

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

FORM 3

AMENDED REPORT

APPLICATION FOR PERMIT TO DRILL						1. WELL NAME and NUMBER Coyote Basin 7-7				
2. TYPE OF WORK DRILL NEW WELL <input checked="" type="checkbox"/> REENTER P&A WELL <input type="checkbox"/> DEEPEN WELL <input type="checkbox"/>						3. FIELD OR WILDCAT COYOTE BASIN				
4. TYPE OF WELL Oil Well Coalbed Methane Well: NO						5. UNIT or COMMUNITIZATION AGREEMENT NAME COYOTE BASIN (GRRV)				
6. NAME OF OPERATOR ADVANTAGE RESOURCES INC						7. OPERATOR PHONE 303 831-1912				
8. ADDRESS OF OPERATOR 1775 Sherman St 1700, Denver, CO, 80203						9. OPERATOR E-MAIL bwa@advantage-resources.com				
10. MINERAL LEASE NUMBER (FEDERAL, INDIAN, OR STATE) UTU-020309D			11. MINERAL OWNERSHIP FEDERAL <input checked="" type="checkbox"/> INDIAN <input type="checkbox"/> STATE <input type="checkbox"/> FEE <input type="checkbox"/>			12. SURFACE OWNERSHIP FEDERAL <input checked="" type="checkbox"/> INDIAN <input type="checkbox"/> STATE <input type="checkbox"/> FEE <input type="checkbox"/>				
13. NAME OF SURFACE OWNER (if box 12 = 'fee')						14. SURFACE OWNER PHONE (if box 12 = 'fee')				
15. ADDRESS OF SURFACE OWNER (if box 12 = 'fee')						16. SURFACE OWNER E-MAIL (if box 12 = 'fee')				
17. INDIAN ALLOTTEE OR TRIBE NAME (if box 12 = 'INDIAN')			18. INTEND TO COMMINGLE PRODUCTION FROM MULTIPLE FORMATIONS YES <input type="checkbox"/> (Submit Commingling Application) NO <input checked="" type="checkbox"/>			19. SLANT VERTICAL <input checked="" type="checkbox"/> DIRECTIONAL <input type="checkbox"/> HORIZONTAL <input type="checkbox"/>				
20. LOCATION OF WELL		FOOTAGES		QTR-QTR	SECTION	TOWNSHIP	RANGE	MERIDIAN		
LOCATION AT SURFACE		2051 FNL 2222 FEL		SWNE	7	8.0 S	25.0 E	S		
Top of Uppermost Producing Zone		2051 FNL 2222 FEL		SWNE	7	8.0 S	25.0 E	S		
At Total Depth		2051 FNL 2222 FEL		SWNE	7	8.0 S	25.0 E	S		
21. COUNTY UINTAH			22. DISTANCE TO NEAREST LEASE LINE (Feet) 414			23. NUMBER OF ACRES IN DRILLING UNIT 80				
			25. DISTANCE TO NEAREST WELL IN SAME POOL (Applied For Drilling or Completed) 414			26. PROPOSED DEPTH MD: 4615 TVD: 4615				
27. ELEVATION - GROUND LEVEL 5350			28. BOND NUMBER UTB 000424			29. SOURCE OF DRILLING WATER / WATER RIGHTS APPROVAL NUMBER IF APPLICABLE 49-2351				
Hole, Casing, and Cement Information										
String	Hole Size	Casing Size	Length	Weight	Grade & Thread	Max Mud Wt.	Cement	Sacks	Yield	Weight
SURF	12.25	8.625	0 - 500	24.0	J-55 ST&C	8.4	Class G	210	2.13	12.5
PROD	7.875	5.5	0 - 4615	15.5	J-55 LT&C	9.4	Halliburton Light , Type Unknown	340	1.94	12.5
							Class B	230	1.25	14.3
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"/> AFFIDAVIT OF STATUS OF SURFACE OWNER AGREEMENT (IF FEE SURFACE)					<input checked="" type="checkbox"/> FORM 5. IF OPERATOR IS OTHER THAN THE LEASE OWNER					
<input type="checkbox"/> DIRECTIONAL SURVEY PLAN (IF DIRECTIONALLY OR HORIZONTALLY DRILLED)					<input checked="" type="checkbox"/> TOPOGRAPHICAL MAP					
NAME David Platt			TITLE Permit Agent			PHONE 303 573-4436				
SIGNATURE			DATE 10/19/2011			EMAIL david@windmillenergy.net				
API NUMBER ASSIGNED 43047521110000			APPROVAL			 Permit Manager				

Advantage Resources, Inc.
("ARI")

Coyote Basin #7-7
SWNE Sec. 7 T8S-R25E
Uintah County, UT

Drilling Program

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, the approved Plan of Operations, and any applicable Notice to Lessees.

ARI is fully responsible for the actions of its subcontractors. A complete copy of the approved "Application for Permit to Drill" and the Standard Operating Procedures will be furnished to the field representative(s) to ensure compliance and will be on location during all construction and drilling operations.

BLM Notification Requirements:

- | | |
|--------------------------------|---|
| Location Construction: | 48 hours prior to construction of location and access roads. |
| Location Completion: | Prior to moving the drilling rig to the location. |
| Spud notice: | At least 24 hours prior to spudding the well. |
| Casing String & Cementing: | 24 hours prior to running casing and cementing each casing string. |
| BOP & Related Equipment Tests: | At least 24 hours prior to initiating pressure tests. |
| First Production Notice: | Within 5 days after production from a new well begins or production resumes after an existing well has been off production for more than 90 days. |

In the case of newly drilled dry holes or failures, and in emergency situations, oral approval will be obtained from the BLM, but such approval does not waive the written report requirement.

1. Estimated Tops of Geological Markers:

Formation	Depth
Uintah	Surface
Green River	1428'
Top Douglas Creek	3801'
Top Ostracod Limestone	4190'
CBU Oil Sand	4335'
Wasatch	4415'
Total Depth	4615'

2. Estimated Depths of Anticipated Water, Oil, Gas, or Other Minerals:

Substance	Formation	Depth
Oil/Gas	Green River	1428'
Oil/Gas	Douglas Creek	3801'
Oil/Gas	Ostracod Limestone	4190'
Oil/Gas	CBU Oil Sand	4335'
Oil/Gas	Wasatch	4535'

All usable water, having less than 10,000 ppm total dissolved solids, and any prospectively valuable minerals encountered during drilling will be recorded by depth and adequately protected. All oil and gas shows will be tested to determine their commercial potential. This information will be reported to the BLM.

All water shows and water bearing zones will be reported to the geologic/engineering staff of the BLM prior to running the next string of casing or before plugging orders are requested. Filing of the State of Utah form 7 Report of Water Encountered is optional.

All water shows will be reported within one (1) business day after being encountered.

Detected water flows will be sampled, analyzed, and reported to the geologic/engineering staff of the BLM. Additional water samples for further analysis will be provided upon request.

The following information will be provided for water shows and samples where applicable:

Location	Date Sampled
Sampled Interval	Temperature
Hardness	pH
Flow Rate	

State of Utah Water Classification

Dissolved Iron (Fe) (ug/l)	Dissolved Calcium (Ca) (mg/l)
Dissolved Magnesium (Mg) (mg/l)	Dissolved Sodium (Na) (mg/l)
Dissolved Bicarbonate (NaHCO ₃) (mg/l)	Dissolved Carbonate (CO ₃) (mg/l)
Dissolved Sulfate (SO ₄) (mg/l)	Dissolved Chloride (Cl) (mg/l)
Dissolved Total Solids (TDS) (mg/l)	

3. **Pressure Control Equipment:** (Schematic Attached)

ARI's minimum specifications for pressure control equipment are as follows:

The BOP and related equipment will meet the minimum requirements of Onshore Oil and Gas Order No. 2 for equipment and testing requirements, procedures, etc., for a 3,000 psi system. Chart recorders will be used for all pressure tests.

Test charts, with individual test results identified, will be maintained on location while drilling and shall be made available to a BLM representative upon request.

All required BOP tests and/or drills will be recorded in the IADC report.

The anticipated bottom hole pressure will be approximately 2,000 psi.

4. **Proposed Casing and Cementing Program:**

The proposed Casing Program will be as follows:

<u>Purpose</u>	<u>Depth</u>	<u>Hole Size</u>	<u>Casing Size</u>	<u>Type</u>	<u>Conn</u>	<u>Weight (lb/ft)</u>
Surface	500 +/-	12-1/4"	8-5/8"	J-55	ST&C	24.0
Production	4615'	7-7/8"	5-1/2"	J-55	LT&C	15.5

The proposed casing and cementing program will be conducted as approved to protect and/or isolate all usable water zones, potentially productive zones, lost circulation zones, abnormally pressured zones, and any prospectively valuable deposits of minerals. Any isolating medium other than cement will receive approval prior to use. The casing setting depth will be calculated to position the casing seat opposite a competent formation, which will contain the maximum pressure to which it will be exposed during drilling operations. Determination of casing setting depth will be based on all relevant factors, including: presence/absence of hydrocarbons, fracture gradients, usable water zones, formation pressures, lost circulation zones, other minerals, or other unusual characteristics.

All casing, except conductor casing, will be new.

The surface casing will be cemented back to the surface either during the primary cement job or by remedial cementing.

All waiting on cement times will be adequate to achieve a minimum of five hundred (500) psi compressive strength at the casing shoe prior to drilling out.

At a minimum, usable water zones below the surface casing will be isolated and/or protected by having a cement top for the production casing at least 200 feet above the base of the usable water. If Gilsomite is encountered while drilling, it will be isolated and/or protected via the cementing program.

Surface casing will have centralizers on the bottom three joints, with a minimum of one (1) centralizer per joint.

Production casing will have one centralizer 10'-15' above the guide shoe, one centralizer directly below the float collar, and one centralizer on every other joint up to 100' above any potential pay zone.

Top plugs will be used to reduce contamination of cement by the displacement fluid. A bottom plug or other acceptable technique, such as a pre-flush fluid, will be utilized to help isolate the cement from contamination by the mud being displaced ahead of the cement slurry.

All casing strings below the conductor will be pressure tested to 0.22 psi per foot of casing string length or to 1,500 psi, whichever is greater, but not to exceed 70% of the minimum internal yield. If pressure declines more than 10% in 30 minutes, corrective action will be taken.

The cementing program will be as follows:

<u>Surface</u>	<u>Cement Fill</u>	<u>Type and Amounts</u>
0'-500'	500'	<p>Slurry: 210+/- sks SwiftCem with 2.0% Calcium Chloride. Wt: 12.5 lbs/gal. Yield: 2.13 ft³/sk. Mix Water Ratio: 12.2 gal/sk. Calculated at 500' of fill with 100% excess.</p> <p>If cement is not circulated to surface or does not remain at surface, a "top out" job will be performed with Class "G" Cement containing 2.0% CaCl₂ and 0.25 lbs/sack Flocele. Wt: 15.8 lbs/gal. Yield: 1.17 ft³/sk. Mix Water Ratio: 5.0 gals/sk.</p>
<u>Production</u>		<u>Type and Amounts</u>
0'- 3,215'	+/-3,250'	<p>Lead Slurry: 340+/- sks Halliburton Econocem Cement with additives. Wt: 12.5 lbs/gal. Yield: 1.94 ft³/sk. Mix Water Ratio: 10.53 gals/sk. Calculated at 3,000' of fill (3,000' of fill in open hole)</p>
3,215' - 4,615'	+/-1,400'	<p>Tail Slurry: 230+/- sks Haliburton Econcem with additives. Wt: 14.3 lbs/gal. Yield: 1.25</p>

ft³/sk. Mix Water Ratio: 5.41 gals/sk.
 Calculated fill plus 20% excess.

Top of production casing cement will be calculated to surface pipe based on open hole caliper log volumes at 20% excess in the open hole sections.

Anticipated cement tops will be reported as to depth, not the expected number of sacks of cement to be used. The BLM will be notified, with sufficient lead time, in order to have a BLM representative on location while running all casing strings and cementing.

After cementing the surface casing and prior to commencing any test, ARI will wait long enough for the cement to have at least a compressive strength of 500 psi at the shoe. WOC time will be recorded in the Driller's log.

The spud date will be shown on the first report that is submitted.

A Sundry Notice, Form 3160-5 will be filed with the BLM within 30 days after the work is completed. It will contain the following information:

The setting of each string showing the size, grade, weight of casing set, setting depth, amounts and types of cement used, whether the cement was circulated to surface or the top of cement behind casing, the depth of cementing tools used, casing testing methods and results, and the date the work was done.

The following auxiliary well equipment will be used:

A 2" choke manifold and pit level indicator.

An upper Kelly Cock will be kept in the drilling string at all times.

A float will be used in the bit at all times.

A stabbing valve will be available on the rig floor and will fit all rotary connections.

5. **Drilling Fluids Program:**

<u>Interval</u>	<u>Weight</u>	<u>Viscosity</u>	<u>Fluid Loss</u>	<u>Description</u>
0'-500'	8.3 - 8.4	27 - 35	N/A	Water & Native Mud
500-T.D.	8.6 - 9.4	35 - 40	10 - 12 cc	Water/LSND

There will be sufficient mud inventory on location during drilling operations to control any adverse conditions which may arise.

Hazardous substances specifically listed by the EPA as a hazardous waste or demonstrating a characteristic of a hazardous waste will not be used in drilling, testing, or completion operations.

No chromate additives will be used in the mud system without prior BLM approval to ensure adequate protection of fresh water aquifers.

No chemicals subject to reporting under SARA Title III in any amount to or greater than 10,000 pounds will be used, produced, stored, transported, or disposed of in the annulus in association with the drilling, testing, or completing of any wells in the Naval Oil Shale Reserve #2 area.. Furthermore, no hazardous substances, as defined in 40 CFR 355, in threshold planning quantities, will be used, produced, stored, transported, or disposed of in association with the drilling, testing, or completing of any wells in the Naval Oil Shale Reserve #2 area.

6. **Evaluation Program:**

Daily drilling and completion progress reports will be submitted to the BLM on a weekly basis.

Logging Program:

Compensated Density/Neutron Log; Dual Induction log. These two open hole logs will be run from Total Depth to the base of the surface casing. A Micro log, Sonic log, FMI log, or MRI log may be run on occasion.

A cement bond log (CBL) will be run from plug back total depth within the casing to the top of cement and it will be utilized to determine the bond quality for the production casing. A final copy of the CBL will be submitted to the BLM.

Deviation Surveys:

Surveys will be run at least every five-hundred (500) feet. Surveys will also be taken on every trip.

Mud Logger:

A manned/un-manned mud-logging unit will be on location from 200' above the first anticipated pay zone to Total Depth.

Sampling:

Dry samples will be taken every thirty (30) feet from the depths that are mud-logged. All samples with any type of shows will be saved for one (1) year.

Drill Stem Tests;

None Anticipated.

Cores:

None Anticipated.

Completion:

The "Well Completion and Re-Completion Report and Log" (Form 3160-4) will be submitted no later than 30 days after completion of the well or after completion of operations being performed, in accordance with 43 CFR 3164, whether the well is completed as a dry hole or a producer. One copy of all logs, core descriptions, and all other surveys or data obtained and compiled during the drilling, workover, and/or completion operations will be filed with Form 3160-4.

Samples (cuttings, fluids, and/or gases) will be submitted when requested by the BLM.

7. **Abnormal Conditions:**

No abnormal conditions are anticipated in the Upper Mesa Verde/Wasatch zones.

8. **Anticipated Starting Dates and Notification of Operations:**

Drilling Activity:

Construction is expected to begin October 1, 2011 with drilling activity to begin before November 1, 2011.

When possible, the surface hole will be drilled and surface casing set and cemented with a rathole rig. The drilling rig will move in after surface casing has been set and will drill the hole to Total Depth. Approximately ten (10) working days will be required to drill the hole including the surface hole operations.

Longstring cement will set for a minimum of 72 hours. Well completion operations should take approximately seven (7) working days.

Notification of Operations:

The BLM will be notified at least 24 hours prior to the commencement of spudding the well (to be followed with a Sundry Notice, Form 3160-5), of initiating pressure tests of the blowout preventer and related equipment, and running casing and cementing of all casing strings. Notification will be made during regular work hours (7:45 a.m. – 4:30 p.m., Monday – Friday except holidays).

No location will be constructed or moved, no well will be plugged, and no drilling or workover equipment will be removed from the well to be placed in suspended status without prior approval from the BLM. If operations are to be suspended, prior approval of the BLM will be obtained and notification given before resumption of operations.

A completion rig will be used for completion operations.

Immediate Report: Spills, blowouts, fires, leaks, accidents, or any other unusual occurrences shall be promptly reported in accordance with the requirements of NTL-3A or its revision.

ARI will report production data to the BLM and the State of Utah Oil, Gas and Mining Division. Production reporting will start with the month in which operations commence and continue each month until the well is physically plugged and abandoned.

The date on which production is commenced or resumed will be construed for oil wells as the date on which liquid hydrocarbons are first sold or shipped from a temporary storage facility, such as a test tank, and for which a run ticket is required to be generated, or the date on which liquid hydrocarbons are first produced into a permanent storage facility, whichever occurs first; and for gas wells, as the date on which associated liquid hydrocarbons are first sold or shipped from a temporary storage facility, such as a test tank, and for which a run ticket is required to be generated, or the date on which gas is measured through permanent metering facilities, whichever occurs first.

Should the well be successfully completed for production, the BLM will be notified when the well is placed in a producing status. Such notification will be sent by written communication no later than 5 days following the date when the well is placed on production.

Produced water may be temporarily disposed of into unlined pits for a period of up to 90 days. During this period, an application for approval of the permanent disposal method must be submitted to the BLM.

Pursuant to NTL-4A, ARI is authorized to vent/flare gas during the initial well evaluation tests, not to exceed 30 days or the production of 50 MMCF of gas, whichever occurs first. An application must be filed with the BLM and approval received for any venting/flaring of gas beyond the initial 30 days or authorized test period.

A schematic facilities diagram will be submitted to the BLM within 60 days of installation or first production, whichever occurs first. All site security regulations will be adhered to. All product lines entering and leaving hydrocarbon storage tanks will be effectively sealed.

Well abandonment operations will not be commenced without the prior approval of the BLM. In the case of newly drilled dry holes or failures, and in emergency situations, oral approval will be obtained from the BLM. A "Subsequent Report of Abandonment" will be filed with the BLM within 30 days following completion of the well for abandonment. The report will indicate placement of the plugs and current status of the surface restoration. Final abandonment will not be approved until the surface reclamation work required by the APD or approved abandonment notice has been completed to the satisfaction of the BLM.

ARI will ensure that its exploration, development, production, and construction operations are conducted in a manner which conforms with applicable Federal laws and regulations and with State and local laws, to the extent to which they are applicable on Indian lands.

9. **Other Information:**

All loading lines will be placed inside the berm surrounding the tank battery for new locations, and as existing locations are maintained.

All off-lease storage, off-lease measurement, or co-mingling on-lease or off-lease will have prior written approval from the BLM.

The gas meter will be calibrated and any production tank will be strapped in place prior to any deliveries of gas or oil. Tests for meter accuracy will be conducted following the initial installation or following any repair and at least quarterly thereafter. The BLM 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 reports will be submitted to the BLM. All measurement facilities will conform to API and AGA standards, Onshore Oil & Gas Order No. 4, and Onshore Oil & Gas Order No. 5 for natural gas and liquid hydrocarbon measurements.

Deviations from the proposed drilling and/or workover program will be approved by the BLM. Safe drilling and operating practices will be observed. All wells, whether drilling, producing, suspended, or abandoned, will be identified in accordance with 43 CFR 3162.

Form 3160-5 "Sundry Notice and Report in Wells" will be filed for approval for all changes of plans and other operations in accordance with 43 CFR 3162.3-2.

In accordance with Section 102 (b)(3) of the Federal Oil and Gas Royalty Management Act of 1982, as implemented by the applicable provisions of Title 43 CFR 3162.4-1(c), "not later than the 5th business day after any well begins production on which royalty is due anywhere on the lease site or allocated to a lease site, resumes production in the case of a well which has been off production for more than 90 days, the operator shall notify the BLM by letter or sundry notice, Form 3160-5, or orally to be followed by a letter or sundry notice, of the date on which such production has begun or resumed."

ADVANTAGE RESOURCES, INC.

Well location, COYOTE #7-7, located as shown in the SW 1/4 NE 1/4 of Section 7, T8S, R25E, S.L.B.&M. Uintah County, Utah.

BASIS OF ELEVATION

BENCH MARK 45EAM LOCATED IN THE SW 1/4 OF SECTION 34, T8S, R24E, S.L.B.&M. TAKEN FROM THE BONANZA 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 5350 FEET.

BASIS OF BEARINGS

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

T8S, R25E, S.L.B.&M.

R R
24 25
E E

EAST - 2636.04' (G.L.O.)

1935 2" Brass
Cap, 1.0' High

1935 2 1/2" Brass
Cap, 0.7" High
Steel Post

589°58'29"W - 2636.10' (Meas.)

N00°02'33"E - 2640.03' (Meas.)

COYOTE #7-7
Elev. Ungraded Ground = 5499'

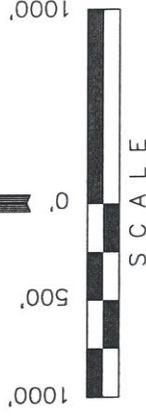
2051'

2222'

1916 2 1/2" Brass
Cap, 1.5' High

1935 2 1/2" Brass
Cap, 0.4' High
Pile of Stone

N00°02'31"E - 2640.26' (Meas.)



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 5-5-11

1935 2 1/2" Brass
Cap, 0.5" Below Ground

W.C. 1935 2 1/2"
Brass Cap, 0.1" High

True
Corner

1916 2 1/2" Brass
Cap, 1.1" High,
Pile of Stones

N89°57'35"E - 2632.50' (Meas.) 38.94' GLO N89°58'35"E - 2594.21' (Meas.)

UINTAH ENGINEERING & LAND SURVEYING

85 SOUTH 200 EAST - VERNAL, UTAH 84078

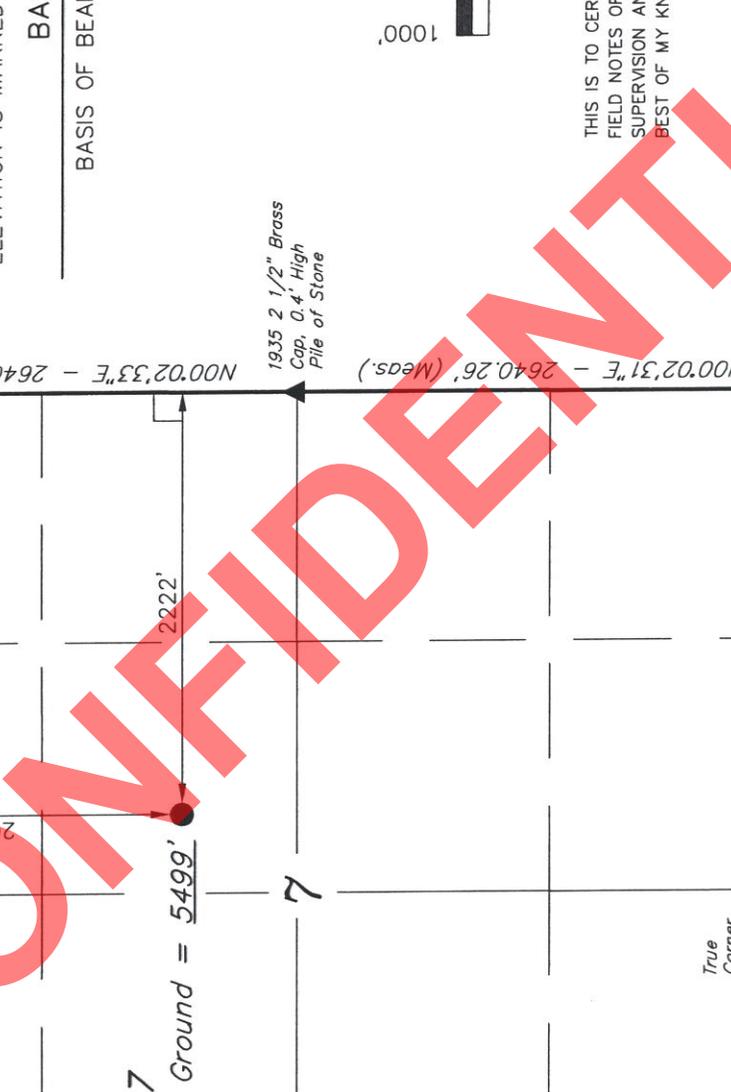
(435) 789-1017

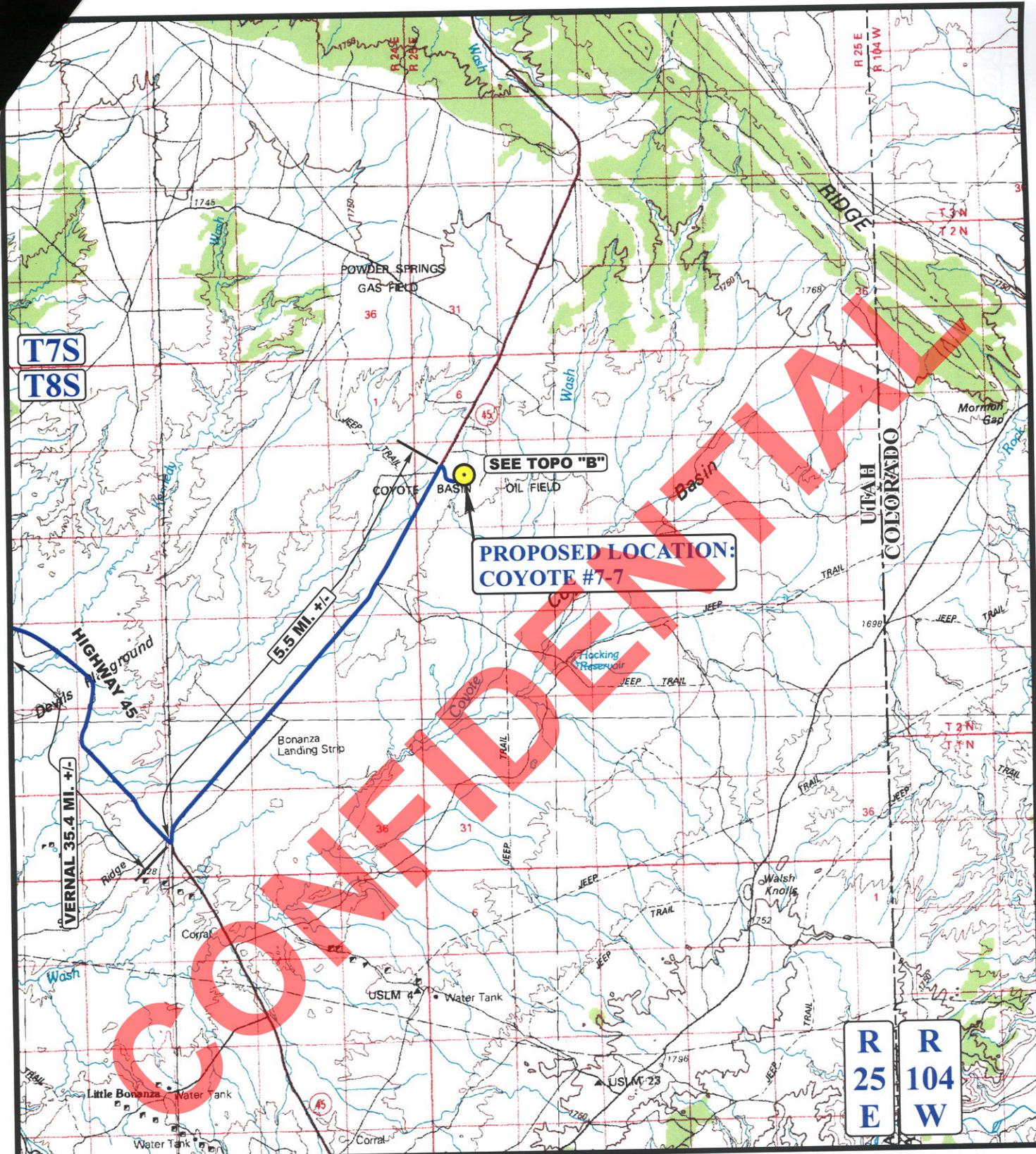
SCALE 1" = 1000'	DATE SURVEYED: 04-12-11	DATE DRAWN: 04-20-11
PARTY G.S G.B. Z.L.	REFERENCES G.L.O. PLAT	
WEATHER WARM	FILE	ADVANTAGE RESOURCES, INC

LEGEND:

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

NAD 83 (SURFACE LOCATION)
LATITUDE = 40°08'18.99" (40.138608)
LONGITUDE = 109°08'32.29" (109.142303)
NAD 27 (SURFACE LOCATION)
LATITUDE = 40°08'19.11" (40.138642)
LONGITUDE = 109°08'29.86" (109.141628)





CONCEPTUAL PLAN

LEGEND:

PROPOSED LOCATION



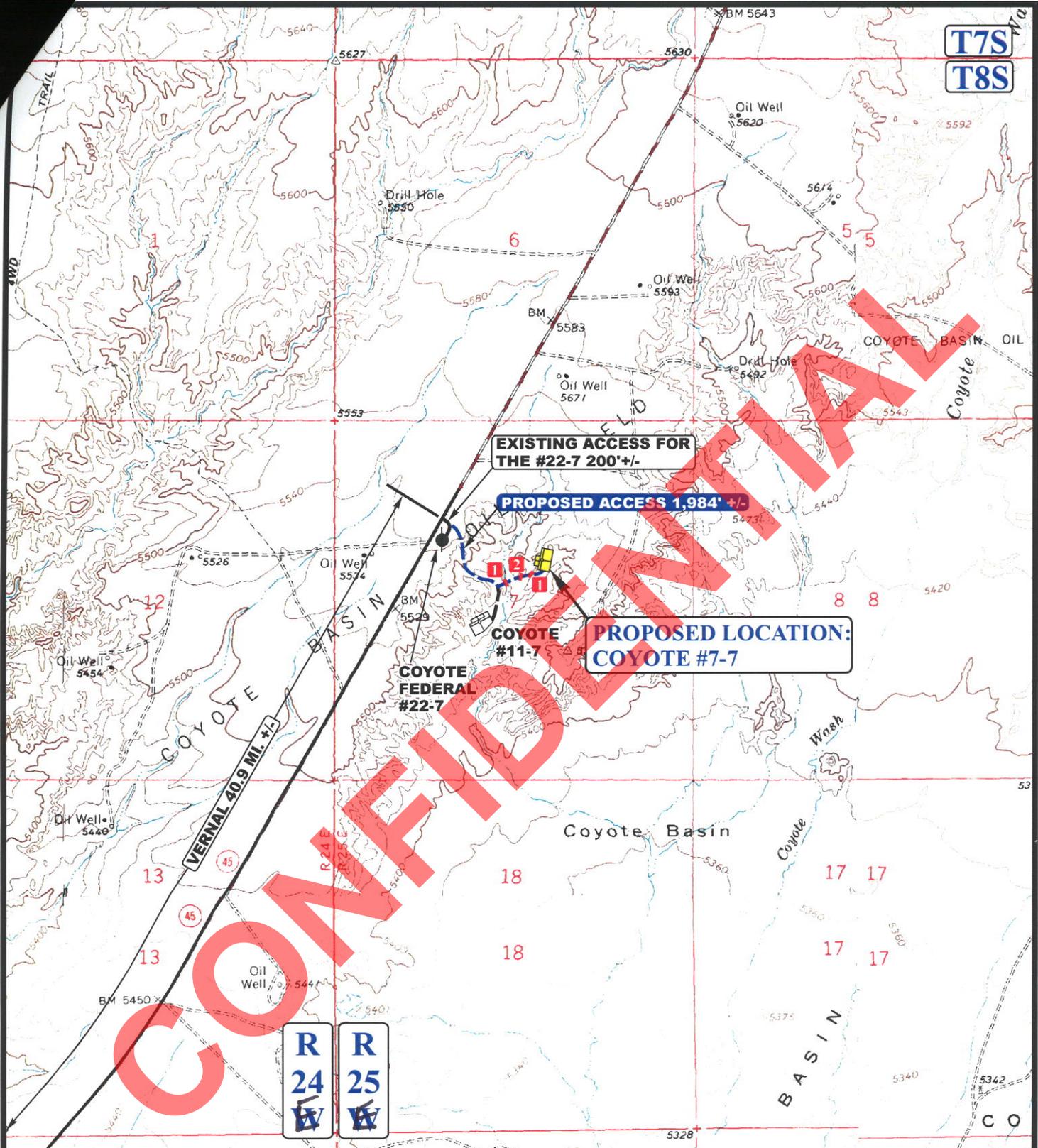
ADVANTAGE RESOURCES, INC.

COYOTE #7-7
SECTION 7, T8S, R25E, S.L.B.&M.
2051' FNL 2222' FEL



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

TOPOGRAPHIC	04	26	11	A TOPO
MAP	MONTH	DAY	YEAR	
SCALE: 1:100,000		DRAWN BY: C.A.G.		REVISION: 00-00-00



LEGEND:

- EXISTING ROAD
- PROPOSED ACCESS ROAD
- LOW WATER CROSSING
- 18" CMP REQUIRED



ADVANTAGE RESOURCES, INC.

COYOTE #7-7
SECTION 7, T8S, R25E, S.L.B.&M.
2051' FNL 2222' FEL



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

TOPOGRAPHIC
MAP

04 26 11
 MONTH DAY YEAR

SCALE: 1" = 2000' DRAWN BY: C.A.G. REVISION: 00-00-00



Advantage Resources, Inc.
1775 Sheman St., #1700
Denver CO 80203

October 14, 2010

Utah Division of Oil, Gas and Mining
1594 West North Temple, Suite 1210
Salt Lake City, UT 84116

Bureau of Land Management
Vernal Field Office
170 South 500 East
Vernal, UT 84078

Coyote Basin Federal Unit
UTU-72085A
T8S-R24E and T8S-R25E
Uintah County, UT

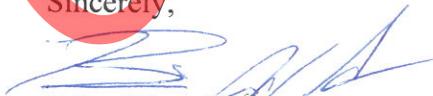
To Whom it May Concern:

This letter is to inform you that David J. Platt of Windmill Energy Services, LLC, is authorized to act as Agent and to sign documents on behalf of Advantage Resources, Inc. when necessary for filing county, state and federal permits for wells in the above mentioned federal unit. Windmill Energy Services address is 216 16th Street, Suite 1200, Denver, CO 80202.

It should be understood that Windmill Energy Services, LLC is acting as Agent only in those matters stated above and is not responsible for drilling, completion, or compliance with regulations.

Advantage Resources, Inc. agrees to accept full responsibility for operations conducted in order to drill, complete and produce wells in the Coyote Basin Federal Unit.

Sincerely,



Brian W. Ackman
VP Exploration

SURFACE USE PLAN

Advantage Resources, Inc.

Coyote Basin #7-7
SWNE Sec. 7 T8S-R25E
Uintah County, UT

1. Existing Roads

- a. Proceed in an easterly, then southerly direction from Vernal, Utah along U.S. Highway 40 approximately 3.9 miles to the junction of this road and State Highway 45 to the south. Exit right and proceed in a southerly, then southeasterly direction approximately 31.5 miles to the junction of this road and an existing road to the northeast; turn left and proceed in a northeasterly direction approximately 5.5 miles to the junction of this road and an existing road to the #22-7 to the southeast; turn right and proceed in a southeasterly direction approximately 200' to the beginning of the proposed access to the southeast; follow road flags in an southeasterly, then northwesterly direction approximately 1,984' to the proposed location. Total distance from Vernal, Utah to the proposed well location is approximately 41.3 miles.
- b. The proposed well sites are located approximately 8 miles north of Bonanza, Utah and within ½ mile of the State Highway 45 – See attached Topographic Map.
- c. Project roads would require routine year-round maintenance to provide year-round access. Maintenance would include inspections, reduction of ruts and holes, maintenance to keep water off the road, replacement of surfacing materials, and clearing of sediment blocking ditches and culverts. Should snow removal become necessary, roads would be cleared with a motor grader and snow would be stored along the down gradient side to prohibit runoff onto the road. Aggregate would be used as necessary to maintain a solid running surface and minimize dust generation.
- d. Vehicle operators would obey posted speed restrictions and observe safe speeds commensurate with road and weather conditions. Travel would be limited to the existing access roads and proposed access road.
- e. The use of roads under State Road Department maintenance is necessary to access the project area with no improvements proposed. No encroachment or pipeline crossing permits are required.
- f. All existing roads would be maintained and kept in good repair during all phases of operation.

2. Planned Access Roads

- a. Approximately 1,984' feet of new access road is planned in addition to 200' of existing road to access from the existing State Highway 45 to the Coyote Basin 11-7 as shown on the enclosed Project Map and Topo Map "C" included with the survey plat and access drawings.
- b. The road would be constructed to a 30-foot ROW width with a 14-foot travel surface. Two low water crossings and an 18" culvert are planned along the proposed new access as shown in the attached drawings.
- c. The standard methodology for building new roads involves the use of a crawler tractor or track hoe to windrow the vegetation to one side of the road corridor, remove topsoil to the opposing side of the corridor, and rough-in the roadway. This is followed by a grader or bulldozer to establish barrow ditches and crown the road surface. Where culverts are required, a track hoe or backhoe would trench the road and install the culverts. Some hand labor would be required when installing and armoring culverts. Road base or gravel in some instances would be necessary and would be hauled in and a grader used to smooth the running surface.
- d. The proposed road would be constructed to facilitate drainage, control erosion and minimize visual impacts by following natural contours where practical. No unnecessary side-casting of material would occur on steep slopes.
- e. A maximum grade of 10% will be maintained throughout the project.
- f. Excess rock from construction of the pad may be used for surfacing of the access road if necessary. Any additional aggregate necessary would be obtained from private or State of Utah lands in conformance with applicable regulations. Aggregate would be of sufficient size, type, and amount to allow all weather access and alleviate dust.
- g. Where topsoil removal is necessary, it would be windrowed (i.e. stockpiled/accumulated along the edge of the ROW and in a low row/pile parallel with the ROW) and re-spread over the disturbed area after construction and backfilling are completed. Vegetation removed from the disturbed area would also be re-spread to provide protection, nutrient recycling, and a seed source for reclamation.
- h. Turnouts are not proposed because the access road is short and adequate site distance exists in all directions.

- i. No culverts or low-water crossings are anticipated. Adequate drainage structures, where necessary, would be incorporated into the remainder of the road to prevent soil erosion and accommodate all-weather traffic.
- j. No gates or cattle guards are anticipated at this time.
- k. Surface disturbance and vehicular travel would be limited to the approved location access road. Adequate signs would be posted, as necessary, to warn the public of project related traffic.
- l. All access roads and surface disturbing activities would conform to the appropriate standard, no higher than necessary, to accommodate their intended function adequately as outlined in the Bureau of Land Management and Forest Service publication: Surface Operating Standards for Oil and Gas Exploration and Development, Fourth Edition – Revised 2007.
- m. The operator would be responsible for all maintenance needs of the new access road.

3. Location of existing wells within a one mile radius of proposed well location

See Topographic Map "C" included with the proposed well survey plat for the location of existing wells within a one-mile radius.

4. Location of Existing and /or Proposed Facilities

- a. To comply with visual resource management, the production facilities will be painted a non-gloss color to blend into the surrounding background color of the landscape. All permanent above-ground facilities that remain longer than six months will be painted Covert Green to match environmental standards, the exception being OSHA rules are to be complied with where special safety colors are required.
- b. The placement of the facilities will be considered to allow for more natural contouring for production reclamation.
- c. Production facilities are suitably placed to allow more efficient reduction in noise. To help prevent disturbance to wildlife, livestock and private surface owners, suitable mufflers are installed to reduce sound levels. Operator complies with all federal laws pertaining to noise control.
- d. A tank battery will be constructed at the location surrounded by a dike of sufficient capacity to contain the storage capacity of the largest tank.
- e. Any necessary pits will be properly fenced to prevent any wildlife or livestock entry.

- f. All access roads will be maintained as necessary to prevent erosion and accommodate year round traffic. The road will be maintained in a safe and usable condition.
- g. A pipeline corridor has been considered for the location. If needed, the pipeline corridor will follow the proposed access routes to minimize surface disturbance.

5. Location and Type of Water Supply

- a. The water supply for construction, drilling and operations will be from the city of Vernal.
- b. Less than 5 acre-feet of water is anticipated per well for dust suppression, drilling and completion of the project.
- c. Water will be transported by truck off-loaded into frac tanks.
- d. No water well will be drilled for this well.
- f. Drilling water for this will be hauled on the road(s) shown on the map.
- g. Should additional water sources be pursued they will be properly permitted through the State of Utah – Division of Water Rights and a federal sundry notice submitted amending this document.

6. Source of Construction Materials

- a. The use of materials will conform to 43 CFR 3610.2-3.
- b. No construction materials will be removed from BLM lands.
- c. If any gravel is required, it would be obtained from a local supplier having a permitted source of materials within the general area.

7. Method of Handling Waste Materials

- a. All waste associated with this application will be contained and disposed of utilizing approved facilities.
- b. Drill cuttings will be contained and buried on site.
- c. The reserve pit will be located inboard of the location.

- d. The reserved pit will be constructed so as not to leak, break or allow any discharge.
- e. The reserve pit will be lined with 16 mil minimum thickness plastic nylon reinforced liner material. The liner will overlay a felt liner pad only if rock is encountered during excavation. The pit liner will overlap the pit walls and be covered with dirt and/or rocks to hold it in place. No trash, scrap pipe, etc, that could puncture the liner will be disposed of in the pit. Pit walls will be sloped no greater than 2:1. A minimum 2-foot freeboard will be maintained in the pit at all times during the drilling and completion operation.
- f. The reserve pit has been located in cut material. Three sides of the reserve pit will be fenced before drilling starts. The fourth side will be fenced as soon as drilling is completed, and shall remain until the pit is dry. After the reserve pit has dried, all areas not needed for production will be rehabilitated.
- g. No chemicals subject to reporting under SARA Title III (hazardous materials) in an amount greater than 10,000 pounds will be used, produced, stored, transported, or disposed of annually in association with the drilling, testing, or completion of the well. Furthermore, no extremely hazardous substances, as defined in 40 CFR 355, in threshold planning quantities, will be used, produced, stored, transported, or disposed of in association with the drilling, testing, or completion of the well.
- h. Trash will be contained in a trash cage and hauled away to an approved disposal site as necessary but no later than at the completion of drilling operations. The contents of the trash container will be hauled off periodically to a permitted disposal site.
- i. Any salts and/or chemicals, which are an integral part of the drilling system, will be disposed of in the same manner as the drilling fluid.
- j. Sewage will be contained in approved collectors and disposed of at an off-site approved facility.
- k. Immediately after the drilling operations are complete and the rig is gone, all debris and other waste materials will be cleaned up and taken off the location.

8. Ancillary Facilities

- a. Garbage Containers and Portable Toilets are the only ancillary facilities proposed in this application.
- b. No camps, airstrips or staging areas are proposed with this application.

9. Well Site Layout

- a. The well will be properly identified in accordance with 43 CRD 3162.6.
- b. The attached Location Layout diagram for the proposed well location is included the survey plat and access drawings illustrating access routes, drill pad cross-sections, cuts and fills, reserve pit, spoil dirt stockpile(s) and top soil stockpile(s).
- c. The well pad and road designs are consistent with industry specifications.
- d. All surface disturbing activities, will be supervised by a qualified, responsible company representative who is aware of the terms and conditions of the APD and specifications in the approved plans.
- e. All cut and fill slopes will be such that stability can be maintained for the life of the activity. The road design incorporates measures to minimize side-casting along the fill slopes to further minimize visual resource concerns.
- f. Diversion ditches around the well site will only be constructed if necessary to prevent surface waters from entering the well site areas.
- g. The site surface will be graded to drain away from the pit to avoid spillage during large storm events.
- h. The stockpiled topsoil (first 6 inches or maximum available) will be stored in a discontinuous window on the uphill side of the location to prevent any possible contamination. All topsoil will be stockpiled for reclamation in such a way as to prevent soil loss, sterilization and contamination.
- i. Pits will remain fenced until site cleanup.
- j. The blooie line will be located at least 100 feet from the well head.
- k. Water injection may be implemented if necessary to minimize the amount of fugitive dust.

10. Plans for Restoration of the Surface

- a. A site specific reclamation plan has been prepared and is provided as an attachment to this surface use plan for each proposed location. The reclamation plan was prepared consistent with Onshore Order No.1 Section J, the Green River District Reclamation Guidelines and the Surface Reclamation Plan Checklist.

- b. Upon well completion, any hydrocarbons in the pit shall be removed in accordance with 43CRD 3162.7-1. Once the reserve pit is dry, the plastic nylon reinforced liner shall be torn and perforated before backfilling of the reserve pit. The reserve pit and that portion of the location not needed for production facilities/operations will be re-contoured to the approximate natural contours.
- c. Following BLM published Best Management Practices the interim reclamation will be completed within one year of completion of the well to reestablish vegetation, reduce dust and erosion and compliment the visual resources of the area.
- d. All equipment and debris will be removed from the area proposed for interim reclamation and the pit are will be backfilled and re-contoured. The area outside of the rig anchors and other disturbed areas not needed for the operation of the well will be re-contoured to blend with the surrounding area and reseeded at 12.5 lbs/acre with the native grass seeds set forth in the site specific reclamation plan.
- e. Reclaimed areas receiving incidental disturbance during the life of the producing will be re-contoured and reseeded as soon as practical.
- f. The Operator will control noxious weeds along access road use authorizations, pipeline route authorizations, well sites, or other applicable facilities by spraying or mechanical removal. A list of noxious week may be obtained from the BLM or the appropriate County Extension Office. An Integrated Pest Management Plan has been included specific to the proposed development.
- g. Prior to final abandonment of the site, all disturbed areas, including the access road, will be scarified and left with a rough surface. The site will then be seeded and/or planted as prescribed by the BLM. The BLM recommended seed mix will be detailed within their approval documents.
- h. A final abandonment notice will be submitted to BLM when the reclamation activities (as presented in this document) are completed and new vegetation is established. Should there be any deviation from these planned reclamation activities, the surface owner will be notified and a Sundry Notice will be submitted to BLM for approval of the new closure and reclamation activities.

11. Surface and Mineral Ownership

Bureau of Land Management
Vernal Field Office
170 South 500 East Vernal, UT 84078
Phone: (435) 781-4400.

12. Other Information

a. Company Representative

Brian Ackman
Advantage Resources, Inc.
1775 Sherman Street, #1700
Denver, CO 80203-4319
303-831-1912

b. Permit Representative

David Platt
Windmill Energy Services
216 16th St. Suite 1200
Denver, CO 80202
303-573-4436

- c. Montgomery Archeological Consultants has conducted a Class III archeological survey of the project area. A copy of the report has been submitted under separate cover to the appropriate agencies by Montgomery as MOAC Report No. 11-029 dated July 11, 2011.
- d. A Paleontological Reconnaissance Survey was conducted by Intermountain Paleo-Consulting and the Survey Report has been submitted under separate cover to the appropriate agencies as IPC #11-107.
- e. The BLM has conducted a biological review and participated in preliminary project planning. Due to the extensive area of prairie dog towns it is not economically feasible to completely avoid and effectively develop the lease. Surface planning has been conducted to minimize disturbance impacts to prairie dog colonies. Operator will adhere to timing limitations and conditions of approval provided in the permit.
- f. A complete copy of the approved (APD) including conditions of approval shall be on the well site during construction and drilling operations. A copy shall also be furnished to the dirt contractor.
- g. A Notice of Intent to Abandon and a Subsequent Report of Abandonment will be submitted for abandonment approval if well is a dry hole.

13. Operator's Representative and Certification

Name: Brian Ackman
Address: 1775 Sherman St.
Suite 1700
Denver, Colorado 80203
Phone No. 303-831-1912
Cellular No. 303-832-6048

All lease and/or unit operations will be conducted in such a manner that full compliance is made with all applicable laws, regulations and Onshore Oil and Gas Orders. Advantage Resources, Inc. is fully responsible for the actions of its subcontractors. A copy of these conditions will be furnished to the field representative to ensure compliance.

Certification:

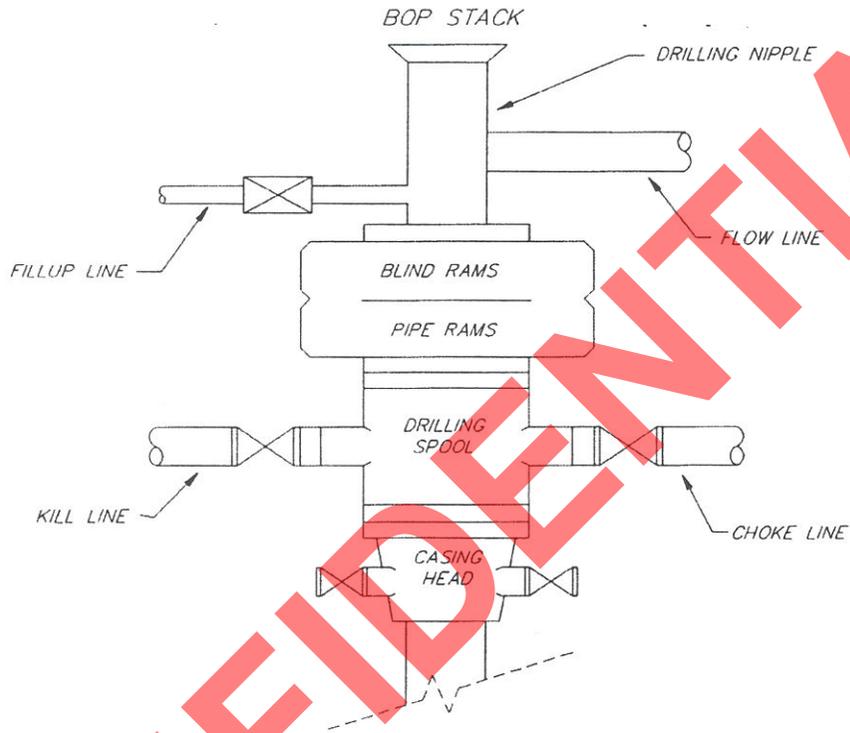
I hereby certify that I, or persons under my direct supervision, have inspected the proposed drill site and access route; that I am familiar with the conditions that presently exist; that the statements made in this plan are, to the best of my knowledge and belief, true and correct; and that the work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

9/14/2011
Date

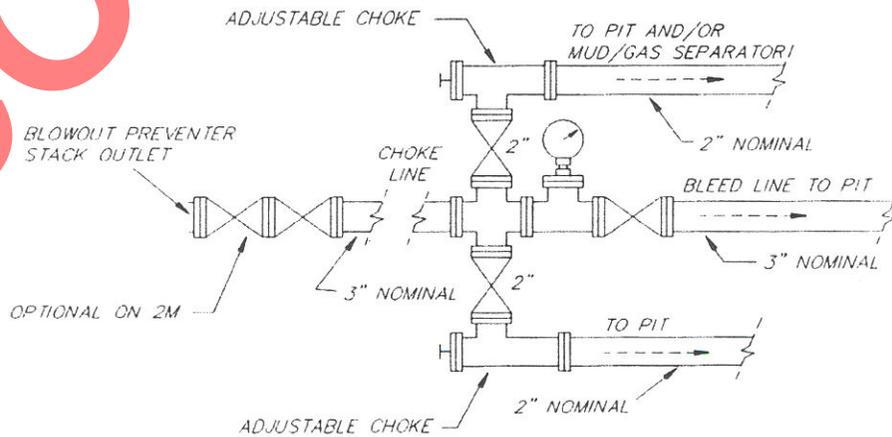
Brian W. Ackman
Brian W. Ackman
Advantage Resources, Inc.

CONFIDENTIAL

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



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



United States Department of the Interior

BUREAU OF LAND MANAGEMENT

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

IN REPLY REFER TO:

3160
(UT-922)

October 21, 2011

Memorandum

To: Assistant District Manager Minerals, Vernal District
From: Michael Coulthard, Petroleum Engineer
Subject: 2011 Plan of Development Coyote Basin (Green River), Uintah County, Utah.

Pursuant to email between Diana Whitney, Division of Oil, Gas and Mining, and Mickey Coulthard, Utah State Office, Bureau of Land Management, the following wells are planned for calendar year 2011 within the Coyote Basin (Green River) Unit, Uintah County, Utah.

API#	WELL NAME	LOCATION
(Proposed PZ Green River)		
43-047-52111	Coyote Basin 7-7	Sec 07 T08S R25E 2051 FNL 2222 FEL
43-047-52112	Coyote Basin 11-7	Sec 07 T08S R25E 2312 FSL 2125 FWL
43-047-52113	Coyote Basin 2-13	Sec 13 T08S R24E 0793 FNL 1869 FEL
43-047-52114	Coyote Basin 6-13	Sec 13 T08S R24E 2166 FNL 2001 FWL
43-047-52115	Coyote Basin 14-13	Sec 13 T08S R24E 2170 FSL 1905 FWL

Please be advised that this unit agreement only unitizes the following as defined in Section 4 of the Coyote Basin (Green River) Unit Agreement.

The "Unitized Formation" shall mean the Green River formation as identified by the Induction Electrical log run in the Roseland Federal #21-7 well located in the NE/4NW/4 of Section 7, Township 8 South, Range 25 East, Uintah County, Utah, with the top of the Unitized Formation being found at a measured depth of 4,316 feet a vertical depth of 4,316 feet below the Kelly Bushing (+1247 feet subsea) and the base of the Unitized Formation being found at a measured depth of 4,470 feet a vertical depth of 4,470 feet below the Kelly Bushing (+1093 feet subsea) or to the stratigraphic equivalent thereof.

RECEIVED: October 21, 2011

Downhole or surface commingling of production from other horizons is not authorized.

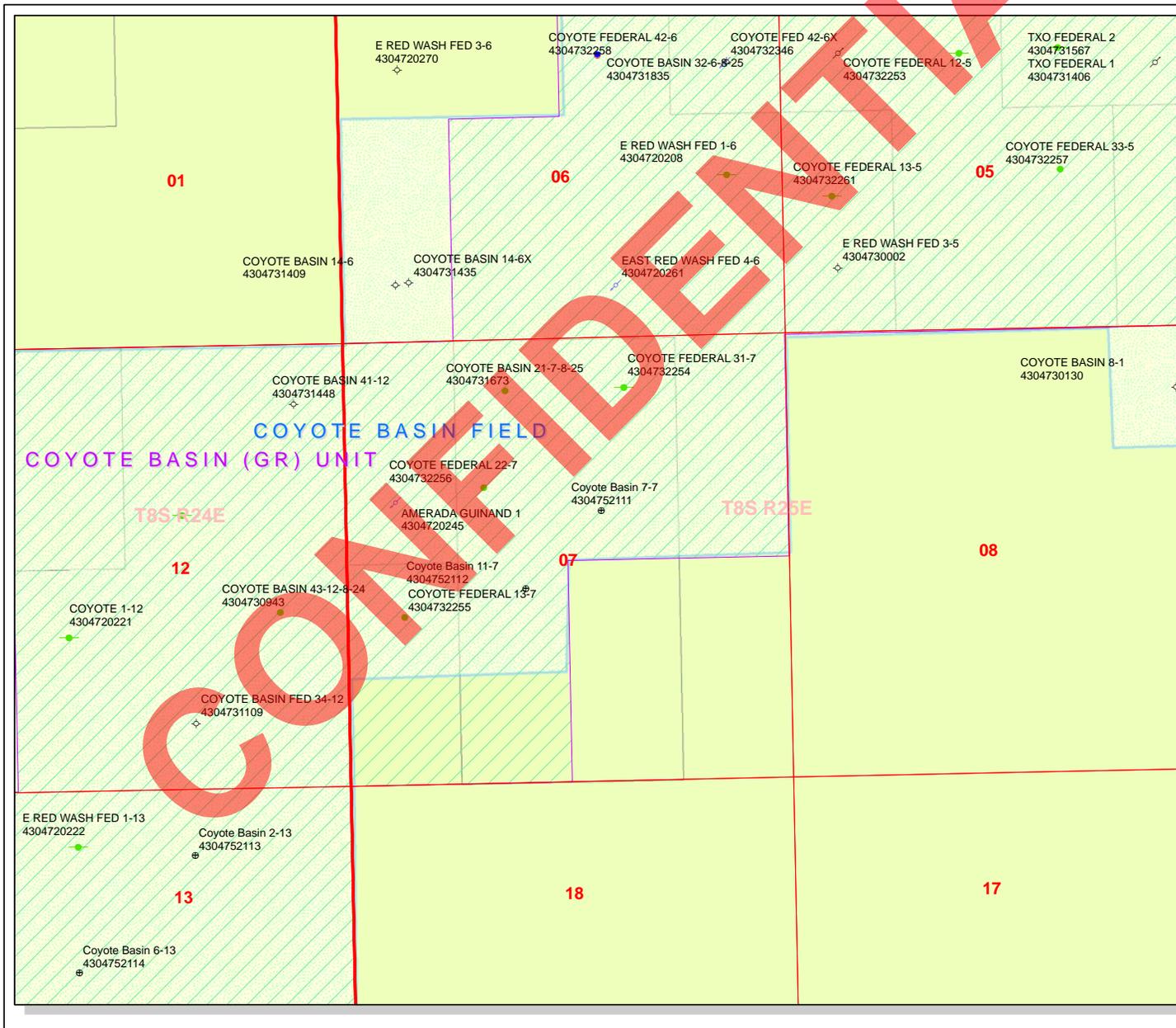
Michael L. Coulthard

Digitally signed by Michael L. Coulthard
DN: cn=Michael L. Coulthard, o=Bureau of Land Management,
ou=Branch of Minerals, email=Michael_Coulthard@blm.gov, c=US
Date: 2011.10.21 10:40:09 -06'00'

bcc: File - Coyote Basin Unit
Division of Oil Gas and Mining
Central Files
Agr. Sec. Chron
Fluid Chron

MCoulthard:mc:10-21-11

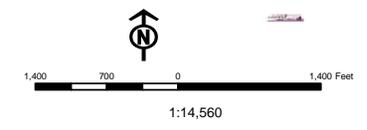
CONFIDENTIAL



API Number: 4304752111
Well Name: Coyote Basin 7-7
Township T0.8 . Range R2.5 . Section 07
Meridian: SLBM
 Operator: ADVANTAGE RESOURCES INC

Map Prepared:
 Map Produced by Diana Mason

Units Status	Wells Query Status
ACTIVE	APD - Approved Permit
EXPLORATORY	DRIL - Spudded (Drilling Commenced)
GAS STORAGE	GIW - Gas Injection
NF PP OIL	GS - Gas Storage
NF SECONDARY	LA - Location Abandoned
PI OIL	LOC - New Location
PP GAS	OPS - Operation Suspended
PP GEOTHERMAL	PA - Plugged Abandoned
PP OIL	PGW - Producing Gas Well
SECONDARY	POW - Producing Oil Well
TERMINATED	RET - Returned APD
Fields Status	SGW - Shut-in Gas Well
Unknown	SOW - Shut-in Oil Well
ABANDONED	TA - Temp. Abandoned
ACTIVE	TW - Test Well
INACTIVE	WDW - Water Disposal
COMBINED	WW - Water Injection Well
STORAGE	WSW - Water Supply Well
TERMINATED	



WINDMILL

E N E R G Y S E R V I C E S , L L C

October 31, 2011

Division of Oil, Gas & Mining
159 W N. Temple, Suite 1210
Salt Lake City, Utah 84114-5801

Subject: APD# 4789
 Coyote Basin 7-7 Exception Letter
 Sec 7, T8S-R25E, Uintah County, Utah

To Whom It May Concern:

In reference to the State Oil and Gas Conservation rule R649-3-3, Advantage Resources Inc's proposed Coyote Basin 7-7 well location is an exception to this rule due to topography constraints for constructability of the location.

The subject well is located within the boundaries of the Coyote Basin (Green River) Unit and Advantage Resources is the designated unit operator. The Coyote Basin interest owners are represented by Advantage Resources and there are no additional lease owners within 460' of the proposed location.

Please let me know if you have any questions or require additional information.

Sincerely,


David J. Platt
Permit Representative

WORKSHEET APPLICATION FOR PERMIT TO DRILL

APD RECEIVED: 10/19/2011

API NO. ASSIGNED: 43047521110000

WELL NAME: Coyote Basin 7-7

OPERATOR: ADVANTAGE RESOURCES INC (N3580)

PHONE NUMBER: 303 573-4436

CONTACT: David Platt

PROPOSED LOCATION: SWNE 07 080S 250E

Permit Tech Review:

SURFACE: 2051 FNL 2222 FEL

Engineering Review:

BOTTOM: 2051 FNL 2222 FEL

Geology Review:

COUNTY: UINTAH

LATITUDE: 40.13857

LONGITUDE: -109.14229

UTM SURF EASTINGS: 658257.00

NORTHINGS: 4444792.00

FIELD NAME: COYOTE BASIN

LEASE TYPE: 1 - Federal

LEASE NUMBER: UTU-020309D

PROPOSED PRODUCING FORMATION(S): GREEN RIVER

SURFACE OWNER: 1 - Federal

COALBED METHANE: NO

RECEIVED AND/OR REVIEWED:

- PLAT
- Bond: FEDERAL - UTB 000424
- Potash
- Oil Shale 190-5
- Oil Shale 190-3
- Oil Shale 190-13
- Water Permit: 49-2351
- RDCC Review:
- Fee Surface Agreement
- Intent to Commingle

Commingling Approved

LOCATION AND SITING:

- R649-2-3.
- Unit:** COYOTE BASIN (GRRV)
- R649-3-2. General
- R649-3-3. Exception
- Drilling Unit
- Board Cause No:** R649-3-3
- Effective Date:**
- Siting:**
- R649-3-11. Directional Drill

Comments: Presite Completed

Stipulations: 1 - Exception Location - dmason
4 - Federal Approval - dmason
23 - Spacing - dmason



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

Permit To Drill

Well Name: Coyote Basin 7-7
API Well Number: 43047521110000
Lease Number: UTU-020309D
Surface Owner: FEDERAL
Approval Date: 11/21/2011

Issued to:

ADVANTAGE RESOURCES INC, 1775 Sherman St 1700, Denver, CO 80203

Authority:

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 GREEN RIVER 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.

Duration:

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

Exception Location:

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

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.

Conditions of Approval:

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

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.

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 leave 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>

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 to:

- Entity Action Form (Form 6) – due within 5 days of spudding the well
- Monthly Status Report (Form 9) – due by 5th 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

Approved By:



For John Rogers
Associate Director, Oil & Gas

APD PMT RCVD

RECEIVED

FORM APPROVED
OMB NO. 1004-0137
Expires: July 31, 2010

SEP 06 2011 UNITED STATES

AUG 12 2011

DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

BLM VFO BLM, Vernal Utah
APPLICATION FOR PERMIT TO DRILL OR REENTER

5. Lease Serial No.
UTU-020309D
7. If Indian, Allottee or Tribe Name

1a. Type of Work: DRILL REENTER
1b. Type of Well: Oil Well Gas Well Other Single Zone Multiple Zone

7. If Unit or CA Agreement, Name and No.
Coyote Basin Federal UTU-72085A
8. Lease Name and Well No.
Coyote #7-7

2. Name of Operator
Advantage Resources, Inc.

9. API Well No. 43-047-52111
Pending

3a. 1775 Sherman St. #1700
Denver, CO 80203

3b. Phone No. (include area code)
303 831-1912

10. Field and Pool, or Exploratory
Coyote Basin

4. Location of well (Report location clearly and in accordance with any State requirements. *)
At surface Sec 7 T8S R25E 2222' FEL 2051' FNL
At proposed prod. zone SNNE

11. Sec., T., R., M., or Blk. and Survey or Area
Sec 7 T 8S R 25E

14. Distance in miles and direction from the nearest town or post office*
41.3 miles Southeast from Vernal, Utah

12. County or Parish
Uintah County

13. State
Utah

15. Distance from proposed* location to nearest property or lease line, ft. 2051'
Also to nearest drlg. unit line, if any)

16. No. of acres in lease
240.18

17. Spacing Unit dedicated to this well
Sec 7 T8S R25E

18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft. 1480'

19. Proposed Depth
4515'

20. BLM/ BIA Bond No. on file
UTB 000424

21. Elevations (Show whether DF, RT, GR, etc.)
5350' GR 0 KB

22. Approximate date work will start*
9/1/2011

23. Estimated duration
15 days

24. Attachments

The following, completed in accordance with the requirements of Onshore Oil and Gas Order No. 1 shall be attached to this form:

- 1. Well plat certified by a registered surveyor.
- 2. A Drilling Plan.
- 3. A Surface Use Plan (if the location is on National Forest System Lands, the SUPO shall be filed with the appropriate Forest Service Office).
- 4. Bond to cover the operations unless covered by existing bond on file (see item 20 above).
- 5. Operator certification.
- 6. Such other site specific information and/ or plans as may be required by the authorized officer.

25. Signature *BWA*

Name (Printed/ Typed)
Brian W. Ackman

Date
8/3/2011

Title
V.P. Exploration

Approved By (Signature) *JK*
Title Assistant Field Manager
Lands & Mineral Resources

Name (Printed/ Typed)
Jerry Kenczka
Office VERNAL FIELD OFFICE

Date
JAN 09 2012

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

CONDITIONS OF APPROVAL ATTACHED

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

RECEIVED

(Continued on page 2)

NOTICE OF APPROVAL

UDOGM

JAN 13 2012

(Instructions on page 2)

116XSA1097A

DIV. OF OIL, GAS & MINING

NOS Posted 10/2/11



UNITED STATES DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
VERNAL FIELD OFFICE

170 South 500 East

VERNAL, UT 84078

(435) 781-4400



CONDITIONS OF APPROVAL FOR APPLICATION FOR PERMIT TO DRILL

Company: Advantage Resources, Inc.
Well No: Coyote 7-7
API No: 43-047-52111

Location: SWNE, Sec. 7, T8S, R25E
Lease No: UTU-020309D
Agreement:

OFFICE NUMBER: (435) 781-4400

OFFICE FAX NUMBER: (435) 781-3420

**A COPY OF THESE CONDITIONS SHALL BE FURNISHED TO YOUR
FIELD REPRESENTATIVE TO INSURE COMPLIANCE**

All lease and/or unit operations are to be conducted in such a manner that full compliance is made with the applicable laws, regulations (43 CFR Part 3160), and this approved Application for Permit to Drill including Surface and Downhole Conditions of Approval. The operator is considered fully responsible for the actions of his subcontractors. A copy of the approved APD must be on location during construction, drilling, and completion operations. **This permit is approved for a two (2) year period, or until lease expiration, whichever occurs first. An additional extension, up to two (2) years, may be applied for by sundry notice prior to expiration.**

NOTIFICATION REQUIREMENTS

Location Construction (Notify Environmental Scientist)	- Forty-Eight (48) hours prior to construction of location and access roads.
Location Completion (Notify Environmental Scientist)	- Prior to moving on the drilling rig.
Spud Notice (Notify Petroleum Engineer)	- Twenty-Four (24) hours prior to spudding the well.
Casing String & Cementing (Notify Supv. Petroleum Tech.)	- Twenty-Four (24) hours prior to running casing and cementing all casing strings to: ut_vn_opreport@blm.gov .
BOP & Related Equipment Tests (Notify Supv. Petroleum Tech.)	- Twenty-Four (24) hours prior to initiating pressure tests.
First Production Notice (Notify Petroleum Engineer)	- Within Five (5) business days after new well begins or production resumes after well has been off production for more than ninety (90) days.

**SURFACE USE PROGRAM
CONDITIONS OF APPROVAL (COAs)**

- All new and replacement internal combustion gas field engines of less than or equal to 300 design-rated horsepower must not emit more than 2 gms of NO_x per horsepower-hour. This requirement does not apply to gas field engines of less than or equal to 40 design-rated horsepower.
- All and replacement internal combustion gas field engines of greater than 300 design rated horsepower must not emit more than 1.0 gms of NO_x per horsepower-hour.
- If there is an active Gilsonite mining operation within 2 miles of the well location, operator shall notify the Gilsonite operator at least 48 hours prior to any blasting during construction.
- If paleontological materials are uncovered during construction, the operator is to immediately stop work and contact the Authorized Officer (AO). A determination will be made by the AO as to what mitigation may be necessary for the discovered paleontologic material before construction can continue.
- All production equipment will be painted Covert Green to help blend in with surrounding vegetation.
- On all locations a permanent reference point must be established prior to any reclamation activities. This reference point helps to establish the criteria for successful reclamation based on the Green River District Reclamation Guidelines.
- A dike/berm will be constructed completely around those production facilities which contain fluids (i.e., production tanks, produced water tanks, and/or heat-treating units). It will be constructed of compacted subsoil, be impervious, hold 110% of the capacity of the largest tank, and be independent of the back cut.
- The road surface and shoulders will be kept in a safe and usable condition and will be maintained in accordance with the original construction standards. All drainage ditches will be kept clear. The existing access road surface and pad area will be kept free of trash during all operations. All traffic will be confined to the approved disturbed surface area.
- The operator will control noxious weeds and invasive plants along corridors for roads, pipelines, well sites, or other applicable facilities, through a Pesticide Use Permit (PUP). All vehicles and equipment shall be cleaned either through power-washing or other approved method prior to entering the project area when entering from outside the Uinta Basin. All vehicles, OHVs, and equipment shall be power-washed after driving through a noxious weed infestation.
- An Interim Surface Reclamation Plan for surface disturbance on the well pads, access roads has been completed and will be followed for reclamation of the surface. At a minimum, this will include the Best Management Practice of the reshaping of the pad to the original contour to the extent possible; the re-spreading of the top soil up to the rig anchor points; and, reseeding the unused area using appropriate reclamation methods as stated in Advantage Resources, Inc.'s reclamation plan.
- Following well plugging and abandonment, the location, access roads, pipelines, and other facilities shall be reclaimed. All disturbed surfaces shall be reshaped to approximate the original contour; the top soil re-spread over the surface; and, the surface re-vegetated. The surface of approved

staging areas where construction activities did not occur may require disking or ripping and reseeding.

- All disturbance areas shall be monitored for noxious weeds annually, for a minimum of three growing seasons following completion of project or until desirable vegetation is established. Monitoring reports shall include a shapefile (compatible with ArcMap) of all noxious weed species found. When possible, data shall include cover, size of infestation, and treatment applied.

**DOWNHOLE PROGRAM
CONDITIONS OF APPROVAL (COAs)**

SITE SPECIFIC DOWNHOLE COAs:

- Production casing cement shall be brought up and into the surface.
- Surface casing cement shall be brought to surface.

All provisions outlined in Onshore Oil & Gas Order #2 Drilling Operations shall be strictly adhered to. The following items are emphasized:

DRILLING/COMPLETION/PRODUCING OPERATING STANDARDS

- The spud date and time shall be reported orally to Vernal Field Office within 24 hours of spudding.
- Notify Vernal Field Office Supervisory Petroleum Engineering Technician at least 24 hours in advance of casing cementing operations and BOPE & casing pressure tests.
- All requirements listed in Onshore Order #2 III. E. Special Drilling Operations are applicable for air drilling of surface hole.
- Blowout prevention equipment (BOPE) shall remain in use until the well is completed or abandoned. Closing unit controls shall remain unobstructed and readily accessible at all times. Choke manifolds shall be located outside of the rig substructure.
- All BOPE components shall be inspected daily and those inspections shall be recorded in the daily drilling report. Components shall be operated and tested as required by Onshore Oil & Gas Order No. 2 to insure good mechanical working order. All BOPE pressure tests shall be performed by a test pump with a chart recorder and **NOT** by the rig pumps. Test shall be reported in the driller's log.
- BOP drills shall be initially conducted by each drilling crew within 24 hours of drilling out from under the surface casing and weekly thereafter as specified in Onshore Oil & Gas Order No. 2.
- Casing pressure tests are required before drilling out from under all casing strings set and cemented in place.
- No aggressive/fresh hard-banded drill pipe shall be used within casing.
- **Cement baskets shall not be run on surface casing.**
- The operator must report all shows of water or water-bearing sands to the BLM. If flowing water is encountered it must be sampled, analyzed, and a copy of the analyses submitted to the BLM Vernal Field Office.
- The operator must report encounters of all non oil & gas mineral resources (such as Gilsonite, tar sands, oil shale, trona, etc.) to the Vernal Field Office, in writing, within 5 working days of each encounter. Each report shall include the well name/number, well location, date and depth (from KB

or GL) of encounter, vertical footage of the encounter and, the name of the person making the report (along with a telephone number) should the BLM need to obtain additional information.

- A complete set of angular deviation and directional surveys of a directional well will be submitted to the Vernal BLM office engineer within 30 days of the completion of the well.
- While actively drilling, chronologic drilling progress reports shall be filed directly with the BLM, Vernal Field Office on a weekly basis in sundry, letter format or e-mail to the Petroleum Engineers until the well is completed.
- A cement bond log (CBL) will be run from the production casing shoe to the top of cement and shall be utilized to determine the bond quality for the production casing. Submit a field copy of the CBL to this office.
- **Please submit an electronic copy of all other logs run on this well in LAS format to BLM_UT_VN_Welllogs@BLM.gov. This submission will supersede the requirement for submittal of paper logs to the BLM.**
- There shall be no deviation from the proposed drilling, completion, and/or workover program as approved. Safe drilling and operating practices must be observed. Any changes in operation must have prior approval from the BLM Vernal Field Office.

OPERATING REQUIREMENT REMINDERS:

- All wells, whether drilling, producing, suspended, or abandoned, shall be identified in accordance with 43 CFR 3162.6. There shall be a sign or marker with the name of the operator, lease serial number, well number, and surveyed description of the well.
- For information regarding production reporting, contact the Office of Natural Resources Revenue (ONRR) at www.ONRR.gov.
- Should the well be successfully completed for production, the BLM Vernal Field office must be notified when it is placed in a producing status. Such notification will be by written communication and must be received in this office by not later than the fifth business day following the date on which the well is placed on production. The notification shall provide, as a minimum, the following informational items:
 - Operator name, address, and telephone number.
 - Well name and number.
 - Well location ($\frac{1}{4}$ $\frac{1}{4}$, Sec., Twn, Rng, and P.M.).
 - Date well was placed in a producing status (date of first production for which royalty will be paid).
 - The nature of the well's production, (i.e., crude oil, or crude oil and casing head gas, or natural gas and entrained liquid hydrocarbons).
 - The Federal or Indian lease prefix and number on which the well is located; otherwise the non-Federal or non-Indian land category, i.e., State or private.
 - Unit agreement and/or participating area name and number, if applicable.
 - Communitization agreement number, if applicable.
- Any venting or flaring of gas shall be done in accordance with Notice to Lessees (NTL) 4A and needs prior approval from the BLM Vernal Field Office.
- All undesirable events (fires, accidents, blowouts, spills, discharges) as specified in NTL 3A will be reported to the BLM, Vernal Field Office. Major events, as defined in NTL3A, shall be reported verbally within 24 hours, followed by a written report within 15 days. "Other than Major Events" will be reported in writing within 15 days. "Minor Events" will be reported on the Monthly Report of Operations and Production.
- Whether the well is completed as a dry hole or as a producer, "Well Completion and Recompletion Report and Log" (BLM Form 3160-4) shall be submitted not later than 30 days after completion of the well or after completion of operations being performed, in accordance with 43 CFR 3162.4-1. Two copies of all logs run, core descriptions, and all other surveys or data obtained and compiled during the drilling, workover, and/or completion operations, shall be filed on BLM Form 3160-4. Submit with the well completion report a geologic report including, at a minimum, formation tops, and a summary and conclusions. Also include deviation surveys, sample descriptions, strip logs,

core data, drill stem test data, and results of production tests if performed. Samples (cuttings, fluid, and/or gas) shall be submitted only when requested by the BLM, Vernal Field Office.

- All off-lease storage, off-lease measurement, or commingling on-lease or off-lease, shall have prior written approval from the BLM Vernal Field Office.
- Oil and gas meters shall be calibrated in place prior to any deliveries. The BLM Vernal Field Office Petroleum Engineers 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 reports shall be submitted to the BLM Vernal Field Office. All measurement facilities will conform to the API standards for liquid hydrocarbons and the AGA standards for natural gas measurement. All measurement points shall be identified as the point of sale or allocation for royalty purposes.
- A schematic facilities diagram as required by Onshore Oil & Gas Order No. 3 shall be submitted to the BLM Vernal Field Office within 30 days of installation or first production, whichever occurs first. All site security regulations as specified in Onshore Oil & Gas Order No. 3 shall be adhered to. All product lines entering and leaving hydrocarbon storage tanks will be effectively sealed in accordance with Onshore Oil & Gas Order No. 3.
- Any additional construction, reconstruction, or alterations of facilities, including roads, gathering lines, batteries, etc., which will result in the disturbance of new ground, shall require the filing of a suitable plan and need prior approval of the BLM Vernal Field Office. Emergency approval may be obtained orally, but such approval does not waive the written report requirement.
- No location shall be constructed or moved, no well shall be plugged, and no drilling or workover equipment shall be removed from a well to be placed in a suspended status without prior approval of the BLM Vernal Field Office. If operations are to be suspended for more than 30 days, prior approval of the BLM Vernal Field Office shall be obtained and notification given before resumption of operations.
- Pursuant to Onshore Oil & Gas Order No. 7, this is authorization for pit disposal of water produced from this well for a period of 90 days from the date of initial production. A permanent disposal method must be approved by this office and in operation prior to the end of this 90-day period. In order to meet this deadline, an application for the proposed permanent disposal method shall be submitted along with any necessary water analyses, as soon as possible, but no later than 45 days after the date of first production. Any method of disposal which has not been approved prior to the end of the authorized 90-day period will be considered as an Incident of Noncompliance and will be grounds for issuing a shut-in order until an acceptable manner for disposing of said water is provided and approved by this office.
- Unless the plugging is to take place immediately upon receipt of oral approval, the Field Office Petroleum Engineers must be notified at least 24 hours in advance of the plugging of the well, in order that a representative may witness plugging operations. If a well is suspended or abandoned, all pits must be fenced immediately until they are backfilled. The "Subsequent Report of Abandonment" (Form BLM 3160-5) must be submitted within 30 days after the actual plugging of the well bore, showing location of plugs, amount of cement in each, and amount of casing left in hole, and the current status of the surface restoration.

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

ROUTING
 CDW

X - Change of Operator (Well Sold)

Operator Name Change/Merger

The operator of the well(s) listed below has changed, effective: **8/1/2012**

FROM: (Old Operator):
 N3580- Advantage Resources, Inc.
 1775 Sherman Street, Suite 1700
 Denver, CO 80203
 Phone: 1 (303) 831-1912

TO: (New Operator):
 N3890- Wold Oil Properties, Inc.
 139 West 2nd Street, Suite 200
 Casper, WY 82601
 Phone: 1 (307) 265-7252

CA No. **Unit:** **Coyote Basin (GRRV)**

WELL NAME	SEC	TWN	RNG	API NO	ENTITY NO	LEASE TYPE	WELL TYPE	WELL STATUS
See Attached List								

OPERATOR CHANGES DOCUMENTATION

Enter date after each listed item is completed

- (R649-8-10) Sundry or legal documentation was received from the **FORMER** operator on: 9/24/2012
- (R649-8-10) Sundry or legal documentation was received from the **NEW** operator on: 9/24/2012
- The new company was checked on the **Department of Commerce, Division of Corporations Database** on: 10/15/2012
- Is the new operator registered in the State of Utah: Business Number: 8351065-0143
- (R649-9-2) Waste Management Plan has been received on: N/A
- Inspections of LA PA state/fee well sites complete on: N/A
- Reports current for Production/Disposition & Sundries on: 10/15/2012
- 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")** 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: 10/3/2012

DATA ENTRY:

- Changes entered in the **Oil and Gas Database** on: 10/15/2102
- Changes have been entered on the **Monthly Operator Change Spread Sheet** on: 10/15/2012
- 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: 10/3/2012

BOND VERIFICATION:

- Federal well(s) covered by Bond Number: UTB000513
- Indian well(s) covered by Bond Number:
- (R649-3-1) The **NEW** operator of any state/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 **NEW** operator of the fee wells has been contacted and informed by a letter from the Division of their responsibility to notify all interest owners of this change on: N/A

COMMENTS:

Advantage Resources, Inc. (N3580) to Wold Oil Properties, Inc. (N3890)
Effective

Well Name	Sec	TWP	RNG	API Number	Entity	Lease	Well Type	Well Status
AMERADA GUINAND 1	07	080S	250E	4304720245	11500	Federal	WI	A
EAST RED WASH FED 4-6	06	080S	250E	4304720261	11500	Federal	WI	A
COYOTE BASIN 32-6-8-25	06	080S	250E	4304731835	11500	Federal	WS	A
COYOTE FED 42-6X	06	080S	250E	4304732346	11500	Federal	WI	A
COYOTE BASIN 7-7	07	080S	250E	4304752111		Federal	OW	APD
COYOTE BASIN 11-7	07	080S	250E	4304752112		Federal	OW	APD
COYOTE BASIN 2-13	13	080S	240E	4304752113		Federal	OW	APD
COYOTE BASIN 6-13	13	080S	240E	4304752114		Federal	OW	APD
COYOTE BASIN FED 14-13	13	080S	240E	4304752115		Federal	OW	APD
FEDERAL 14-4	04	080S	250E	4304715678	11500	Federal	OW	P
COYOTE BASIN 43-12-8-24	12	080S	240E	4304730943	11500	Federal	OW	P
COYOTE BASIN FED 12-13	13	080S	240E	4304731266	11500	Federal	OW	P
TXO FEDERAL 1	05	080S	250E	4304731406	11500	Federal	OW	P
COYOTE BASIN 21-7-8-25	07	080S	250E	4304731673	11500	Federal	OW	P
FEDERAL 13-13	13	080S	240E	4304732196	11500	Federal	OW	P
COYOTE FEDERAL 31-7	07	080S	250E	4304732254	11500	Federal	OW	P
COYOTE FEDERAL 13-7	07	080S	250E	4304732255	11500	Federal	OW	P
COYOTE FEDERAL 22-7	07	080S	250E	4304732256	11500	Federal	OW	P
COYOTE FEDERAL 33-5	05	080S	250E	4304732257	11500	Federal	OW	P
COYOTE 1-12	12	080S	240E	4304720221	11500	Federal	OW	PA
E RED WASH 1-5	05	080S	250E	4304720174	11500	Federal	OW	S
E RED WASH FED 1-12	12	080S	240E	4304720207	11500	Federal	OW	S
E RED WASH FED 1-6	06	080S	250E	4304720208	11500	Federal	OW	S
E RED WASH FED 1-13	13	080S	240E	4304720222	11500	Federal	OW	S
COYOTE FEDERAL 21-5	05	080S	250E	4304732260	11500	Federal	OW	S
COYOTE FEDERAL 13-5	05	080S	250E	4304732261	11500	Federal	OW	S
TXO FEDERAL 2	05	080S	250E	4304731567	11500	Federal	OW	TA
COYOTE FEDERAL 12-5	05	080S	250E	4304732253	11500	Federal	OW	TA

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

RECEIVED

SEP 24 2012

FORM 9

DIV. OF OIL, GAS & MINING

SUNDRY NOTICES AND REPORTS ON WELLS

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

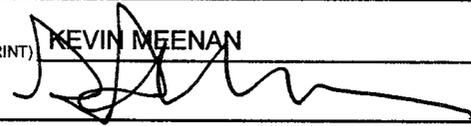
1. TYPE OF WELL OIL WELL <input checked="" type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER _____		5. LEASE DESIGNATION AND SERIAL NUMBER: See Exhibit B
2. NAME OF OPERATOR: WOLD OIL PROPERTIES, INC. N3890		6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
3. ADDRESS OF OPERATOR: 139 W. 2ND ST, STE 200 CITY CASPER STATE WY ZIP 82601-2462 PHONE NUMBER: (307) 265-7252		7. UNIT or CA AGREEMENT NAME:
4. LOCATION OF WELL FOOTAGES AT SURFACE: BOND # <u>UTB 000 513</u> COUNTY: UINTAH		8. WELL NAME and NUMBER: See Exhibit B
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: SEE EXH B STATE: UTAH		9. API NUMBER: Exhibit B
		10. FIELD AND POOL, OR WLDCAT: COYOTE BASIN

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>8/11/2012</u>	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> REPERFORATE CURRENT FORMATION
<input type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion:	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> SIDETRACK TO REPAIR WELL
	<input type="checkbox"/> CASING REPAIR	<input type="checkbox"/> NEW CONSTRUCTION	<input type="checkbox"/> TEMPORARILY ABANDON
	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input checked="" type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> TUBING REPAIR
	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> VENT OR FLARE
	<input type="checkbox"/> CHANGE WELL NAME	<input type="checkbox"/> PLUG BACK	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> PRODUCTION (START/RESUME)	<input type="checkbox"/> WATER SHUT-OFF
	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input type="checkbox"/> OTHER: _____
	<input type="checkbox"/> CONVERT WELL TYPE	<input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION	

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


Signature
Name (Please Print) Brian W. Ackman Title: Sec.
Date: 9/19/2012
ADVANTAGE RESOURCES, INC. #N3580
1775 Sherman St, #1700, Denver, CO 80203
(303) 831-1912
N3580

NAME (PLEASE PRINT) <u>KEVIN MEENAN</u>	TITLE <u>CORPORATE SECRETARY</u>
SIGNATURE 	DATE <u>9/18/12</u>

(This space for State use only)

APPROVED

OCT 15 2012

DIV. OIL GAS & MINING
BY: Rachel Medina

Exhibit B - Wells

<u>Well Name</u>	<u>API Number</u>	<u>Twp</u>	<u>Rng</u>	<u>Sec</u>	<u>Desc</u>	<u>Status</u>	<u>ARI Lease No.</u> 80039-	<u>State/BLM</u> <u>Lease No.</u>
Coyote Basin 43-12-8-24	43 047 30943	8 S	24 E	12	NE SE	P	80039-003-01	UTU 038797
Coyote Basin Fed 12-13	43 047 31266	8 S	24 E	13	SW NW	P	80039-004-01	UTU 018073
Federal 13-13	43 047 32196	8 S	24 E	13	NW SW	P	80039-007-01	UTU 67208
Coyote Federal 21-5	43 047 32260	8 S	25 E	5	NE NW	OGW	80039-009-01	UTU 063597A
E Red Wash 1-5	43 047 20174	8 S	25 E	5	SE NW	OGW	80039-009-01	UTU 063597A
TXO Federal 1	43 047 31406	8 S	25 E	5	SW NE	P	80039-008-01	UTU 41376
Coyote Federal 33-5	43 047 32257	8 S	25 E	5	NW SE	P	80039-009-01	UTU 063597A
Coyote Federal 13-5	43 047 32261	8 S	25 E	5	NW SW	OGW	80039-009-01	UTU 063597A
Coyote Federal 31-7	43 047 32254	8 S	25 E	7	NW NE	SI	80039-013-01	UTU 020309D
Coyote Basin 21-7-8-25	43 047 31673	8 S	25 E	7	NE NW	P	80039-012-01	UTU 41377
Coyote Federal 22-7	43 047 32256	8 S	25 E	7	SE NW	P	80039-012-01	UTU 41377
Coyote Federal 13-7	43 047 32255	8 S	25 E	7	NW SW	P	80039-012-01	UTU 41377
E Red Wash Fed 1-12	43 047 20207	8 S	24 E	12	SW NE	SI	80039-003-01	UTU 038797
Coyote 1-12	43 047 20221	8 S	24 E	12	NE SW	P&A		UTU 58226
E Red Wash Fed 1-13	43 047 20222	8 S	24 E	13	NE NW	SI	80039-004-01	UTU 018073
Federal 14-4	43 047 15678	8 S	25 E	4	SW SW	P	80039-008-01	UTU 41376
Coyote Federal 12-5	43 047 32253	8 S	25 E	5	SW NW	SI	80039-009-01	UTU 063597A
TXO Federal 2	43 047 31567	8 S	25 E	5	SE NE	SI	80039-008-01	UTU 41376
E Red Wash Fed 1-6	43 047 20208	8 S	25 E	6	NE SE	SI	80039-011-01	UTU 017439B
Coyote Fed 42-6X	43 047 32346	8 S	25 E	6	SE NE	Inj	80039-011-01	UTU 017439B
E Redwash 4-6	43 047 20261	8 S	25 E	6	SW SE	Inj	80039-013-01	UTU 020309D
Amerada Guinand 1	43 047 20245	8 S	25 E	7	SW NW	Inj	80039-016-01	UTU 016271V
Coyote Basin 32-6	43 047 31835	8 S	25 E	6	SW NE	Wtr	80039-013-01	UTU 020309D
<u>Permitted Wells</u>								
Coyote Basin 7-7	43 047 52111	8 S	25 E	7		Permit		UTU 020309D
Coyote Basin 11-7	43 047 52112	8 S	25 E	7		Permit		UTU 41377
Coyote Basin 6-13	43 047 52114	8 S	24 E	13		Permit		UTU 018073
Coyote Basin 2-13	43 047 52113	8 S	24 E	13		Permit		UTU 038797
Coyote Basin Fed 14-13	43 047 52115	8 S	24 E	13		Permit		UTU 67208

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

FORM 9

SUNDRY NOTICES AND REPORTS ON WELLS		5. LEASE DESIGNATION AND SERIAL NUMBER: UTU20309D
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:
1. TYPE OF WELL OIL WELL <input checked="" type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER _____		7. UNIT or CA AGREEMENT NAME: Coyote Basin
2. NAME OF OPERATOR: Wold Oil Properties, Inc.		8. WELL NAME and NUMBER: Coyote Basin 7-7
3. ADDRESS OF OPERATOR: 139 W. 2nd St., Suite 200 Casper WY 82601		9. API NUMBER: 43-047-52111
4. LOCATION OF WELL FOOTAGES AT SURFACE: 2051' FNL & 2222' FEL COUNTY: Uintah QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: SWNE 7 T8S R25E STATE: UTAH		10. FIELD AND POOL, OR WILDCAT: Coyote Basin

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: _____	<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 checked="" type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> TUBING REPAIR
	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> VENT OR FLARE
	<input type="checkbox"/> CHANGE WELL NAME	<input type="checkbox"/> PLUG BACK	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> PRODUCTION (START/RESUME)	<input type="checkbox"/> WATER SHUT-OFF
	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input type="checkbox"/> OTHER: _____
	<input type="checkbox"/> CONVERT WELL TYPE	<input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION	

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.
Operatorship of this well/permit has changed from Advantage Resources, Inc. to Wold Oil Properties, Inc.

NAME (PLEASE PRINT) Aaron S. Otteman TITLE Exploration Manager
SIGNATURE  DATE 9-27-12

(This space for State use only)

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OCT 15 2012

Div. of Oil, Gas & Mining

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)

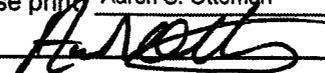
Well name:	Coyote Basin 7-7
API number:	4304752111
Location:	SWNE 7 8S 25E
Company that filed original application:	Advantage Resources, Inc.
Date original permit was issued:	11/21/2011
Company that permit was issued to:	Advantage Resources, Inc.

Check one	Desired Action:
<input type="checkbox"/>	Transfer pending (unapproved) Application for Permit to Drill to new operator
<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"/>	Transfer approved Application for Permit to Drill to new operator
<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"/> If so, has the surface agreement been updated?		
Have any wells been drilled in the vicinity of the proposed well which would affect the spacing or siting requirements for this location?		✓
Have there been any unit or other agreements put in place that could affect the permitting or operation of this proposed well?		✓
Have there been any changes to the access route including ownership or right-of-way, which could affect the proposed location?		✓
Has the approved source of water for drilling changed?		✓
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?		✓
Is bonding still in place, which covers this proposed well? Bond No. <u>UTB000513</u>	✓	

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 3, as appropriate, with necessary supporting information as required.

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Name (please print) Aaron S. Otteman Title Exploration Manager Div. of Oil, Gas & Mining
 Signature  Date 09/26/2012
 Representing (company name) Wold Oil Properties, 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.

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

FORM 9

SUNDRY NOTICES AND REPORTS ON WELLS

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

1. TYPE OF WELL OIL WELL <input checked="" type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER _____		5. LEASE DESIGNATION AND SERIAL NUMBER: UTU20309D
2. NAME OF OPERATOR: Wold Oil Properties, Inc.		6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
3. ADDRESS OF OPERATOR: 139 W. 2nd St., Suite 200 CITY: Casper STATE: WY ZIP: 82601		7. UNIT or CA AGREEMENT NAME: Coyote Basin
4. LOCATION OF WELL FOOTAGES AT SURFACE: 2051' FNL & 2222' FEL QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: SWNE 7 T8S R25E		8. WELL NAME and NUMBER: Coyote Basin 7-7
PHONE NUMBER: 307-265-7252		9. API NUMBER: 43-047-52111
COUNTY: Uintah STATE: UTAH		10. FIELD AND POOL, OR WILDCAT: Coyote Basin

CONFIDENTIAL

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: _____	<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>Permit 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.

Wold Oil Properties, Inc. requests an extension of the Coyote Basin 7-7 permit to drill.

COPY SENT TO OPERATOR

Date: 10/24/2012

Initials: KS

Approved by the
Utah Division of
Oil, Gas and Mining

Date: 10-22-12
By: [Signature]

NAME (PLEASE PRINT) <u>Aaron S. Otteman</u>	TITLE <u>Exploration Manager</u>
SIGNATURE <u>[Signature]</u>	DATE <u>9-27-12</u>

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OCT 03 2012

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: 43-047-52111
Well Name: Coyote Basin 7-7
Location: SWNE Sec. 7 T8S - R25E
Company Permit Issued to: Advantage Resources, Inc.
Date Original Permit Issued: 11/21/2011

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 N/A

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

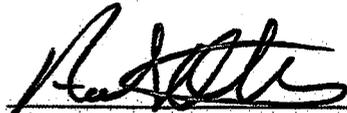
Has there been any unit or other agreements put in place that could affect the permitting or operation of this proposed well? Yes No

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

09/27/2012

 Date

Title: Exploration Manager

Representing: Wold Oil Properties, Inc

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 OCT 20 2012

Div. of Oil, Gas & Mining



GARY R. HERBERT
Governor

SPENCER J. COX
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

January 30, 2014

Wold Oil Properties, Inc.
139 W. 2nd Street, Suite 200
Casper, WY 82601

Re: APD Rescinded – Coyote Basin 7-7, Sec. 7, T. 8S, R. 25E,
Uintah County, Utah API No. 43-047-52111

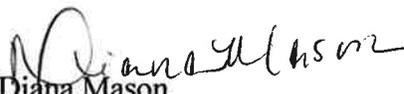
Ladies and Gentlemen:

The Application for Permit to Drill (APD) for the subject well was approved by the Division of Oil, Gas and Mining (Division) on November 21, 2011. On October 22, 2012, 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 January 30, 2014.

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





United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Green River District
Vernal Field Office
170 South 500 East
Vernal, UT 84078

<http://www.blm.gov/ut/st/en/fo/vernal.html>



APR 17 2015

IN REPLY REFER TO:
3160 (UTG011)

Sara Bohl
Wold Oil Properties, Inc.
1775 Sherman St., Suite 1700
Denver, CO 80203

RECEIVED
MAY 04 2015
DIV. OF OIL, GAS & MINING

43 047 52111

Dear Sara:

The referenced Applications for Permit to Drill (APD) have expired. According to our records, no known activity has transpired at the approved location. In view of the foregoing, this office is notifying you that the approval of the referenced applications has expired. If you intend to drill at these locations in the future, a new Application for Permit to Drill must be submitted.

Lease	Well	Aliquot	Sec., T., R.	Date Rec'd	Date Exp'd
UTU-038797	Coyote 2-13	NWSE	Sec. 13-T8S-R24E	9/6/2011	1/8/2014
UTU-020309D	Coyote 7-7	SWNE	Sec. 7-T8S-R25E	9/6/2011	1/8/2014
UTU-41377	Coyote 11-7	NESW	Sec. 7-T8S-R25E	9/6/2011	1/8/2014
UTU-67208	Coyote Basin Federal 14-13	NESW	Sec. 13-T8S-R24E	9/6/2011	1/8/2014

This office requires a letter confirming that no surface disturbance has been made for these drill sites. Any surface disturbance associated with the approved location of these wells is to be rehabilitated. A schedule for this rehabilitation must be submitted to this office. Your cooperation in this matter is appreciated.

If you have any questions regarding this matter, please contact Robin R. Hansen at (435) 781-3428.

Sincerely,

/s/ Jerry Kenczka

Jerry Kenczka
Assistant Field Manager
Lands & Mineral Resources

cc: UDOGM

bcc: Well File
I&E Asst.