

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.: <b>UTU-73451</b>	6. SURFACE: <b>BLM</b>
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>N/A</b>	
B. TYPE OF WELL: OIL <input checked="" type="checkbox"/> GAS <input type="checkbox"/> OTHER _____ SINGLE ZONE <input checked="" type="checkbox"/> MULTIPLE ZONE <input type="checkbox"/>		8. UNIT or CA AGREEMENT NAME: <b>N/A</b>	
2. NAME OF OPERATOR: <b>McElvain Oil &amp; Gas Properties, Inc.</b>		9. WELL NAME and NUMBER: <b>Atchee Wash 33-9</b>	
3. ADDRESS OF OPERATOR: <b>1050-17th Street, Suite 1800, Denver, CO 80265</b>		PHONE NUMBER: <b>303-893-0933</b>	10. FIELD AND POOL, OR WILDCAT: <b>Natural Buttes</b>
4. LOCATION OF WELL (FOOTAGES) AT SURFACE: <b>643321X</b> AT PROPOSED PRODUCING ZONE: <b>4418039Y</b>		<b>1469' FSL and 471' FEL NE SE</b>	11. QTR/QTR, SECTION, TOWNSHIP, RANGE MERIDIAN: <b>Section 33, T10S - R23E</b>
14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE: <b>77.6 miles South of Vernal, UT</b>		12. COUNTY: <b>Uintah</b>	13. STATE: <b>UT</b>
15. DISTANCE TO NEAREST PROPERTY OR LEASE LINE (FEET) <b>471'</b>	16. NUMBER OF ACRES IN LEASE: <b>600</b>	17. NUMBER OF ACRES ASSIGNED TO THIS WELL: <b>40 Acres</b>	
18. DISTANCE TO NEAREST WELL (DRILLING, COMPLETED, OR APPLIED FOR) ON THIS LEASE (FEET): <b>0'</b>	19. PROPOSED DEPTH: <b>8297'</b>	20. BOND DESCRIPTION: <b>0</b>	
21. ELEVATIONS (SHOW WHETHER DF, RT, GR, ETC.): <b>5214.4' GL</b>	22. APPROXIMATE DATE WORK WILL START: <b>Upon Approval</b>	23. ESTIMATED DURATION: <b>75 Days</b>	

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", 24#, J-55	2,000'	779 sx Premium Lt. & Class G, 3.38 yield, 11.0 ppg.
7-7/8"	4-1/2", 11.6#, N-80/LT&C	8297'	600 sx Premium Lite II, 3.31 Yield, 11.0 ppg and Class G, 1.56 Yield, 14.3 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 type="checkbox"/> FORM 5, IF OPERATOR IS PERSON OR COMPANY OTHER THAN THE LEASE OWNER

AGENT: **Permitco Inc., P.O. Box 99, Eastlake, CO 80614** AGENT'S PHONE NO.: **303/857-9999**

NAME (PLEASE PRINT) **Lisa Smith - President** TITLE **Agent for McElvain Oil & Gas Properties, Inc.**

SIGNATURE *Lisa Smith* DATE **May 6, 2011**

(This space for State use only)

API NUMBER ASSIGNED: 43-047-40631

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

(11/2001)

**Federal Approval of this  
Action is Necessary**

(See instructions on Reverse Side)

Date: 06-08-11  
By: *[Signature]*

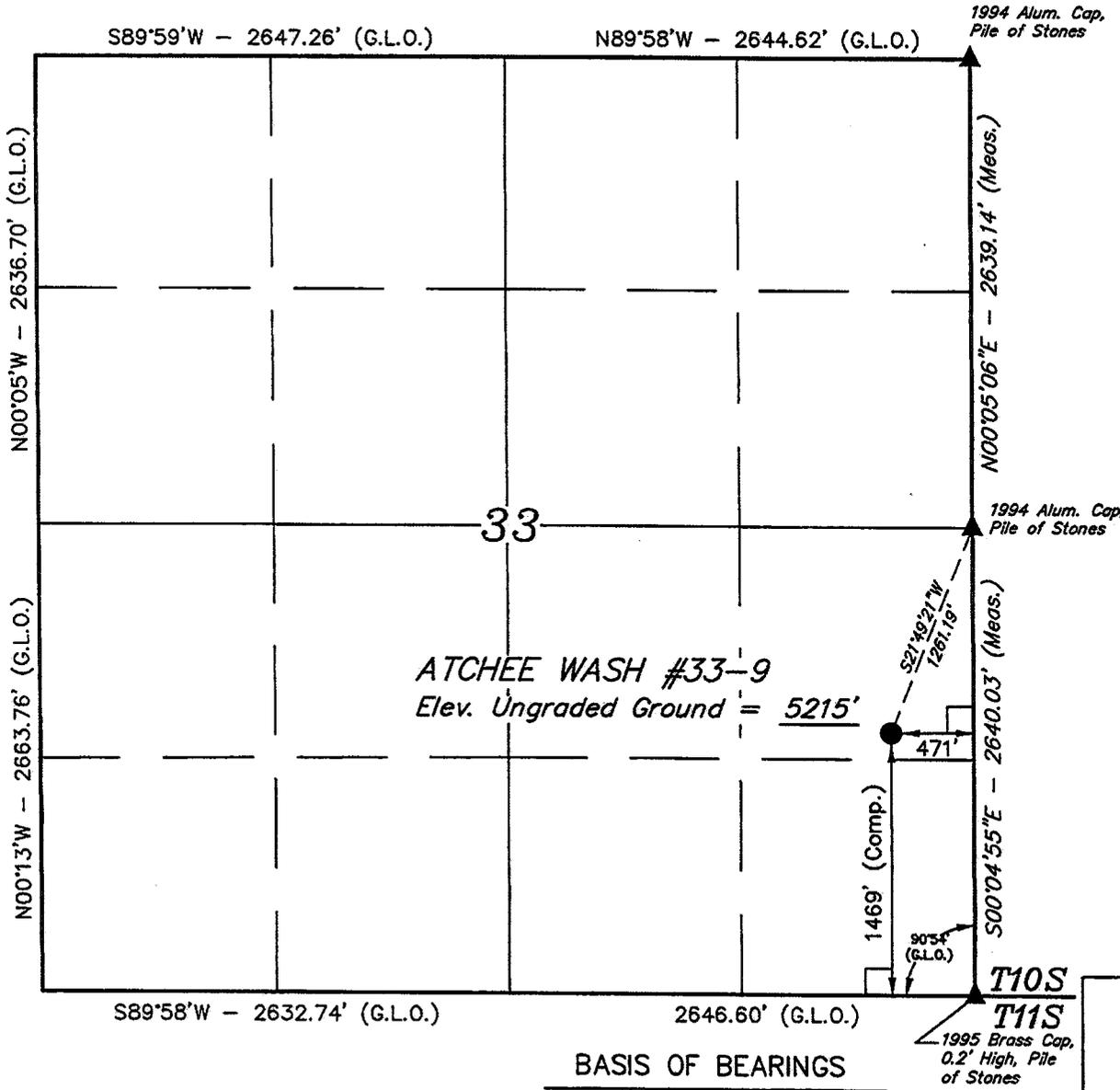
**RECEIVED**  
**MAY 09 2011**

DIV. OF OIL, GAS & MINING

# T10S, R23E, S.L.B.&M.

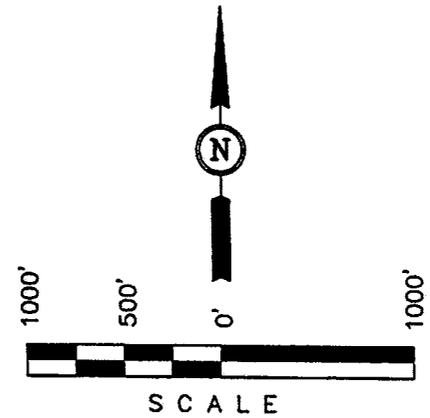
## M<sup>C</sup>ELVAIN OIL & GAS PROP., INC.

Well location, ATCHEE WASH #33-9, located as shown in the NE 1/4 SE 1/4 of Section 33, T10S, R23E, S.L.B.&M. Uintah County Utah.



### BASIS OF ELEVATION

BENCH MARK 57 EAM LOCATED IN THE NE 1/4 OF SECTION 24, T11S, R23E, S.L.B.&M. TAKEN FROM THE RED WASH SE. QUADRANGLE, UTAH, UINTAH COUNTY, 7.5 MINUTE QUAD. (TOPOGRAPHIC MAP) PUBLISHED BY THE UNITED STATES DEPARTMENT OF THE INTERIOR, GEOLOGICAL SURVEY. SAID ELEVATION IS MARKED AS BEING 5192 FEET.



### CERTIFICATE

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

*[Signature]*  
REGISTERED LAND SURVEYOR  
REGISTRATION NO. 161319  
STATE OF UTAH

### BASIS OF BEARINGS

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

(AUTONOMOUS NAD 83)

LATITUDE = 39°54'07.96" (39.902211)

LONGITUDE = 109°19'26.98" (109.324161)

### LEGEND:

- └─┘ = 90° SYMBOL
- = PROPOSED WELL HEAD.
- ▲ = SECTION CORNERS LOCATED.

## UINTAH ENGINEERING & LAND SURVEYING

85 SOUTH 200 EAST - VERNAL, UTAH 84078

(435) 789-1017

SCALE 1" = 1000'	DATE SURVEYED: 4-2-04	DATE DRAWN: 4-7-04
PARTY D.A. T.A. C.G.	REFERENCES G.L.O. PLAT	
WEATHER COOL	FILE M <sup>C</sup> ELVAIN OIL & GAS PROP. INC.	

## Ten Point Plan

### McElvain Oil & Gas Prop., INC

#### Atchee Wash 33-9

Surface Location NE ¼ SE ¼, Section 33, T. 10S., R. 23 E.

#### 1. Surface Formation

Green River

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

<u>Formation</u>	<u>Drilled Depth</u>	<u>Subsea</u>
Green River	1512'	3702'
Uteland Butte Limestone	3512'	1702'
Wasatch	3612'	1602'
Mesaverde	5612'	-398'
Castlegate	7787'	-2573'
Mancos	8147'	-2933'
TD	8297'	-3083'

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:

Off set well:

**4. Proposed Casing:**

<u>Hole Size</u>	<u>Casing Size</u>	<u>Grade Weight/FT</u>	<u>Setting &amp; Tread</u>	<u>Casing Depth</u>	<u>New/Used</u>
12 ¼	9 5/8	2A #	J-55/STC	2000	NEW
7 7/8	4 ½	11.6#	N80 /LTC	T.D.	NEW

**Cement Program:**

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

	<u>Casing Size</u>	<u>Cement Type</u>	<u>Cement Amounts</u>	<u>Cement Yield</u>	<u>Cement Weight</u>
Lead:	9 5/8	Primium Lite II .05#/sk Static Free .25#/sk Cello Flake 5#/sk KOL Seal .002 gps FP-6L 10% Bentonite .5% Sodium Metasilicate 3% Potassium Chloride	250 sks. +/-	3.38ft <sup>3</sup> /sk	11.0 ppg
Tail:	9 5/8	Class "G" 2% Calcium Chloride .25#/sk Cello Flake	329 sks. +/-	1.2ft <sup>3</sup> /sk	15.6 ppg
Top Job:	9 5/8	4% Calcium Chloride .25#/sk Cello Flake	200 sks. +/-	1.10ft <sup>3</sup> /sk	15.6 ppg

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

	<u>Casing Size</u>	<u>Cement Type</u>	<u>Cement Amounts</u>	<u>Cement Yield</u>	<u>Cement Weight</u>
Lead:	4 1/2	Primium Lite II .25#/sk Cello Flake .05#/sk Static Free 5#/sk Kol Seal 3% Potassium Chloride .055 gps FP-6L 10% Bentonite .5 Sodium Metasilicate	200 sks +/-	3.3ft <sup>3</sup> /sk	11.0 ppg
Tail:	4 1/2	Class "G" .05% Static Free 2 Sodium Chloride .1% R-3 2% Bentonite	400 sks +/-	1.56ft <sup>3</sup> /sk	14.3 ppg

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

The anticipated bottom hole pressure will be less than 3000 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/Clear Water	-----	No Control	Water/Gel
2000-T.D.	8.4-8.6 (12.0)	30	8-10	Water/Gel

## **7. Auxiliary Equipment**

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

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

- a) Test: None are anticipated.
- b) Coring: There is the possibility of sidewall coring.
- c) Sampling: Every 10' from 2000' to T.D.
- d) Logging: 

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

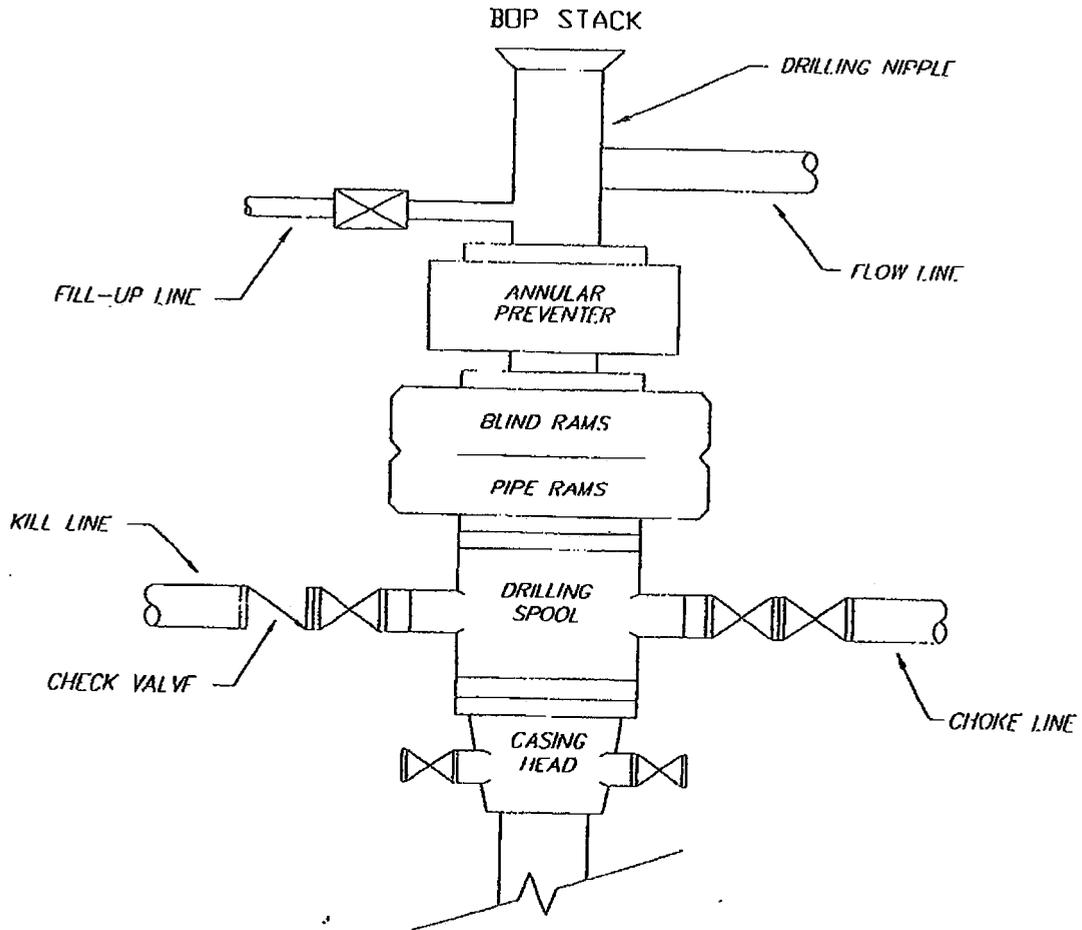
## **9. Abnormalities (including sour gas):**

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

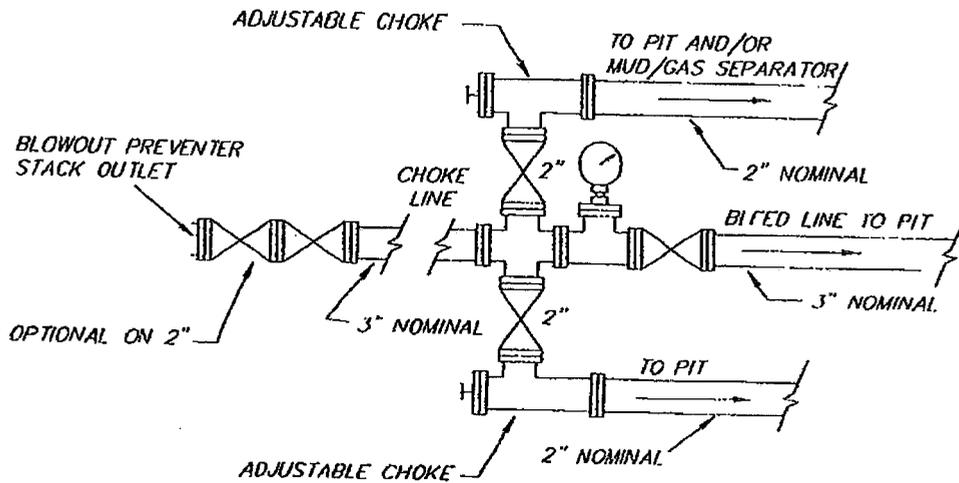
## **10. Drilling Schedule:**

The anticipated starting date is September 1, 2004. Duration of operations is expected to be 30 days.

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



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



Atchee Wash 33-9  
McElvain Oil & Gas Properties, Inc.

Our water will be trucked by Tu & Frum, Inc. and depending on the road conditions, water will be trucked from:

1. Rosewood Resources water well # 5A in Section 24, T11s-R23E (Water permit # 49-1547) or Willow Creek, 30 miles southwest of Vernal in Section 29, T12S-R21E (Permit # T-75377) and or White River in Sec. 23, T10S-R23E (Permit # T-75517) or the water will come from the City of Vernal.

1. Existing Roads:

To reach McElvain Oil and Gas Prop., INC well Atchee Wash #33-9 in Section 33, T 10 S, R 23 E, from Vernal, Utah:

Starting in Vernal, Utah Proceed in an Easterly, then Southerly direction from Vernal, Utah along US Highway 40 approximately 3.9 miles to the junction of state highway 45; exit right and proceed in a southerly direction approximately 41.5 miles on paved state highway 45 to the junction of this road and gravel state highway 45 to the southeast; turn left and proceed in a southeasterly direction approximately 3.8 miles to the junction of this road and state highway 207 to the southwest; turn right and proceed in a southwesterly direction approximately 8.4 miles to the junction of this road and an existing road to the southwest; proceed in a southwesterly direction approximately 7.8 miles to the junction of this road and existing road to the northwest; turn right and proceed in a northwesterly direction approximately 0.5 miles to the junction of this road and an existing road to the west; turn left and proceed in a westerly, then northerly direction approximately 2.7 miles to the junction of this road and an existing road to the north; proceed in a northerly direction approximately 6.9 miles to the junction of this road and existing road to the northwest; turn left and proceed in a northwesterly, then northerly direction approximately 1.1 miles to the beginning of the proposed access to the northwest; follow road flags in a northwesterly direction

approximately 200' to the proposed location.

Total distance from Vernal, Utah to the proposed well location is approximately 76.6 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

Will use existing roads to existing location. The road will be graded once per year minimum and maintained.

A) Approximate length	200 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	<b>Federal</b>
L) All new construction on lease	Yes
M) Pipe line crossing	None

Please see the attached location plat for additional details.

A right of way will not be required. All surface disturbances for the road and location will be within the lease boundary.

### 3. Location of existing wells

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

A) Producing well	None
B) Water well	None
C) Abandoned well	None
D) Temp. abandoned well	None
E) Disposal well	None
F) Drilling /Permitted well	None
G) Shut in wells	None
H) Injection well	None
I) Monitoring or observation well	None

Please see the attached map for additional details.

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

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

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

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 2,900' +/- of 2" or 4" gathering line would be constructed on Federal Lands. The line would tie into the existing line in Section 3, T10S, R23E. The line will be strung along side the existing BLM maintained road and boomed off to the west side of the road.

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 the White River in Section 23, T10S, R23E. Water Permit #T-75517, Water Right # 49-2185. Water for completion will come from the same supply or Vernal City.

**6. Source of construction materials**

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

**7. Methods for handling waste disposal**

**A) Pit construction and liners:**

The reserve pit will be approximately 10 ft. deep and most of the depth shall be below the surface of the existing ground. Please see the attached plat for details.

The reserve pit will be lined.

The reserve pit will be used to store water for drilling. A semi-closed system will be used to drill the well. All fresh water for drilling will come from a frac tank placed on location and from the rig tank. The pit will be used to hold non-flammable materials such as cuttings, salt, drilling fluids, chemicals, produced fluids, etc.

**B) Produced fluids:**

Produced water will be confined to the reserve pit, or if deemed necessary, a storage tank for a period not to exceed 90 days after initial production. During the 90-day period an application for approval for permanent disposal method and location will be submitted to the authorized officer.

**C) Garbage:**

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

**D) Sewage:**

A portable chemical toilet will be supplied for human waste.

**E) Site clean-up:**

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

8. Ancillary facilities

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

9. Well-site layout

Location dimensions are as follows:

A) Pad length	380 ft.
B) Pad width	290 ft.
C) Pit depth	10 ft.
D) Pit length	147 ft.
E) Pit width	75 ft.
F) Max cut	16.0 ft.
G) Max fill	6.1 ft
H) Total cut yds.	14,780 cu yds
I) Pit location	west side
J) Top soil location	east & west end
K) Access road location	east end
L) Flare Pit	corner B

Please see the attached location diagram for additional details.

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

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

Total height of the fence shall be at least 42 inches.

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

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

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

10. Plans for restoration of the surface

Prior to construction of the location, the top 6 inches of soil material will be stripped off the location and the pit area. The topsoil removed and piled will amount to approximately 2,310 cubic yards of material.

Topsoil will be stockpiled in one distinct pile. Placement of the topsoil is noted on the attached location plat. The topsoil pile from the location will be seeded as soon as the soil is stock piled with the seed mix listed. When all drilling and completion activities have been completed and the pit back-filled the topsoil from the pit area will be spread on the pit area. The pit area will be seeded when the soil has been spread. The unused portion of the location (the area outside the dead men) will be re-contoured.

The dirt contractor will be provided with an approved copy of the

surface use plan prior to construction activities.

Changes to the drainage during the construction activities shall be restored to its original line of flow or as near as possible when the pit is back-filled

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

The reserve pit will be reclaimed within 90 days of well completion. If the reserve pit has not dried sufficiently to allow back filling, an extension on the time requirement for back filling the pit will be requested. Once reclamation activities have begun, they shall be completed within 30 days.

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

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

A) Seeding dates:

Seed will be spread when top-soil 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

Four wing salt brush	4#/acre
Shad scale	3#/acre
Needle & thread grass	3#/acre
Western wheat grass	2#/acre

11. Surface ownership:

Access road	Federal
Location	Federal
Pipe line	Federal

12. Other information:

A) Vegetation

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

B) Dwellings:

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

C) Archeology:

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

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

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.

D) Water:

The nearest water is the White River located 2 miles to the North.

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

G) Flare pit:

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

13. Lessees or Operator's representative and certification

A) Representative

William A. Ryan

Rocky Mountain Consulting

Vernal, UT 84078

Office 435-789-0968

Fax 435-789-0970

Cellular 435-828-0968

All lease and/or unit operations will be conducted in such a manner that full compliance is

made with all applicable laws, regulations, onshore oil and gas orders, and any applicable notices to lessees. The operator is fully responsible for the actions of his subcontractors. A copy of these conditions will be furnished to the field representative to ensure compliance.

William A. Ryan, Agent  
Rocky Mountain Consulting

Onsite Dates:

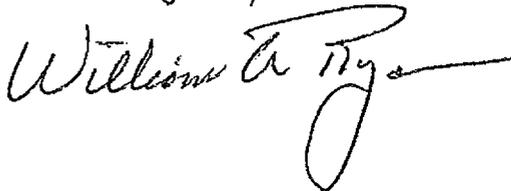
5-1-04

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 The Houston Exploration Company 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 Aug 18/04



### Statement of use of Hazardous Materials

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

If you require additional information please contact:

William A Ryan  
Agent for McElvain Oil & Gas Prop., INC  
Rocky Mountain Consulting  
350 S 800 E  
Vernal, UT 84078

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

# McELVAIN OIL & GAS PROP., INC.

## ATCHEE WASH #33-9

LOCATED IN UINTAH COUNTY, UTAH

SECTION 33, T10S, R23E, S.L.B.&M.



PHOTO: VIEW FROM CORNER #5 TO LOCATION STAKE

CAMERA ANGLE: SOUTHWESTERLY

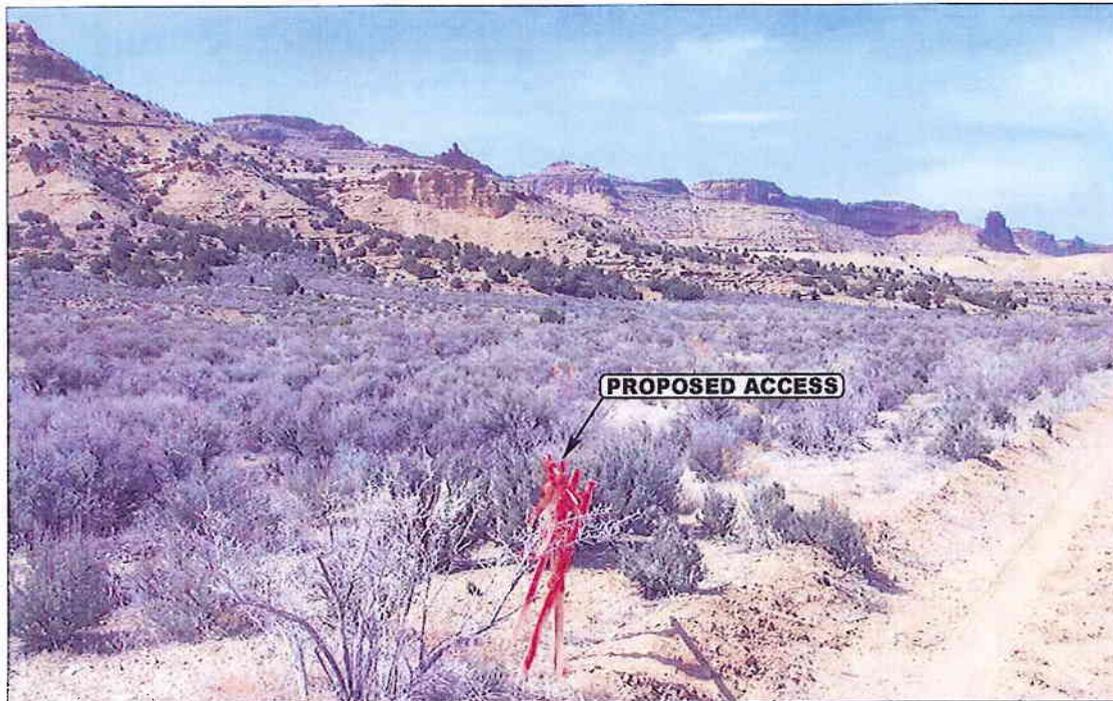


PHOTO: VIEW FROM BEGINNING OF PROPOSED ACCESS

CAMERA ANGLE: NORTHWESTERLY



- Since 1964 -

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

LOCATION PHOTOS	04	08	04	PHOTO
TAKEN BY: D.A.	MONTH	DAY	YEAR	
DRAWN BY: P.M.	REVISED: 00-00-00			

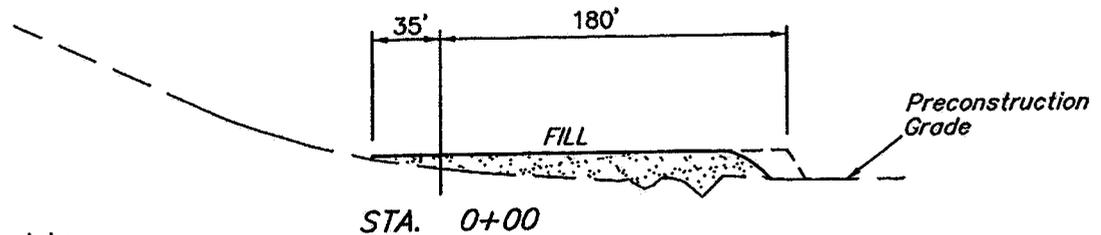
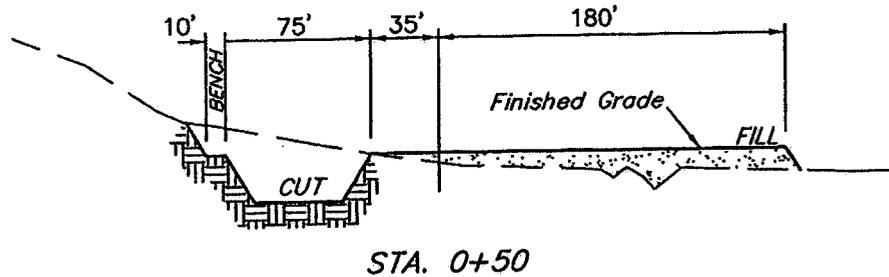
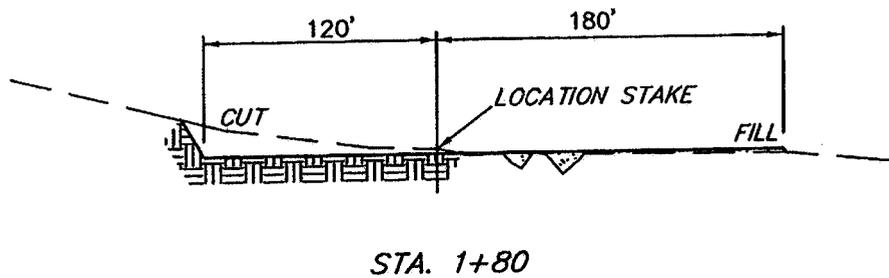
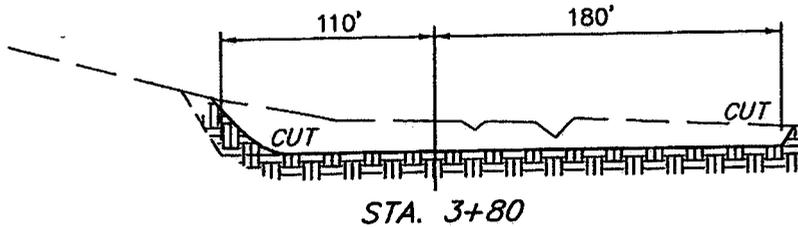


TYPICAL CROSS SECTIONS FOR

ATCHEE WASH #33-9  
SECTION 33, T10S, R23E, S.L.B.&M.  
1469' FSL 471' FEL

1" = 40'  
X-Section Scale  
1" = 100'

DATE: 4-7-04  
Drawn By: C.G.



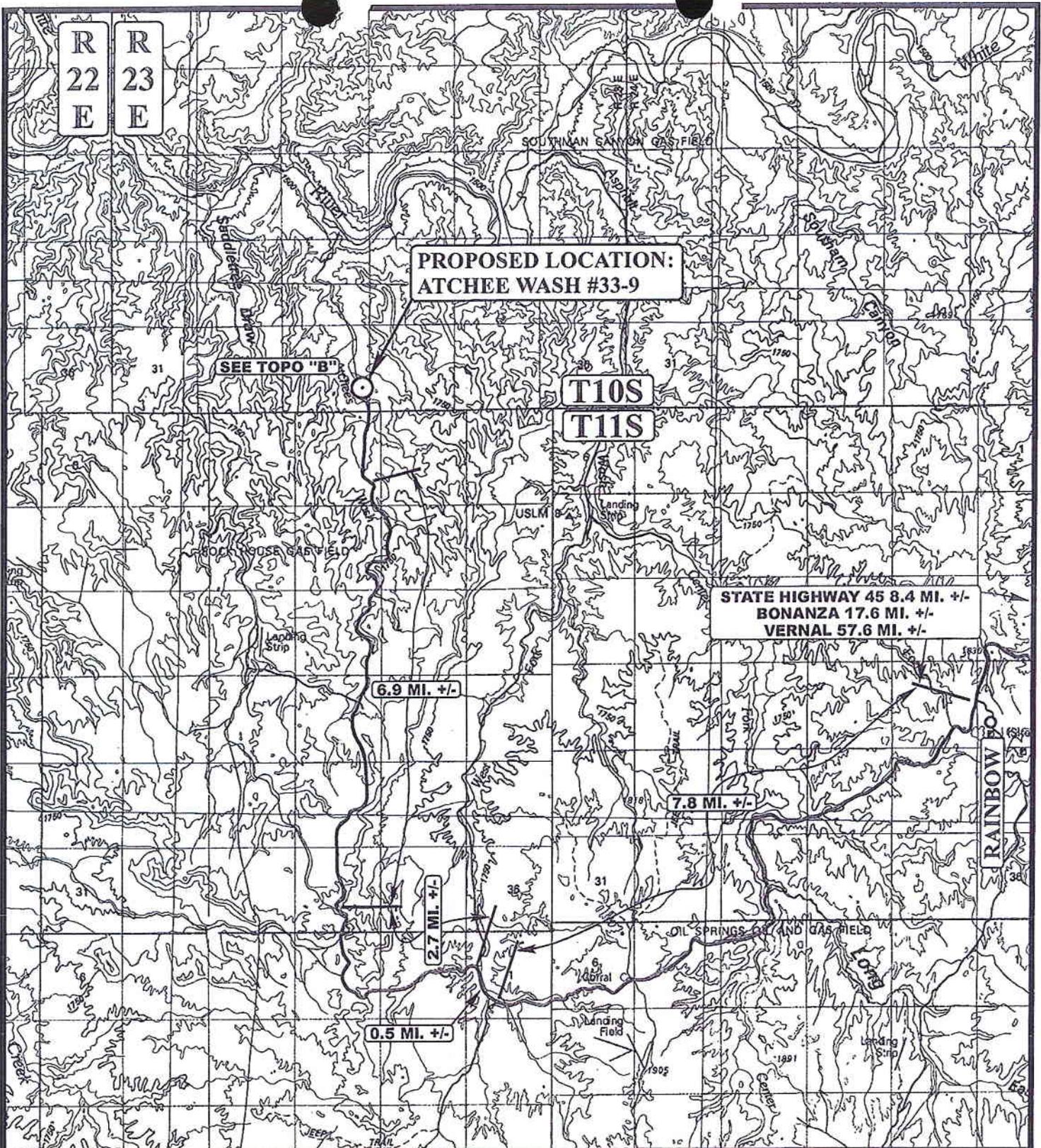
NOTE:  
Topsoil should not be Stripped Below Finished Grade on Substructure Area.

\* NOTE:  
FILL QUANTITY INCLUDES 5% FOR COMPACTION

APPROXIMATE YARDAGES

(6") Topsoil Stripping	= 2,310 Cu. Yds.
Remaining Location	= 12,470 Cu. Yds.
<b>TOTAL CUT</b>	<b>= 14,780 CU.YDS.</b>
<b>FILL</b>	<b>= 5,270 CU.YDS.</b>

EXCESS MATERIAL	= 9,510 Cu. Yds.
Topsoil & Pit Backfill (1/2 Pit Vol.)	= 3,790 Cu. Yds.
EXCESS UNBALANCE (After Rehabilitation)	= 5,720 Cu. Yds.



**LEGEND:**

○ PROPOSED LOCATION

**McELVAIN OIL & GAS PROP., INC.**

**ATCHEE WASH #33-9  
SECTION 33, T10S, R23E, S.L.B.&M.  
1469' FSL 471' FEL**



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



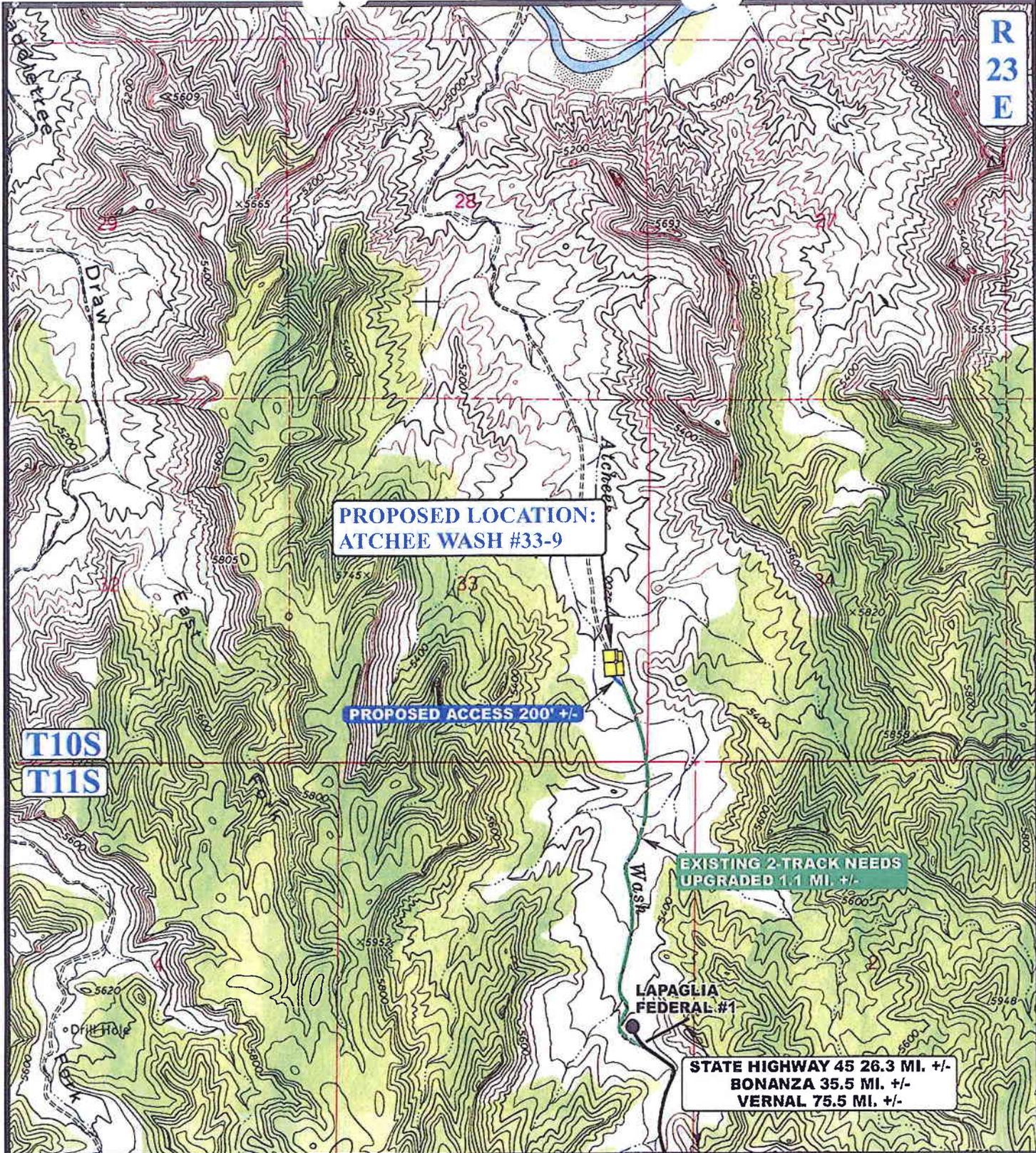
**TOPOGRAPHIC  
MAP**

**07 | 08 | 04**  
MONTH | DAY | YEAR

**SCALE: 1:100,000 | DRAWN BY: P.M. | REVISED: 00-00-00**



R  
23  
E



**PROPOSED LOCATION:  
ATCHEE WASH #33-9**

**PROPOSED ACCESS 200' +/-**

**EXISTING 2-TRACK NEEDS  
UPGRADED 1.1 MI. +/-**

**LAPAGLIA  
FEDERAL #1**

**STATE HIGHWAY 45 26.3 MI. +/-  
BONANZA 35.5 MI. +/-  
VERNAL 75.5 MI. +/-**

**T10S  
T11S**

**LEGEND:**

-  EXISTING ROAD
-  PROPOSED ACCESS ROAD
-  EXISTING 2-TRACK NEEDS UPGRADED



**McELVAIN OIL & GAS PROP., INC.**

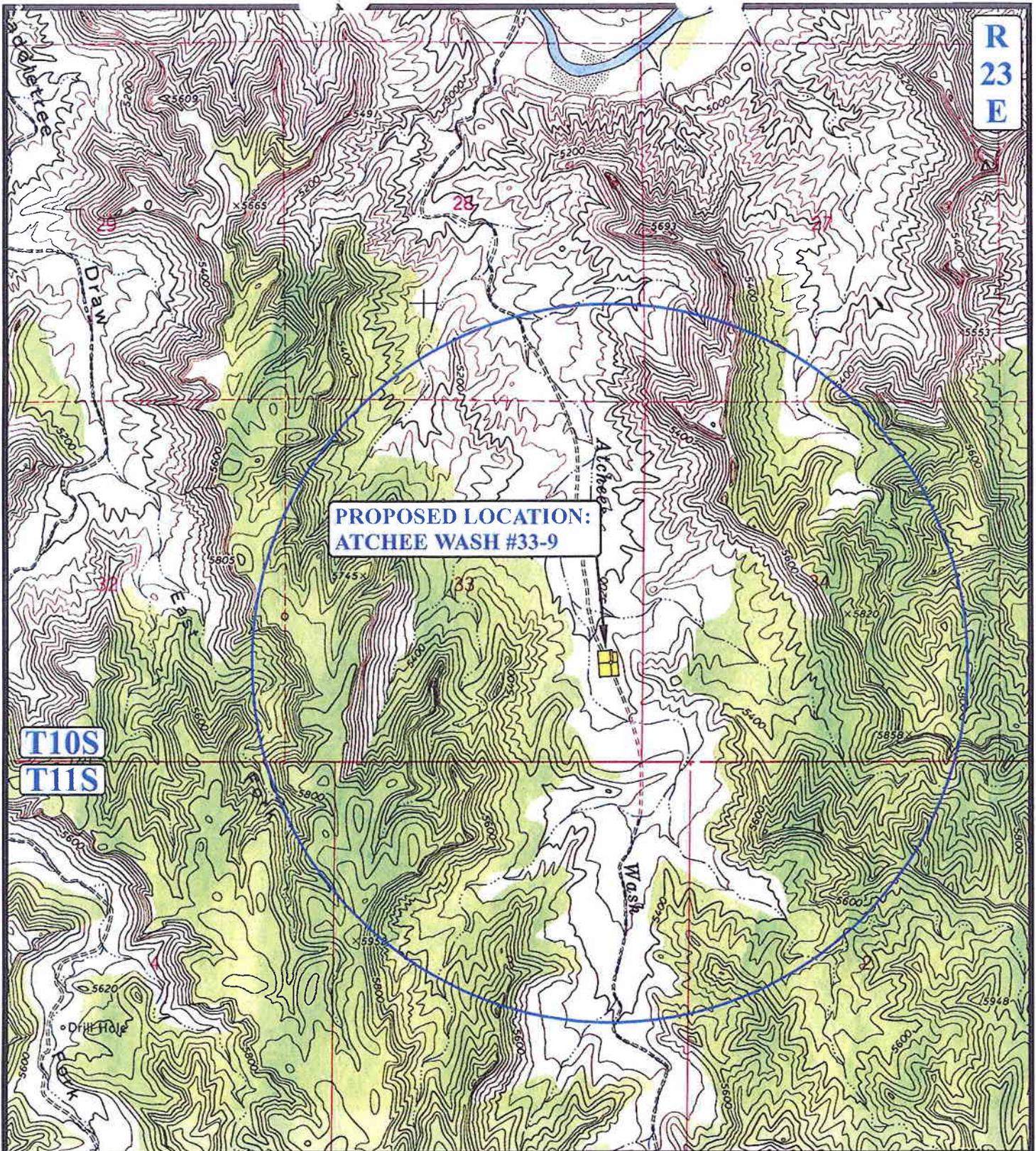
**ATCHEE WASH #33-9  
SECTION 33, T10S, R23E, S.L.B.&M.  
1469' FSL 471' FEL**



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

**TOPOGRAPHIC MAP**  
07 08 04  
MONTH DAY YEAR  
SCALE: 1" = 2000' DRAWN BY: P.M. REVISED: 00-00-00





**PROPOSED LOCATION:  
ATCHEE WASH #33-9**

**T10S**

**T11S**

**R  
23  
E**

**LEGEND:**

- |                   |                         |
|-------------------|-------------------------|
| ⊗ DISPOSAL WELLS  | ⊗ WATER WELLS           |
| ● PRODUCING WELLS | ⊗ ABANDONED WELLS       |
| ● SHUT IN WELLS   | ⊗ TEMPORARILY ABANDONED |

**McELVAIN OIL & GAS PROP., INC.**

**ATCHEE WASH #33-9**  
**SECTION 33, T10S, R23E, S.L.B.&M.**  
**1469' FSL 471' FEL**



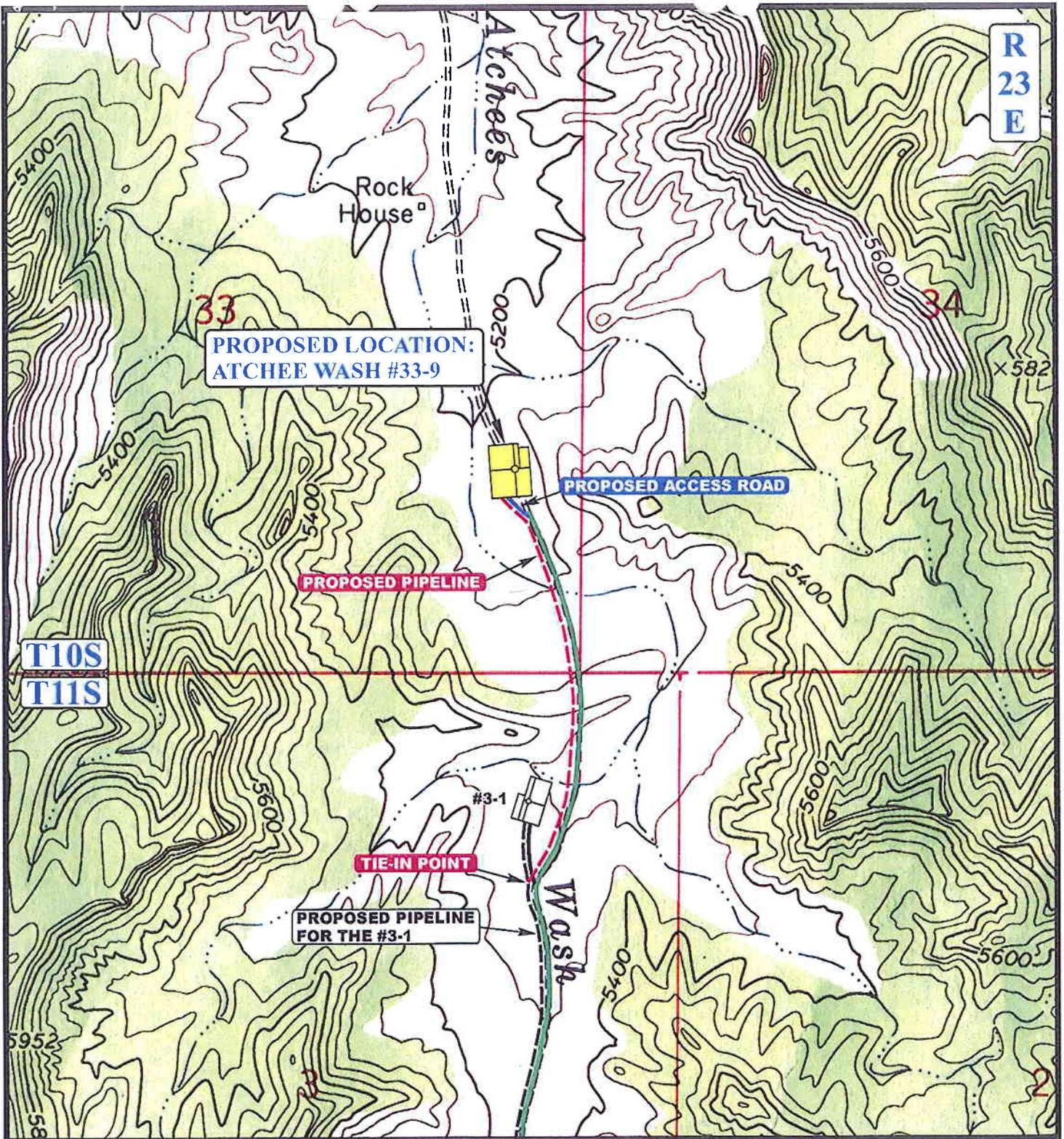
**Utah Engineering & Land Surveying**  
 85 South 200 East Vernal, Utah 84078  
 (435) 789-1017 \* FAX (435) 789-1813



**TOPOGRAPHIC** **07 08 04**  
**MAP** MONTH DAY YEAR

SCALE: 1" = 2000' DRAWN BY: P.M. REVISED: 00-00-00





**PROPOSED LOCATION:  
ATCHEE WASH #33-9**

**PROPOSED ACCESS ROAD**

**PROPOSED PIPELINE**

**T10S  
T11S**

**TIE-IN POINT**

**PROPOSED PIPELINE  
FOR THE #3-1**

**APPROXIMATE TOTAL PIPELINE DISTANCE = 2,900' +/-**

**LEGEND:**

-  PROPOSED ACCESS ROAD
-  EXISTING PIPELINE
-  PROPOSED PIPELINE

**McELVAIN OIL & GAS PROP., INC.**

**ATCHEE WASH #33-9  
SECTION 33, T10S, R23E, S.L.B.&M.  
1469' FSL 471' FEL**

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

**TOPOGRAPHIC MAP** 07 08 04  
MONTH DAY YEAR  
SCALE: 1" = 1000' DRAWN BY: P.M. REVISED: 00-00-00

**D**  
TOPO

**WORKSHEET  
APPLICATION FOR PERMIT TO DRILL**

APD RECEIVED: 05/09/2011

API NO. ASSIGNED: 43-047-40631

WELL NAME: ATCHEE WASH 33-9

OPERATOR: MCELVAIN OIL & GAS ( N2100 )

PHONE NUMBER: 303-857-9999

CONTACT: LISA SMITH

PROPOSED LOCATION:

NESE 33 100S 230E  
 SURFACE: 1469 FSL 0471 FEL  
 BOTTOM: 1469 FSL 0471 FEL  
 COUNTY: UINTAH  
 LATITUDE: 39.90221 LONGITUDE: -109.32346  
 UTM SURF EASTINGS: 643321 NORTHINGS: 4418039  
 FIELD NAME: UNDESIGNATED ( 2 )

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

LEASE TYPE: 1 - Federal

LEASE NUMBER: UTU-73451

PROPOSED FORMATION: MNCS

SURFACE OWNER: 1 - Federal

COALBED METHANE WELL? NO

RECEIVED AND/OR REVIEWED:

- Plat
- Bond: Fed[] Ind[] Sta[] Fee[]  
(No. LMP-4138223 )
- Potash (Y/N)
- Oil Shale 190-5 (B) or 190-3 or 190-13
- Water Permit  
(No. 49-2185 )
- RDCC Review (Y/N)  
(Date: \_\_\_\_\_ )
- Fee Surf Agreement (Y/N)
- Intent to Commingle (Y/N)

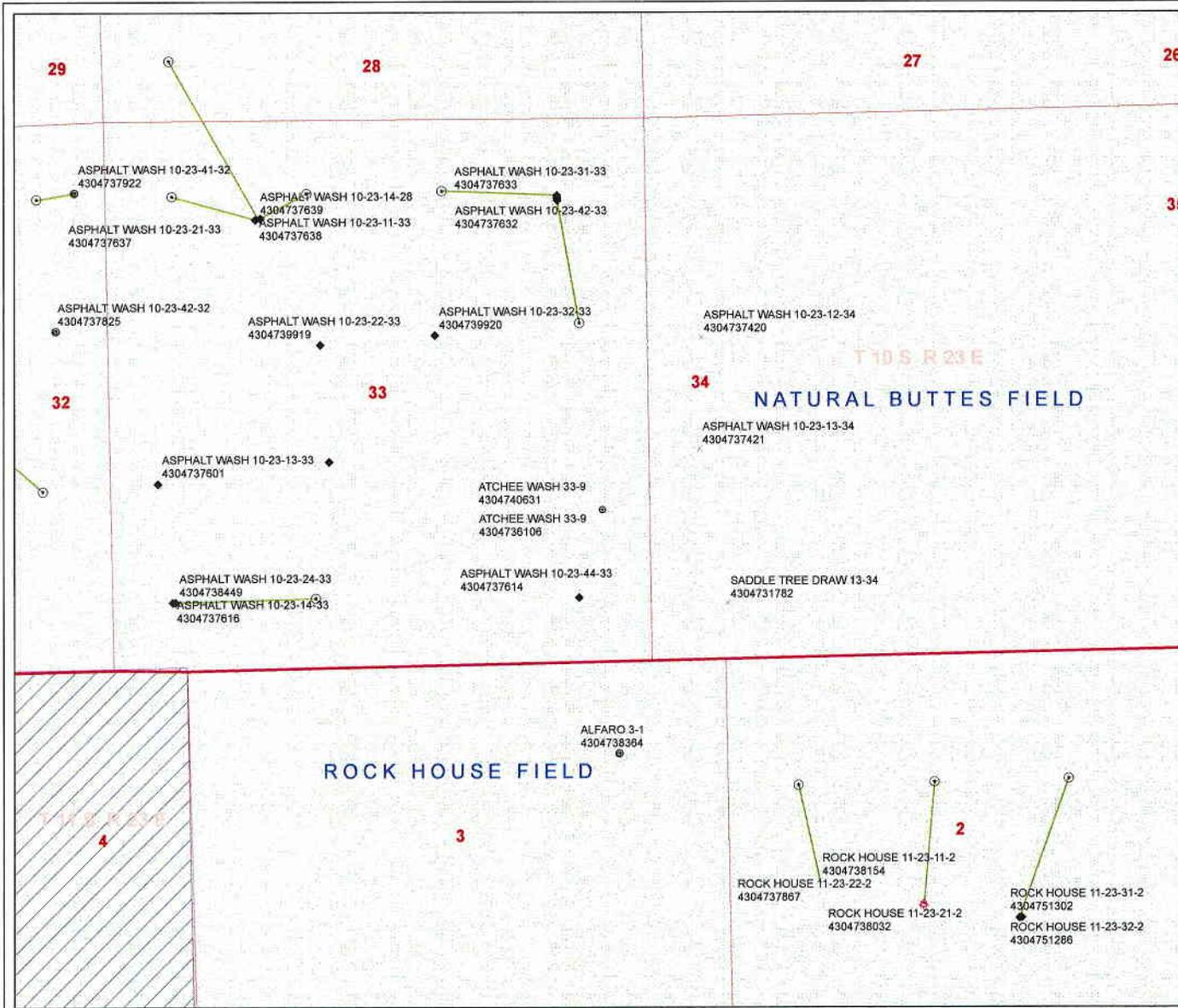
LOCATION AND SITING:

- \_\_\_\_\_ 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: \_\_\_\_\_

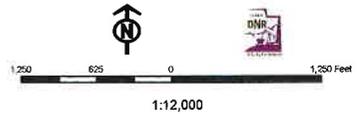
STIPULATIONS: \_\_\_\_\_

*1- Field Approval*  
*2- Spacing Strip*



**API Number: 4304740631**  
**Well Name: ATCHEE WASH 33-9**  
 Township T1.0 . Range R2.3 . Section 33  
 Meridian: SLBM  
 Operator: MCELVAIN OIL & GAS PROPERTIES, INC

Map Prepared:  
 Map Produced by Diana Mason





PO Box 99 • Eastlake, CO 80614 • (303) 857-9999 • FAX (303) 450-9200 • [www.oilpermits.com](http://www.oilpermits.com)

May 20, 2011

Division of Oil, Gas & Mining  
1594 West North Temple, Suite 1210  
Box 145801  
Salt Lake City, UT 84114-5801

Attn: Diana Mason

Re: **McElvain Oil & Gas Prop., Inc.**  
Atchee Wash #33-9  
1469' FSL and 471' FEL  
Sec. 33, T10S - R23E  
Uintah County, Utah

Dear Diana,

Please note that this location was staked at non-standard spacing in accordance with the rules and regulations of the Utah Division of Oil Gas and Mining. This was done for geologic considerations. Please also note that there are no other working interest owners within a 460' radius. Therefore, we request your administrative approval of this exception to spacing.

If you should need additional information, please don't hesitate to contact me.

Sincerely,

PERMITCO INC.

A handwritten signature in cursive script, appearing to read "Lisa Smith".

Lisa Smith  
President  
Agent for McElvain Oil & Gas Prop., Inc.

cc: **McElvain Oil & Gas Prop., Inc. - Denver, CO**



GARY R. HERBERT  
Governor

GREGORY S. BELL  
Lieutenant Governor

# State of Utah

## DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER  
Executive Director

### Division of Oil, Gas and Mining

JOHN R. BAZA  
Division Director

June 8, 2011

McElvain Oil & Gas Properties, Inc.  
1050-17th Street, Suite 1800  
Denver, CO 80265

Subject: Atchee Wash 33-9 Well, 1469' FSL, 471' FEL, NE SE, Sec. 33, T. 10 South, R. 23  
East, Uintah County, Utah

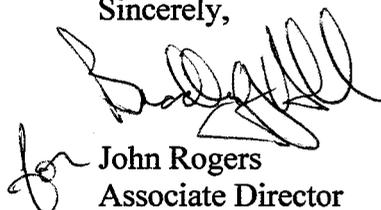
Ladies and Gentlemen:

Pursuant to Utah Code Ann. §40-6-1 et seq., and Utah Administrative Code R649-3-1 et seq., the Utah Division of Oil, Gas and Mining issues conditions of approval, and permit to drill the listed well. This permit is issued in accordance with the requirements of R649-3-3. The expected producing formation or pool is the MANCOS Formation(s), completion into any other zones will require filing a Sundry Notice (Form 9). Completion and commingling of more than one pool will require approval in accordance with R649-3-22.

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 43-047-40631.

Sincerely,

  
for John Rogers  
Associate Director

JR/js  
Enclosures

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



**Operator:** McElvain Oil & Gas Properties, Inc.  
**Well Name & Number** Atchee Wash 33-9  
**API Number:** 43-047-40631  
**Lease:** UTU-73451  
**Location:** NE SE **Sec.** 33 **T.** 10 South **R.** 23 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:

- Within 24 hours following the spudding of the well – contact Carol Daniels at 801-538-5284 (please let a voicemail message if not available)

OR

Submit an electronic sundry notice (pre-registration required) via the Utah Oil & Gas website at <http://oilgas.ogm.utah.gov>

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

- Contact Dustin Doucet at (801) 538-5281 office  
(801) 733-0983 after office hours

#### 3. Reporting Requirements

All reports, forms and submittals as required by the Utah Oil and Gas Conservation General Rules will be promptly filed with the Division of Oil, Gas and Mining, including but not limited:

- Entity Action Form (Form 6) – due within 5 days of spudding the well
- Monthly Status Report (Form 9) – due by 5<sup>th</sup> day of the following calendar month
- Requests to Change Plans (Form 9) – due prior to implementation
- Written Notice of Emergency Changes (Form 9) – due within 5 days
- Notice of Operations Suspension or Resumption (Form 9) – due prior to implementation
- Report of Water Encountered (Form 7) – due within 30 days after completion
- Well Completion Report (Form 8) – due within 30 days after completion or plugging

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

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

Division of Oil, Gas and Mining  
**OPERATOR CHANGE WORKSHEET (for state use only)**

**ROUTING**  
 1. CDW

Change of Operator (Well Sold)

**X - Operator Name Change**

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

**8/11/2011**

<b>FROM:</b> (Old Operator): N2100-McElvain Oil & Gas Properties, Inc. 1050 17th Street, Suite 2500 Denver, CO 80265 Phone: 1 (303) 893-0933	<b>TO:</b> ( New Operator): N3795-McElvain Energy, Inc. 1050 17th Street, Suite 2500 Denver, CO 80265 Phone: 1 (303) 893-0933
--	---

CA No.			Unit:					
WELL NAME	SEC	TWN	RNG	API NO	ENTITY NO	LEASE TYPE	WELL TYPE	WELL STATUS
<b>SEE ATTACHED LIST - 13 Wells</b>								

**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: 8/30/2011
- (R649-8-10) Sundry or legal documentation was received from the **NEW** operator on: 8/30/2011
- The new company was checked on the **Department of Commerce, Division of Corporations Database on:** 8/30/2011
- Is the new operator registered in the State of Utah: \_\_\_\_\_ Business Number: 8078926-0143
- (R649-9-2)Waste Management Plan has been received on: \_\_\_\_\_
- Inspections of LA PA state/fee well sites complete on: n/a
- Reports current for Production/Disposition & Sundries on: ok
- 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 not yet BIA
- Federal and Indian Units:**  
 The BLM or BIA has approved the successor of unit operator for wells listed on: not yet
- 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:** 8/31/2011
- Changes have been entered on the **Monthly Operator Change Spread Sheet on:** 8/31/2011
- Bond information entered in RBDMS on: n/a
- Fee/State wells attached to bond in RBDMS on: n/a
- Injection Projects to new operator in RBDMS on: n/a
- Receipt of Acceptance of Drilling Procedures for APD/New on: 8/30/2011

**BOND VERIFICATION:**

- Federal well(s) covered by Bond Number: COB000010
- Indian well(s) covered by Bond Number: n/a
- (R649-3-1) The **NEW** operator of any fee well(s) listed covered by Bond Number n/a
- The **FORMER** operator has requested a release of liability from their bond on: n/a

**LEASE INTEREST OWNER NOTIFICATION:**

- (R649-2-10) The **FORMER** 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: n/a

**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.

		5. LEASE DESIGNATION AND SERIAL NUMBER:
		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 type="checkbox"/> OTHER _____		8. WELL NAME and NUMBER: <b>SEE ATTACHED LIST</b>
2. NAME OF OPERATOR: <b>McElvain Oil &amp; Gas Properties, Inc. N2100</b>		9. API NUMBER:
3. ADDRESS OF OPERATOR: 1050 17th St, Suite 2500 CITY Denver STATE CO ZIP 80265		10. FIELD AND POOL, OR WILDCAT:
4. LOCATION OF WELL FOOTAGES AT SURFACE: COUNTY:  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 type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate)  Approximate date work will start: _____	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> REPERFORATE CURRENT FORMATION
	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> SIDETRACK TO REPAIR WELL
	<input type="checkbox"/> CASING REPAIR	<input type="checkbox"/> NEW CONSTRUCTION	<input type="checkbox"/> TEMPORARILY ABANDON
	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input 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"/> SUBSEQUENT REPORT (Submit Original Form Only)  Date of work completion: _____	<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.

McElvain Oil & Gas Properties, Inc. has changed it's name to McElvain Energy, Inc. Effective August 11, 2011.  
This is ONLY a name change.

*N3795*

Our BLM Bond # is COB - 000010

Attached is a well list.

NAME (PLEASE PRINT) <u>Deborah Powell</u>	TITLE <u>Eng Tech Manager</u>
SIGNATURE <u><i>Deborah Powell</i></u>	DATE <u>8/29/2011</u>

(This space for State use only)  
**APPROVED** 8/31/2011  
*Earlene Russell*  
Division of Oil, Gas and Mining  
Earlene Russell, Engineering Technician (See Instructions on Reverse Side)

**RECEIVED**  
**AUG 30 2011**  
DIV. OF OIL, GAS & MINING

well_name	sec	twp	rng	api	entity	lease	well	stat	l_num
CENTER FORK F 17-4	17	120S	240E	4304732750	12038	Federal	GW	S	UTU-75206
TOBY FEDERAL F 6-15	06	120S	240E	4304732757	12037	Federal	GW	P	UTU-08424A
ROSEWOOD FED 28-8	28	110S	220E	4304732840	12442	Federal	GW	S	UTU-65355
HANGING ROCK FED I 1-4	01	120S	230E	4304732855	12389	Federal	GW	S	UTU-57455
TUCKER FEDERAL F 8-4	08	120S	240E	4304732872	12125	Federal	GW	P	UTU-70239
TUCKER FEDERAL F 8-2	08	120S	240E	4304732993	12386	Federal	GW	P	UTU-70239
TUCKER FED 8-12	08	120S	240E	4304734729	13740	Federal	GW	S	UTU-70239
HANGING ROCK FED 11-9	11	120S	230E	4304734730	14017	Federal	GW	P	UTU-57455
HANGING ROCK 1-8	01	120S	230E	4304736042	15514	Federal	GW	P	UTU-57455
TUCKER FED 8-6	08	120S	240E	4304736837	15513	Federal	GW	P	UTU-70239
TUCKER FED 8-10	08	120S	240E	4304739187	16399	Federal	GW	S	UTU-70239
HANGING ROCK FED 1-2	01	120S	230E	4304739430	16400	Federal	GW	S	UTU-57455
ATCHEE WASH 33-9	33	100S	230E	4304740631		Federal	OW	APD	UTU-73451

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

**Request to Transfer Application or Permit to Drill**

(This form should accompany a Sundry Notice, Form 9, requesting APD transfer)

<b>Well name:</b>	Atchee Wash 33-9
<b>API number:</b>	4304740631
<b>Location:</b>	Qtr-Qtr: NESE Section: 33 Township: 10S Range: 23E
<b>Company that filed original application:</b>	McElvain Oil & Gas Properties, Inc.
<b>Date original permit was issued:</b>	06/08/2011
<b>Company that permit was issued to:</b>	McElvain Oil & Gas Properties, Inc.

Check one	Desired Action:
<input type="checkbox"/>	<b>Transfer pending (unapproved) Application for Permit to Drill to new operator</b>
<input type="checkbox"/>	The undersigned as owner with legal rights to drill on the property, hereby verifies that the information as submitted in the pending Application for Permit to Drill, remains valid and does not require revision. The new owner of the application accepts and agrees to the information and procedures as stated in the application.
<input checked="" type="checkbox"/>	<b>Transfer approved Application for Permit to Drill to new operator</b>
<input type="checkbox"/>	The undersigned as owner with legal rights to drill on the property as permitted, 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.	Yes	No
If located on private land, has the ownership changed?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
If so, has the surface agreement been updated?	<input type="checkbox"/>	<input type="checkbox"/>
Have any wells been drilled in the vicinity of the proposed well which would affect the spacing or siting requirements for this location?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Have there been any unit or other agreements put in place that could affect the permitting or operation of this proposed well?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Have there been any changes to the access route including ownership or right-of-way, which could affect the proposed location?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Has the approved source of water for drilling changed?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
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?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Is bonding still in place, which covers this proposed well? Bond No. <u>COB - 000010</u>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

Any desired or necessary changes to either a pending or approved Application for Permit to Drill that is being transferred, should be filed on a Sundry Notice, Form 9, or amended Application for Permit to Drill, Form 9, as appropriate, with necessary supporting information as required.

**RECEIVED**

**AUG 30 2011**

Name (please print) Deborah Powell Title Eng Tech Manager  
 Signature *Deborah Powell* Date 08/29/2011 **DIV. OF OIL, GAS & MINING**  
 Representing (company name) McElvain Energy, Inc.

The person signing this form must have legal authority to represent the company or individual(s) to be listed as the new operator on the Application for Permit to Drill.



GARY R. HERBERT  
Governor

GREG BELL  
Lieutenant Governor

# State of Utah

## DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER  
Executive Director

### Division of Oil, Gas and Mining

JOHN R. BAZA  
Division Director

August 14, 2012

McElvain Energy Inc.  
1050-17<sup>th</sup> Street, Suite 1800  
Denver, CO 80265

Re: APD Rescinded – Atchee Wash 33-9, Sec. 33, T. 10S, R. 23E  
Uintah County, Utah API No. 43-047-40631

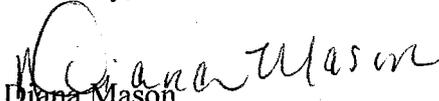
Ladies and Gentlemen:

The Application for Permit to Drill (APD) for the subject well was approved by the Division of Oil, Gas and Mining (Division) on June 8, 2011. No drilling activity at this location has been reported to the division. Therefore, approval to drill the well is hereby rescinded, effective August 14, 2012.

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  
Bureau of Land Management, Vernal

