

TALON RESOURCES INC

December 14, 2005

Mrs. Diana Whitney
State of Utah
Division of Oil Gas and Mining
P.O. Box 145801
Salt Lake City, Utah 84114-5801

RE: Application for Permit to Drill—
State 8-32-13-22, Uintah County, Utah: Section 32, T13S, R22E, SLB&M
State 16-32-13-22, Uintah County, Utah: Section 32, T13S, R22E, SLB&M
State 4-36-13-22, Uintah County, Utah: Section 36, T13S, R22E, SLB&M
State 6-36-13-22, Uintah County, Utah: Section 36, T13S, R22E, SLB&M

Dear Mrs. Whitney:

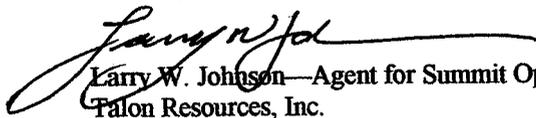
On behalf of Summit Operating, LLC (Summit), Talon Resources, Inc. respectfully submits the enclosed original of the *Application for Permit to Drill (APD)* for the above referenced wells. Included with the APD is the following supplemental information:

- Exhibit "A" - Survey plats and layouts of the proposed well site;
- Exhibit "B" - Proposed location maps with utility corridors;
- Exhibit "C" - Drilling site layout;
- Exhibit "D" - Drilling Program;
- Exhibit "E" - Multi Point Surface Use Plan;
- Exhibit "F" - Typical road cross-section;
- Exhibit "G" - Typical BOP diagram & wellhead manifold diagram.

Please accept this letter as Summit's written request for confidential treatment of all information contained in and pertaining to this application, if said information is eligible for such consideration.

Thank you very much for your timely consideration of this application. Please feel free to contact myself, or Mr. David Allin at 970-254-3114 if you have any questions or need additional information.

Sincerely,


Larry W. Johnson—Agent for Summit Operating
Talon Resources, Inc.

cc: Mr. Floyd Bartlett, DOGM
Mr. Ed Bonner, SITLA
Mr. David Lillywhite, Summit Operating
Mr. David Allin, Consultant

RECEIVED
DEC 15 2005
DIV. OF OIL, GAS & MINING

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

FORM 5

AMENDED REPORT
(highlight changes)

APPLICATION FOR PERMIT TO DRILL			5. MINERAL LEASE NO: ML-47794	6. SURFACE: State
1A. TYPE OF WORK: DRILL <input checked="" type="checkbox"/> REENTER <input type="checkbox"/> DEEPEN <input type="checkbox"/>			7. IF INDIAN, ALLOTTEE OR TRIBE NAME: N/A	
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: N/A	
2. NAME OF OPERATOR: Summit Operating, LLC			9. WELL NAME and NUMBER: State 16-32-13-22	
3. ADDRESS OF OPERATOR: 2064 Prospector Ave 102 CITY Park City STATE UT ZIP 84060		PHONE NUMBER: (435) 940-9001	10. FIELD AND POOL, OR WILDCAT: Sage Ridge Wildcat	
4. LOCATION OF WELL (FOOTAGES) AT SURFACE: 689' FSL, 746' FEL AT PROPOSED PRODUCING ZONE: 689' FSL, 746' FEL			11. QTR/QTR, SECTION, TOWNSHIP, RANGE MERIDIAN: SWSW 32 13S 22E S EE	
14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE: 44 miles south of Ouray, Utah			12. COUNTY: Uintah	13. STATE: UTAH
15. DISTANCE TO NEAREST PROPERTY OR LEASE LINE (FEET) 689'	16. NUMBER OF ACRES IN LEASE: 640	17. NUMBER OF ACRES ASSIGNED TO THIS WELL: 640		
18. DISTANCE TO NEAREST WELL (DRILLING, COMPLETED, OR APPLIED FOR) ON THIS LEASE (FEET) See attached map	19. PROPOSED DEPTH: 11,750	20. BOND DESCRIPTION: N2315		
21. ELEVATIONS (SHOW WHETHER DF, RT, GR, ETC.): 6782' GR	22. APPROXIMATE DATE WORK WILL START: 2/1/2006	23. ESTIMATED DURATION: 28 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		
12-3/4"	9-5/8" J-55 LT&C 36#	2,000	HHF	350 Sacks	3.2 cu ft/sk 11.6 ppg
			Premium	200 sacks	1.17 cu ft/sk 15.8 ppg
7-7/8"	5-1/2" N-80 LT&C 17#	11,750	Super flush/water		9.2/2.33 ppg
			50/50 Poz Premium AG	450 sacks	1.49 cu ft/sk 13.5 ppg
			Hi Fill Mod	415 sacks	3.85 cu ft/sk 11.0 ppg
			Premium AG	50 sacks	1.15 cu ft/sk 15.8 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 type="checkbox"/> EVIDENCE OF DIVISION OF WATER RIGHTS APPROVAL FOR USE OF WATER	<input type="checkbox"/> FORM 5, IF OPERATOR IS PERSON OR COMPANY OTHER THAN THE LEASE OWNER

NAME (PLEASE PRINT) Larry W. Johnson TITLE Agent for Summit Operating, LLC

SIGNATURE *Larry W. Johnson* DATE 12/14/05

(This space for State use only)

API NUMBER ASSIGNED: 43-047-37520

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

Date: *[Signature]*

(Instructions on Reverse Side)

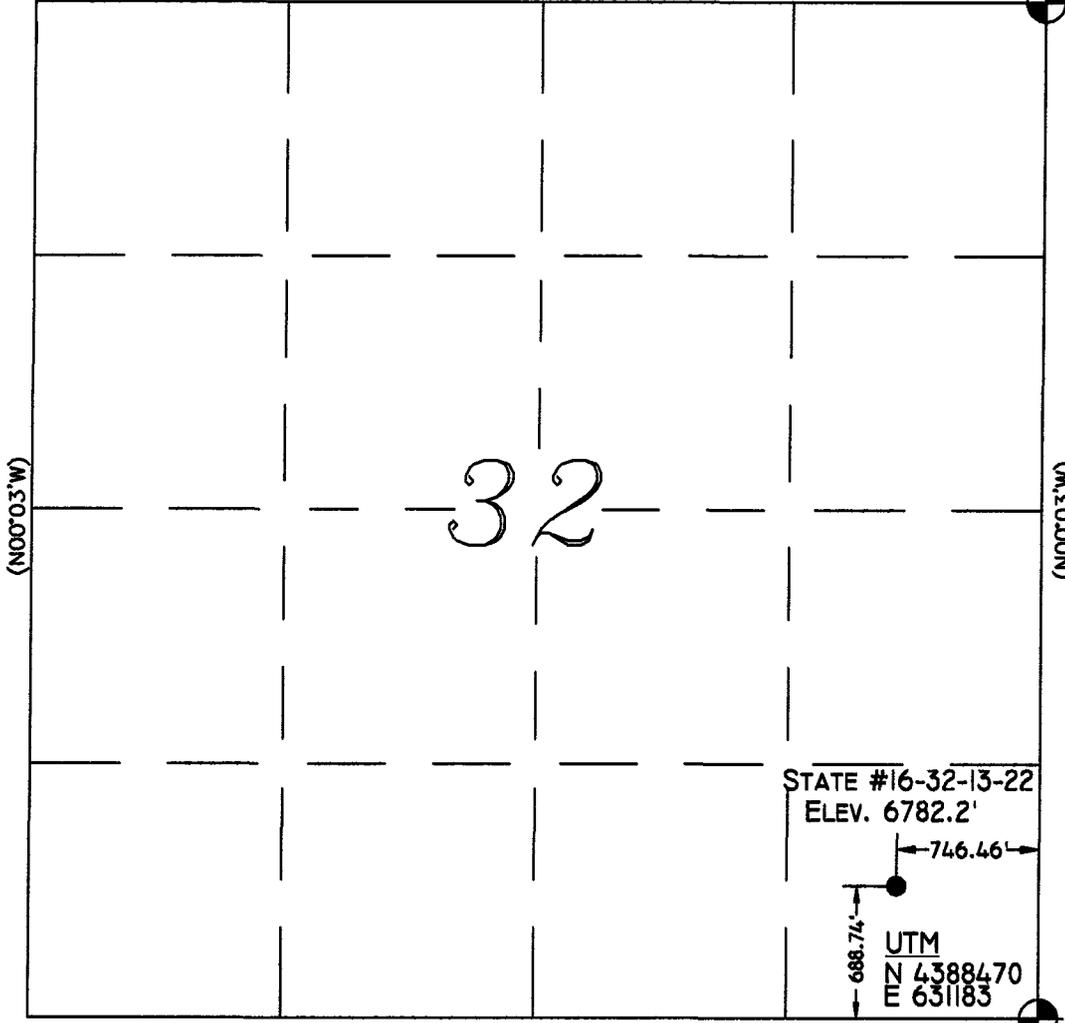
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DEC 15 2005
DIV. OF OIL, GAS & MINING

CONFIDENTIAL

Range 22 East

(S89°59'W - 5281.32')

Township 13 South



(N00°03'W)

(N00°03'W)
N00°01'17"W - 5277.81'

STATE #16-32-13-22
ELEV. 6782.2'

688.74'
746.46'
UTM
N 4388470
E 631183



Location:

The well location was determined using a Trimble 5700 GPS survey grade unit.

Basis of Bearing:

The Basis of Bearing is GPS Measured.

GLO Bearing:

The Bearings indicated are per the recorded plat obtained from the U.S. Land Office.

Basis of Elevation:

Basis of Elevation of 6849.0' being at the West Quarter Corner of Section 2, Township 14 South, Range 22 East, Salt Lake Base & Meridian, as shown on the Bates Knolls Quadrangle 7.5 Minute Series Map.

Description of Location:

Proposed Drill Hole located in the SE1/4 SE1/4 of Section 32, T13S, R22E, S.L.B.&M., being 688.74' North and 746.46' West from the Southeast Corner of Section 32, T13S, R22E, Salt Lake Base & Meridian.

Surveyor's Certificate:

I, Albert J. Spensko, a Registered Professional Land Surveyor, holding Certificate 146652 State of Utah, do hereby certify that the information on this drawing is a true and accurate survey based on data of record and was conducted under my personal direction and supervision as shown hereon.



TALON RESOURCES, INC.
195 North 100 West P.O. Box 1230
Huntington, Utah 84528
Phone (435)687-5310 Fax (435)687-5311
E-Mail talon@tv.net

SUMMIT OPERATING

State #16-32-13-22
Section 32, T13S, R22E, S.L.B.&M.
Uintah County, Utah

Drawn By: J. STANSFIELD	Checked By: L.W.J./J.S.H.
Drawing No. A-1	Date: 11/06/05
	Scale: 1" = 1000'
Sheet 1 of 4	Job No. 2082

Legend

- Drill Hole Location
- ⊕ Brass Cap (Found)
- Brass Cap (Searched for, but not found)
- △ Rock Pile
- () GLO
- GPS Measured

NOTES:

1. UTM and Latitude / Longitude Coordinates are derived using a GPS Pathfinder and are shown in NAD 27 Datum.

LAT / LONG
39°38'16.243" N
109°28'16.679" W

GRAPHIC SCALE

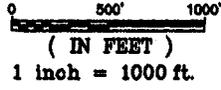


EXHIBIT "D"
DRILLING PROGRAM

Attached to UDOGM Form 3
Summit Operating, LLC
State 16-32-13-22
SE¹/₄ SE¹/₄, Sec. 32, T13S, R22E, SLB & M
689' FSL, 746' FEL
Uintah County, Utah

1. The Geologic Surface Formation

Green River

2. Estimated Tops of Important Geologic Markers

KB	Ground + 22'
Wasatch	1924'
Mesaverde Group	3724'
Castlegate	5604'
Mancos Shale	5944'
Dakota Silt	9644'
Dakota Marker	9694'
Morrison	9949'
Summerville/Curtis	10429'
Entrada Sandstone	10494'
Carmel	10654'
Navajo Sandstone	10724'
Kayenta	10844'
Wingate Sandstone	10979'
Triassic Chinle	11379'
Triassic Shinarump Conglomerate	11549'
Triassic Moenkopi	11584'

3. Projected Gas & Water Zones

No Groundwater is anticipated to be encountered. Water encountered will be reported on a Form 7 "Report of Water Encountered During Drilling".

Casing & cementing will be done to protect potentially productive hydrocarbons, lost circulation zones, abnormal pressure zones, and prospectively valuable mineral deposits.

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All indications of usable water will be reported.

Surface casing will be tested to 1500 psi for 15 minutes. Pressure drop is not to exceed 150 psi.

7) The Proposed Casing and Cementing Programs

Casing Program

<u>HOLE SIZE</u>	<u>SETTING DEPTH (INTERVAL)</u>	<u>SIZE (OD)</u>	<u>WEIGHT, GRADE & JOINT</u>	<u>CONDITION</u>
12-1/4"	2000'	9-5/8"	36# J-55 LT&C	New
7 -7/8"	11,750'	5-1/2"	17# N-80 LT&C	New

Cement Program

Surface Casing:

Lead: 350 sacks HHF
Weight: 11.6 # / gal
Yield: 3.2 cu.ft / sk

Tail: 200 sacks Premium
Weight: 15.8 # / gal
Yield: 1.17 cu.ft / sk

Production Casing: Two stage with multiple stage cementer placed at 9,400'

Stage 1: Lead: Super flush / water
Weight: 9.2 # / gal / 8.33 #/gal

Stage 2: Lead: 415 sacks Hi Fill Mod
Weight: 11.0 #/gal
Yield: 3.85 cu.ft / sk

Tail: 450 sacks 50./50 Poz Premium AG
Weight: 13.5 #/gal
Yield: 1.49 cu.ft/sk

Tail: 50 sacks Premium AG
Weight: 15.8 #/gal
Yield: 1.15 cu.ft/sk

The following shall be entered in the driller's log:

- 1) Blowout preventer pressure tests, including test pressures and results;
- 2) Blowout preventer tests for proper functioning;
- 3) Blowout prevention drills conducted;
- 4) Casing run, including size, grade, weight, and depth set;

- 5) How the pipe was cemented, including amount of cement, type, whether cement circulated, location of the cementing tools, etc.;
- 6) Waiting on cement time for each casing string;
- 7) Casing pressure tests after cementing, including test pressures and results.

5. The Operator's Minimum Specifications for Pressure Control

Exhibit "G" is a schematic diagram of the blowout preventer equipment. An 11" 5,000 psi Double gate Hydraulic BOP with one (1) blind ram and one (1) pipe ram and Annular Preventer; equipped with a 3,000 psi automatic choke manifold. The BOP will be tested and charted using a BOP tester and test plug to 5,000 psi for 10 minutes. The Annular Preventer will be tested to 2,500 psi for 10 minutes. All text will be recorded in the Driller's log book. Physical operation of the BOP will be checked on each trip.

6. The Type and Characteristics of the Proposed Circulating Muds

Surface hole will be drilled with air/mist/foam
Long string hole will be drilled with KCL/gel/chem. mud

7. The Testing, Logging and Coring Programs are as followed

Testing –

DST's are not planned

Logging –

End of Surface casing - TD Gamma Ray, Density-Neutron Porosity,
Induction, Caliper, Sonic

Coring --

No coring is planned for this location

Any Anticipated Abnormal Pressures or Temperatures

No abnormal pressures or temperatures have been noted or reported in wells drilled in The area nor at the depths anticipated in this well. Bottom hole pressure expected is 3,800 psi max. No hydrogen sulfide or other hazardous gases or fluids have been found, reported or are known to exist at these depths in the area.

8. Anticipated Starting Date and Duration of the Operations.

The well will be drilled approx.: February 1, 2006

Verbal and/or written notifications listed below shall be submitted in accordance with instructions from the Division of Oil, Gas & Mining:

- (a) prior to beginning construction;
- (b) prior to spudding;
- (c) prior to running any casing or BOP tests;
- (d) prior to plugging the well, for verbal plugging instructions.

Spills, blowouts, fires, leaks, accidents or other unusual occurrences shall be reported to the Division of Oil, Gas & Mining immediately.

EXHIBIT "E"
Multipoint Surface Use Plan

Attached to UDOGM Form 3
Summit Operating, LLC
State 16-32-16-22
SE/4 SE/4, Sec. 32, T13S, R22E, SLB & M
689' FSL, 746' FEL
Uintah County, Utah

1. Existing Roads

- a. The proposed access road will be Constructed consistent with the State of Utah and Summit Operating, LLC, and will encroach on Uintah County Road 4610. County Road 4610 is the main access into this area.
- b. Existing roads will be maintained in the same or better condition. See Exhibit "B".

2. Planned Access

Approximately 200' of new access will be required (See Exhibit "B") Access is determined by acquired Right of way by the surface owner.

- a. Maximum Width: 24'
- b. Maximum grade: 10 %
- c. Turnouts: None
- d. Drainage design: 1 – 18" culvert" may be required along the new portion of the road. Water will be diverted around the road as necessary and practical.
- e. If the well is productive, the road will be surfaced and maintained as necessary to prevent soil erosion and accommodate year-round traffic.
- f. Existing trees will be left in place where practical to provide screening and buffer areas.

3. Location of Existing Wells

- a. See Exhibit "B", Drawing L-1. There is existing well locations within a one mile radius of the proposed location.

4. Location of Existing and/or Proposed Facilities

- a. If the well is a producer, installation of production facilities will follow.
- b. Rehabilitation of all pad areas not used for production facilities will be made in accordance with landowner stipulations.

5. Location and Type of Water Supply

- a. Water to be used for drilling will be obtained from Bitter Creek, Permit #T75377
- b. Water will be transported by truck over approved access roads.
- c. No water well is to be drilled for this location.

6. Source of Construction Materials

- a. Any necessary construction materials needed will be obtained locally from a private source and hauled to the location on existing roads.
- b. No construction or surfacing materials will be taken from Federal/Indian land.

7. Methods for handling waste disposal

- a. A reserve pit will be constructed with a minimum of one-half the total depth below the original ground surface on the lowest point within the pit. The pit will be lined with a synthetic liner. Three sides of the reserve pit will be fenced within 24 hours after completion of construction and the fourth side within 24 hours after drilling operations cease with four strands of barbed wire, or woven wire topped with barbed wire to a height of not less than four feet. The fence will be kept in good repair while the pit is drying.

- b. Following drilling, the liquid waste will be evaporated from the pit and the pit backfilled and returned to natural grade. No liquid hydrocarbons will be discharged to the reserve pit or location.
- c. In the event fluids are produced, any oil will be retained in tanks until sold and any water produced will be retained until its quality can be determined. The quality and quantity of the water will determine the method of disposal.
- d. Trash will be contained in a portable metal container and will be hauled from location periodically and disposed of at an approved disposal site. Chemical toilets will be placed on location and sewage will be disposed of at an appropriate disposal site.

8. Ancillary Facilities

- a. We anticipate no need for ancillary facilities with the exception of trailers to be located on the drill site.

9. Well-site Layout

- a. Available topsoil will be removed from the location and stockpiled. Location of the rig, reserve and blooie pits, and drilling support equipment will be located as shown on Attachment "C".
- b. A blooie pit will be located 100' from the drill hole. A line will be placed on the surface from the center hole to the blooie pit. The blooie pit will not be lined, but will be fenced on four sides to protect livestock/wildlife.
- c. Access to the well pad will be as shown on Exhibit "B".
- d. Natural runoff will be diverted around the well pad.

10. Plans for Restoration of Surface

- a. All surface areas not required for producing operations will be graded to as near original condition as possible and contoured to maintain possible erosion to a minimum.
- b. Available topsoil will be stockpiled and will be evenly distributed over the disturbed areas and the area will be reseeded as prescribed by the landowner.
- c. Pits and any other area that would present a hazard to wildlife or livestock will be fenced off when the rig is released and removed.

- d. Any oil accumulation on the pit will be removed or overhead flagged as dictated by then existed conditions.
- e. Rehabilitation will commence following completion of the well. Rat and mouse holes will be filled immediately upon release of the drilling rig from the location. If the well-site is to be abandoned, all disturbed areas will be recontoured to the natural contour as is possible.

11. Surface Ownership

- a. The well-site and access road will be constructed on lands owned by the School and Institutional Trust Lands Administration, 675 East 500 South, Salt Lake City, Utah 84102-2818; 801-538-5100. The operator shall contact the landowner and the Division of Oil, Gas and Mining 48 hours prior to beginning construction activities.

12. Other Information:

- a. The primary surface use is wildlife habitat and grazing. The nearest dwelling is approximately 4 miles West. Nearest live water is in Willow Creek, 4 miles West.
- b. If there is snow on the ground when construction begins, it will be removed before the soil is disturbed, and piled downhill from the topsoil stockpile location.
- c. The back-slope and fore-slope will be constructed no steeper than 3:1.
- d. All equipment and vehicles will be confined to the access road and well pad.
- e. A complete copy of the approved Application for Permit to Drill (APD) including conditions and stipulations shall be on the well-site during construction and drilling operations.

There will be no deviation from the proposed drilling and/or workover program without prior approval from the Division of Oil, Gas & Mining.

13. **Company Representative**

David Lillywhite
Summit Operating, LLC.
2064 Prospector Avenue
Suite 102
Park City, Utah 84060
1-435-940-9001

Permitting Consultant

Larry W. Johnson
Talon Resources, Inc.
195 North 100 West
Huntington, UT. 84528
1-435-687-5310

Excavation Contractor

Stubbs & Stubbs Oilfield Construction
437 South 800 East
Vernal, Utah 84078
1-435-789-8874

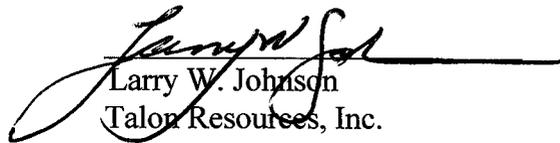
Mail Approved A.P.D. To:

Company Representative

14. **Certification**

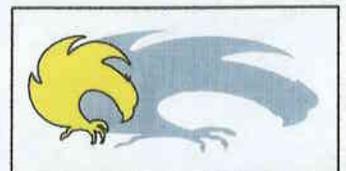
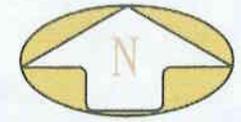
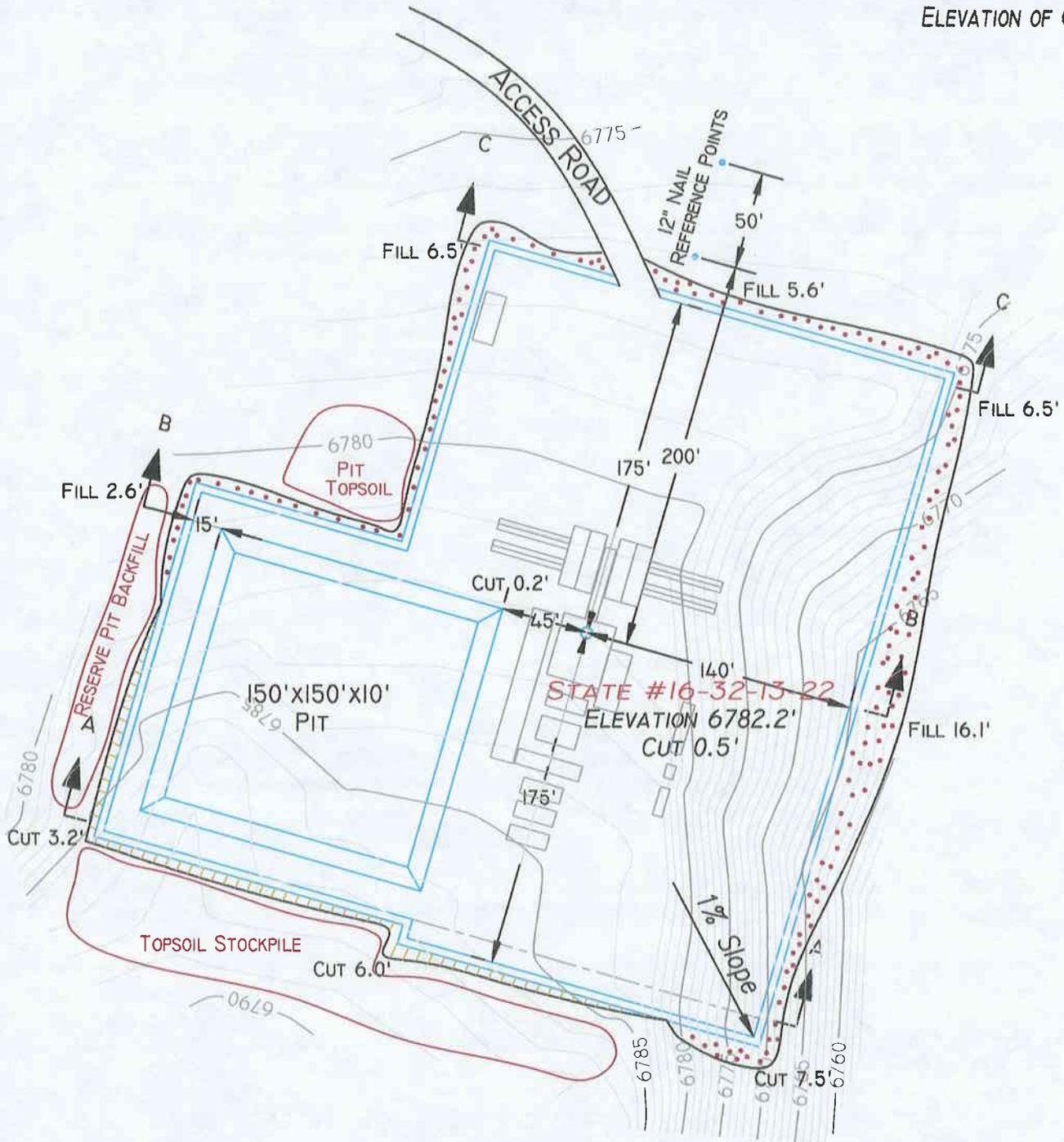
I hereby certify that I, or persons under my direct supervision have inspected the proposed drill site and access route; that I am familiar with the conditions which presently exist; that the statements made in this plan are, to the best of my knowledge, true and correct, and that the work associated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

12/14/05
Date


Larry W. Johnson
Talon Resources, Inc.

ELEVATION OF UNGRADED GROUND AT LOCATION STAKE = 6782.2'

ELEVATION OF GRADED GROUND AT LOCATION STAKE = 6781.7'



TALON RESOURCES, INC.

195 North 100 West P.O. Box 1230

Huntington, Utah 84528

Phone (435)687-5310 Fax (435)687-5311

E-Mail talon@etv.net

SUMMIT OPERATING

LOCATION LAYOUT

Section 32, T13S, R22E, S.L.B.&M.

WELL #16-32-13-22

Drawn By:
J. STANSFIELD

Checked By:
L.W.J.

Drawing No.

A-2

Date:

11/06/05

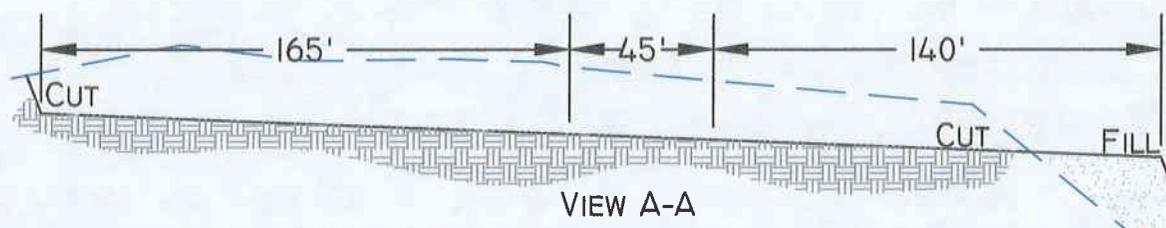
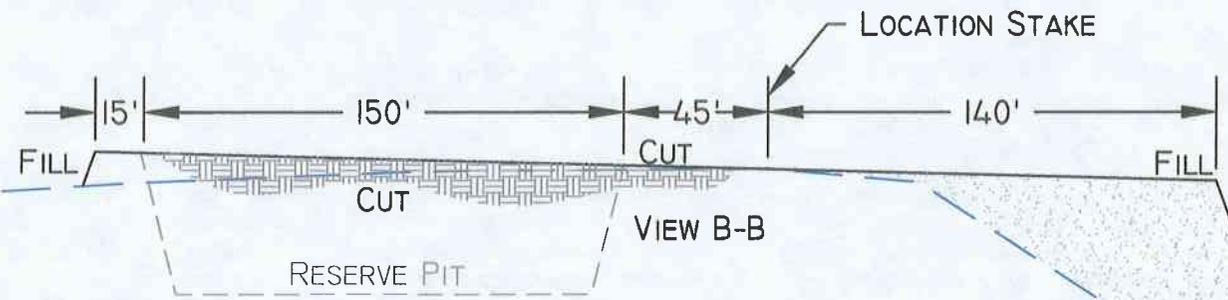
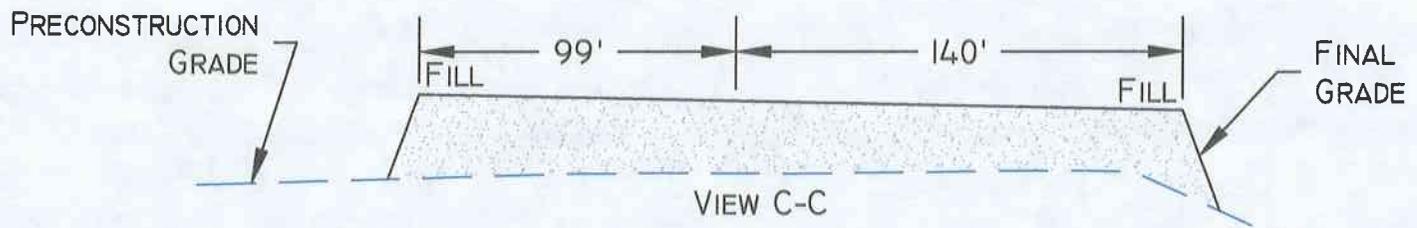
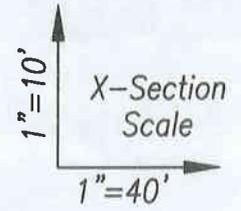
Scale:

1" = 50'

Sheet 2 of 4

Job No.

2082



SLOPE = 1 1/2 : 1
(EXCEPT PIT)
PIT SLOPE = 1 ; 1



TALON RESOURCES, INC.

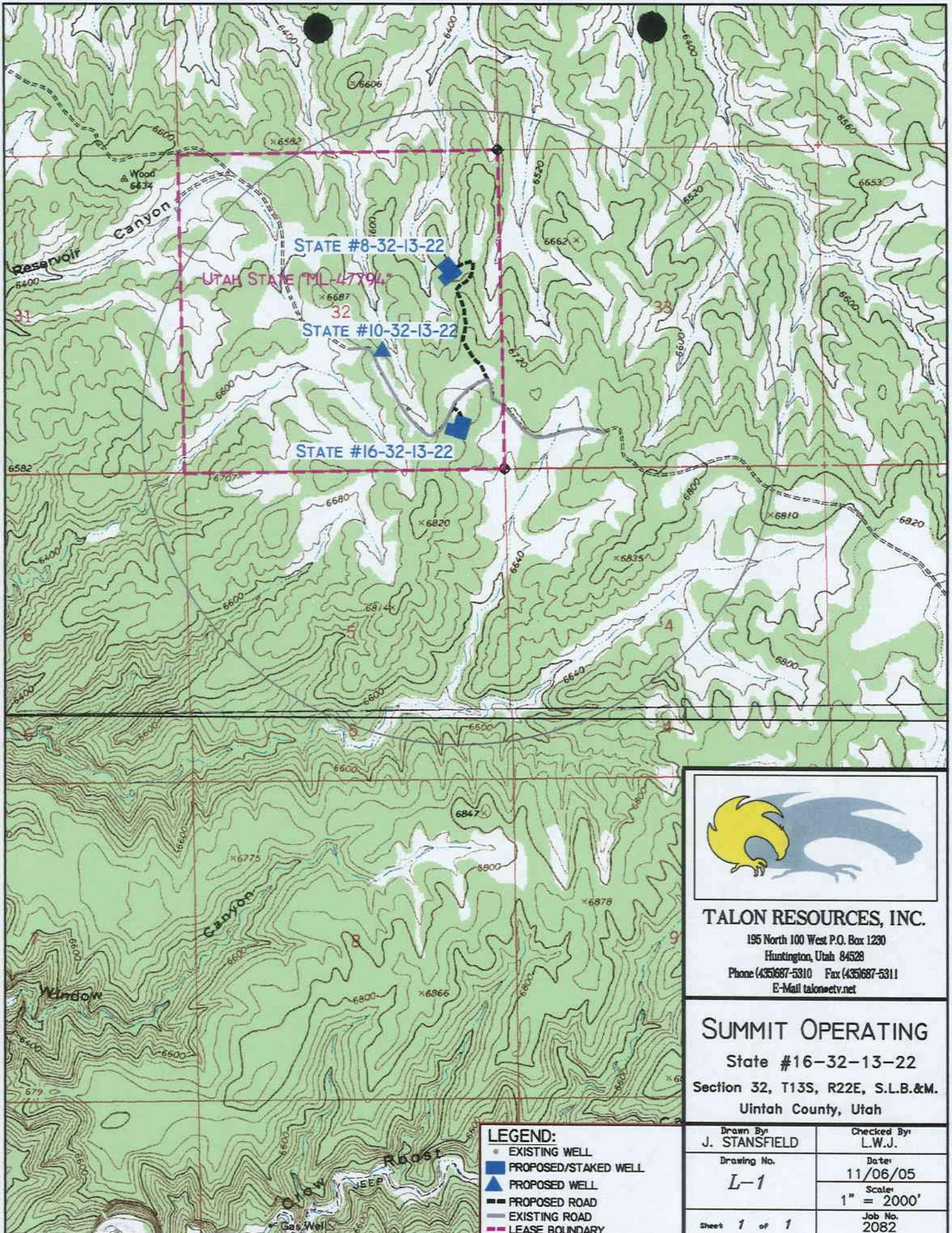
195 North 100 West P.O. Box 1230
Huntington, Utah 84528
Phone (435)687-5310 Fax (435)687-5311
E-Mail talonectv.net

SUMMIT OPERATING

TYPICAL CROSS SECTION
Section 32, T13S, R22E, S.L.B.&M.
WELL #16-32-13-22

Drawn By: J. STANSFIELD	Checked By: L.W.J.
Drawing No. C-1	Date: 11/06/05
	Scale: 1" = 40'
Sheet 3 of 4	Job No. 2082

APPROXIMATE YARDAGES
CUT
(6") TOPSOIL STRIPPING = 2,250 Cu. Yds.
REMAINING LOCATION = 5,810 Cu. Yds.
TOTAL CUT = 13,980 Cu. Yds.
TOTAL FILL = 12,310 Cu. Yds.



TALON RESOURCES, INC.

195 North 100 West P.O. Box 1230
 Huntington, Utah 84528
 Phone (435)687-5310 Fax (435)687-5311
 E-Mail talon@trv.net

SUMMIT OPERATING

State #16-32-13-22
 Section 32, T13S, R22E, S.L.B.&M.
 Uintah County, Utah

- LEGEND:**
- EXISTING WELL
 - PROPOSED/STAKED WELL
 - ▲ PROPOSED WELL
 - PROPOSED ROAD
 - EXISTING ROAD
 - LEASE BOUNDARY

Drawn By
J. STANSFIELD

Drawing No.
L-1

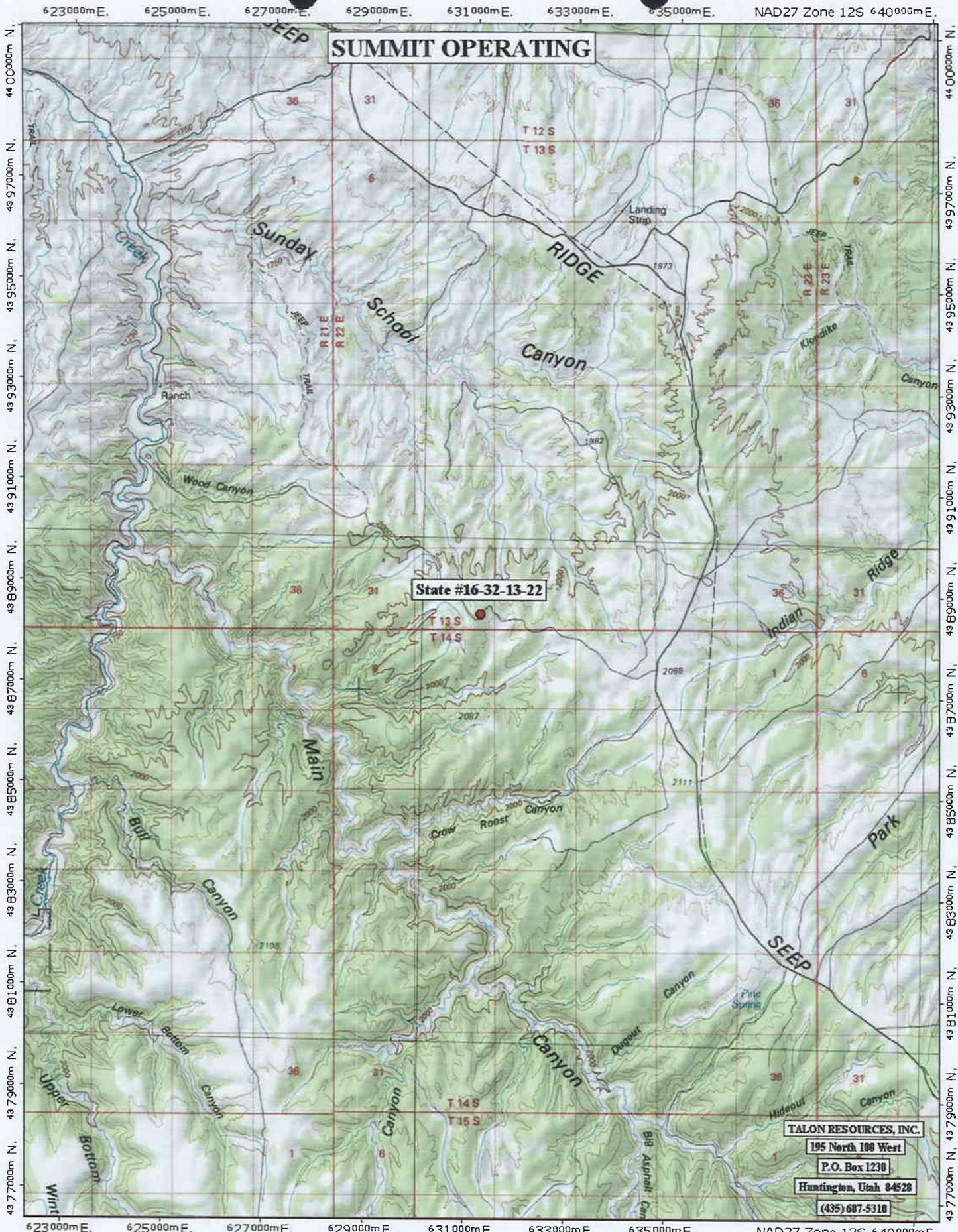
Sheet 1 of 1

Checked By
L.W.J.

Date:
11/06/05

Scale:
1" = 2000'

Job No.
2082

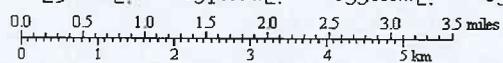


SUMMIT OPERATING

State #16-32-13-22

TALON RESOURCES, INC.
195 North 100 West
P.O. Box 1230
Huntington, Utah 84520
(435) 687-5310

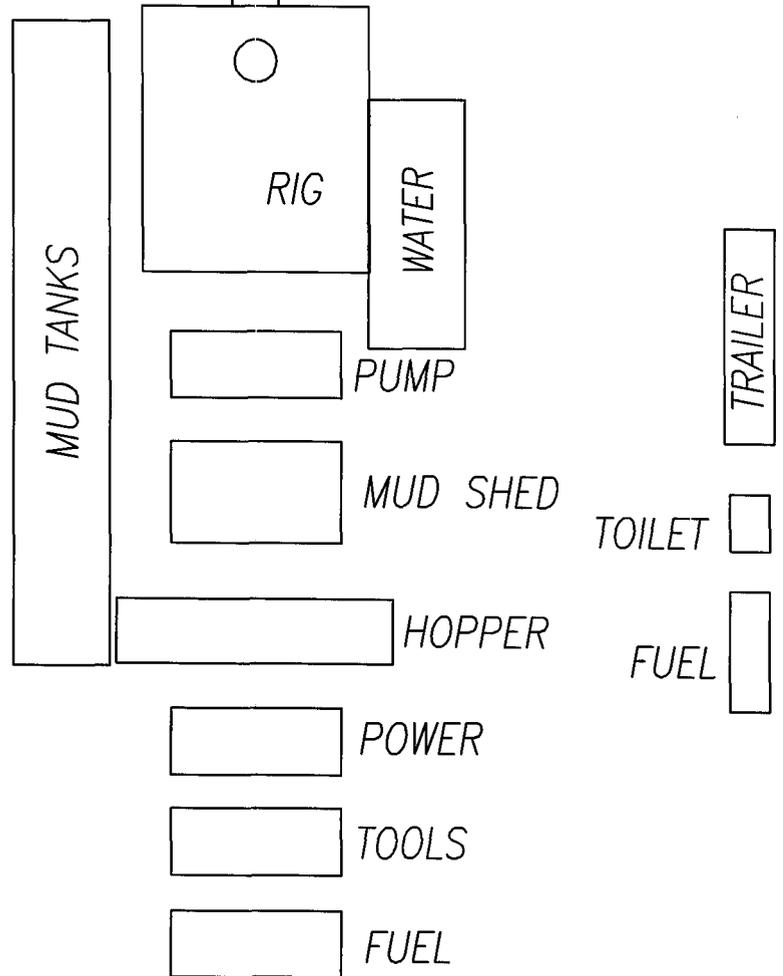
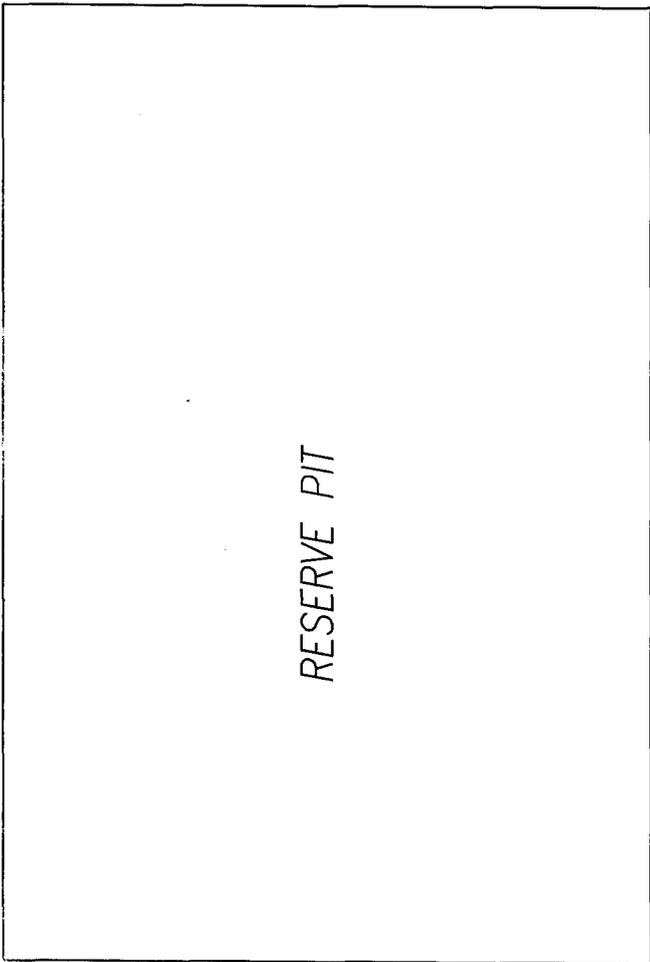
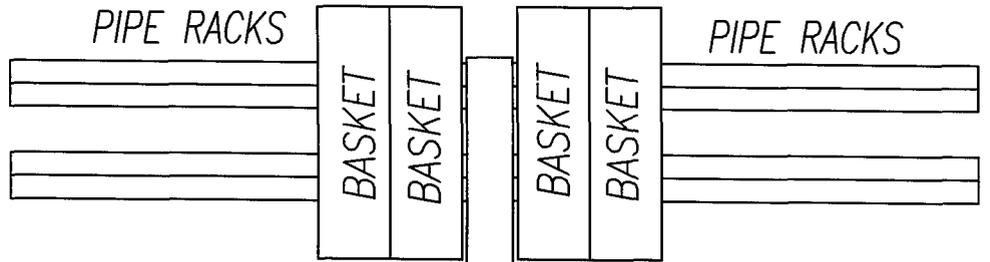
TN
12°



Map created with TOPO!® ©2003 National Geographic (www.nationalgeographic.com/topo)

Summit Operating

DATA



STORAGE TANK

RIG & EQUIPMENT LAYOUT
(Not to Scale)

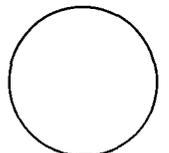
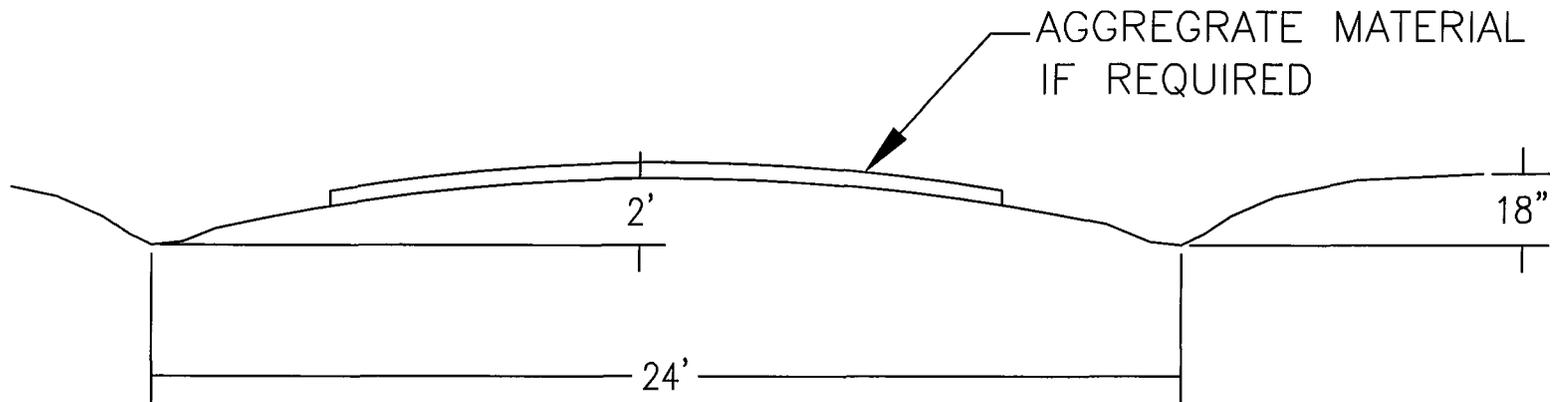
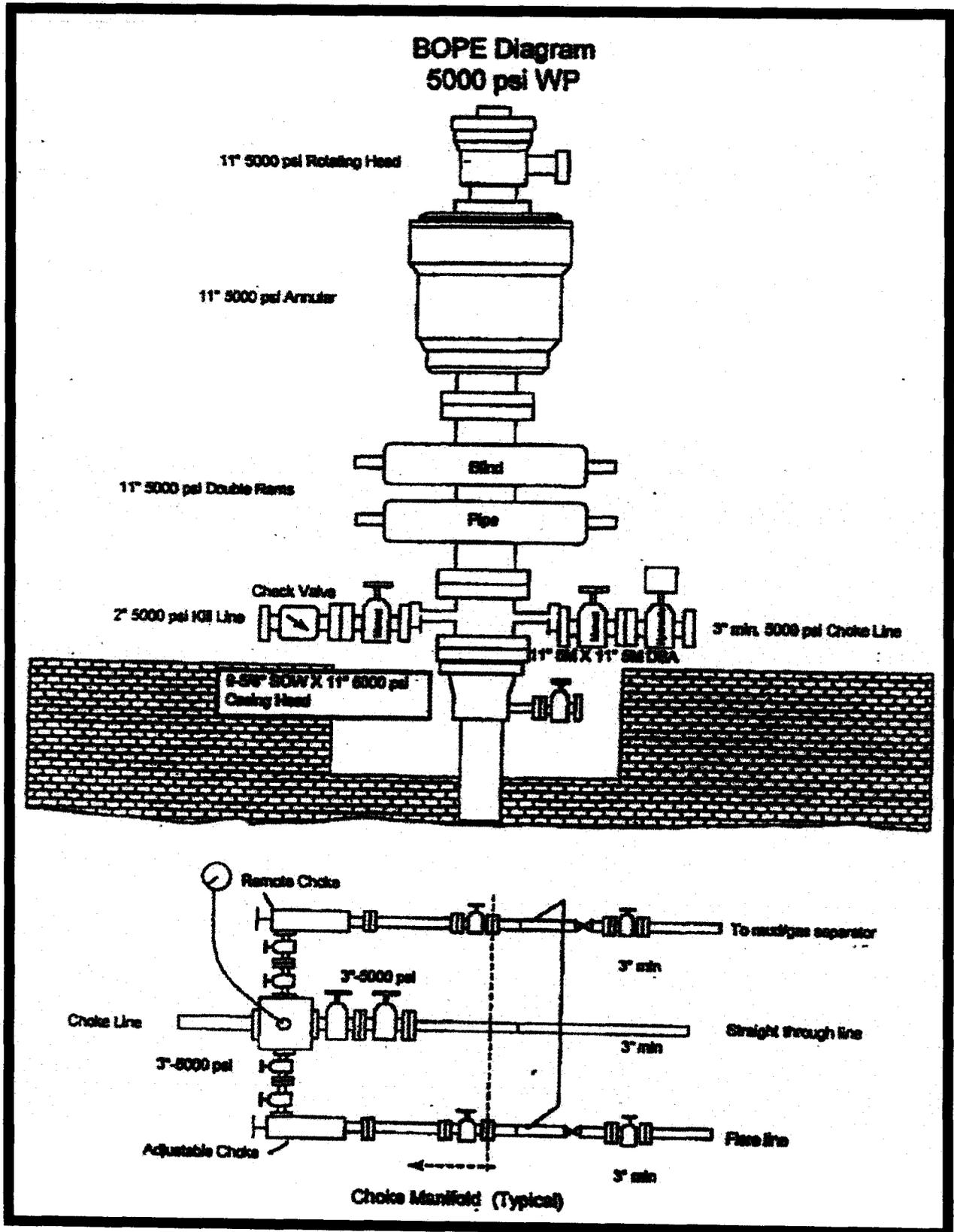


EXHIBIT "C"

TYPICAL ROAD CROSS-SECTION



Summit Operating



**WORKSHEET
APPLICATION FOR PERMIT TO DRILL**

APD RECEIVED: 12/15/2005

API NO. ASSIGNED: 43-047-37520

WELL NAME: STATE 16-32-13-22
 OPERATOR: SUMMIT OPERATING LLC (N2315)
 CONTACT: LARRY JOHNSON

PHONE NUMBER: 435-687-5310

PROPOSED LOCATION:

~~SWSW~~ 32 130S 220E
 SURFACE: 0689 FSL 0746 FEL
 BOTTOM: 0689 FSL 0746 FEL
 UINTAH
 WILDCAT (1)

INSPECT LOCATN BY: / /		
Tech Review	Initials	Date
Engineering	DWS	1/23/06
Geology		
Surface		

LEASE TYPE: 3 - State
 LEASE NUMBER: ML-47794
 SURFACE OWNER: 3 - State
 PROPOSED FORMATION: MNKP
 COALBED METHANE WELL? NO

LATITUDE: 39.63779
 LONGITUDE: -109.4713

RECEIVED AND/OR REVIEWED:

- Plat
- Bond: Fed[] Ind[] Sta[] Fee[]
(No. 2SB800622)
- Potash (Y/N)
- Oil Shale 190-5 (B) or 190-3 or 190-13
- Water Permit
(No. T75377)
- RDCC Review (Y/N)
(Date: 01/04/2006)
- 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: _____
Eff Date: _____
Siting: _____
- R649-3-11. Directional Drill

COMMENTS:

Needs Permit (01-09-06)

STIPULATIONS:

1. Spacing Strip
2. STATEMENT OF BASIS

T13S R22E

30

29

28

31

32

33

STATE 8-32-13-22

STATE 16-32-13-22

T14S R22E

6

5

4

PINE SPRINGS FIELD

OPERATOR: SUMMIT OPER LLC (N2315)

SEC: 32 T. 13S R. 22E

FIELD: WILDCAT (001)

COUNTY: UINTAH

SPACING: R649-3-2 / GENERAL SITING

Field Status

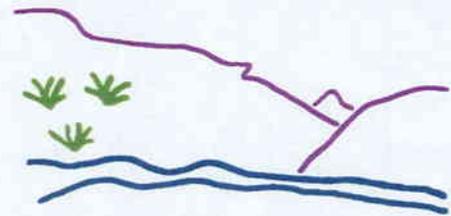
- ABANDONED
- ACTIVE
- COMBINED
- INACTIVE
- PROPOSED
- STORAGE
- TERMINATED

Unit Status

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

Wells Status

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



Utah Oil Gas and Mining



PREPARED BY: DIANA WHITNEY
DATE: 20-DECEMBER-2005

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

OPERATOR: Summit Operating, LLC
WELL NAME & NUMBER: State 16-32-13-22
API NUMBER: 43-047-37520
LOCATION: 1/4,1/4 SE/NW Sec:32 TWP: 13S RNG: 22 E 689' FSL 746' FEL

Geology/Ground Water:

Summit proposes setting 2,000 feet of surface casing cemented to surface. The Base of the moderately saline ground water is estimated to be at a depth of 4,300 feet. A search of Division of Water Rights records indicates that there are no water wells within a 10,000' radius of the center of Section 32. The surface formation at the proposed location is the Green River Formation. The Green River Formation can be a significant aquifer and should be protected. The proposed casing and cement program should adequately protect useable ground water.

Reviewer: Brad Hill **Date:** 01-17-06

Surface:

At the request of Summit Resources LLC, a pre-site for this well was completed on 1/09/2006. The State of Utah (SITLA) owns both the surface and minerals. Mr. Larry Johnson, of Talon Consulting representing Summit Resources LLC, was contacted by phone on 1/3/2006 and informed of and invited to participate in the presite. He suggested the date set. Mr. Ben Williams of the Utah Division of Wildlife Resources and Mr. Jim Davis from SITLA were both contacted by telephone and e-mail and both attended.

Ben Williams, representing the UDWR, stated this area is also classified as critical value winter habitat for both deer and elk. He explained how the areas are classified. Mr. Williams recommended to Mr. Johnson, Mr. Davis and Mr. Stubbs that they limit their activity from Nov. 15 thru April 15 to protect wintering values for these species. This activity would include road and pad construction, drilling and work-over rigs. Mr. Williams gave Mr. Johnson and Mr. Davis a written summary of his observations and a recommended seed mix for stabilizing the area. I explained to Mr. Johnson that the seasonal restriction were recommendation from DWR and would not be a condition of the permit that DOGM would issue. Mr. Johnson said he would include this information in his report to Summit Operating.

The area poses no surface problems for drilling a well.

Reviewer: Floyd Bartlett **Date:** 01/09/2006

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.
2. An archeological survey needs to be completed and submitted.

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

OPERATOR: Summit Operating, LLC
WELL NAME & NUMBER: State 16-32-13-22
API NUMBER: 43-047-37520
LEASE: ML-47794 **FIELD/UNIT:** Undesignated
LOCATION: 1/4, 1/4 SE/NW Sec:32 TWP: 13S RNG: 22 E 689' FSL 746' FEL
LEGAL WELL SITING: 460 F SEC. LINE; 460 F 1/4, 1/4 LINE; 920 F ANOTHER WELL.
GPS COORD (UTM): 4388464 Y 0631184 X **SURFACE OWNER:** STATE (SITLA)

PARTICIPANTS

Floyd Bartlett (DOGGM), Jim Davis (SITLA), Larry Johnson, (Talon Resources-Permit Consultant), Jared Lofthouse (Surveyor, Talon Resources), David Taylor (Surveyor, Talon Resources), Cory Stubbs (Stubbs and Stubbs Construction), Ben Williams (Utah Division of Wildlife Resources)

REGIONAL/SETTING TOPOGRAPHY

Site is in Uintah County, Utah in the head of tributary of Main Canyon of the Willow Creek drainage and approximately 2 ½ miles west of the Seep Ridge Uintah County Road. Ouray, Utah is approximately 44 miles to the north. The Willow Creek drainage lies to the west and the Bitter Creek drainage is to the east. 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 southwesterly toward Willow Creek, which contains a perennial stream. All drainages in the immediate area are ephemeral.

Access to the site from Ouray, UT is following the Seep Ridge Road south approximately 44 miles, then west on the Wood Canyon approximately two miles to the proposed location. The location is immediately southeast of the Wood Canyon road and will require approximately 200 feet of new access road..(See Drawing L-1 of the APD).

The well pad is location is on a flat ridge top that slopes slightly to the northeast. It is in the edge of a pinion/juniper stand leading into sagebrush on the northwest side.

SURFACE USE PLAN

CURRENT SURFACE USE: Summer and winter cattle grazing, small and big game hunting and general recreation.

PROPOSED SURFACE DISTURBANCE: Location of 350' x 335' which includes a reserve pit of 150' x 150' and a 15' wide bench. Approximately 200 feet of new road will be constructed from the existing Wood Canyon Uintah County road. A pipeline will be laid adjacent to the road.

LOCATION OF EXISTING WELLS WITHIN A 1 MILE RADIUS: There are no existing wells within 1 mile radius. This operator within this radius currently plans two other wells.

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). Probably not as there is oil field activity in the general area.

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 mixed pinion/juniper-sagebrush type consisting of pinion and juniper, big sage, 4-winged saltbrush, winterfat, slender wheatgrass, blue gramma and curly mesquite. Deer, elk, mountain lion, coyote and other small mammals and birds.

SOIL TYPE AND CHARACTERISTICS: Deep light brown sandy loam. No exposed surface rock.

EROSION/SEDIMENTATION/STABILITY: Very little natural erosion. No significant drainages intercept the proposed location. 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: 150' x 150' x 10' deep, located in an area of cut on the southeast corner of the location. A 15' wide bench is planned around the outer edges. Two feet of freeboard is provided.

LINER REQUIREMENTS (Site Ranking Form attached): Level I sensitivity. A pit liner with a sub liner is required for the reserve pit.

SURFACE RESTORATION/RECLAMATION PLAN

As per Land Owner Agreement.

SURFACE AGREEMENT:

A surface agreement has been executed and is on file.

ARCULTURAL RESOURCES/ARCHAEOLOGY: An archaeological survey has not yet been completed.

OTHER OBSERVATIONS/COMMENTS

Ben Williams, representing the UDWR, stated this area is classified as critical value winter habitat for both deer and elk. He explained how the areas are classified. He recommended to Mr. Johnson, Mr. Davis and Mr. Stubbs that they limit their activity from Nov. 15 thru April 15 to protect wintering values for these species. This activity would include road and pad construction, drilling and work-over rigs. Mr. Williams gave Mr. Johnson and Mr. Davis a written summary of his observations and a recommended seed mix for stabilizing the area. I explained to Mr. Johnson that the seasonal restriction were recommendation from DWR and would not be a condition of the permit that DOGM would issue. Mr. Johnson said he would include this information in his report to Summit Operating.

ATTACHMENTS

Photos of this site were taken and placed on file.

FLOYD BARTLETT
DOGM REPRESENTATIVE

January 9, 2006; 11:30 AM

DATE/TIME

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

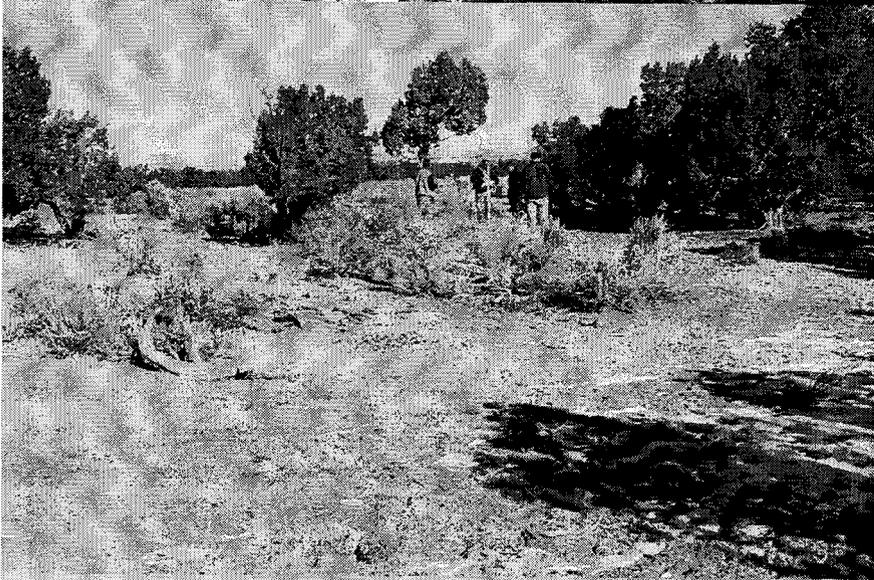
<u>Site-Specific Factors</u>	<u>Ranking</u>	<u>Site Ranking</u>
Distance to Groundwater (feet)		
>200	0	
100 to 200	5	
75 to 100	10	
25 to 75	15	
<25 or recharge area	20	<u>0</u>
Distance to Surf. Water (feet)		
>1000	0	
300 to 1000	2	
200 to 300	10	
100 to 200	15	<u>0</u>
< 100	20	
Distance to Nearest 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>10</u>
Native Soil Type		
Low permeability	0	
Mod. permeability	10	
High permeability	20	<u>10</u>
Fluid Type		
Air/mist	0	
Fresh Water	5	
TDS >5000 and <10000	10	
TDS >10000 or Oil Base Mud Fluid	15	
containing significant levels of hazardous constituents	20	<u>5</u>
Drill Cuttings		
Normal Rock	0	
Salt or detrimental	10	<u>0</u>
Annual Precipitation (inches)		
<10	0	
10 to 20	5	
>20	10	<u>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 25 (Level I Sensitivity)

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

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

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





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

1. State Agency Oil, Gas and Mining 1594 West North Temple, Suite 1210 Salt Lake City, UT 84114-5801	2. Approximate date project will start: Upon Approval or January 3, 2006
3. Title of proposed action: Application for Permit to Drill	
4. Description of Project: Summit Operating LLC proposes to drill the State 16-32-13-22 well (wildcat) on a State lease ML-47794, Uintah County, Utah. This action is being presented to the RDCC for consideration of resource issues affecting state interests. The Division of Oil, Gas and Mining is the primary administrative agency in this action and must issue approval before operations commence.	
5. Location and detailed map of land affected (site location map required, electronic GIS map preferred) (include UTM coordinates where possible) (indicate county) 689' FSL 746' FEL, SE/4 SE/4, Section 32, Township 13 South, Range 22 East, Uintah County, Utah	
6. Possible significant impacts likely to occur: Surface impacts include up to five acres of surface disturbance during the drilling and completion phase (estimated for five weeks duration). If oil and gas in commercial quantities is discovered, the location will be reclaimed back to a net disturbance of between one and two acres – not including road, pipeline, or utility infrastructure. If no oil or gas is discovered, the location will be completely reclaimed.	
7. Identify local government affected a. Has the government been contacted? No. b. When? c. What was the response? d. If no response, how is the local government(s) likely to be impacted?	
8. For acquisitions of land or interests in land by DWR or State Parks please identify state representative and state senator for the project area. Name and phone number of state representative, state senator near project site, if applicable: a. Has the representative and senator been contacted? N/A	
9. Areawide clearinghouse(s) receiving state action: (to be sent out by agency in block 1) Uintah Basin Association of Governments	
10. For further information, contact: Diana Whitney Phone: (801) 538-5312	11. Signature and title of authorized officer  Gil Hunt, Associate Director Date: December 20, 2005

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

FORM 5

AMENDED REPORT
(highlight changes)

APPLICATION FOR PERMIT TO DRILL				5. MINERAL LEASE NO: ML-47794	6. SURFACE: State
1A. TYPE OF WORK: DRILL <input checked="" type="checkbox"/> REENTER <input type="checkbox"/> DEEPEN <input type="checkbox"/>				7. IF INDIAN, ALLOTTEE OR TRIBE NAME: N/A	
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: N/A	
2. NAME OF OPERATOR: Summit Operating, LLC				9. WELL NAME and NUMBER: State 16-32-13-22	
3. ADDRESS OF OPERATOR: 2064 Prospector Ave 102 CITY Park City STATE UT ZIP 84060			PHONE NUMBER: (435) 940-9001	10. FIELD AND POOL, OR WILDCAT: See Ridge Wildcat	
4. LOCATION OF WELL (FOOTAGES) AT SURFACE: 689' FSL, 746' FEL <i>631184x 39.637789</i> AT PROPOSED PRODUCING ZONE: 689' FSL, 746' FEL <i>4388464y -109.471281</i>				11. QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: SWSW 32 13S 22E S EE	
14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE: 44 miles south of Ouray, Utah				12. COUNTY: Uintah	13. STATE: UTAH
15. DISTANCE TO NEAREST PROPERTY OR LEASE LINE (FEET) 689'		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) See attached map		19. PROPOSED DEPTH: 11,750		20. BOND DESCRIPTION: N2315	
21. ELEVATIONS (SHOW WHETHER DF, RT, GR, ETC.): 6782' GR		22. APPROXIMATE DATE WORK WILL START: 2/1/2006		23. ESTIMATED DURATION: 28 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			
12-3/4"	9-5/8"	J-55 LT&C	36#	2,000	HHF	350 Sacks	3.2 cu ft/sk	11.6 ppg
					Premium	200 sacks	1.17 cu ft/sk	15.8 ppg
7-7/8"	5-1/2"	N-80 LT&C	17#	11,750	Super flush/water			9.2/8.33 ppg
					50/50 Poz Premium AG	450 sacks	1.49 cu ft/sk	13.5 ppg
					Hi Fill Mod	415 sacks	3.85 cu ft/sk	11.0 ppg
					Premium AG	50 sacks	1.15 cu ft/sk	15.8 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 type="checkbox"/> EVIDENCE OF DIVISION OF WATER RIGHTS APPROVAL FOR USE OF WATER	<input type="checkbox"/> FORM 5, IF OPERATOR IS PERSON OR COMPANY OTHER THAN THE LEASE OWNER

NAME (PLEASE PRINT) Larry W. Johnson TITLE Agent for Summit Operating, LLC

SIGNATURE *Larry W. Johnson* DATE 12/14/05

(This space for State use only)

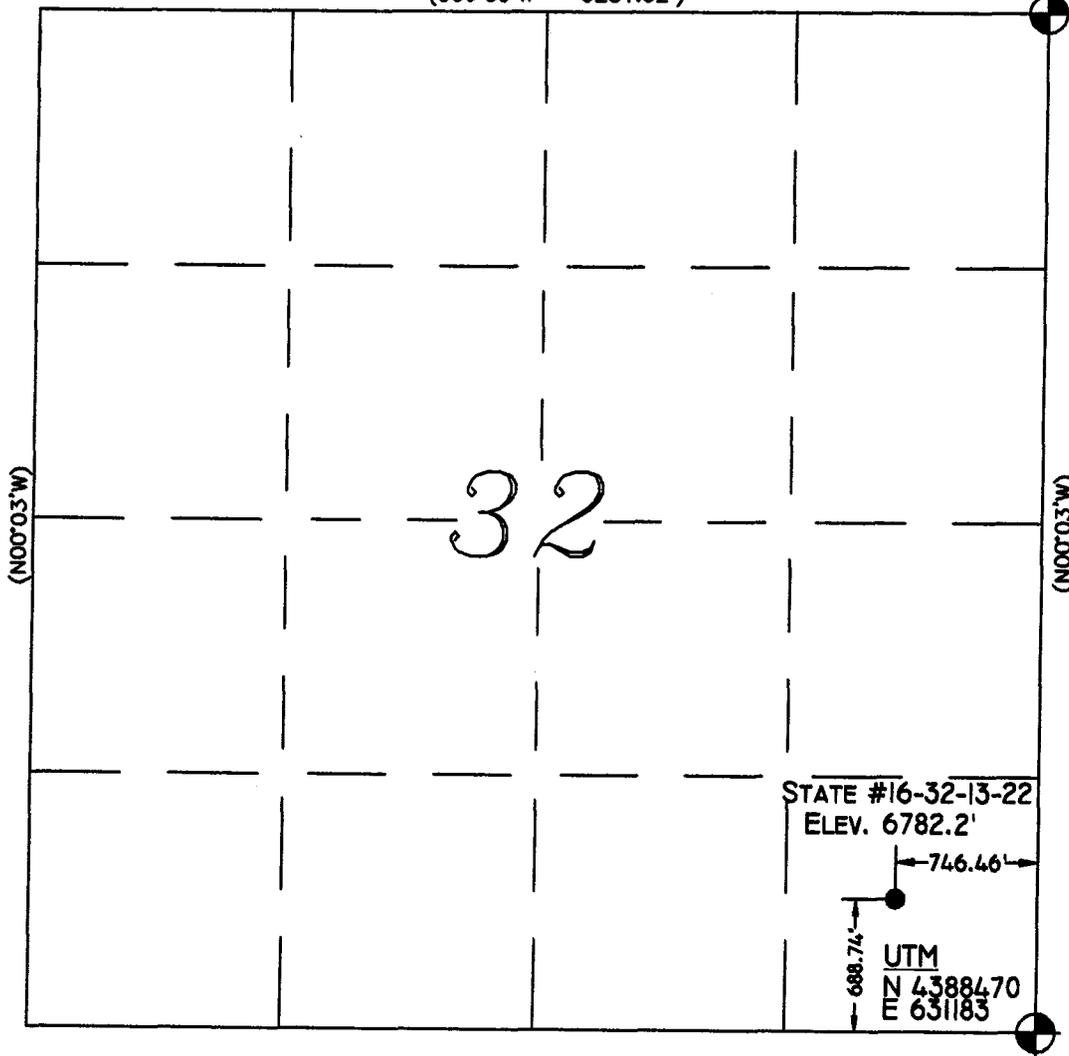
API NUMBER ASSIGNED: 43-047-37520 APPROVAL: _____

RECEIVED
DEC 15 2005
DIV. OF OIL, GAS & MINING

Range 22 East

(S89°59'W - 5281.32')

Township 13 South



Location:

The well location was determined using a Trimble 5700 GPS survey grade unit.

Basis of Bearing:

The Basis of Bearing is GPS Measured.

GLO Bearing:

The Bearings indicated are per the recorded plat obtained from the U.S. Land Office.

Basis of Elevation:

Basis of Elevation of 6849.0' being at the West Quarter Corner of Section 2, Township 14 South, Range 22 East, Salt Lake Base & Meridian, as shown on the Bates Knolls Quadrangle 7.5 Minute Series Map.

Description of Location:

Proposed Drill Hole located in the SE1/4 SE1/4 of Section 32, T13S, R22E, S.L.B.&M., being 688.74' North and 746.46' West from the Southeast Corner of Section 32, T13S, R22E, Salt Lake Base & Meridian.

Surveyor's Certificate:

I, Albert J. Spensko, a Registered Professional Land Surveyor, holding Certificate 146652 State of Utah, do hereby certify that the information on this drawing is a true and accurate survey based on data of record and was conducted under my personal direction and supervision as shown hereon.



TALON RESOURCES, INC.
 195 North 100 West P.O. Box 1230
 Huntington, Utah 84528
 Phone (435)687-5310 Fax (435)687-5311
 E-Mail talonnetv.net

SUMMIT OPERATING

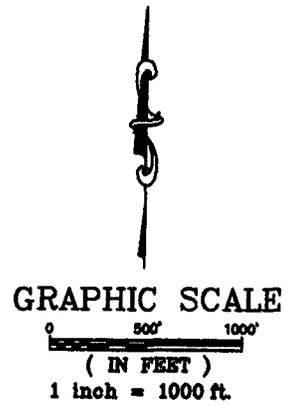
State #16-32-13-22
 Section 32, T13S, R22E, S.L.B.&M.
 Uintah County, Utah

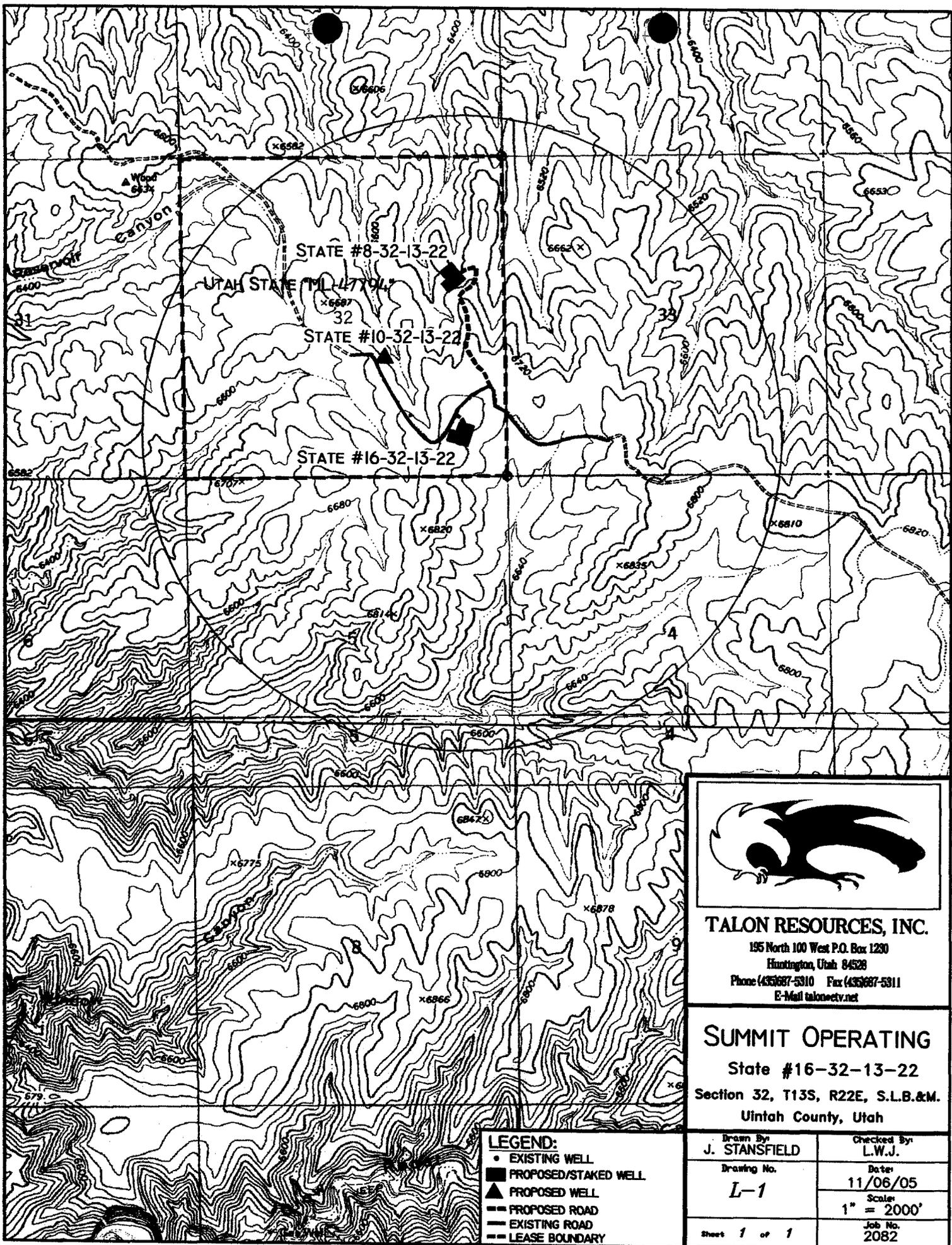
Drawn By: J. STANSFIELD	Checked By: L.W.J./J.S.H.
Drawing No. A-1	Date: 11/06/05
	Scale: 1" = 1000'
Sheet 1 of 4	Job No. 2082

- Legend**
- Drill Hole Location
 - ⊙ Brass Cap (Found)
 - Brass Cap (Searched for, but not found)
 - △ Rock Pile
 - () GLO
 - GPS Measured

NOTES:
 1. UTM and Latitude / Longitude Coordinates are derived using a GPS Pathfinder and are shown in NAD 27 Datum.

LAT / LONG
 39°38'16.243" N
 109°28'16.679" W





TALON RESOURCES, INC.
 195 North 100 West P.O. Box 1230
 Huntington, Utah 84528
 Phone (435)687-5310 Fax (435)687-5311
 E-Mail talon@tv.net

SUMMIT OPERATING
 State #16-32-13-22
 Section 32, T13S, R22E, S.L.B.&M.
 Uintah County, Utah

LEGEND:

- EXISTING WELL
- ▲ PROPOSED/STAKED WELL
- ▲ PROPOSED WELL
- - - PROPOSED ROAD
- EXISTING ROAD
- - - LEASE BOUNDARY

Drawn By J. STANSFIELD	Checked By L.W.J.
Drawing No. L-1	Date 11/06/05
	Scale 1" = 2000'
Sheet 1 of 1	Job No. 2082

Casing Schematic

Green River

Surface

STIP - TOC Surface

9-5/8"
MW 8.4
Frac 19.3

TOC @
143.

1679 TOC Tail w/ 18% washout
1924 Wasatch ✓ Surface w/ 15% washout
Surface
2000. MD

BHP

$$(1.052)(10)(11,750) = 6110$$

Anticipate 3,800

GCS

$$(1.12)(11,750) = 1410$$

MASP = 4700

BOPE - 5,000

Surf csg - 3520

$$70\% = 2464$$

Max pressure @ Surf shoe = 1655

✓ TEST TO 1600# (propose 1500)

TOC @ 3716.
3724 Mesaverde

STIP - TOC ± 3500'

41300 BMSW

5944 Mancos shale

✓ w/ 15% washout

9375 TOC Tail

10,724 Navajo S.S.

5-1/2"
MW 10.

Production
11750. MD

Well name:	01-06 Summit State 16-32-13-22	
Operator:	Summit Exploration Company	
String type:	Surface	Project ID: 43-047-37520
Location:	Uintah County	

Design parameters:

Collapse

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

Burst

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

No backup mud specified.

Minimum design factors:

Collapse:

Design factor 1.125

Burst:

Design factor 1.00

Tension:

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

Tension is based on buoyed weight.
Neutral point: 1,751 ft

Environment:

H2S considered? No
Surface temperature: 65 °F
Bottom hole temperature: 93 °F
Temperature gradient: 1.40 °F/100ft
Minimum section length: 250 ft

Cement top: 143 ft

Non-directional string.

Re subsequent strings:

Next setting depth: 11,750 ft
Next mud weight: 10.000 ppg
Next setting BHP: 6,104 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	36.00	J-55	LT&C	2000	2000	8.796	142.4
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	873	2020	2.315	2000	3520	1.76	63	453	7.18 J

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

Phone: 801-538-5280
FAX: 810-359-3940

Date: January 18, 2006
Salt Lake City, Utah

Remarks:

Collapse is based on a vertical depth of 2000 ft, a mud weight of 8.4 ppg. The casing is considered to be evacuated for collapse purposes. Collapse strength is based on the Westcott, Dunlop & Kemler method of biaxial correction for tension.

Burst strength is not adjusted for tension.

Well name:	01-06 Summit State 16-32-13-22		
Operator:	Summit Exploration Company		
String type:	Production	Project ID:	43-047-37520
Location:	Uintah County		

Design parameters:

Collapse

Mud weight: 10.000 ppg
 Design is based on evacuated pipe.

Burst

Max anticipated surface pressure: 4,694 psi
 Internal gradient: 0.120 psi/ft
 Calculated BHP: 6,104 psi

 No backup mud specified.

Minimum design factors:

Collapse:

Design factor 1.125

Burst:

Design factor 1.00

Tension:

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

Tension is based on buoyed weight.
 Neutral point: 9,968 ft

Environment:

H2S considered? No
 Surface temperature: 65 °F
 Bottom hole temperature: 230 °F
 Temperature gradient: 1.40 °F/100ft
 Minimum section length: 1,500 ft

 Cement top: 3,716 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	11750	5.5	17.00	N-80	LT&C	11750	11750	4.767	404.9

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	6104	6290	1.030	6104	7740	1.27	169	348	2.05 J

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

Phone: 801-538-5280
 FAX: 810-359-3940

Date: January 18, 2006
 Salt Lake City, Utah

Remarks:

Collapse is based on a vertical depth of 11750 ft, a mud weight of 10 ppg. The casing is considered to be evacuated for collapse purposes. Collapse strength is based on the Westcott, Dunlop & Kemler method of biaxial correction for tension.

Burst strength is not adjusted for tension.

From: Ed Bonner
To: Whitney, Diana
Date: 2/15/2006 3:57:43 PM
Subject: Well Clearance

The following wells have been given cultural resource clearance by the Trust Lands Cultural Resources Group:

EOG Resources, Inc
NBU 556-18E
NBU 557-18E

Summit Operating, LLC
State 16-32-13-22
State 8-32-13-22
State 6-36-13-22
State 4-36-13-22

Westport Oil & Gas Company
NBU 1021-28G
NBU 1021-28O (APD has name as **State 1021-28O**) One significant site which must be avoided
NBU 1021-13A
NBU 1021-13C
NBU 1021-13G
NBU 1021-13I
NBU 1021-13K
NBU 1021-13O

Wind River II Corporation
Snowshoe 2-15-16-22

If you have any questions regarding this matter please give me a call.

CC: Garrison, LaVonne; Hill, Brad; Hunt, Gil

From: Robert Clark
To: Whitney, Diana
Date: 12/27/2005 10:04:40 AM
Subject: RDCC short turn around responses

Summit
43-047-37520

The following comments are submitted directly to DOG&M due to their short turn around status.

The following comments are submitted for **RDCC #6049-6050**. The comments pertain to both projects.

Comments begin: The proposed well drilling project in Uintah County may require a permit, known as an Approval Order, from the Utah Division of Air Quality. If any compressor stations are constructed at the site, a permit application, known as a Notice of Intent (NOI), should be submitted to the Executive Secretary at the Utah Division of Air Quality at 150 N. 1950 West, SLC, UT, 84116 for review according to the Utah Air Quality Rule R307-401. Permit: Notice of Intent and Approval Order. The proposed project is also subject to Utah Air Quality Rule R307-205-3, Fugitive Dust, due to the fugitive dust that is generated during the excavating phases of the project. These rules apply to construction activities that disturb an area greater than 1/4 acre in size. A permit, known as an Approval Order, is not required from the Division of Air Quality, but steps need to be taken to minimize fugitive dust, such as, watering and/or chemical stabilization, providing vegetative or synthetic cover and windbreaks. A copy of the rules may be found at www.rules.utah.gov/publicat/code/r307/r307.htm . **Comments end.**

Robert Clark
Division of Air Quality
536-4435

CC: Mcneill, Dave; Wright, Carolyn



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

February 16, 2006

Summit Operating, LLC
2064 Prospector Ave., Suite 102
Park City, UT 84060

Re: State 16-32-13-22 Well, 689' FSL, 746' FEL, SE SE, Sec. 32, T. 13 South,
R. 22 East, Uintah County, Utah

Gentlemen:

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

This approval shall expire one year from the above date unless substantial and continuous operation is underway, or a request for extension is made prior to the expiration date. The API identification number assigned to this well is 43-047-37520.

Sincerely,

Gil Hunt
Associate Director

pab
Enclosures

cc: Uintah County Assessor
SITLA

Operator: Summit Operating, LLC
Well Name & Number State 16-32-13-22
API Number: 43-047-37520
Lease: ML-47794

Location: SE SE **Sec.** 32 **T.** 13 South **R.** 22 East

Conditions of Approval

1. **General**

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

2. **Notification Requirements**

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 State of Utah Antiquities Act forbids disturbance of archeological, historical, or paleontological remains. Should archeological, historical or paleontological remains be encountered during your operations, you are required to immediately suspend all operations and immediately inform the Trust Lands Administration and the Division of State History of the discovery of such remains.

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

Page 2

API #43-047-37520

February 16, 2006

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

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

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

CONFIDENTIAL

FORM 9

SUNDRY NOTICES AND REPORTS ON WELLS		5. LEASE DESIGNATION AND SERIAL NUMBER: ML-47794
Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.		6. IF INDIAN, ALLOTTEE OR TRIBE NAME: N/A
1. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER <u>Approved Gas Well APD</u>		7. UNIT or CA AGREEMENT NAME: N/A
2. NAME OF OPERATOR: Summit Operating, LLC		8. WELL NAME and NUMBER: State 16-32-13-22
3. ADDRESS OF OPERATOR: 2064 Prospector Ave, #102, Park City, STATE UT ZIP 84060		9. API NUMBER: 43-047-37520
4. LOCATION OF WELL FOOTAGES AT SURFACE: 689' FSL, 746' FEL COUNTY: Uintah		10. FIELD AND POOL, OR WILDCAT: Seep Ridge
QTR/CTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: SESE, Section 2, T14S, R22E, SLM		STATE: UTAH

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

TYPE OF SUBMISSION	TYPE OF ACTION		
<input checked="" type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: <u>September, 2007</u>	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> REPERFORATE CURRENT FORMATION
	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> SIDETRACK TO REPAIR WELL
<input type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion:	<input type="checkbox"/> CASING REPAIR	<input type="checkbox"/> NEW CONSTRUCTION	<input type="checkbox"/> TEMPORARILY ABANDON
	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input 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 checked="" type="checkbox"/> OTHER: <u>Request extension of APD term</u>
	<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.

Summit Operating, LLC requests that this APD be extended for one more year. Construction of this location and well may occur later this year depending upon results of drilling the State 8-32-13-22 location in SENE.

See the Application for Permit to Drill Request for Permit Extension Validation form attached.

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

Date: 02-28-07
By: [Signature]

3-1-07
RM

NAME (PLEASE PRINT) <u>David L. Allin</u>	TITLE <u>Agent for Summit Operating, LLC</u>
SIGNATURE <u>[Signature]</u>	DATE <u>February 28, 2007</u>

(This space for State use only)

**Application for Permit to Drill
Request for Permit Extension
Validation**

(this form should accompany the Sundry Notice requesting permit extension)

API: 43-047-37520
Well Name: State 16-32-13-22
Location: SESE Section 32, T13S, R22E, SLM, Uintah County, Utah
Company Permit Issued to: Summit Operating, LLC
Date Original Permit Issued: March 16, 2006

The undersigned as owner with legal rights to drill on the property as permitted above, hereby verifies that the information as submitted in the previously approved application to drill, remains valid and does not require revision.

Following is a checklist of some items related to the application, which should be verified.

If located on private land, has the ownership changed, if so, has the surface agreement been updated? Yes No Not Applicable

Have any wells been drilled in the vicinity of the proposed well which would affect the spacing or siting requirements for this location? Yes No

Has there been any unit or other agreements put in place that could affect the permitting or operation of this proposed well? Yes No

Have there been any changes to the access route including ownership, or right-of-way, which could affect the proposed location? Yes No

Has the approved source of water for drilling changed? Yes No

Have there been any physical changes to the surface location or access route which will require a change in plans from what was discussed at the onsite evaluation? Yes No

Is bonding still in place, which covers this proposed well? Yes No



Signature

February 28, 2007

Date

Title: Agent for Summit Operating, LLC

Representing: Summit Operating, LLC

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

FORM 9

5. LEASE DESIGNATION AND SERIAL NUMBER:
ML-47794

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.

6. IF INDIAN, ALLOTTEE OR TRIBE NAME:

7. UNIT or CA AGREEMENT NAME:

1. TYPE OF WELL
OIL WELL GAS WELL OTHER _____

8. WELL NAME and NUMBER:
State 16-32-13-22

2. NAME OF OPERATOR:
SUMMIT OPERATING, LLC

9. API NUMBER:
4304737520

3. ADDRESS OF OPERATOR:
PO BOX 683909 CITY **PARK CITY** STATE **UT** ZIP **84068**

PHONE NUMBER:
(435) 940-9001

10. FIELD AND POOL, OR WILDCAT:
Seep Ridge

4. LOCATION OF WELL
FOOTAGES AT SURFACE: **689' FSL, 746' FEL**
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: **SESE 32 13S 22E SLM**

COUNTY: **UINTAH**

STATE: **UTAH**

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

TYPE OF SUBMISSION	TYPE OF ACTION		
<input checked="" type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: <u>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 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 checked="" type="checkbox"/> OTHER: <u>request for APD extension</u>
	<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.

Summit Operating, LLC hereby requests that this APD be extended for one more year.

See the Application for Permit to Drill Request for Permit Extension Validation form attached.

Approved by the
Utah Division of
Oil, Gas and Mining

Date: 02-07-08
By: [Signature]

COPY SENT TO OPERATOR
Date: 2-11-2008
Initials: KS

NAME (PLEASE PRINT) Kristi Higgs TITLE Operations
SIGNATURE [Signature] DATE 02/04/2008

(This space for State use only)

RECEIVED
FEB 07 2008
DIV. OF OIL, GAS & MINING



**Application for Permit to Drill
Request for Permit Extension
Validation**

(this form should accompany the Sundry Notice requesting permit extension)

API: 43-047-37520
Well Name:
Location:
Company Permit Issued to:
Date Original Permit Issued:

The undersigned as owner with legal rights to drill on the property as permitted above, hereby verifies that the information as submitted in the previously approved application to drill, remains valid and does not require revision.

Following is a checklist of some items related to the application, which should be verified.

If located on private land, has the ownership changed, if so, has the surface agreement been updated? Yes No

Have any wells been drilled in the vicinity of the proposed well which would affect the spacing or siting requirements for this location? Yes No

Has there been any unit or other agreements put in place that could affect the permitting or operation of this proposed well? Yes No

Have there been any changes to the access route including ownership, or right-of-way, which could affect the proposed location? Yes No

Has the approved source of water for drilling changed? Yes No

Have there been any physical changes to the surface location or access route which will require a change in plans from what was discussed at the onsite evaluation? Yes No

Is bonding still in place, which covers this proposed well? Yes No

Kristi Higgs
 Signature

02/04/2008
 Date

Title: Operations

Representing: Summit Operating, LLC

RECEIVED
FEB 07 2008
 DIV. OF OIL, GAS & MINING



JON M. HUNTSMAN, JR.
Governor

GARY R. HERBERT
Lieutenant Governor

State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA
Division Director

February 10, 2009

Summit Operating, LLC
PO BOX 683909
Park City, UT 84068

Re: APD Rescinded – State 16-32-13-22, Sec.32, T.13S, R.22E
Uintah County, Utah API No. 43-047-37520

Gentlemen:

The Application for Permit to Drill (APD) for the subject well was approved by the Division of Oil, Gas and Mining (Division) on February 16, 2006. On February 28, 2007 and on February 7, 2008 the Division granted a one-year APD extension. No drilling activity at this location has been reported to the division. Therefore, approval to drill the well is hereby rescinded, effective February 7, 2009.

A new APD must be filed with this office for approval prior to the commencement of any future work on the subject location.

If any previously unreported operations have been performed on this well location, it is imperative that you notify the Division immediately.

Sincerely,


Diana Mason
Environmental Scientist

cc: Well File
SITLA, Ed Bonner

