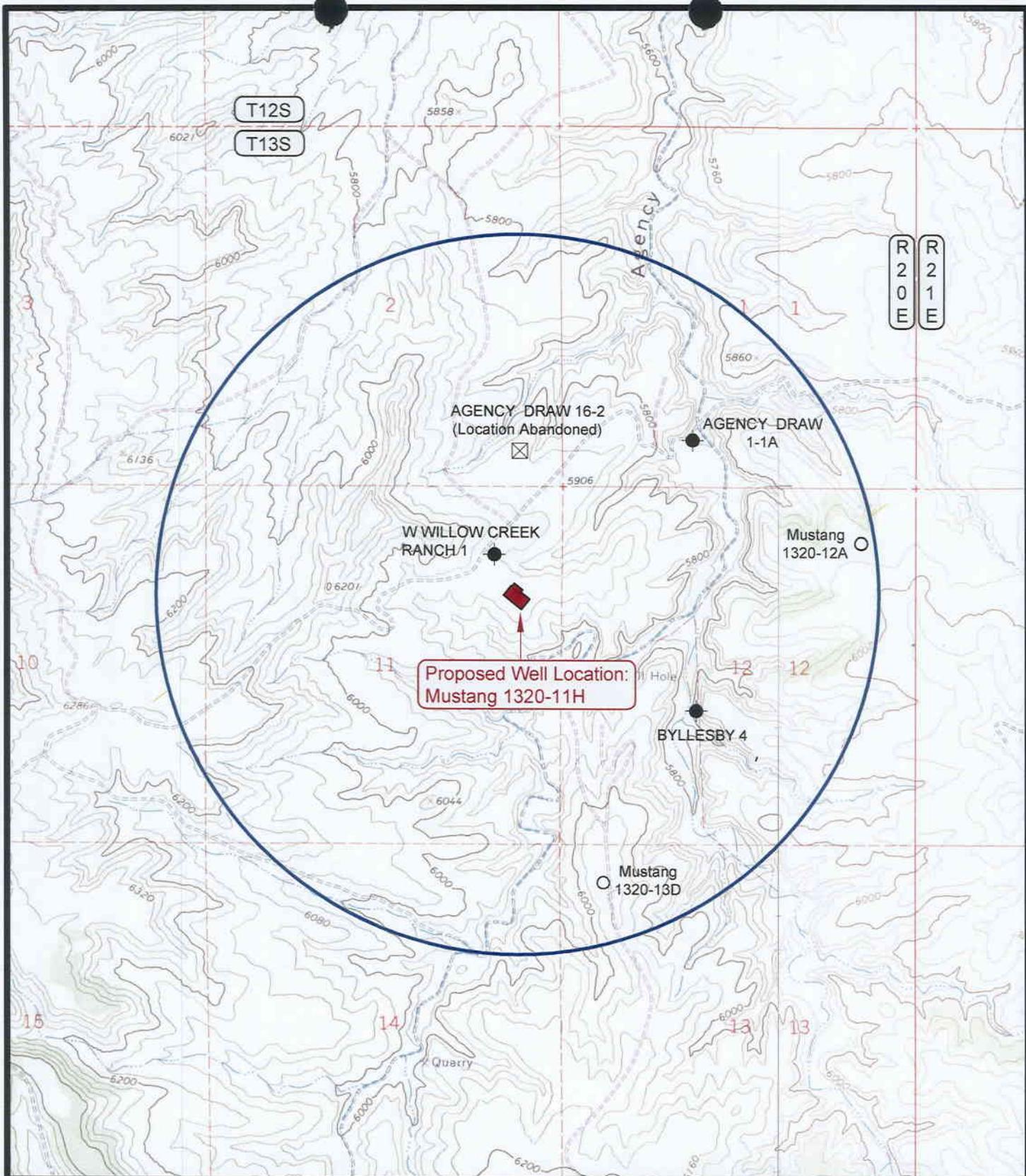
**Timberline Land Surveying, Inc.**

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

**SHEET**

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**OF 10**



**LEGEND**

- ⊗ = DISPOSAL WELL
- = PRODUCING WELL
- = SHUT IN WELL
- = PROPOSED WELL
- ⊗ = WATER WELL
- = ABANDONED WELL
- = TEMPORARILY ABANDONED WELL

**SLATE RIVER RESOURCES, LLC**

**Mustang 1320-11H**  
**SECTION 11, T13S, R20E, S.L.B.&M.**  
**1599' FNL & 682' FEL**

**TOPOGRAPHIC MAP "C"**

DATE SURVEYED: 09-14-05

DATE DRAWN: 09-15-05

SCALE: 1" = 2000'

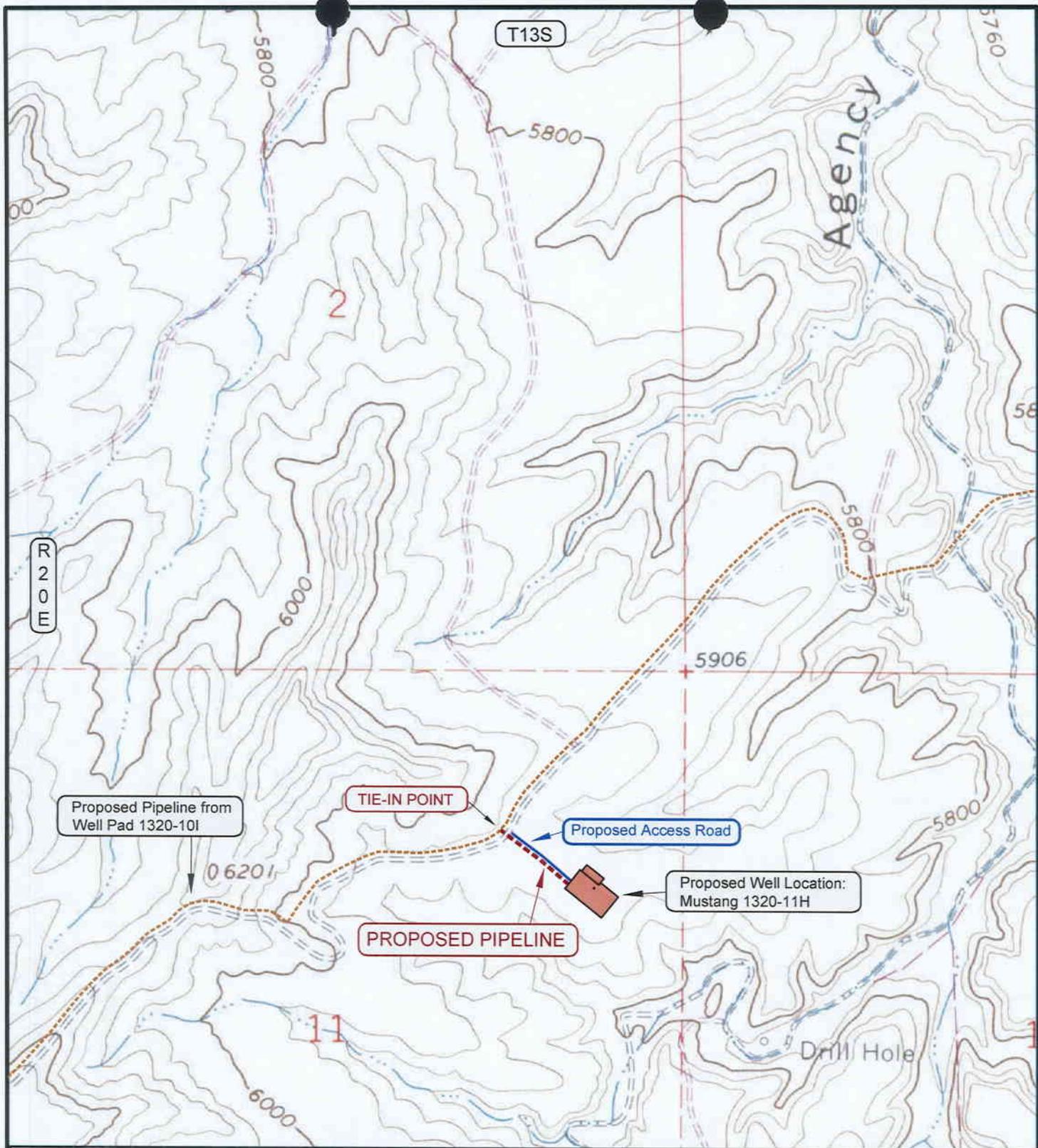
DRAWN BY: M.W.W.

REVISED: 09-16-05

**Timberline Land Surveying, Inc.**

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

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



**APPROXIMATE PIPELINE LENGTH = 600'**

**LEGEND**

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

**SLATE RIVER RESOURCES, LLC**

**Mustang 1320-11H**  
**SECTION 11, T13S, R20E, S.L.B.&M.**  
**1599' FNL & 682' FEL**

**TOPOGRAPHIC MAP "D"**

DATE SURVEYED: 09-14-05  
 DATE DRAWN: 09-15-05  
 REVISED:

SCALE: 1" = 1000'      DRAWN BY: M.W.W.



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

**SHEET**  
**10**  
**OF 10**

**WORKSHEET  
APPLICATION FOR PERMIT TO DRILL**

APD RECEIVED: 10/20/2005

API NO. ASSIGNED: 43-047-37295

WELL NAME: MUSTANG 1320-11H  
 OPERATOR: SLATE RIVER RESOURCES ( N2725 )  
 CONTACT: GINGER STRINGHAM

PHONE NUMBER: 435-781-1871

PROPOSED LOCATION:

SENE 11 130S 200E  
 SURFACE: 1599 FNL 0682 FEL  
 BOTTOM: 1599 FNL 0682 FEL  
 UINTAH  
 WILDCAT ( 1 )

INSPECT LOCATN BY: / /		
Tech Review	Initials	Date
Engineering	DKD	11/17/05
Geology		
Surface		

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

LATITUDE: 39.70388  
 LONGITUDE: -109.6387

RECEIVED AND/OR REVIEWED:

- Plat
- Bond: Fed[] Ind[] Sta[] Fee[]  
(No. B001556 )
- Potash (Y/N)
- Oil Shale 190-5 (B) or 190-3 or 190-13
- Water Permit  
(No. T75377 )
- RDCC Review (Y/N)  
(Date: 11/08/2005 )
- Fee Surf Agreement (Y/N)
- Intent to Commingle (Y/N)

LOCATION AND SITING:

- R649-2-3.  
Unit \_\_\_\_\_
- R649-3-2. General  
Siting: 460 From Qtr/Qtr & 920' Between Wells
- R649-3-3. Exception.
- Drilling Unit  
Board Cause No: 207-1  
Eff Date: 8-25-83  
Siting: See Cause order
- R649-3-11. Directional Drill

COMMENTS:

Needs Permit (11-02-05)

STIPULATIONS:

- 1 - STATEMENT OF BASIS
- 2 - Surface Csg Cont Strip



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

**OPERATOR:** Slate River Resources, LLC  
**WELL NAME & NUMBER:** Mustang 1320-11H  
**API NUMBER:** 43-047-37295  
**LOCATION:** 1/4,1/4 SE/NE Sec:11 TWP: 13S RNG: 20 E 1599' FNL 682' FEL

**Geology/Ground Water:**

Slate River proposes to set 2,000' of surface casing at this location. The base of the moderately saline water is at approximately 3,100 feet in this area. This location lies on the Green River Formation. The proposed location is in a recharge area for the aquifers of the Green River Formation and fresh water can be expected to be found in the Green River. A search of Division of Water Rights records indicates 1 water well within a 10,000 foot radius of the proposed location. The well is located approximately 1/4 mile east of the proposed location. This well is owned by Utah Oil Shales they are drilled to a depth of 70 feet and listed as used for stock watering. The proposed casing and cement program should adequately protect any useable ground water.

**Reviewer:** Brad Hill **Date:** 11-09-2005

**Surface:**

At the request of Slate River Resources, a pre-site for this well was completed on 11/2/2005. Both the surface and minerals are privately owned. Mr. David Salter represents the owner, Mustang-Eagle Minerals. He was contacted by phone on 10-26-2005 and informed of and invited to participate in the presite. He said the company has no specific concerns and he would not attend.

The area poses no problems for drilling a well.

**Reviewer:** Floyd Bartlett **Date:** 11/3/2005

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

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

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

**OPERATOR:** Slate River Resources, LLC  
**WELL NAME & NUMBER:** Mustang 1320-11H  
**API NUMBER:** 43-047-37295  
**LEASE:** FEE **FIELD/UNIT:** Undesignated  
**LOCATION:** 1/4,1/4 SE/NE Sec:11TWP: 13S RNG: 20 E 1599' FNL 682' FEL  
**LEGAL WELL SITING:** Well should be located in NW/4 or SE/4 and 660' from quarter boundary.  
**GPS COORD (UTM):** 4395568 Y 0616705 X **SURFACE OWNER:** Mustang-Eagle Oil

**PARTICIPANTS**

Floyd Bartlett (DOGM), John Conley, (Vice President Slate River LLC,) Ginger Stringham, (Permit Consultant), Travis Oldham (Diamond J Construction), Colby Kay (Timberline Land Surveying), Ben Williams (Utah Division of Wildlife Resources)

**REGIONAL/SETTING TOPOGRAPHY**

Site is in Uintah County, Utah in the Agency Draw area approximately 72miles south east of Vernal, UT. The Willow Creek drainage lies to the east and Hill Creek drainage is to the west. The general topography is characterized by open broad to narrow ridges or plateaus intersected by numerous draws or canyons, which often become steep. Drainage is generally northeasterly into Willow Creek, which contains a perennial stream. All drainages in the Agency Draw area are ephemeral.

Access to the site from Ouray, UT is following the Seep Ridge Road south 29.4 miles from Ouray, UT, then south west 3.2 miles down the Uintah Co. road B-5460 to Willow Cr, then northwest 2.1 miles along Willow Cr and Uintah Co. road B-5120 to the Agency Draw road then following the roads in the Agency Draw area to near the site. (See Topographic Sheets "A and B" of the APD) Approximately 550 feet of new road will be constructed to access the site.

This location is on a flat ridge top, which extends in a southeasterly direction from the main higher ridge in the area. Significant draws exist to the west and south of the location, which drop rapidly and run into Agency Draw.

**SURFACE USE PLAN**

**CURRENT SURFACE USE:** Winter sheep grazing, limited big game hunting and general recreation.

**PROPOSED SURFACE DISTURBANCE:** Location of 340'x 175' and a reserve pit of 80' x 160' with an additional 10' wide bench. Approximately 550 feet of new access road will be constructed. A pipeline 600 feet in length will be laid adjacent to the road to a tie in point..

LOCATION OF EXISTING WELLS WITHIN A 1 MILE RADIUS: See Topographic Map "C".

LOCATION OF PRODUCTION FACILITIES AND PIPELINES: All production facilities will be on location and added after drilling well. Pipeline will follow access road.

SOURCE OF CONSTRUCTION MATERIAL: All construction material will be obtained from the site.

ANCILLARY FACILITIES: None will be required.

WILL DRILLING AT THIS LOCATION GENERATE PUBLIC INTEREST CONCERNS? (EXPLAIN). No public concerns or interests are expected from drilling this well.

#### **WASTE MANAGEMENT PLAN:**

Drilled cuttings will be settled into reserve pit. Liquids from pit will be allowed to evaporate. Formation water will be confined to storage tanks. Commercial contractor will handle sewage facilities, storage and disposal. Trash will be contained in trash baskets and hauled to an approved land fill.

#### **ENVIRONMENTAL PARAMETERS**

AFFECTED FLOODPLAINS AND/OR WETLANDS: None.

FLORA/FAUNA: Vegetated with a Desert shrub type consisting of black sage, shadscale, curly mesquite, broom snakeweed. Wild horses, deer, elk, mountain lion, coyote and other small mammals and birds.

SOIL TYPE AND CHARACTERISTICS: Deep sandy clay loam. Considerable exposed fractured shale rock on the surface.

EROSION/SEDIMENTATION/STABILITY: Very little natural erosion. Sedimentation and stability are not a problem and location construction shouldn't cause an increase in stability or erosion problems.

PALEONTOLOGICAL POTENTIAL: None observed.

#### **RESERVE PIT**

CHARACTERISTICS: 80' x 160' x 10' deep, located on the northwest corner of the location. , The reserve pit is all within cut. A 15' wide bench is planned around the outer edges. Two feet of freeboard is provided.

LINER REQUIREMENTS (Site Ranking Form attached): Level II sensitivity. A pit liner with a sub liner is required for the reserve pit. The operator stated they would line the pit with a 20,mil liner and an appropriate sub-liner.

SURFACE RESTORATION/RECLAMATION PLAN

As per Land Owner Agreement.

**SURFACE AGREEMENT:**

A surface agreement has been executed and is on file.

**ARCULTURAL RESOURCES/ARCHAEOLOGY:** No Cultural or Archeological survey is required as per the Land Owner Agreement.

**OTHER OBSERVATIONS/COMMENTS**

None.

**ATTACHMENTS**

Photos of this site were taken and placed on file.

FLOYD BARTLETT  
DOGM REPRESENTATIVE

November 2, 2005; 2:00 PM

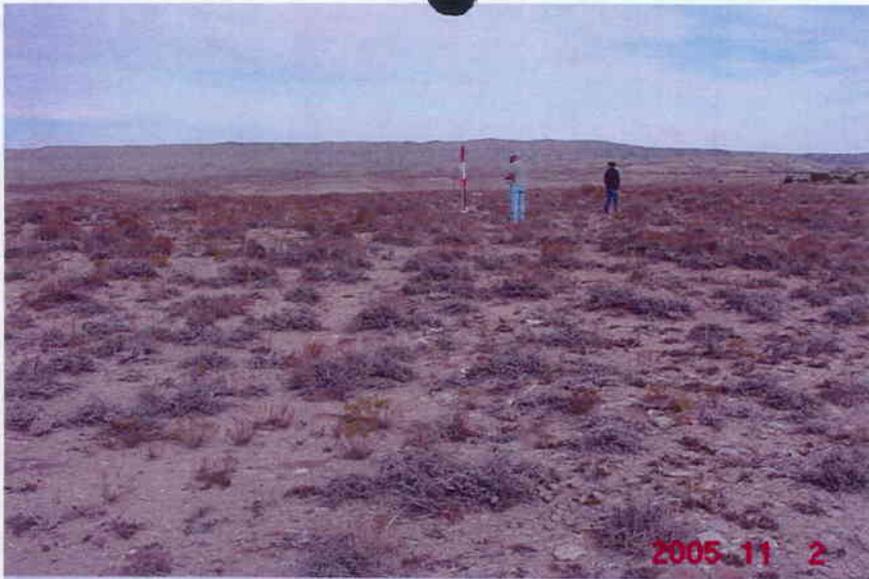
DATE/TIME

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

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

**Final Score**      15      (Level II Sensitivity)

Sensitivity Level I = 20 or more; total containment is required.  
Sensitivity Level II = 15-19; lining is discretionary.  
Sensitivity Level III = below 15; no specific lining is required.





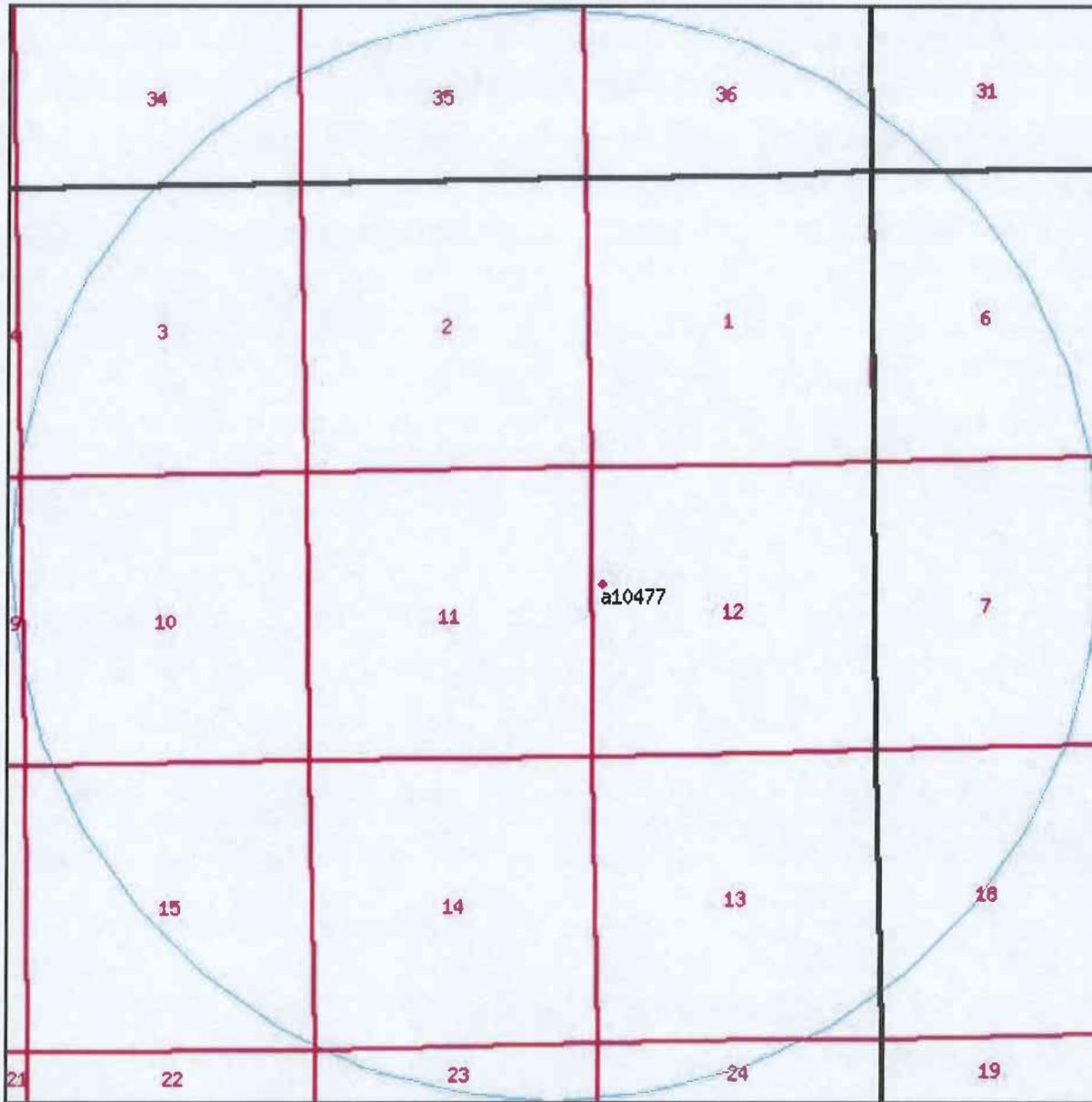
 **State Online Services** **Agency List** **Business.utah.gov**

# UTAH DIVISION OF WATER RIGHTS

## WRPLAT Program Output Listing

Version: 2004.12.30.00      Rundate: 11/09/2005 10:03 AM

Radius search of 10000 feet from a point S1599 W682 from the NE corner, section 11, Township 13S, Range 20E, SL b&m  
Criteria:wrtypes=W,C,E podtypes=U status=U,A,P usetypes=all



0 1300 2600 3900 5200 ft

**Water Rights**

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

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

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

<b>1. State Agency</b> Oil, Gas and Mining 1594 West North Temple, Suite 1210 Salt Lake City, UT 84114-5801	<b>2. Approximate date project will start:</b>  Upon Approval or November 7, 2005
<b>3. Title of proposed action:</b> Application for Permit to Drill	
<b>4. Description of Project:</b>  Slate River Resources, LLC proposes to drill the Mustang 1320-11H well (wildcat) on a Fee lease , Uintah County, Utah. This action is being presented to the RDCC for consideration of resource issues affecting state interests. The Division of Oil, Gas and Mining is the primary administrative agency in this action and must issue approval before operations commence.	
<b>5. Location and detailed map of land affected (site location map required, electronic GIS map preferred)</b> (include UTM coordinates where possible) (indicate county) 1599' FNL 682' FEL, SE/4 NE/4, Section 11, Township 13 South, Range 20 East, Uintah County, Utah	
<b>6. Possible significant impacts likely to occur:</b> Surface impacts include up to five acres of surface disturbance during the drilling and completion phase (estimated for five weeks duration). If oil and gas in commercial quantities is discovered, the location will be reclaimed back to a net disturbance of between one and two acres – not including road, pipeline, or utility infrastructure. If no oil or gas is discovered, the location will be completely reclaimed.	
<b>7. Identify local government affected</b> a. Has the government been contacted? No. b. When? c. What was the response? d. If no response, how is the local government(s) likely to be impacted?	
<b>8. For acquisitions of land or interests in land by DWR or State Parks please identify state representative and state senator for the project area. Name and phone number of state representative, state senator near project site, if applicable:</b> a. Has the representative and senator been contacted? N/A	
<b>9. Areawide clearinghouse(s) receiving state action:</b> (to be sent out by agency in block 1) Uintah Basin Association of Governments	
<b>10. For further information, contact:</b>   Diana Whitney Phone: (801) 538-5312	<b>11. Signature and title of authorized officer</b>   Gil Hunt, Associate Director Date: October 24, 2005

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

FORM 3

AMENDED REPORT   
(highlight changes)

**APPLICATION FOR PERMIT TO DRILL**

1A. TYPE OF WORK: DRILL <input checked="" type="checkbox"/> REENTER <input type="checkbox"/> DEEPEN <input type="checkbox"/>		5. MINERAL LEASE NO: Fee	6. SURFACE: Fee
B. TYPE OF WELL: OIL <input type="checkbox"/> GAS <input checked="" type="checkbox"/> OTHER _____ SINGLE ZONE <input type="checkbox"/> MULTIPLE ZONE <input checked="" type="checkbox"/>		7. IF INDIAN, ALLOTTEE OR TRIBE NAME:	
2. NAME OF OPERATOR: Slate River Resources, LLC		8. UNIT or CA AGREEMENT NAME:	
3. ADDRESS OF OPERATOR: 418 East Main CITY Vernal STATE UT ZIP 84078		PHONE NUMBER: (435) 781-1871	9. WELL NAME and NUMBER: Mustang 1320-11H
4. LOCATION OF WELL (FOOTAGES) AT SURFACE: 1599' FNL & 682' FEL <i>616705X 39.703879</i> AT PROPOSED PRODUCING ZONE: same as above <i>43955684 109.638712</i>		10. FIELD AND POOL, OR WILDCAT: Undesignated <i>Wildcat</i>	
14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE: 70.4 miles south of Vernal, UT.		11. QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: SENE 11 13S 20E	12. COUNTY: Uintah
15. DISTANCE TO NEAREST PROPERTY OR LEASE LINE (FEET) 682'	16. NUMBER OF ACRES IN LEASE: 640	17. NUMBER OF ACRES ASSIGNED TO THIS WELL: 40	
18. DISTANCE TO NEAREST WELL (DRILLING, COMPLETED, OR APPLIED FOR) ON THIS LEASE (FEET) 500'	19. PROPOSED DEPTH: 8,000	20. BOND DESCRIPTION: B-001556	
21. ELEVATIONS (SHOW WHETHER DF, RT, GR, ETC.): 5,938' GR	22. APPROXIMATE DATE WORK WILL START: 12/1/2005	23. ESTIMATED DURATION: 30 Days	

**PROPOSED CASING AND CEMENTING PROGRAM**

SIZE OF HOLE	CASING SIZE, GRADE, AND WEIGHT PER FOOT			SETTING DEPTH	CEMENT TYPE, QUANTITY, YIELD, AND SLURRY WEIGHT			
12 1/4	9 5/8	H-40	32#	2,000	CEMENT "V"	180 SKS	3.82 CF	15.8 PPG
					CEMENT "G"	225 SKS	1.15 CF	15.8 PPG
7 7/8	4 1/2	M-80	11.6#	8,000	PREMIUM CEMENT	140 SKS	3.82 CF	11.0 PPG
					CLASS "G"	580 SKS	1.26 CF	14.15 PPG

**ATTACHMENTS**

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

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

CONFIDENTIAL

NAME (PLEASE PRINT) Ginger Stringham TITLE Agent  
SIGNATURE *Ginger Stringham* DATE 10/17/2005

(This space for State use only)

API NUMBER ASSIGNED: 43-047-57295

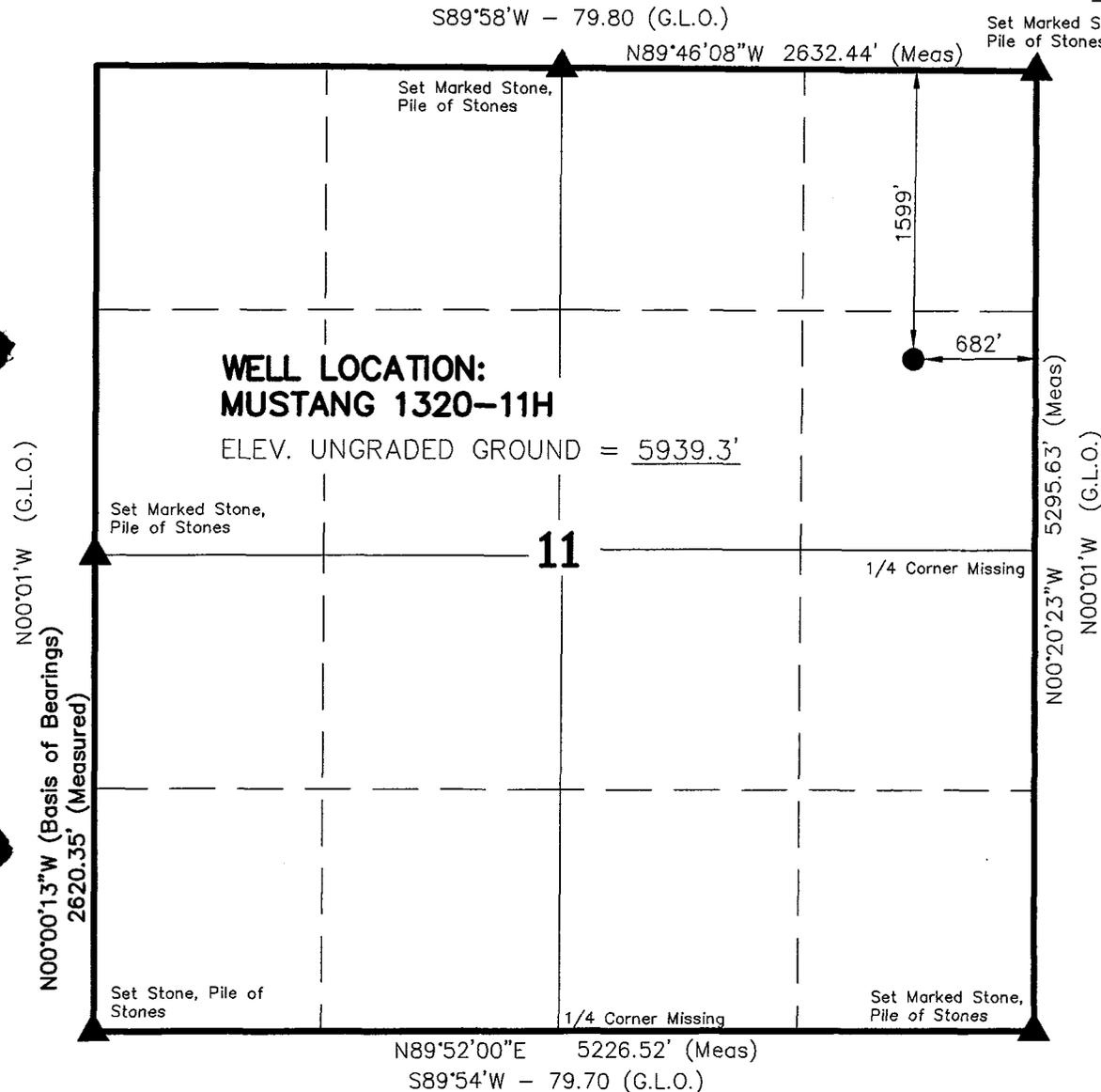
APPROVAL:

RECEIVED  
OCT 20 2005

DIV. OF OIL, GAS & MINING

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

# SLATE RIVER RESOURCES, LLC



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

**NOTES:**

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



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

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

▲ = SECTION CORNERS LOCATED

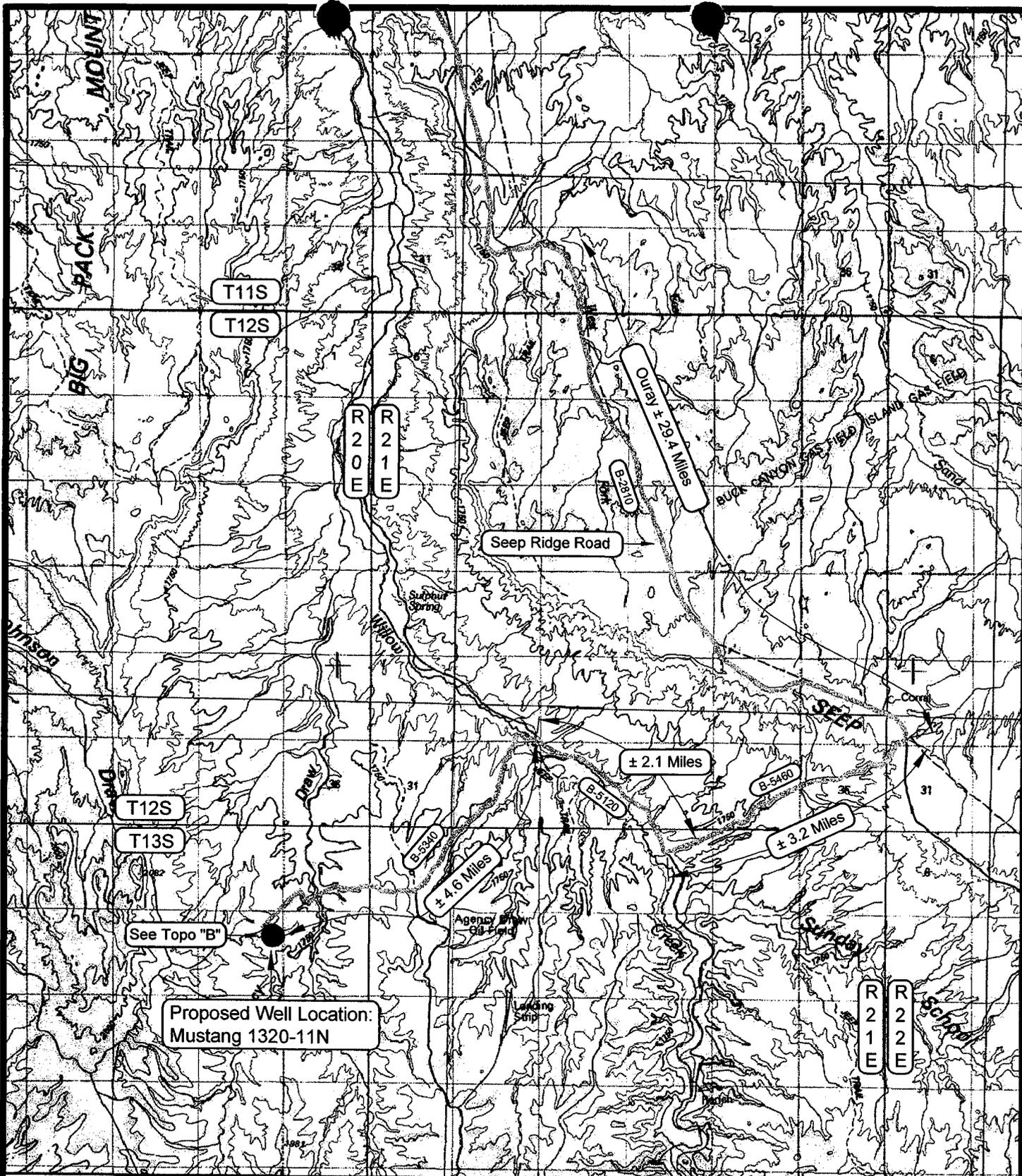
BASIS OF ELEVATION IS BENCH MARK 66 WF 1952 LOCATED IN THE NE 1/4 OF SECTION 6, T13S, R21E, S.L.B.&M. THE ELEVATION OF THIS BENCH MARK IS MARKED ON THE AGENCY DRAW NE 7.5 MIN. QUADRANGLE AS BEING 5812'.

**MUSTANG 1320-11H**  
 (Proposed Well Head)  
 NAD 83 Autonomous  
 LATITUDE = 39° 42' 13.9"  
 LONGITUDE = 109° 38' 21.8"

## TIMBERLINE LAND SURVEYING, INC.

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

DATE SURVEYED: 9-14-05	SURVEYED BY: K.R.K.	<b>SHEET</b> <b>2</b>
DATE DRAWN: 9-15-05	DRAWN BY: C.B.T.	
SCALE: 1" = 1000'	Date Last Revised:	<b>OF 10</b>



**LEGEND**

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

<b>TOPOGRAPHIC MAP "A"</b>		DATE SURVEYED: 9-14-05
		DATE DRAWN: 9-15-05
SCALE: 1:100,000	DRAWN BY: M.W.W.	REVISED:

**SLATE RIVER RESOURCES, LLC**

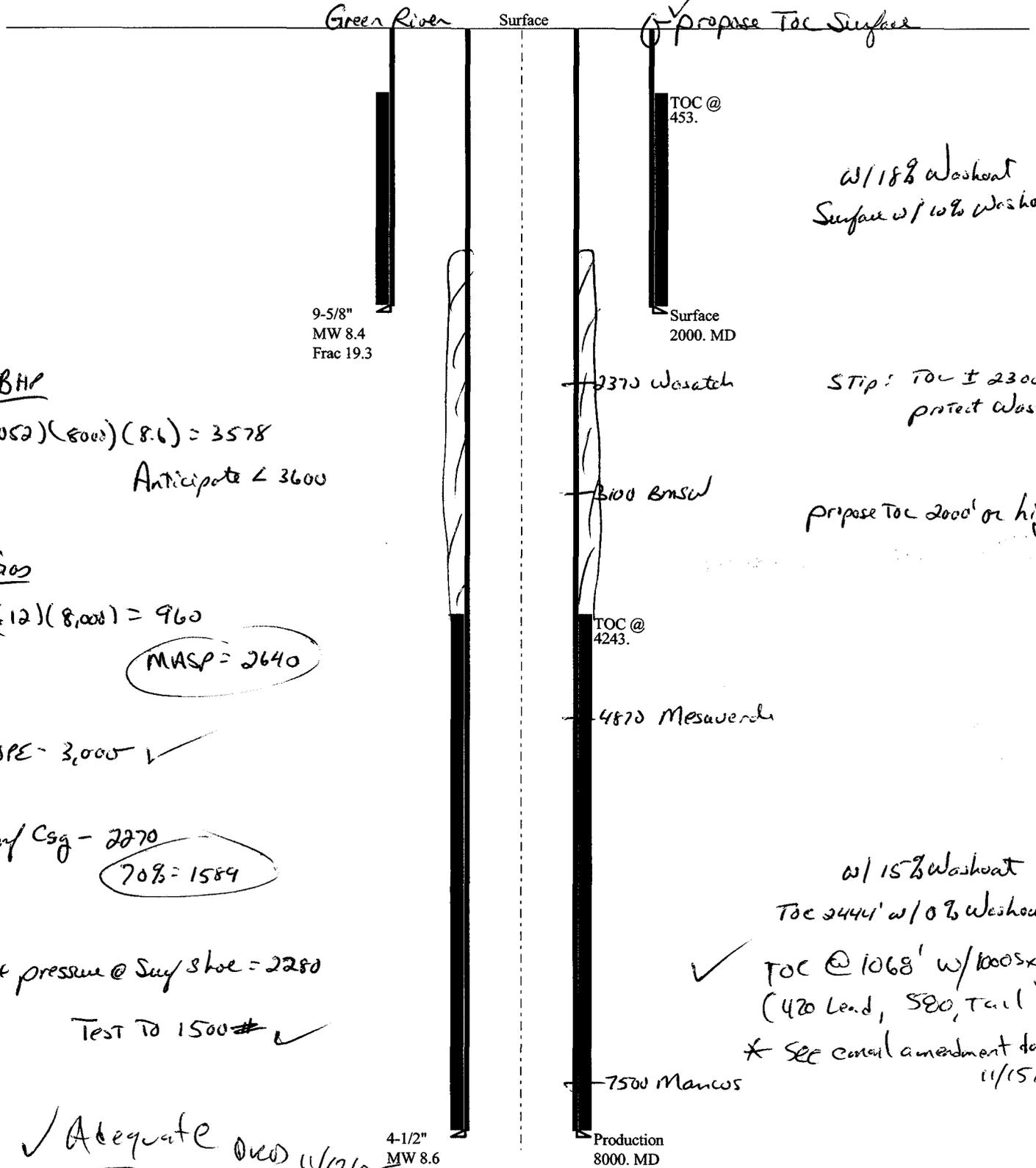
**Mustang 1320-11H  
SECTION 11, T13S, R20E, S.L.B.&M.  
1599' FNL & 682' FEL**

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

**SHEET  
7  
OF 10**

# 11-05 Slate Mustang 1320-11H

## Casing Schematic



w/18% Washout  
Surface w/10% Washout

STip: ToC ± 2300'  
protect Wasatch

Propose ToC 2000' or higher

BHP

$$(0.052)(8000)(8.6) = 3578$$

Anticipate < 3600

Gos

$$(0.12)(8,000) = 960$$

MASP = 2640

BOPE - 3,000 ✓

Surf Csg - 2270

70% = 1589

Max pressure @ Surf shoe = 2280

Test to 1500# ✓

✓ Adequate due 11/17/05

w/15% Washout

ToC 2441' w/0% Washout

✓ TOC @ 1068' w/1000sx Total  
(420 Lead, 580, Tail)

\* See corral amendment dated  
11/15/05

Well name:	<b>11-05 Slate Mustang 1320-11H</b>	
Operator:	<b>Slate River Resources, LLC</b>	
String type:	Surface	Project ID: 43-047-37295
Location:	Uintah County, Utah	

**Design parameters:**

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

**Minimum design factors:**

**Collapse:**  
Design factor 1.125

**Environment:**

H2S considered? No  
Surface temperature: 65 °F  
Bottom hole temperature: 93 °F  
Temperature gradient: 1.40 °F/100ft  
Minimum section length: 299 ft

**Burst**

Max anticipated surface pressure: 83 psi  
Internal gradient: 0.436 psi/ft  
Calculated BHP 956 psi

**Burst:**  
Design factor 1.00

Cement top: 454 ft

No backup mud specified.

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

Non-directional string.

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

**Re subsequent strings:**  
Next setting depth: 8,000 ft  
Next mud weight: 8.600 ppg  
Next setting BHP: 3,574 psi  
Fracture mud wt: 19.250 ppg  
Fracture depth: 2,000 ft  
Injection pressure 2,000 psi

Run Seq	Segment Length (ft)	Size (in)	Nominal Weight (lbs/ft)	Grade	End Finish	True Vert Depth (ft)	Measured Depth (ft)	Drift Diameter (in)	Internal Capacity (ft³)
1	2000	9.625	32.30	H-40	ST&C	2000	2000	8.876	126.8
Run Seq	Collapse Load (psi)	Collapse Strength (psi)	Collapse Design Factor	Burst Load (psi)	Burst Strength (psi)	Burst Design Factor	Tension Load (Kips)	Tension Strength (Kips)	Tension Design Factor
1	873	1370	1.570	956	2270	2.37	65	254	3.93 J

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

Phone: (801) 538-5281  
FAX: (801)359-3940

Date: November 10,2005  
Salt Lake City, Utah

ENGINEERING STIPULATIONS -  
Collapse strength is based on the Westcott, Dunlop & Kemler method of biaxial correction for tension.

Burst strength is not adjusted for tension.

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

Well name:	<b>11-05 Slate Mustang 1320-11H</b>	
Operator:	<b>Slate River Resources, LLC</b>	
String type:	Production	Project ID: 43-047-37295
Location:	Uintah County, Utah	

**Design parameters:**

**Collapse**

Mud weight: 8.600 ppg  
Design is based on evacuated pipe.

**Burst**

Max anticipated surface pressure: 83 psi  
Internal gradient: 0.436 psi/ft  
Calculated BHP: 3,574 psi  
  
No backup mud specified.

**Minimum design factors:**

**Collapse:**

Design factor 1.125

**Burst:**

Design factor 1.00

**Tension:**

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

Tension is based on air weight.  
Neutral point: 6,971 ft

**Environment:**

H2S considered? No  
Surface temperature: 65 °F  
Bottom hole temperature: 177 °F  
Temperature gradient: 1.40 °F/100ft  
Minimum section length: 1,500 ft

Cement top: 4,243 ft

Non-directional string.

Run Seq	Segment Length (ft)	Size (in)	Nominal Weight (lbs/ft)	Grade	End Finish	True Vert Depth (ft)	Measured Depth (ft)	Drift Diameter (in)	Internal Capacity (ft³)
1	8000	4.5	11.60	M-80	LT&C	8000	8000	3.875	185.4
Run Seq	Collapse Load (psi)	Collapse Strength (psi)	Collapse Design Factor	Burst Load (psi)	Burst Strength (psi)	Burst Design Factor	Tension Load (Kips)	Tension Strength (Kips)	Tension Design Factor
1	3574	6350	1.777	3574	7780	2.18	93	267	2.88 B

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

Phone: (801) 538-5281  
FAX: (801) 359-3940

Date: November 10, 2005  
Salt Lake City, Utah

**ENGINEERING STIPULATIONS -**

Collapse strength is based on the Westcott, Dunlop & Kemler method of biaxial correction for tension.

Burst strength is not adjusted for tension.

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

**Clinton Dworshak - Slate River APD Cement Detail**

---

**From:** "JTConley" <jconley@sl8river.com>  
**To:** <clintondworshak@utah.gov>  
**Date:** 11/15/2005 8:56 AM  
**Subject:** Slate River APD Cement Detail  
**CC:** "Ginger Stringham" <gs\_paradigm@yahoo.com>

---

**Clint;**  
**Slate River's cementing practice and program intends to bring the lead cement to surface in each and every well.**

**Actual cement volumes are based on the openhole caliper and cement volume log. Typical cement jobs for the production casing run between 1000 and 1200 sx's total of the lead plus tail.**

**Please note this change for the APDs submitted as shown in the well listing below, and include our intent to bring the cement to surface.**

<b>Well</b>	<b>Spot</b>	<b>S-T-R</b>
Mustang #1220-35I	NESE	35-12S-20E
Mustang #1320-10I	NESE	10-13S-20E
Mustang #1320- 3O	SWSE	3-13S-20E
Mustang #1320-11H	SENE	11-13S-20E
Mustang #1320-13D	NWNW	13-13S-20E
Mustang #1320-14P	SESE	14-13S-20E
Mustang #1320-24E	SWNW	24-13S-20E
Mustang #1320-14D	NWNW	14-13S-20E
UOA #1321- 7P	SESE	7-13S-21E
UOS #1321-17A	NENE	17-13S-21E
UOS #1321- 4M	SWSW	4-13S-21E
Mustang #1320-15B	NWNE	15-13S-20E

**Please contact me if you have questions.**

**thanx,**

**J.T. Conley  
Slate River Resources  
418 East Main, Suite 18  
Vernal, UT 84078  
435-781-1870**



**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*

November 17, 2005

Slate River Resources, LLC  
418 East Main  
Vernal, UT 84078

Re: Mustang 1320-11H Well, 1599' FNL, 682' FEL, SE NE, Sec. 11, T. 13 South,  
R. 20 East, Uintah County, Utah

Gentlemen:

Pursuant to the provisions and requirements of Utah Code Ann. § 40-6-1 *et seq.*, Utah Administrative Code R649-3-1 *et seq.*, and the attached Conditions of Approval, approval to drill the referenced well is granted.

Appropriate information has been submitted to DOGM and administrative approval of the requested exception location is hereby granted.

This approval shall expire one year from the above date unless substantial and continuous operation is underway, or a request for extension is made prior to the expiration date. The API identification number assigned to this well is 43-047-37295.

Sincerely,

Gil Hunt  
Associate Director

pab  
Enclosures

cc: Uintah County Assessor

Operator: Slate River Resources, LLC

Well Name & Number Mustang 1320-11H

API Number: 43-047-37295

Lease: Fee

Location: SE NE                      Sec. 11                      T. 13 South                      R. 20 East

### Conditions of Approval

1. General

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

2. Notification Requirements

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

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

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

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

3. Reporting Requirements

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

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

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

6. Surface casing shall be cemented to the surface.

**DIVISION OF OIL, GAS AND MINING**

**SPUDDING INFORMATION**

Name of Company: SLATE RIVER RESOURCES LLC

Well Name: MUSTANG 1320-11H

Api No: 43-047-37295 Lease Type: FEE

Section 11 Township 13S Range 20E County UINTAH

Drilling Contractor PETE MARTIN'S RIG # BUCKET

**SPUDDED:**

Date 12/31/05

Time 8:00 AM

How DRY

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

Reported by RANDY DUGAN

Telephone # 1-435-828-7967

Date 01/03/2006 Signed CHD

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

FORM 6

ENTITY ACTION FORM

Operator: SLATE RIVER RESOURCES, LLC Operator Account Number: N 2725  
 Address: 418 E. Main, Suite 18  
city Vernal  
state UT zip 84078  
 Phone Number: (435) 781-1870

Well 1

API Number	Well Name		QQ	Sec	Twp	Rng	County
4304737291	MUSTANG 1320-10I		NESE	10	13S	20E	UINTAH
Action Code	Current Entity Number	New Entity Number	Spud Date		Entity Assignment Effective Date		
A	99999	15129	12/30/2005		1/5/06		
Comments: MIRU Pete Martin Bucket Rig Spud @ 1430 on 12/30/05 <i>mncs</i> <b>CONFIDENTIAL</b> K							

Well 2

API Number	Well Name		QQ	Sec	Twp	Rng	County
4304737295	MUSTANG 1320-11H		SENE	11	13S	20E	UINTAH
Action Code	Current Entity Number	New Entity Number	Spud Date		Entity Assignment Effective Date		
A	99999	15130	12/31/2005		1/5/06		
Comments: MIRU Pete Martin Bucket Rig Spud @ 1030 on 12/31/05 <i>mncs</i> <b>CONFIDENTIAL</b> K							

Well 3

API Number	Well Name		QQ	Sec	Twp	Rng	County
4304737298	MUSTANG 1320-24E		SWNW	24	13S	20E	UINTAH
Action Code	Current Entity Number	New Entity Number	Spud Date		Entity Assignment Effective Date		
A	99999	15131	12/31/2005		1/5/06		
Comments: MIRU Pete Martin Bucket Rig Spud @ 1500 on 12/31/05 <i>mncs</i> <b>CONFIDENTIAL</b> K							

ACTION CODES:

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

LUCY NEMEC

Name (Please Print)

*Lucy Neme*  
Signature

Sr. Operations Specialist

1/3/2006

Title

Date

(8/2000)

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JAN 03 2006

DIV. OF OIL, GAS & MINING

STATE OF UTAH  
DIVISION OF OIL, GAS AND MINING

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or deepen or reentry to a different reservoir.

Use "APPLICATION FOR PERMIT -" for such proposals

5. Lease Designation and Serial Number:

FEE

6. If Indian, Allottee or Tribe Name:

7. Unit Agreement Name:

8. Well Name and Number:

MUSTANG 1320-11H

9. API Well Number:

43-047-37295

10. Field and Pool, or Wildcat:

WILDCAT

1. Type of Well: OIL  GAS  OTHER:

2. Name of Operator:  
SLATE RIVER RESOURCES, LLC

3. Address and Telephone Number:  
418 E. MAIN STE 18 VERNAL, UT 84078

4. Location of Well:  
Footages: 1599' FNL & 682' FEL  
County: UINTAH  
QQ, Sec., T., R., M.: SENE SEC 11 T13S R20E SLC MERIDIAN  
State: UT

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

NOTICE OF INTENT

(Submit in Duplicate)

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

Approximate date work will start \_\_\_\_\_

SUBSEQUENT REPORT

(Submit Original Form Only)

- Abandon\*
- Repair Casing
- Change of Plans
- Convert to Injection
- Fracture Treat or Acidize
- Other Spud Notice
- New Construction
- Pull or Alter Casing
- Reperforate
- Vent or Flare
- Water Shut-Off

Date of work completion 1/6/2006

Report results of Multiple Completions and Recompletions to different reservoirs on WELL COMPLETION OR RECOMPLETION REPORT AND LOG form.

\* Must be accompanied by a cement verification report.

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

Pete Martin Rathole Drilling MI&RU RHR. The well was spud at 10:30 a.m. on 12/31/05. 40' of 14" conductor pipe was cemented with approx. 3 yards of ready-mix cement.

1/6/2006

Bill Jr. Rathole Drilling, Inc. MI&RU. Drilled a 12-1/4" surface hole to 1940'. Set 1897' (43 Jts) of 9-5/8" 32.30# H-40 ST&C, cemented as follows: **Lead** - 150 sks 16% gel, 10# gilsonite, 3% salt, 3# GR3, 1/4# Flocele; **Tail** - 200 sks 2% CaCl2, 1.1/4# flocele; **Top off** - 150 sks 4% CaCl2, 1/4" flocele; **Top Off** - 125 sks 4% Cacl2. Land plug 500 PSI to 1000 PSI.

Check float held.  
RDMOL. WO Rotary tool.

**CONFIDENTIAL**

13. Name and Signature: Lucy Nemeč Title: SR. Operations Spec Date: 06-Jan-06

(This space for State use only.)

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JAN 09 2006

STATE OF UTAH  
DIVISION OF OIL, GAS AND MINING

SUNDRY NOTICES AND REPORTS ON WELLS

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

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

6. If Indian, Allottee or Tribe Name:

7. Unit Agreement Name:

8. Well Name and Number:  
**MUSTANG 1320-11H**

9. API Well Number:  
**43-047-37295**

10. Field and Pool, or Wildcat:  
**WILDCAT**

1. Type of Well: OIL  GAS  OTHER:

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

**CONFIDENTIAL**

3. Address and Telephone Number:  
**418 E. MAIN STE 18 VERNAL, UT 84078**

4. Location of Well:  
Footages: **1599' FNL & 682' FEL**  
QQ. Sec., T., R., M.: **SENE SEC 11 T13S R20E SLC MERIDIAN**

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

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

NOTICE OF INTENT  
(Submit in Duplicate)

- |   |   |
|---|---|
| <input type="checkbox"/> Abandon                    | <input type="checkbox"/> New Construction     |
| <input type="checkbox"/> Repair Casing              | <input type="checkbox"/> Pull or Alter Casing |
| <input checked="" type="checkbox"/> Change of Plans | <input type="checkbox"/> Recomplete           |
| <input type="checkbox"/> Convert to Injection       | <input type="checkbox"/> Reperforate          |
| <input type="checkbox"/> Fracture Treat or Acidize  | <input type="checkbox"/> Vent or Flare        |
| <input type="checkbox"/> Multiple Completion        | <input type="checkbox"/> Water Shut-Off       |
| <input type="checkbox"/> Other _____                |   |

SUBSEQUENT REPORT  
(Submit Original Form Only)

- |  |   |
|--|---|
| <input type="checkbox"/> Abandon*                  | <input type="checkbox"/> New Construction     |
| <input type="checkbox"/> Repair Casing             | <input type="checkbox"/> Pull or Alter Casing |
| <input type="checkbox"/> Change of Plans           | <input type="checkbox"/> Reperforate          |
| <input type="checkbox"/> Convert to Injection      | <input type="checkbox"/> Vent or Flare        |
| <input type="checkbox"/> Fracture Treat or Acidize | <input type="checkbox"/> Water Shut-Off       |
| <input type="checkbox"/> Other _____               |   |

Approximate date work will start 1/28/2006

Date of work completion \_\_\_\_\_

Report results of Multiple Completions and Recompletions to different reservoirs on WELL COMPLETION OR RECOMPLETION REPORT AND LOG form.

\* Must be accompanied by a cement verification report.

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

Slate River Resources requests approval to amend the proposed TD in the previously approved APD from 8000' to 8375' to allow us to penetrate the upper Mancos section.

Production casing to be run will remain the same: New 4-1/2" 11.60# M-80 LT&C casing with the exception of the setting depth of 8375'.

The cementing program will remain the same with the exception of the cement volume which will be based on the deeper depth.

13. Name and Signature: Lucy Nemeec Title: SR. Operations Spec Date: 27-Jan-06  
*Lucy Nemeec*

(This space for State use only.)

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

DATE: 1/27/06  
BY: [Signature]

RECEIVED  
JAN 27 2006

DIV. OF OIL, GAS & MINING

COPIES TO OPERATOR  
DATE: 1-31-06  
BY: [Signature]

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



# Fax

<b>To:</b> Dustin Ducet	<b>From:</b> Lucy Nemeč
<b>Company:</b> DOGM	<b>Company:</b> Slate River Resources
<b>Fax:</b> 801-359-3940	<b>Pages:</b> 2
<b>Phone:</b>	<b>Date:</b> 1/27/06
<b>Re:</b> Change in TD	<b>cc:</b>

Urgent     For Review     Please Comment     Please Reply     Please Recycle

● **Comments:**

Hi Dustin,

Union Rig #7 has Moved on this well and spud 1/25/06.

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

Lucy

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JAN 27 2006  
DIV. OF OIL, GAS & MINING

Well name:	<b>11-05 Slate Mustang 1320-11H</b>	
Operator:	<b>Slate River Resources, LLC</b>	Project ID:
String type:	Production	43-047-37295
Location:	Uintah County, Utah	

**Design parameters:**

**Collapse**  
Mud weight: 8.600 ppg  
Design is based on evacuated pipe.

**Minimum design factors:**

**Collapse:**  
Design factor 1.125

**Environment:**

H2S considered? No  
Surface temperature: 65 °F  
Bottom hole temperature: 177 °F  
Temperature gradient: 1.40 °F/100ft  
Minimum section length: 1,500 ft

**Burst:**  
Design factor 1.00

Cement top: 4,243 ft

**Burst**

Max anticipated surface pressure: 83 psi  
Internal gradient: 0.436 psi/ft  
Calculated BHP: ~~3,574~~ psi  
No backup mud specified. 3732

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

Non-directional string.

Tension is based on air weight.  
Neutral point: 6,971 ft

Run Seq	Segment Length (ft)	Size (in)	Nominal Weight (lbs/ft)	Grade	End Finish	True Vert Depth (ft)	Measured Depth (ft)	Drift Diameter (in)	Internal Capacity (ft³)
1	<del>8000</del> 8375	4.5	11.60	M-80	LT&C	8000	8000	3.875	185.4
Run Seq	Collapse Load (psi)	Collapse Strength (psi)	Collapse Design Factor	Burst Load (psi)	Burst Strength (psi)	Burst Design Factor	Tension Load (Kips)	Tension Strength (Kips)	Tension Design Factor
1	<del>3574</del> 3732	6350	<del>1.777</del> 1.702	3574	7780	<del>2.18</del> 2.08	93 97	267	2.88-B 275 ✓

unkeyed

OK.  
DUN 1/27/06

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

Phone: (801) 538-5281  
FAX: (801)359-3940

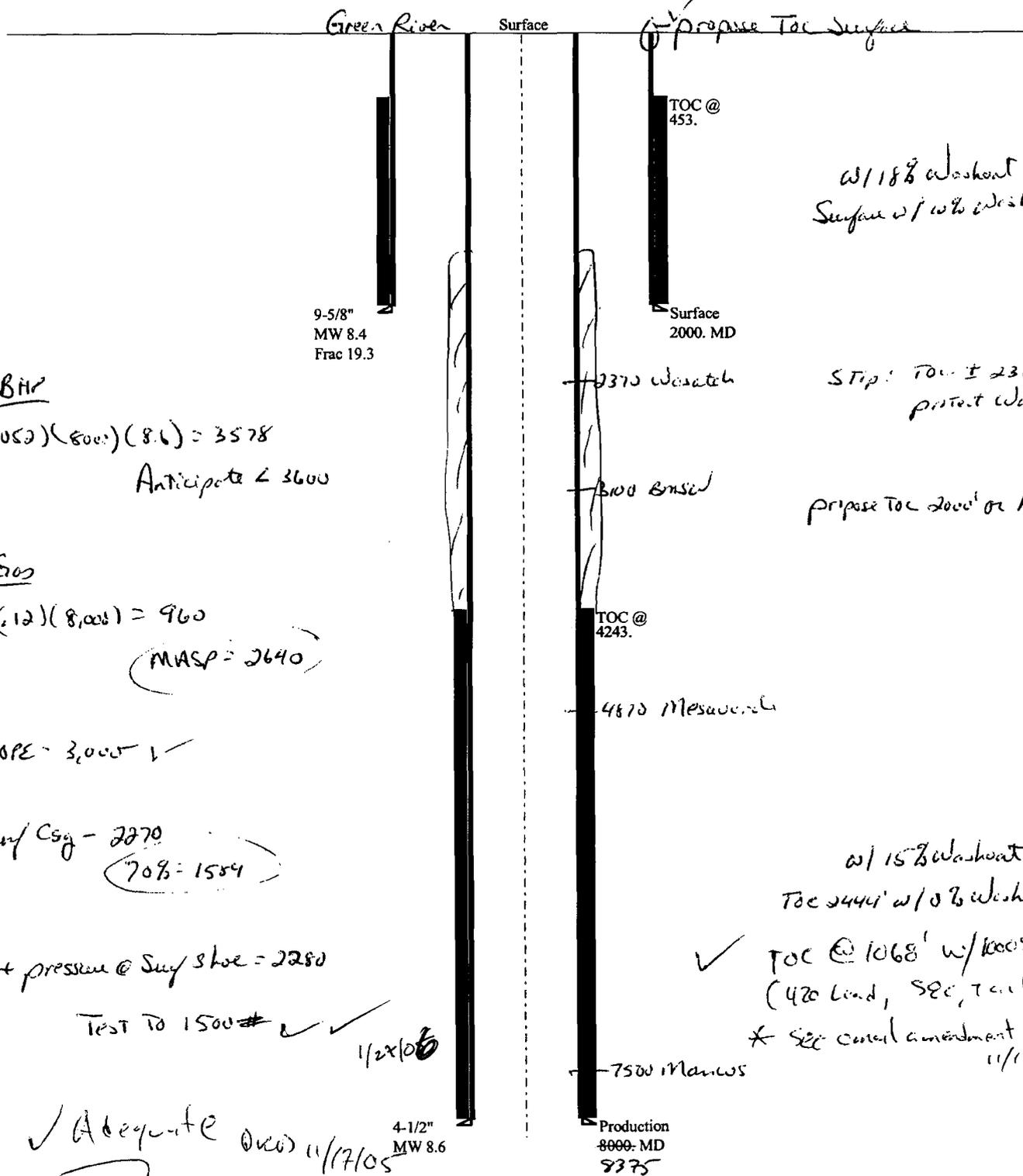
Date: November 10,2005  
Salt Lake City, Utah

ENGINEERING STIPULATIONS -  
Collapse strength is based on the Westcott, Dunlop & Kemler method of biaxial correction for tension.  
Burst strength is not adjusted for tension.

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

# 11-05 Slate Mustang 1320-1, H

## Casing Schematic



w/ 18% washcoat  
Surface w/ 10% washcoat

STIP: TOC ± 2300'  
protect Washateh

Propose TOC 2000' or higher

w/ 15% washcoat  
TOC 2440' w/ 10% washcoat

✓ TOC @ 1068' w/ 1000's x Total  
(420' Land, SEC, Tail)  
\* SEC curial amendment dated 11/15/05

BHP  
 $(0.052)(8000)(8.6) = 3578$   
Anticipate < 3600

Gos  
 $(6.12)(8000) = 960$   
(MASP = 2640)

BOPE - 3,000 ✓

Surf Csg - 2270  
(70% = 1584)

Max pressure @ Surf shoe = 2280

Test to 1500# ✓ ✓  
1/2x100

✓ Adequate DWS 11/17/05  
4-1/2" MW 8.6

TOC @ 4243  
4870 Mesaverde

7500 Mancos  
Production 8000 MD 8375

9-5/8"  
MW 8.4  
Frac 19.3

TOC @ 453  
Surface 2000 MD

2370 Washateh  
1600 Ensil

STATE OF UTAH  
DIVISION OF OIL, GAS AND MINING

5. Lease Designation and Serial Number:

FEE

**SUNDRY NOTICES AND REPORTS ON WELLS**

6. If Indian, Allottee or Tribe Name:

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

7. Unit Agreement Name:

1. Type of Well: OIL  GAS  OTHER:

8. Well Name and Number:  
MUSTANG 1320-11H

2. Name of Operator:  
SLATE RIVER RESOURCES, LLC

9. API Well Number:  
43-047-37295

3. Address and Telephone Number:  
418 E. MAIN STE 18 VERNAL, UT 84078

10. Field and Pool, or Wildcat:  
WILDCAT

4. Location of Well:  
Footages: 1599' FNL & 682' FEL  
County: UINTAH  
QQ, Sec., T., R., M.: SENE SEC 11 T13S R20E SLC MERIDIAN State: UT

**CONFIDENTIAL**

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

**NOTICE OF INTENT**

(Submit in Duplicate)

**SUBSEQUENT REPORT**

(Submit Original Form Only)

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

- Abandon\*
- Repair Casing
- Change of Plans
- Convert to Injection
- Fracture Treat or Acidize
- Other Set & Cement Production Casing
- New Construction
- Pull or Alter Casing
- Reperforate
- Vent or Flare
- Water Shut-Off

Approximate date work will start \_\_\_\_\_

Date of work completion 2/6/2006

Report results of Multiple Completions and Recompletions to different reservoirs on WELL COMPLETION OR RECOMPLETION REPORT AND LOG form.

\* Must be accompanied by a cement verification report.

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

**1/24 -2/6/2006**

MIRU Union Rig #7. Drilled a 7-7/8" hole from 1940' - 8374'.  
Ran 198 jts of new 4-1/2" 11.60# M-80 LT&C casing and set @ 8374'.  
Big 4 Cementing cemented production casing with 1210 sx cement as follows:  
Lead - 250 sx of 16% Gel - 10# sk Gilsonite, 3% salt, 1/4# flocele, 3# sk GR-3  
Tail - 960 sx - 50/50 Poz, 2% Gel, 10% salt, 3% Fld, 4% dispersant, 1/4# sk flocele  
Land plug w/2100 psi up to 2750 psi on 2/6/06. Float held.  
Good returns throughtout job, no cement to surface.

Rig Released @ 09:00 pm 2/6/06. RDMOL. WO Completion Rig

13. Name and Signature: Lucy Nemeec Title: SR. Operations Spec Date: 08-Feb-06  
Lucy Nemeec

(This space for State use only.)

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FEB 10 2006

DIV. OF OIL, GAS & MINING

STATE OF UTAH  
DIVISION OF OIL, GAS AND MINING

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or deepen or reentry to a different reservoir.

Use "APPLICATION FOR PERMIT" for applications.

**CONFIDENTIAL**

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

6. If Indian, Alletse or Tribe Name:

7. Unit Agreement Name:

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

9. API Well Number:  
**43-04737295**

10. Field and Pool or Wicket:

1. Type of Well: OIL  GAS  OTHER:

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

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

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

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

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

NOTICE OF INTENT  
(Submit in Duplicate)

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

Approximate date work will start 1/25/2006

SUBSEQUENT REPORT  
(Submit Original Form Only)

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

Date of work completion \_\_\_\_\_

Report results of Multiple Completions and Recompletions to different reservoirs on WELL

COMPLETION OR RECOMPLETION REPORT AND LOG form.

\* Must be accompanied by a cement verification report.

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

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

Dalbo/Ace  
6848 W. Hwy 40  
Vernal, UT

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

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

13.

Name and Signature:

*Lucy Wergic*  
Lucy Wergic

Title: S.R. Operations Specialist

Date: 11-Sep-06

(This space for State use only.)

Accepted by the  
Utah Division of  
Oil, Gas and Mining

RECEIVED  
OCT 12 2006

(494) Date: 10-12-06  
By: [Signature]

(See Instructions on Reverse Side)

DIV. OF OIL, GAS & MINING

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

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



## INSTRUCTIONS

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

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

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

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

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

37. SUMMARY OF POROUS ZONES: Show all important zones of porosity and contents thereof; cored intervals; and all drill-stem tests, including depth interval tested, cushion used, time tool open, flowing and shut-in pressures, and recoveries.				38. GEOLOGIC MARKERS		
Formation	Top	Bottom	Description, contents, etc.	Name	Top	
					Meas. Depth	True Vert. Depth
Wasatch	2423		Shale & Sandstone			
Mesaverde	4647		Shale & Sandstone			
Castlegate	7053		Shale & Sandstone			
Mancos	7347		Shale & Sandstone			
Blackhawk	7455		Shale & Sandstone			
Mancos B	7973		Shale & Sandstone			

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

# CONFIDENTIAL

Attachment to Completion Report

## Mustang 1320-11H

### 27. PERFORATION RECORD

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

<u>Formation</u>	<u>Interval</u>	<u>No Holes</u>		<u>Status</u>
Mancos B	8117 - 8120	9	3 SPF	Open
Mancos B	8043 - 8046	9	3 SPF	Open
Mancos B	7979 - 7982	9	3 SPF	Open
Blackhawk	7605 - 7607	6	3 SPF	Open
Blackhawk	7549 - 7552	9	3 SPF	Open
Blackhawk	7502 - 7504	6	3 SPF	Open
Blackhawk	7471 - 7473	6	3 SPF	Open
Mesaverde	6546 - 6548	6	3 SPF	Open
Mesaverde	6482 - 6484	6	3 SPF	Open
Mesaverde	6398 - 6400	6	3 SPF	Open
Mesaverde	6316 - 6318	6	3 SPF	Open
Mesaverde	6278 - 6280	6	3 SPF	Open
	<b>Total</b>	<b>84</b>		

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

**ROUTING**

1. DJJ
2. CDW

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

Operator Name Change/Merger

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

**2/21/2008**

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

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

**OPERATOR CHANGES DOCUMENTATION**

Enter date after each listed item is completed

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

**DATA ENTRY:**

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

**BOND VERIFICATION:**

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

**LEASE INTEREST OWNER NOTIFICATION:**

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

**COMMENTS:**

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

FORM 9

**SUNDRY NOTICES AND REPORTS ON WELLS**

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

1. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER _____		5. LEASE DESIGNATION AND SERIAL NUMBER: <b>FEE</b>
2. NAME OF OPERATOR: <b>Mustang Fuel Corporation</b> <i>N1675</i>		6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
3. ADDRESS OF OPERATOR: 13439 Broadway Extension CITY Oklahoma City STATE OK ZIP 73114-2202		7. UNIT or CA AGREEMENT NAME:
PHONE NUMBER: <b>(405) 748-9487</b>		8. WELL NAME and NUMBER: <b>See attached</b>
4. LOCATION OF WELL FOOTAGES AT SURFACE: <b>See attached schedule of wells</b>		9. API NUMBER: <b>See attach</b>
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN:		10. FIELD AND POOL, OR WILDCAT: <b>See attached</b>
COUNTY: <b>Uintah</b>		
STATE: <b>UTAH</b>		

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

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

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

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

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

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

(This space for State use only)

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

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

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

FORM 9

**SUNDRY NOTICES AND REPORTS ON WELLS**

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

		5. LEASE DESIGNATION AND SERIAL NUMBER: <b>FEE</b>
		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: <b>See attached</b>
2. NAME OF OPERATOR: <b>Slate River Resources, LLC</b> <i>N2725</i>		9. API NUMBER: <b>See attach</b>
3. ADDRESS OF OPERATOR: 418 E. Main, Suite 18 CITY Vernal STATE UT ZIP 84078		10. FIELD AND POOL, OR WILDCAT: <b>See attached</b>
4. LOCATION OF WELL FOOTAGES AT SURFACE: <b>See attached schedule of wells</b>		COUNTY: <b>Uintah</b>
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN:		STATE: <b>UTAH</b>

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

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

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

NAME (PLEASE PRINT) <u>Lucy Nemeec</u>	TITLE <u>Sr. Operations Specialist</u>
SIGNATURE <i>Lucy Nemeec</i>	DATE <u>3/27/2008</u>

(This space for State use only)

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

(See Instructions on Reverse Side)

**RECEIVED**  
**MAR 28 2008**

DIV. OF OIL, GAS & MINING



<b>STATE OF UTAH</b> DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS, AND MINING		FORM 9
<b>SUNDRY NOTICES AND REPORTS ON WELLS</b>  Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.		<b>5. LEASE DESIGNATION AND SERIAL NUMBER:</b> FEE
		<b>6. IF INDIAN, ALLOTTEE OR TRIBE NAME:</b>
<b>1. TYPE OF WELL</b> Gas Well		<b>7. UNIT or CA AGREEMENT NAME:</b>
<b>2. NAME OF OPERATOR:</b> MUSTANG FUEL CORPORATION		<b>8. WELL NAME and NUMBER:</b> MUSTANG 1320-11H
<b>3. ADDRESS OF OPERATOR:</b> 418 East Main , Vernal , UT, 84078		<b>9. API NUMBER:</b> 43047372950000
<b>PHONE NUMBER:</b> 405 748-9487 Ext		<b>9. FIELD and POOL or WILDCAT:</b> AGENCY DRAW
<b>4. LOCATION OF WELL</b> <b>FOOTAGES AT SURFACE:</b> 1599 FNL 0682 FEL <b>QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN:</b> Qtr/Qtr: SENE Section: 11 Township: 13.0S Range: 20.0E Meridian: S		<b>COUNTY:</b> UINTAH
		<b>STATE:</b> UTAH

11.

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

TYPE OF SUBMISSION	TYPE OF ACTION		
<input checked="" type="checkbox"/> <b>NOTICE OF INTENT</b> Approximate date work will start: <b>5/15/2015</b>	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> CASING REPAIR
<input type="checkbox"/> <b>SUBSEQUENT REPORT</b> Date of Work Completion:	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> CHANGE WELL NAME
<input type="checkbox"/> <b>SPUD REPORT</b> Date of Spud:	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> CONVERT WELL TYPE
<input type="checkbox"/> <b>DRILLING REPORT</b> Report Date:	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> NEW CONSTRUCTION
	<input type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> PLUG BACK
	<input type="checkbox"/> PRODUCTION START OR RESUME	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input type="checkbox"/> RECOMPLETE DIFFERENT FORMATION
	<input type="checkbox"/> REPERFORATE CURRENT FORMATION	<input type="checkbox"/> SIDETRACK TO REPAIR WELL	<input checked="" type="checkbox"/> TEMPORARY ABANDON
	<input type="checkbox"/> TUBING REPAIR	<input type="checkbox"/> VENT OR FLARE	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> WATER SHUTOFF	<input type="checkbox"/> SI TA STATUS EXTENSION	<input type="checkbox"/> APD EXTENSION
	<input type="checkbox"/> WILDCAT WELL DETERMINATION	<input type="checkbox"/> OTHER	OTHER: <input type="text"/>

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

Shut in effective 5/15/2015. Expectations are to plug well within the next 6 months.

Accepted by the  
Utah Division of  
Oil, Gas and MiningDate: June 04, 2015By: D. K. Duff

<b>NAME (PLEASE PRINT)</b> Angelia Duffy	<b>PHONE NUMBER</b> 405 748-9261	<b>TITLE</b> Operations Tech
<b>SIGNATURE</b> N/A	<b>DATE</b> 5/28/2015	

<b>STATE OF UTAH</b> DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS, AND MINING	<b>FORM 9</b>
<b>SUNDRY NOTICES AND REPORTS ON WELLS</b>  Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.	5. LEASE DESIGNATION AND SERIAL NUMBER: FEE
1. TYPE OF WELL Gas Well	6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
2. NAME OF OPERATOR: MUSTANG FUEL CORPORATION	7. UNIT or CA AGREEMENT NAME:
3. ADDRESS OF OPERATOR: 418 East Main , Vernal , UT, 84078	8. WELL NAME and NUMBER: MUSTANG 1320-11H
4. LOCATION OF WELL FOOTAGES AT SURFACE: 1599 FNL 0682 FEL QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: Qtr/Qtr: SENE Section: 11 Township: 13.0S Range: 20.0E Meridian: S	9. API NUMBER: 43047372950000
5. PHONE NUMBER: 405 748-9487 Ext	9. FIELD and POOL or WILDCAT: AGENCY DRAW
6. COUNTY: UINTAH	9. STATE: UTAH

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

TYPE OF SUBMISSION	TYPE OF ACTION		
<input checked="" type="checkbox"/> NOTICE OF INTENT Approximate date work will start: <b>8/31/2015</b>	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> CASING REPAIR
<input type="checkbox"/> SUBSEQUENT REPORT Date of Work Completion:	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> CHANGE WELL NAME
<input type="checkbox"/> SPUD REPORT Date of Spud:	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> CONVERT WELL TYPE
<input type="checkbox"/> DRILLING REPORT Report Date:	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> NEW CONSTRUCTION
	<input type="checkbox"/> OPERATOR CHANGE	<input checked="" type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> PLUG BACK
	<input type="checkbox"/> PRODUCTION START OR RESUME	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input type="checkbox"/> RECOMPLETE DIFFERENT FORMATION
	<input type="checkbox"/> REPERFORATE CURRENT FORMATION	<input type="checkbox"/> SIDETRACK TO REPAIR WELL	<input type="checkbox"/> TEMPORARY ABANDON
	<input type="checkbox"/> TUBING REPAIR	<input type="checkbox"/> VENT OR FLARE	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> WATER SHUTOFF	<input type="checkbox"/> SI TA STATUS EXTENSION	<input type="checkbox"/> APD EXTENSION
	<input type="checkbox"/> WILDCAT WELL DETERMINATION	<input type="checkbox"/> OTHER	OTHER: <input style="width: 100px;" type="text"/>

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

1. MIRU Peak Well Service, ND WH, NU BOP. Unset TAC and POOH w/ tbg. 2. RIH w/ CIBP to +/- 7000' (Top of Castlegate). Set CIBP and spot 10 sks Cement on plug 3. PU workstring and RIH to +/- 6300'. Set the following plugs: a. 20 sks plug at Top of Mesaverde perms (+/- 6100-6300') b. 25 sks plug at Top of Wasatch (+/- 2100-2400') c. Cut casing at +/-1150' and spot 50 sks over cut. d. Fill surface w/ 60 sks from 150-0'. 4. ND BOP Cut off wellhead. Install P&A Marker w/ cement. RDMO Peak Well Service. Cut Anchors.

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

Date: September 17, 2015

By: *Derek Duff*

**Please Review Attached Conditions of Approval**

NAME (PLEASE PRINT) Angelia Duffy	PHONE NUMBER 405 748-9261	TITLE Operations Tech
SIGNATURE N/A	DATE 8/20/2015	



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

- State of Utah  
- Department of Natural Resources

Electronic Permitting System - Sundry Notices

**Sundry Conditions of Approval Well Number 43047372950000**

- 1. Notify the Division at least 24 hours prior to conducting abandonment operations. Please call Dan Jarvis at 801-538-5338.**
- 2. Add Plug #3: A 100' plug ( $\pm 10$  sx) shall be balanced from  $\pm 4750'$  to 4650'. This will isolate the Mesaverde formation.**
- 3. Add Plug #4: A 100' plug ( $\pm 10$  sx) shall be balanced from  $\pm 3500'$  to 3400'. This will isolate the base of moderately saline groundwater as required by R649-3-24-3.3.**
- 4. All balanced plugs shall be tagged to ensure they are at the depths specified in the procedure.**
  - 5. All annuli shall be cemented from a minimum depth of 100' to the surface.**
- 6. Surface reclamation shall be done in accordance with R649-3-34 – Well Site Restoration.**
- 7. All requirements in the Oil and Gas Conservation General Rule R649-3-24 shall apply.**
- 8. If there are any changes to the procedure or the wellbore configuration, notify Dustin Doucet at 801-538-5281 (ofc) or 801-733-0983 (home) prior to continuing with the procedure.**
- 9. All other requirements for notice and reporting in the Oil and Gas Conservation General Rules shall apply.**

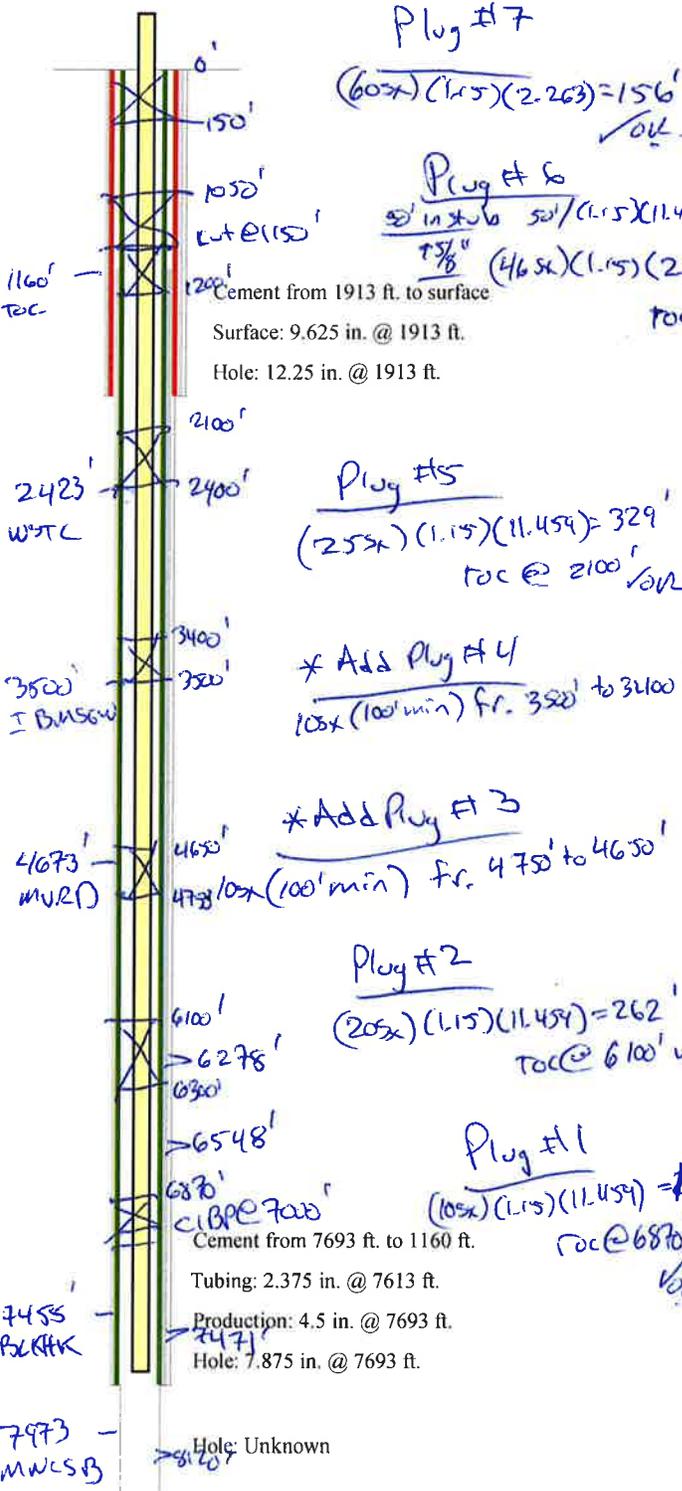
# Wellbore Diagram

**API Well No:** 43-047-37295-00-00 **Permit No:** **Well Name/No:** MUSTANG 1320-11H  
**Company Name:** MUSTANG FUEL CORPORATION  
**Location:** Sec: 11 T: 13S R: 20E Spot: SENE  
**Coordinates:** X: 616643 Y: 4395773  
**Field Name:** AGENCY DRAW  
**County Name:** UINTAH

### String Information

String	Bottom (ft sub)	Diameter (inches)	Weight (lb/ft)	Length (ft)	Capacity (F/CF)
HOL1	1913	12.25			
SURF	1913	9.625	32.3		2.263
HOL2	7693	7.875			
PROD	7693	4.5	11.6		11.459
T1	7613	2.375			

*Handwritten:*  $(605x)(1.15)(2.263) = 156'$  ✓ OK  
 $9\frac{5}{8}" \times 4\frac{1}{2}" \rightarrow 3.017$



### Cement Information

String	BOC (ft sub)	TOC (ft sub)	Class	Sacks
PROD	7693	1160	50	960
PROD	7693	1160	PA	250
SURF	1913	0	G	625

### Perforation Information

Top (ft sub)	Bottom (ft sub)	Shts/Ft	No Shts	Dt Squeeze
6278	8120			

### Formation Information

Formation	Depth
WSTC	2423
BMSW	3500
MVRD	4647
CSLGT	7053
MNCS	7347
BLKHK	7455
MNCSB	7973

TD: 8376 TVD: 8376 PBD: 8328

<b>STATE OF UTAH</b> DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS, AND MINING	<b>FORM 9</b>
<b>SUNDRY NOTICES AND REPORTS ON WELLS</b>  Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.	5. LEASE DESIGNATION AND SERIAL NUMBER: FEE
	6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
	7. UNIT or CA AGREEMENT NAME:
1. TYPE OF WELL Gas Well	8. WELL NAME and NUMBER: MUSTANG 1320-11H
2. NAME OF OPERATOR: MUSTANG FUEL CORPORATION	9. API NUMBER: 43047372950000
3. ADDRESS OF OPERATOR: 418 East Main , Vernal , UT, 84078	PHONE NUMBER: 405 748-9487 Ext
4. LOCATION OF WELL FOOTAGES AT SURFACE: 1599 FNL 0682 FEL QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: Qtr/Qtr: SENE Section: 11 Township: 13.0S Range: 20.0E Meridian: S	9. FIELD and POOL or WILDCAT: AGENCY DRAW
	COUNTY: UINTAH
	STATE: UTAH

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

TYPE OF SUBMISSION	TYPE OF ACTION		
<input type="checkbox"/> NOTICE OF INTENT Approximate date work will start:	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> CASING REPAIR
<input checked="" type="checkbox"/> SUBSEQUENT REPORT Date of Work Completion: 10/6/2015	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> CHANGE WELL NAME
<input type="checkbox"/> SPUD REPORT Date of Spud:	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> CONVERT WELL TYPE
<input type="checkbox"/> DRILLING REPORT Report Date:	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> NEW CONSTRUCTION
	<input type="checkbox"/> OPERATOR CHANGE	<input checked="" type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> PLUG BACK
	<input type="checkbox"/> PRODUCTION START OR RESUME	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input type="checkbox"/> RECOMPLETE DIFFERENT FORMATION
	<input type="checkbox"/> REPERFORATE CURRENT FORMATION	<input type="checkbox"/> SIDETRACK TO REPAIR WELL	<input type="checkbox"/> TEMPORARY ABANDON
	<input type="checkbox"/> TUBING REPAIR	<input type="checkbox"/> VENT OR FLARE	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> WATER SHUTOFF	<input type="checkbox"/> SI TA STATUS EXTENSION	<input type="checkbox"/> APD EXTENSION
	<input type="checkbox"/> WILDCAT WELL DETERMINATION	<input type="checkbox"/> OTHER	OTHER: <input style="width: 100px;" type="text"/>

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

MIRU Peak WSU & start bleeding down, attempt to kill well, pumped 85 bbls down csg, 30bbls down tbg, ND WH, NU BOP's, LD 24 jts, well came in, open to flow back tank, kill well w/ brine wtr, LD prod tbg, PU 3 7/8" bit, RIH picking up workstring to 7050', pull above perfs, well came in, kill well, POOH w/ bit, PU 4 1/2" CIBP, run in to 7000', spot 10 sx cmt on top, LD to 6290', spot 25 sx, pull up, reverse out, wait f/ 4 hrs, run in & tag cmt @ 5977', press test to 1500# f/ 15 mins, pull to 4745' EOT, spot 10 sx, balance plug, pull to 3511', spot 10 sx, balance plug, pull to 2398', spot 25 sx, balance plug, POOH, RU WL, run in w/ free point & cut csg @ 1138', LD 26 jts csg, run in to 1146', pump 50 sx across, cut, POOH, cut off csg head, run in 150', fill surf w/ 75 sx, well plugged 10-6-15.

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

NAME (PLEASE PRINT) Angelia Duffy	PHONE NUMBER 405 748-9261	TITLE Operations Tech
SIGNATURE N/A	DATE 10/28/2015	