

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 Jensen 2C-9
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 CASTLEGATE
4. TYPE OF WELL Oil Well Coalbed Methane Well: YES		5. UNIT or COMMUNITIZATION AGREEMENT NAME
6. NAME OF OPERATOR BLUE TIP CASTLEGATE, INC.		7. OPERATOR PHONE 620 202-1749
8. ADDRESS OF OPERATOR 1205 Independence Ave., Price, UT, 84501		9. OPERATOR E-MAIL mcerelli@btoperating.com
10. MINERAL LEASE NUMBER (FEDERAL, INDIAN, OR STATE) FEE	11. MINERAL OWNERSHIP FEDERAL <input type="checkbox"/> INDIAN <input type="checkbox"/> STATE <input type="checkbox"/> FEE <input checked="" type="checkbox"/>	
12. SURFACE OWNERSHIP FEDERAL <input type="checkbox"/> INDIAN <input type="checkbox"/> STATE <input type="checkbox"/> FEE <input checked="" type="checkbox"/>		13. NAME OF SURFACE OWNER (if box 12 = 'fee') James T. Jensen, Jerry Jensen, Dix Jensen
14. SURFACE OWNER PHONE (if box 12 = 'fee') 801-944-6600		15. ADDRESS OF SURFACE OWNER (if box 12 = 'fee') 2961 East Caitland Court, na, UT
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	734 FNL 1893 FEL	NWNE	9	12.0 S	10.0 E	S
Top of Uppermost Producing Zone	734 FNL 1893 FEL	NWNE	9	12.0 S	10.0 E	S
At Total Depth	734 FNL 1893 FEL	NWNE	9	12.0 S	10.0 E	S

21. COUNTY CARBON	22. DISTANCE TO NEAREST LEASE LINE (Feet) 734	23. NUMBER OF ACRES IN DRILLING UNIT 160
24. DISTANCE TO NEAREST WELL IN SAME POOL (Applied For Drilling or Completed) 1200	25. DISTANCE TO NEAREST WELL IN SAME POOL (Applied For Drilling or Completed) 1200	26. PROPOSED DEPTH MD: 5100 TVD: 5100
27. ELEVATION - GROUND LEVEL 7215	28. BOND NUMBER B005639	29. SOURCE OF DRILLING WATER / WATER RIGHTS APPROVAL NUMBER IF APPLICABLE Municipal water supply in Price or Helper, UT

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 - 600	24.0	J-55 ST&C	0.0	Class G	440	1.16	15.8
PROD	7.875	5.5	0 - 5100	17.0	J-55 LT&C	0.0	Class G	334	2.84	11.5
							Class G	179	2.02	12.5

ATTACHMENTS

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

<input checked="" type="checkbox"/> WELL PLAT OR MAP PREPARED BY LICENSED SURVEYOR OR ENGINEER	<input checked="" type="checkbox"/> COMPLETE DRILLING PLAN
<input checked="" type="checkbox"/> AFFIDAVIT OF STATUS OF SURFACE OWNER AGREEMENT (IF FEE SURFACE)	<input 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 Lisa Smith	TITLE Permitting Agent	PHONE 303 857-9999
SIGNATURE	DATE 05/24/2011	EMAIL lspermitco@aol.com

API NUMBER ASSIGNED 43007501790000	APPROVAL  Permit Manager
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T12S, R10E, S.L.B.&M.

BLUE TIP OPERATING, LLC

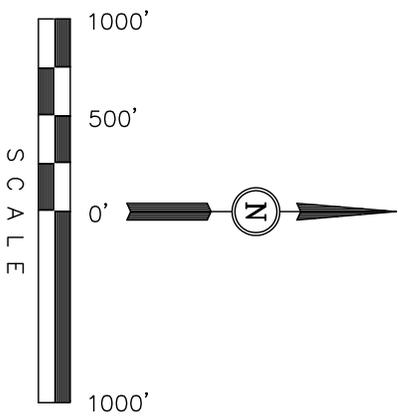
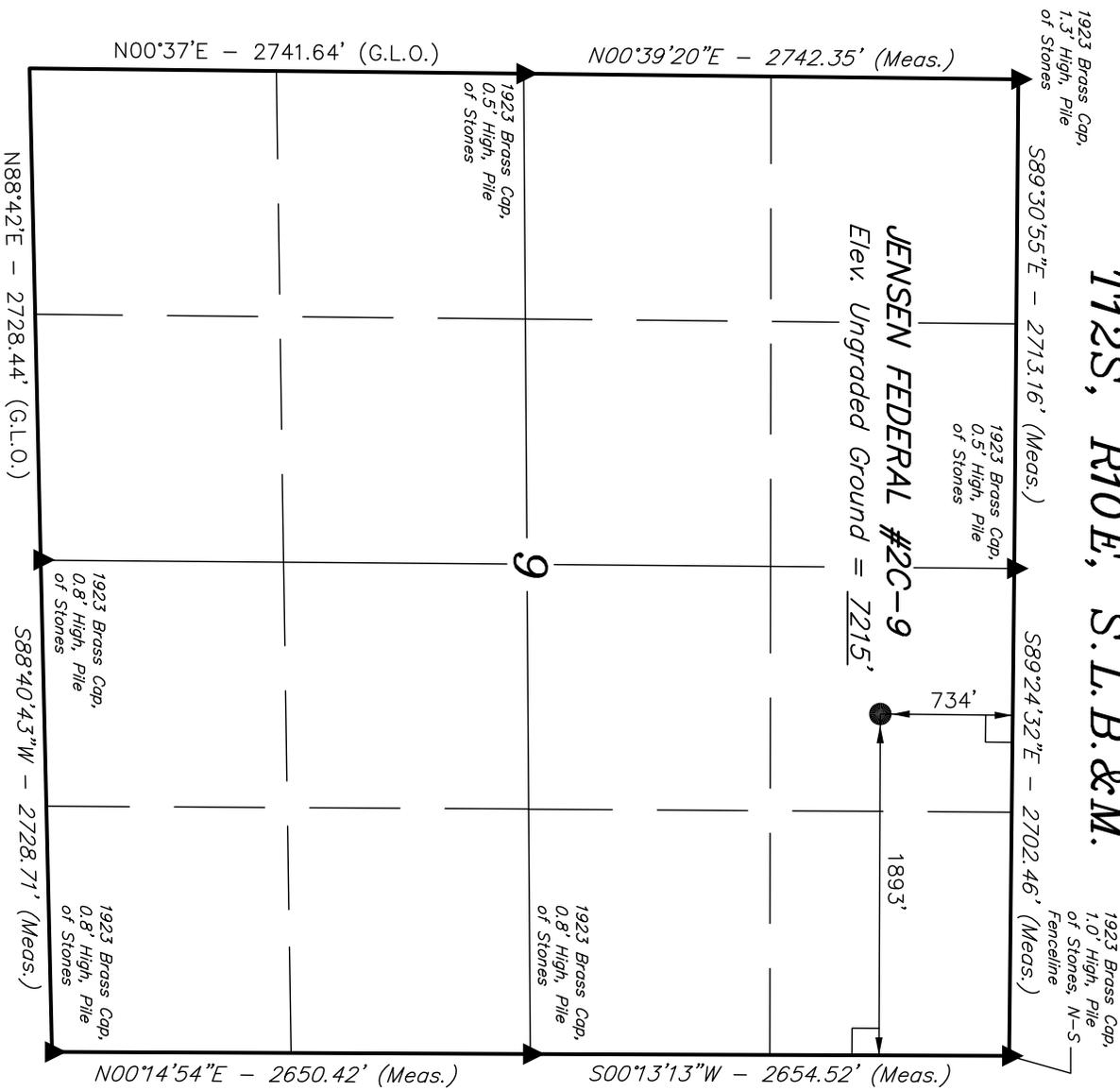
Well location, JENSEN FEDERAL #2C-9, located as shown in the NW 1/4 NE 1/4 of Section 9, T12S, R10E, S.L.B.&M. Carbon County, Utah.

BASIS OF ELEVATION

BENCH MARK LOCATED IN THE SW 1/4 NE 1/4 OF SECTION 10, T12S, R10E, S.L.B.&M. TAKEN FROM THE MATTS SUMMIT, QUADRANGLE, UTAH, 7.5 MINUTE QUAD. (TOPOGRAPHIC MAP) PUBLISHED BY THE UNITED STATES DEPARTMENT OF THE INTERIOR, GEOLOGICAL SURVEY. SAID ELEVATION IS MARKED AS BEING 7131 FEET.

BASIS OF BEARINGS

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



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.

KAY ROBERTSON
 REGISTERED LAND SURVEYOR
 REGISTRATION NO. 161319
 STATE OF UTAH

REVISED: 04-05-11 D.P.
 REVISED: 05-08-09 D.P.

UINTAH ENGINEERING & LAND SURVEYING
 85 SOUTH 200 EAST - VERNAL, UTAH 84078
 (435) 789-1017

LEGEND:
 = 90° SYMBOL
 = PROPOSED WELL HEAD.
 = SECTION CORNERS LOCATED.

(AUTONOMOUS NAD 83)
 LATITUDE = 39°48'13.41" (39.803725)
 LONGITUDE = 110°48'15.37" (110.804269)

(AUTONOMOUS NAD 27)
 LATITUDE = 39°48'13.55" (39.803764)
 LONGITUDE = 110°48'12.80" (110.803556)

SCALE	1" = 1000'	DATE SURVEYED:	01-20-09	DATE DRAWN:	01-22-09
PARTY	N.H. T.P.	C.H.	REFERENCES	G.L.O. PLAT	FILE
WEATHER	WARM				BLUE TIP OPERATING, LLC