

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 Crane 17-8
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 WILDCAT
4. TYPE OF WELL Oil Well Coalbed Methane Well: NO		5. UNIT or COMMUNITIZATION AGREEMENT NAME
6. NAME OF OPERATOR QUANECO, LLC		7. OPERATOR PHONE 818-225-5000
8. ADDRESS OF OPERATOR 22801 Venture Blvd. Ste 200, Wooldand Hills, CA, 91364		9. OPERATOR E-MAIL fatchanceog@aol.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"/>	
13. NAME OF SURFACE OWNER (if box 12 = 'fee') Farmland Reserve, Inc.		12. SURFACE OWNERSHIP FEDERAL <input type="checkbox"/> INDIAN <input type="checkbox"/> STATE <input type="checkbox"/> FEE <input checked="" type="checkbox"/>
15. ADDRESS OF SURFACE OWNER (if box 12 = 'fee') 139 E. South Temple, Suite 600, Salt Lake City, UT 84111		14. SURFACE OWNER PHONE (if box 12 = 'fee') 801-715-9114
17. INDIAN ALLOTTEE OR TRIBE NAME (if box 12 = 'INDIAN')		16. SURFACE OWNER E-MAIL (if box 12 = 'fee')
18. INTEND TO COMMINGLE PRODUCTION FROM MULTIPLE FORMATIONS YES <input type="checkbox"/> (Submit Commingling Application) NO <input checked="" type="checkbox"/>		19. SLANT VERTICAL <input type="checkbox"/> DIRECTIONAL <input type="checkbox"/> HORIZONTAL <input type="checkbox"/>

20. LOCATION OF WELL	FOOTAGES	QTR-QTR	SECTION	TOWNSHIP	RANGE	MERIDIAN
LOCATION AT SURFACE	825 FSL 1382 FWL	SESW	8	6.0 N	8.0 E	S
Top of Uppermost Producing Zone	825 FSL 1382 FWL	SESW	8	6.0 N	8.0 E	S
At Total Depth	825 FSL 1382 FWL	SESW	8	6.0 N	8.0 E	S

21. COUNTY RICH	22. DISTANCE TO NEAREST LEASE LINE (Feet) 4439	23. NUMBER OF ACRES IN DRILLING UNIT 40
27. ELEVATION - GROUND LEVEL 6814	25. DISTANCE TO NEAREST WELL IN SAME POOL (Applied For Drilling or Completed) 161	26. PROPOSED DEPTH MD: 1500 TVD: 1500
	28. BOND NUMBER 04-002	29. SOURCE OF DRILLING WATER / WATER RIGHTS APPROVAL NUMBER IF APPLICABLE Deseret Ranch- Chapman Ditch & Evanston City

Hole, Casing, and Cement Information										
String	Hole Size	Casing Size	Length	Weight	Grade & Thread	Max Mud Wt.	Cement	Sacks	Yield	Weight
Surf	14.75	10.75	0 - 250	40.5	J-55 ST&C	9.5	Unknown	185	1.27	15.2
I1	9.875	7	0 - 1135	20.0	J-55 ST&C	9.5	Varocem	140	2.96	11.5
							Varocem	100	1.81	13.5

ATTACHMENTS

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

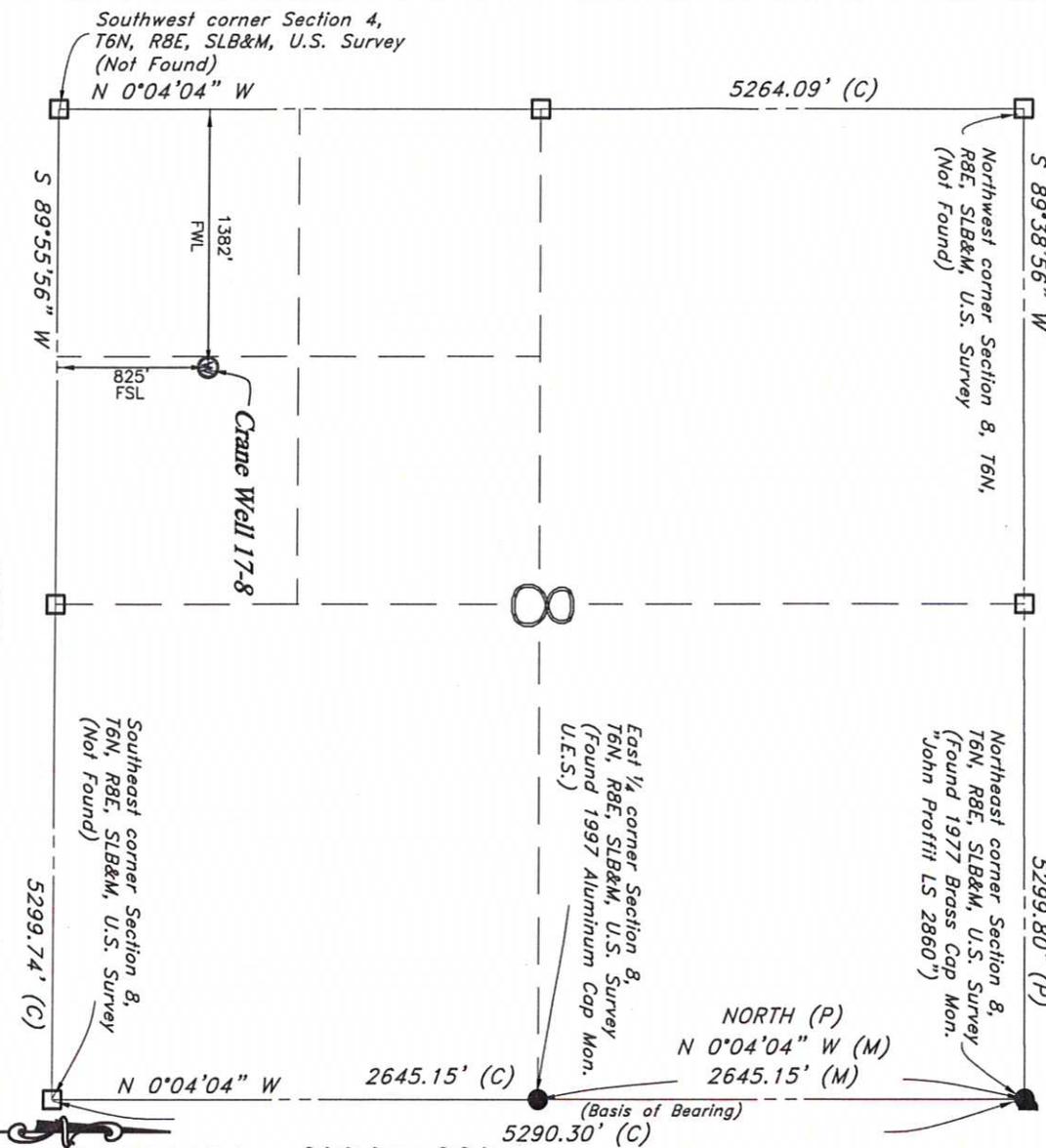
<input checked="" type="checkbox"/> WELL PLAT OR MAP PREPARED BY LICENSED SURVEYOR OR ENGINEER	<input checked="" type="checkbox"/> COMPLETE DRILLING PLAN
<input checked="" type="checkbox"/> AFFIDAVIT OF STATUS OF SURFACE OWNER AGREEMENT (IF FEE SURFACE)	<input type="checkbox"/> FORM 5. IF OPERATOR IS OTHER THAN THE LEASE OWNER
<input type="checkbox"/> DIRECTIONAL SURVEY PLAN (IF DIRECTIONALLY OR HORIZONTALLY DRILLED)	<input checked="" type="checkbox"/> TOPOGRAPHICAL MAP

NAME Terri Hartle	TITLE Admin/Regulatory (Western Land Services)	PHONE 435 896-5501
SIGNATURE	DATE 10/18/2010	EMAIL Terri.Hartle@Westernls.com

API NUMBER ASSIGNED 43033500020000	APPROVAL  Permit Manager
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WELL PLAT FOR THE "CRANE WELL 17-8"

SECTION 8, T6N-R8E, SLB&M, RICH COUNTY, UTAH



CERTIFICATION

I, Jerron R. Atkin II, do hereby certify that I am a Registered Land Surveyor, and that I hold Certificate No. 5992544, as prescribed by the Laws of the State of Utah, and I have made a survey based on information collected on the ground and of record. I have relied upon a BLM plat and notes of Township 6 North, Range 8 East, conducted by T. C. Bailey and approved December 10, 1875 as file No. 255. I further certify that the above plat correctly shows the true dimensions of the property surveyed.



BASIS OF BEARING

Basis of bearing is N 0°04'04" W between the East 1/4 corner and the Northeast corner of Section 8, T6N, R8E, S.L.B.&M., U.S. Survey.

BASIS OF ELEVATION

Elevation is based on a GPS observation of a rebar control point set by U.E.S. marked "Willie" which is located in the NW 1/4 of the SE Quarter of Section 8, T6N, R8E, S.L.B.&M., U.S. Survey. Elevation = 6994 feet.

NARRATIVE

The purpose of this survey is to plat the proposed location of the "CRANE WELL 17-8" located in the Southeast 1/4 of the Southwest Quarter of Section 8, T6N, R8E, S.L.B.&M., U.S. Survey. A well plat signed by Robert Kay on February 26, 2001 for "CRANE 14-8", file: QUANECO, LLC, was relied upon in conducting this survey. An original GLO plat of Township 6 North, Range 8 East, S.L.B.&M., U.S. Survey and conducted by T.C. Bailey was relied upon in conducting this survey.

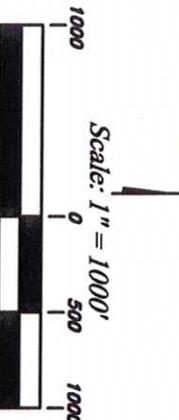
QUANECO, LLC
PROJECT: CRANE WELL 17-8

PROPOSED WELL LOCATION

LATITUDE: 41.26331°N
LONGITUDE: 111.06834°W
ELEVATION: 6814' (Ungraded)
DISTANCES ARE GROUND
NAD 83, NAVD 88
SF: 1.000375
UTAH STATE PLANE
NORTH ZONE

LEGEND:

- ⊙ - PROPOSED WELL
- - FOUND BRASS MONUMENT
- - CORNER NOT FOUND
- M - MEASURED WITH GPS
- C - CALCULATED
- P - BLM PLAT



CALDWELL RICHARDS SORENSEN
ANSWERS TO INFRASTRUCTURE

SALT LAKE CITY OFFICE:
2000 First Third South
SALT LAKE CITY, UTAH 84115
PHONE: 801.389.1886
FAX: 801.389.4272
www.crsengineering.com

File: CRANE SECTION 8
Date: 10/13/10
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