STATE OF ALASKA
DEPARTMENT OF NATURAL RESOURCES

Alaska Geologic Materials Center *Data Report No. 400*

No. 400

Posey, C.M. and Evergreen Resources Inc. 2012, Core photographs and well history files for the Houston Pit #1, Kashwitna Lake #1, Little Su #1, Sheep Creek #1, and Slats #1 coal-bed methane wells

2 DVDs available upon request (811 photos, 6.3 GB)

All data reports may be downloaded free of charge from the DGGS website.

Evergreen Resources Inc.

Well History Record

Houston Pit #1

Image Project Well History File Cover Page

XHVZE

This page identifies those items that were not scanned during the initial production scanning phase. They are available in the original file, may be scanned during a special rescan activity or are viewable by direct inspection of the file.

203-206 **Well History File Identifier**

Organizing (done) ☐ Two-sided ☐ Rescan Needed

RESCAN

☐ Color Items:

☐ Greyscale Items:

☐ Poor Quality Originals:

☐ Other:

DIGITAL DATA

☐ Diskettes, No.

☐ Other, No/Type:

OVERSIZED (Scannable)

☐ Maps:

☐ Other Items Scannable by a Large Scanner

OVERSIZED (Non-Scannable)

☑ Logs of various kinds:

☑ Other:: MAP

NOTES:

BY: Maria Date: 4/24/06 /s/ MP

Project Proofing

BY: Maria Date: 4/24/06 /s/ MP

Scanning Preparation 1 x 30 = 30 + 10 = TOTAL PAGES 40

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03/01/2008
DO NOT PLACE
ANY NEW MATERIAL
UNDER THIS PAGE

MEMORANDUM

State of Alaska

Alaska Oil and Gas Conservation Commission

TO: Jim Regg, P.I. Supervisor Regg 6/21/07 **DATE:** June 12, 2007

FROM: Chuck Scheve, Petroleum Inspector

SUBJECT: Location Inspection
Pioneer (Evergreen)
Houston Pit #1 PTD 203-206

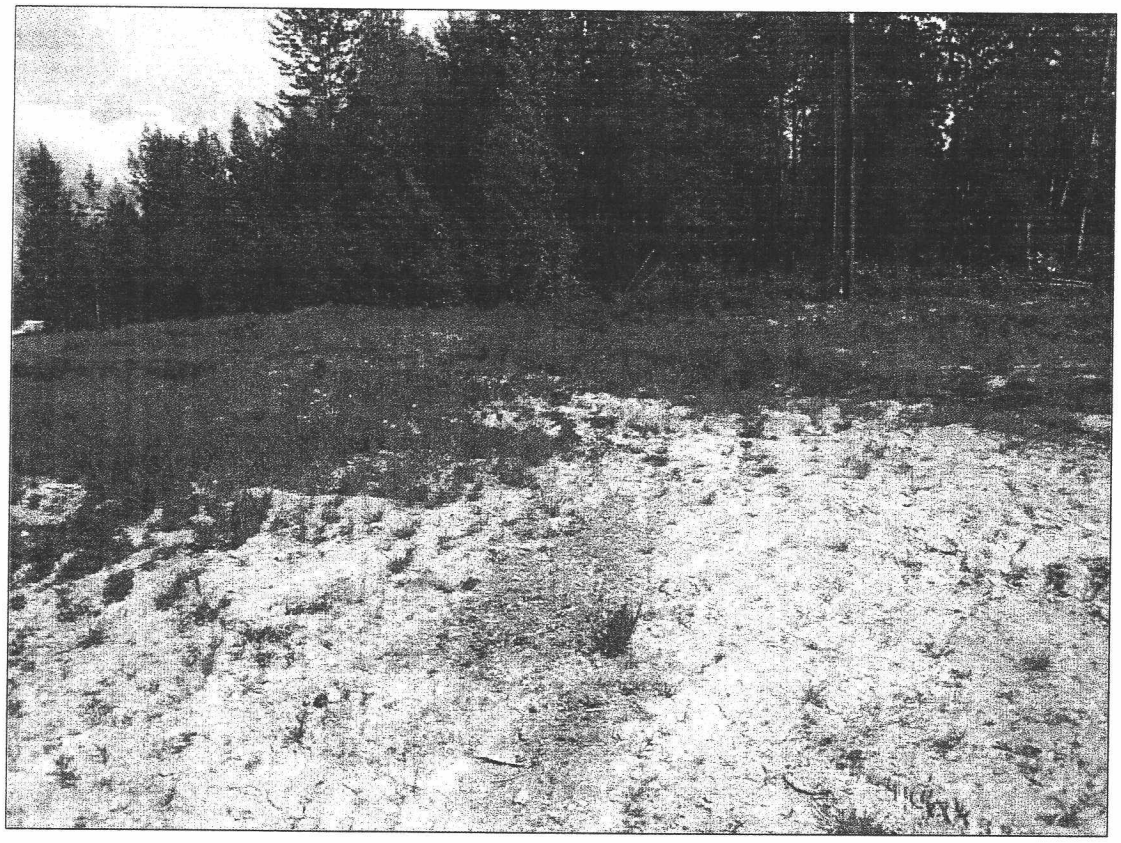
Tuesday, June 12, 2007; I traveled to the Pioneer (Evergreen) coal bed methane exploration wells Little Su #1,Houston Pit #1, Sheep Creek #1, Kashwitna Lake #1 and Slats #1 to verify location clearance. The exploratory locations were clean with no evidence of past drilling activity.

SUMMARY: I recommend the above mentioned 5 locations be given final clearance approval

Attachments: Houston Pit #1.JPG

SCANNED JUL 2 0 2007

Location Clearance Inspection - Houston #1
Photos by AOGCC Inspector Chuck Scheve
June 12, 2007



19 April 2006

DATA SUBMITTAL COMPLIANCE REPORT

3/2/2006

Spud 1 Feb 2004

Permit to Drill 2032060 **Well Name/No.** HOUSTON PIT NO. 1 **Operator** EVERGREEN RESOURCES (ALASKA) **API No.** 50-009-20028-00-00

MD 1604 TVD 1604 Completion Date 3/19/2004 Completion Status P&A Current Status P&A UIC N

REQUIRED INFORMATION

Mud Log No Samples No Directional Survey No

DATA INFORMATION

Types Electric or Other Logs Run: Gamma Ray, Spontaneous Potential, Caliper, Array Induction, Compe (data taken from Logs Portion of Master Well Data Maint

Well Log Information:

Log/ Data Type	Digital Med/Frmt	Electr Dataset Number	Name	Log Scale	Log Media	Run No	Interval Start	Interval Stop	OH / CH	Received	Comments
ED	C Las	12508	Induction/Resistivity				40	1610	Open		Sonic/Neutron/Porosity/DensityGR
Log			Density	25	Blu	1	58	1608	Open		ARRAY INDUCTION, COMP SONIC
Log			Sonic	25	Blu	1	45	1608	Open		ARRAY INDUCTION,PHOTO DENSITY, DUAL SPACED NEUTRON
Log			Induction/Resistivity	25	Blu	1	45	1607	Open		PHOTO DENSITY, DUAL SPACED NEUTRON, COMPENSATED SONIC
Log			Lithology	25	Col	1	0	1604	Open		2 IN.=20 FT.

Well Cores/Samples Information:

Name	Interval Start	Interval Stop	Sent	Received	Sample Set Number	Comments
						Cores and/or Samples are required to be submitted. This record automatically created from Permit to Drill Module on: 12/11/2003.

ADDITIONAL INFORMATION

Well Cored? (Y) / N

Chips Received? ~~Y / N~~ Full Core

Analysis Received? Y / (N)

Daily History Received? (Y) / N

Formation Tops (Y) N

Comments:

DATA SUBMITTAL COMPLIANCE REPORT

3/2/2006

Permit to Drill 2032060 **Well Name/No.** HOUSTON PIT NO. 1 **Operator** EVERGREEN RESOURCES (ALASKA) **API No.** 50-009-20028-00-00

MD 1604 TVD 1604 Completion Date 3/19/2004 Completion Status P&A Current Status P&A UIC N

Compliance Reviewed By: _____ **Date:** 17 Apr 2006

January 13, 2005

PIONEER
NATURAL RESOURCES ALASKA, INC.

Howard Okland
Petroleum Geologist Assistant
Alaska Oil & Gas Conservation Commission
333 W. 7th Ave., Suite 100
Anchorage, Alaska 99501

Re: Letter of Transmittal

Subj: Evergreen Resources Alaska Corp's 2004 Five-Hole Core Program

Dear Mr. Okland,

I am enclosing with this correspondence, both an inventory of the continuously cored exploratory wells that were drilled in early 2004 by Evergreen Resources Alaska Corporation (Evergreen) and a data CD, per your request. The wells drilled include the Sheep Creek #1, Kashwitna Lake #1, Houston Pit #1, Little Su #1, and the Slats #1. Total well depths and cored footage (in parentheses) of these exploratory wells are as follows: Sheep Creek #1 – 1,369' (1,034'); Kashwitna Lake #1 – 1,750' (878.5'); Houston Pit #1 – 1,604' (1,548'); Little Su #1 – 2,125' (2,010'); and Slats #1 – 3,095' (2,685'). Total cored footage equates to 8,155.5 feet.

Core from the five Evergreen exploratory wells is presently in a container at the Alaska Geologic Materials Center in Eagle River. If you have any additional questions or requests, please feel free to contact me.

Sincerely,

Michael A. Belowich

Michael A Belowich
Coal Geologist
Pioneer Natural Resources

Cc: Robert Crandall – Alaska Oil & Gas Conservation Commission
Matt Rader – Alaska Division of Oil and Gas
John Reeder – Alaska Geologic Materials Center

1075 CHECK STREET, STE. 202 · WASILLA, ALASKA 99654 · MAIN: (907) 357-8130 · FAX: (907) 357-8340

Well Name: **Houston Pit #1** 203 - 206

Box Numbers	Column	Shelf	Depth Top (ft)	Depth Bottom (ft)	Box Numbers	Column	Shelf	Depth Top (ft)	Depth Bottom (ft)
1	14	D	56.0	64.9	51	14	A	549.1	558.0
2	14	D	64.9	74.2	52	14	A	558.0	567.4
3	14	D	74.2	83.0	53	14	A	567.4	576.4
4	14	D	83.0	93.5	54	14	A	576.4	585.9
5	14	D	93.5	103.3	55	14	A	585.9	595.4
6	14	D	103.3	113.0	56	14	A	595.4	605.1
7	14	D	113.0	123.7	57	14	A	605.1	615.0
8	14	D	123.7	132.4	58	14	A	615.0	625.0
9	14	D	132.4	141.5	59	14	A	625.0	632.6
10	14	C	141.5	151.0	60	14	A	632.0	642.0
11	14	C	151.0	161.0	61	14	A	642.0	652.0
12	14	C	161.0	172.0	62	14	A	652.0	662.0
13	14	C	172.0	181.5	63	14	A	662.0	672.0
14	14	C	181.5	191.0	64	15	D	672.0	681.0
15	14	C	191.0	206.5	65	15	D	681.0	691.0
16	14	C	206.5	218.8	66	15	D	691.0	701.0
17	14	C	218.8	227.9	67	15	D	701.0	710.0
18	14	C	227.9	237.6	68	15	D	710.0	723.2
19	14	C	237.6	246.5	69	15	D	723.2	732.0
20	14	C	246.5	256.0	70	15	D	732.0	742.0
21	14	C	256.0	266.0	71	15	D	742.0	752.0
22	14	C	266.0	276.0	72	15	D	752.0	764.8
23	14	C	276.0	285.0	73	15	C	764.0	773.0
24	14	C	285.0	297.0	74	15	C	773.0	785.0
25	14	C	297.0	306.0	75	15	C	785.0	795.4
26	14	C	306.0	316.0	76	15	C	795.4	809.2
27	14	C	316.0	327.0	77	15	C	809.2	816.8
28	14	B	327.0	335.0	78	15	C	816.8	826.0
29	14	B	335.0	344.0	79	15	C	826.0	837.0
30	14	B	344.0	354.4	80	15	C	837.0	848.0
31	14	B	354.0	363.4	81	15	C	848.0	860.0
32	14	B	363.4	372.9	82	15	C	860.0	871.0
33	14	B	372.9	382.5	83	15	C	871.0	882.0
34	14	B	382.5	391.6	84	15	C	882.0	890.6
35	14	B	391.6	401.0	85	15	C	890.6	901.0
36	14	B	401.0	410.4	86	15	C	901.0	909.8
37	14	B	410.4	419.4	87	15	C	909.8	919.5
38	14	B	419.4	429.4	88	15	C	919.5	928.5
39	14	B	429.4	439.0	89	15	C	928.5	937.0
40	14	B	439.0	450.0	90	15	C	937.0	947.2
41	14	B	450.0	460.0	91	15	B	947.2	956.4
42	14	B	460.0	471.0	92	15	B	956.4	966.0
43	14	B	471.0	480.0	93	15	B	966.0	975.0
44	14	B	480.0	490.0	94	15	B	975.0	984.0
45	14	B	490.0	500.0	95	15	B	984.0	994.0
46	14	A	500.0	510.0	96	15	B	994.0	1003.0
47	14	A	510.0	520.0	97	15	B	1003.0	1013.0
48	14	A	520.0	530.0	98	15	B	1013.0	1022.0
49	14	A	530.0	539.7	99	15	B	1022.0	1030.0
50	14	A	539.7	549.1	100	15	B	1030.0	1040.0

for Jan Dunn

Box Numbers	Column	Shelf	Top (ft)	Bottom (ft)
101	15	B	1040.0	1050.0
102	15	B	1050.0	1060.0
103	15	B	1060.0	1069.0
104	15	B	1069.0	1077.0
105	15	B	1077.0	1085.8
106	15	B	1085.8	1096.0
107	15	B	1096.0	1106.4
108	15	B	1106.4	1116.4
109	15	A	1116.4	1129.5
110	15	A	1129.5	1134.4
111	15	A	1134.4	1144.3
112	15	A	1144.3	1154.2
113	15	A	1154.2	1163.8
113A	15	A	1163.8	1172.4
114	15	A	1172.4	1181.6
115	15	A	1181.6	1192.0
116	15	A	1192.0	1201.0
117	15	A	1201.0	1210.0
118	15	A	1210.0	1220.0
119	15	A	1220.0	1230.0
120	15	A	1230.0	1239.0
121	15	A	1239.0	1251.1
122	15	A	1251.1	1260.5
123	15	A	1260.5	1271.0
124	15	A	1271.0	1281.0
125	15	A	1281.0	1290.6
126	16	D	1290.6	1302.8
127	16	D	1302.8	1312.2
128	16	D	1312.2	1322.0
129	16	D	1322.0	1332.0
130	16	D	1332.0	1343.0
131	16	D	1343.0	1353.0
132	16	D	1353.0	1363.0
133	16	D	1363.0	1373.0
134	16	D	1373.0	1382.0
135	16	C	1382.0	1391.0
136	16	C	1391.0	1401.0
137	16	C	1401.0	1410.0
138	16	C	1410.0	1418.0
139	16	C	1418.0	1429.0
140	16	C	1429.0	1436.6
141	16	C	1436.0	1445.5
142	16	C	1445.5	1455.5
143	16	C	1455.5	1465.0
144	16	C	1465.0	1474.3
145	16	C	1474.3	1483.0
146	16	C	1483.0	1492.0
147	16	C	1492.0	1501.5
148	16	C	1501.5	1310.0
149	16	C	1310.0	1520.0
150	16	C	1520.0	1530.0
151	16	C	1530.0	1539.0
152	16	C	1539.0	1548.0
153	16	C	1548.0	1557.0
154	16	B	1557.0	1567.0
155	16	B	1567.0	1579.0
156	16	B	1579.0	1589.0
157	16	B	1589.0	1597.7
158	16	B	1597.7	1604.0
159				
160				

EVERGREEN
RESOURCES (ALASKA) CORP.
A Subsidiary of Evergreen Resources, Inc.

June 17, 2004

203-206

Mr. Bob Crandall
Alaska Oil and Gas Conservation Commission
333 W. 7th Ave #100
Anchorage, Alaska, 99501-3539

RE: Evergreen Resources (Alaska) Corp.'s 2004 Core Program

Dear Mr. Crandall:

The purpose of this letter is to fulfill the reporting requirements of Evergreen Resources (Alaska) Corp. as stipulated by 20AAC25.070 and 20AAC25.071 for the completed core drilling project. Attached are the drilling summaries, logs and other pertinent information for the Houston Pit #1, Little Su #1, Sheep Creek #1 and Slats #1.

The acquired core is currently being slabbed and photographed. The desorption analysis is also ongoing. Hard and soft copies of these studies will be made available upon their completion. Wireline logs were not run on the Sheep Creek prior to abandonment of the hole; consequently, a gamma ray log will be generated from the core and provided when available. Once the studies are complete the core will be donated to the Alaska Oil and Gas Conservation Commission and housed in a State facility.

The Willow Fishhook is currently suspended; drilling operations may resume at a later date. The six foot cellar has been constructed and six inch surface casing has been set at 335'. A plate has been welded over the casing to prevent vandalism.

All information submitted concerning the above listed wells are subject to the two year confidentiality stipulation.

If you have any questions, please feel free to contact me at 907-357-8130 or shaneg@evergreengas.com.

Sincerely,

Shane Gagliardi
Petroleum Engineer

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JUN 21 2004
Alaska Oil & Gas Cons. Commission
Anchorage

ORIGINAL

1075 Check Street, Suite 202 • Wasilla AK 99654
P.O. Box 871845 • Wasilla, AK 99687 • TEL 907.357.8130 • FAX 907.357.8340

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STATE OF ALASKA
ALASKA OIL AND GAS CONSERVATION COMMISSION

WELL COMPLETION OR RECOMPLETION REPORT AND LOG

1a. Well Status: Oil☐ Gas☐ Plugged☐ Abandoned☒ Suspended☐ 20AAC 25.105 WAG☐ 20AAC 25.110
GINJ☐ WINJ☐ WDSPL☐ No. of completions _____ Other _____

1b. Well Class:
Development ☐ Exploratory ☐
Service ☐ Stratigraphic Test ☒

2. Operator Name: **Evergreen Resources Alaska Corp.**

3. Address: **P.O. Box 871845, Wasilla, AK 99687**

4a. Location of Well (Governmental Section): **Sec 20, TWN 18N, RNG 3W**
Surface: **1022' FNL and 797' FEL**
Top of Productive Horizon: **Same as Above**
Total Depth: **1604' MD**

4b. Location of Well (State Base Plane Coordinates): **(NAD 27)**

Surface:	x- **526782.80**	y- **2791671.87**	Zone- **4**
TPI:	x- **526782.80**	y- **2791671.87**	Zone- **4**
TotalDepth:	x- **526782.80**	y- **2791671.87**	Zone- **4**

18. Directional Survey: Yes☒ No☐

5. Date Comp., Susp., or Aband.: **3/19/04**
6. Date Spudded: **2/1/04**
7. Date TD Reached: **3/17/04**
8. KB Elevation (ft): **304'**
9. Plug Back Depth (MD + TVD): **Surface (abd)**
10. Total Depth (MD + TVD): **1604'**
11. Depth where SSSV Set: **N/A** feet MD
19. Water Depth, if Offshore: **N/A** feet MSL

12. Permit to Drill Number: **203-206**
13. API Number: **50- 009-20028**
14. Well Name and Number: **Houston Pit #1**
15. Field/Pool(s): **Wildcat**
16. Property Designation: **City of Houston**
17. Land Use Permit: **AK 550.184.09382**
20. Thickness of Permafrost: **N/A**

21. Logs Run: **Gamma Ray, Spontaneous Potential, Caliper, Array Induction, Compensated Neutron Density, Sonic, Inclination Survey**

22. CASING, LINER AND CEMENTING RECORD

CASING SIZE	WT. PER FT.	GRADE	SETTING DEPTH MD TOP	SETTING DEPTH MD BOTTOM	SETTING DEPTH TVD TOP	SETTING DEPTH TVD BOTTOM	HOLE SIZE	CEMENTING RECORD	AMOUNT PULLED
6"	17	LP	0	37	0	37	6.125	None	
4.5"	14.4	X42	0	57	0	57	5.5	5 sx Portland cmt	

23. Perforations Open to Production (MD + TVD of Top and Bottom Interval, Size, and Number; if none, state "none"):
None

24. TUBING RECORD

SIZE	DEPTH SET (MD)	PACKER SET (MD)
N/A	N/A	N/A
N/A	N/A	N/A

25. ACID, FRACTURE, CEMENT SQUEEZE, ETC.

DEPTH INTERVAL (MD)	AMOUNT AND KIND OF MATERIAL USED
None	None

26. PRODUCTION TEST

Date of First Production: **Abandoned**
Method of Operation (Flowing, Gas Lift, etc.): **Abandoned**

Date of Test:	Hours Tested:	Production for Test Period →	Oil-Bbl:	Gas-MCF:	Water-Bbl:	Choke Size:	Gas-Oil Ratio:
N/A							
Flow. Tubing Press:	Casing Pressure:	Calulated 24-Hour Rate →	Oil-Bbl:	Gas-MCF:	Water-Bbl:	Oil Gravity-API (corr):	

27. CORE DATA

Brief description of lithology, porosity, fractures, apparent dips and presence of oil, gas, or water (attach separate sheet, if necessary). Submit core chips; if none, state "none".
Separate core analysis will be submitted.

COMPLETION DATE 3/19/04 VERIFIED

Form 10-407 Revised 4/2003 CONTINUED ON REVERSE SIDE

GMC Data Report #400

ORIGINAL

RBDMS BFL JUN 22 2004

28. GEOLOGIC MARKERS			29. FORMATION TESTS
NAME	MD	TVD	Include and briefly summarize test results. List intervals tested, and attach detailed supporting data as necessary. If no tests were conducted, state "None".
Tyonek	**27' – 1343'**	**27' – 1343'**	**None**
Arkose Ridge	**1343' – 1560'**	**1343' – 1560'**	
Volcanics (Andecite)	**1560' – TD**	**1560' – TD**	

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Anchorage

30. List of Attachments: **Daily reports, wireline logs, mud logs, inclination survey**

31. I hereby certify that the foregoing is true and correct to the best of my knowledge. Contact **Shane Gagliardi**

Printed Name **Shane Gagliardi** Title **Petroleum Engineer**

Signature _____ Phone **907-355-8569** Date **3/22/04**

INSTRUCTIONS

General: This form is designed for submitting a complete and correct well completion report and log on all types of lands and leases in Alaska. Submit a well schematic diagram with each 10-407 well completion report and 10-404 well sundry report when the downhole well design is changed.

Item 1a: Classification of Service Wells: Gas Injection, Water Injection, Water-Alternating-Gas Injection, Salt Water Disposal, Water Supply for Injection, Observation, or Other. Multiple completion is defined as a well producing from more than one pool with production from each pool completely segregated. Each segregated pool is a completion.

Item 4b: TPI (Top of Producing Interval).

Item 8: The Kelly Bushing elevation in feet above mean low low water. Use same as reference for depth measurements given in other spaces on this form and in any attachments.

Item 13: The API number reported to AOGCC must be 14 digits (ex: 50-029-20123-00-00).

Item 20: True vertical thickness.

Item 22: Attached supplemental records for this well should show the details of any multiple stage cementing and the location of the cementing tool.

Item 23: If this well is completed for separate production from more than one interval (multiple completion), so state in item 1, and in item 23 show the producing intervals for only the interval reported in item 26. (Submit a separate form for each additional interval to be separately produced, showing the data pertinent to such interval).

Item 26: Method of Operation: Flowing, Gas Lift, Rod Pump, Hydraulic Pump, Submersible, Water Injection, Gas Injection, Shut-In, or Other (explain).

Item 27: If no cores taken, indicate "none".

Item 29: List all test information. If none, state "None".

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RESOURCES (ALASKA) CORP.
A Subsidiary of Evergreen Resources, Inc.

Daily Drilling Summary

Well Name	Location				API Number	Permit to Drill	Spud Date	Total Depth
	QTR	Sec	Twn	Rng				
Houston Pit #1	**NE NE**	**20**	**18N**	**3W**	**50-009-20028**	**203-206**	**1/31/2004**	**1604'**

12/10/04	Dig cellar and install culvert. Make cellar covers and plow snow.
01/31/04	MIRU Denali Drilling from Willow Fishhook
02/01/04	Drive 6" csg to 37". Drill and drive 4.5" csg to 57'.
	RU cement equipment
	Cement with 50 gal, circulate 30 gal cement to cellar
03/06/04	MIRU Layne Christiansen Rig.
03/07/04	Repair well head install BOPE.
	Test csg to 1500psi;held. Test BOPE to 1500psi:held.
	TIH w/ core bit & BBL. Tag something hard at 15'
03/08/04	Fish core bit and reamer shell.
	TIH w/ core bit & BBL. Tag cmt @ 43'. Clean to 57'.
	TIH w/core bit and reamer. On bottom ready to begin coring.
	Core from 57' to 236'. Recover 161.6' core, 90%
03/09/04	Core from 236' to 259', recover 17.2', recovery 74.8%
	Core from 259' to 306', recover 49', recovery 100%
	Core from 306' to 326', recover 19' recovery 95%
	Core from 326' to 438', recover 114.4', recovery 100%
03/10/04	Core from 438' to 616', recover 174', recovery 98%
03/11/04	Core from 616' to 661', recover 44.3', recovery 98%
	Core from 661' to 671', recover 14', recovery 100%
	Core from 671' to 736', recover 60.2', recovery 93%
	POOH
03/12/04	Repair Drive head
	Core from 736' to 809', recover 59.8, recovery 82%
	POOH
03/13/04	Replace bent core tube.
	Core from 809' to 860', recover 49', recovery 96%
	Core from 860' to 951', recover 93', recovery 100%
03/14/04	Core from 951' to 971', recover 20.8', recovery 100%
	Core from 971' to 1159', recover 182.1', recovery 97%
03/15/04	Core from 1159' to 1236', recover 74', recovery 96%
	Core from 1236' to 1251', recover 11.4, recovery 76%
	Core from 1251' to 1293', recover 38.2, recovery 91%
03/16/04	Core from 1293' to 1495', recover 197.6', recovery 98%
03/17/04	Core from 1495' to 1604', recover 114', recovery 100%
	POOH and LD DP, core bit and bbl
	Wait on Reeves Wireline
03/18/04	MIRU Reeves Wireline
	Log holes with Gamma, Sonic and dual induction. Loggers TD 1608.
	Log holes with Gamma, caliper, and comp ND
	RDMO Reeves Wireline
03/19/04	Survey hole @ 500 - 0 degrees, 1000 - 1 degree and 1500' - 0 degrees.
	Cmt hole w/ 24 bbls, 74 sx, class G cmt. Circulate 1 bbl cmt to cellar.
	RDMO Layne Christiansen and Swaco to Little Su.

JUN 22 2004

203-206

Subject: Slats #1 Core Disposition
From: Shane Gagliardi <shaneg@evergreengas.com>
Date: Thu, 20 May 2004 09:33:35 -0800
To: bob_crandall@admin.state.ak.us
CC: Corri Feige <CorriF@EvergreenGas.com>, Scott Zimmerman <ScottZ@EvergreenGas.com>, Chris Cornelius <ChrisC@EvergreenGas.com>

Bob,

>From this year's core program, we have extracted approximately 8,000' of core. Of this core about 3,000' will be slabbed. Evergreen Alaska will donate all of the core to the state to fulfill the AOGCC requirements of 20 AAC 25.071 (b)(4). We understand that the donated core will be kept confidential for a minimum of two years. The slabbing and photographing process is lengthy; the anticipated approximate date for completion of the process and transferring the core to the state is March 05.

If you have any further questions, please contact me @ 907-355-8569.

Thanks,
Shane

Subject: Nad 27 Coords for Core Wells
From: Shane Gagliardi <ShaneG@EvergreenGas.com>
Date: Mon, 15 Dec 2003 15:12:46 -0900
To: Bob Fleckenstein <bob_fleckenstein@admin.state.ak.us>

Bob,

Here are the coords (in NAD 27) for the core wells.

Little Su - N = 2813373.15 E = 633118.22
Houston Pit - N = 2791671.87 E = 526782.80 Source: Surveyor
Willow Fishhook - N = 2838106.12 E = 504445.60
Kashwitna Lake - N = 2866054.57 E = 487747.09
Sheep Creek - N = 2918957.46 E = 489689.87

I think that most internet converters can convert Lat Long coords to NAD 27
without a problem. I have found several free programs that can do this. At
this point, the standard has become NAD 83 due to the increasing number of
handheld GPS tools.

Thanks,
Shane

STATE OF ALASKA

FRANK H. MURKOWSKI, GOVERNOR

ALASKA OIL AND GAS CONSERVATION COMMISSION

333 W. 7TH AVENUE, SUITE 100
ANCHORAGE, ALASKA 99501-3539
PHONE (907) 279-1433
FAX (907) 276-7542

Shane Gagliardi
Petroleum Engineer
Evergreen Resources (Alaska), Corp.
PO Box 871845
Wasilla, AK 99687

Re: Houston Pit #1
Evergreen Resources (Alaska), Corp.
Permit No: 203-206
Surface Location: 1022' FNL and 797' FEL, Sec. 20, T18N, R3W, SM
Bottomhole Location: 1022' FNL and 797' FEL, Sec. 20, T18N, R3W, SM

Dear Mr. Gagliardi:

Enclosed is the approved application for permit to drill the above referenced development well.

This permit to drill does not exempt you from obtaining additional permits or approvals required by law from other governmental agencies, and does not authorize conducting drilling operations until all other required permits and approvals have been issued. In addition, the Commission reserves the right to withdraw the permit in the event it was erroneously issued.

Operations must be conducted in accordance with AS 31.05 and Title 20, Chapter 25 of the Alaska Administrative Code unless the Commission specifically authorizes a variance. Failure to comply with an applicable provision of AS 31.05, Title 20, Chapter 25 of the Alaska Administrative Code, or a Commission order, or the terms and conditions of this permit may result in the revocation or suspension of the permit. Please provide at least twenty-four (24) hours notice for a representative of the Commission to witness any required test. Contact the Commission's North Slope petroleum field inspector at 659-3607 (pager).

Sincerely,

Sarah Palin
Chair

BY ORDER OF THE COMMISSION
DATED this 10 day of December, 2003

Department of Fish & Game, Habitat Section w/o encl.
Department of Environmental Conservation w/o encl.

WGA 12/10/2003

STATE OF ALASKA
ALASKA OIL AND GAS CONSERVATION COMMISSION

PERMIT TO DRILL

20 AAC 25.005

1a. Type of Work: Drill ☒ Redrill ☐ Re-entry ☐	1b. Current Well Class: Exploratory ☐ Development Oil ☐ Multiple Zone ☐ Stratigraphic Test ☒ Service ☐ Development Gas ☐ Single Zone ☐	
2. Operator Name: **Evergreen Resources (Alaska) Corp.**	5. Bond: ☒ Blanket ☐ Single Well Bond No. **RLB0003430**	11. Well Name and Number: **Houston Pit #1**
3. Address: **P.O. Box 871845, Wasilla, AK 99687**	6. Proposed Depth: MD: **3000 ft** TVD: **3000 ft**	12. Field/Pool(s): **Wildcat**
4a. Location of Well (Governmental Section): **Sec 20, TWN 18N, Rng 3W** Surface: **1022' FNL and 797' FEL** Top of Productive Horizon: **Same as above** Total Depth: **Same as above**	7. Property Designation: **Mental Health Trust** 9200180 - AK	
	8. Land Use Permit: **AK 550.184.09382**	13. Approximate Spud Date: **10 Dec 03**
	9. Acres in Property: **64 acres**	14. Distance to Nearest Property: **640 feet**
4b. Location of Well (State Base Plane Coordinates): **NAD 83** Surface: x- **1666810.687** (BPC 526782.80) y- **2791428.91** (2791677.87 NAD27) Zone- **4**	10. KB Elevation (Height above GL): **303.7'** feet	15. Distance to Nearest Well within Pool: **580 feet**
16. Deviated Wells: **N/A** Kickoff Depth: **N/A** ft. Maximum Hole Angle: **N/A**	17. Anticipated Pressure (see 20 AAC 25.035) Max. Downhole Pressure: ~~1080~~ 1167 psig. Max. Surface Pressure: ~~1167~~ 1080 psig.	WGA

18. Casing Program:

Size		Specifications				Setting Depth Top		Setting Depth Bottom		Quantity of Cement c.f. or sacks.
Hole	Casing	Weight	Grade	Coupling	Length	MD	TVD	MD	TVD	(Including Stage Data)
6	4.5	10.8	LP	LP	50	0	0	54	54	4.3 cu. Ft.

19. **PRESENT WELL CONDITION SUMMARY** (To be completed for Redrill and Re-Entry Operations)

Total Depth MD (ft):	Total Depth TVD (ft):	Effective Depth MD (ft):	Effective Depth TVD(ft):	Plugs (measured):	Junk (measured):

Casing	Length	Size	Cement Volume	MD	TVD
Structural					
Conductor					
Surface					
Intermediate					
Production					
Liner					

Perforation Depth MD (ft): **None** Perforation Depth TVD (ft): **None**

RECEIVED
DEC - 5 2003
Alaska Oil & Gas Cons. Commission
Anchorage

20. Attachments: Filing Fee ☒ BOP Sketch ☒ Drilling Program ☒ Time v. Depth Plot ☐ Shallow Hazard Analysis ☐
Property Plat ☒ Diverter Sketch ☐ Seabed Report ☐ Drilling Fluid Program ☒ 20 AAC 25.050 Requirements ☐

21. Verbal Approval: Commission Representative: Date:

22. I hereby certify that the foregoing is true and correct to the best of my knowledge. Contact Shane Gagliardi

Printed Name Shane Gagliardi Title Petroleum Engineer

Signature [signature] Phone 907-355-8569 Date 12/5/03

Commission Use Only

Permit to Drill Number:	API Number:	Permit Approval Date:	See cover letter for other requirements.
203-206	50- 009-20028	12/10/03	

Conditions of approval: Samples required ☒ Yes ☐ No Mud log required. ☐ Yes ☒ No

Hydrogen sulfide measures ☐ Yes ☒ No Directional survey required ☐ Yes ☒ No

Other: Refer to attached Conditions of Approval.

Approved by: Original Signed By Sarah Palin COMMISSIONER BY ORDER OF THE COMMISSION Date: 12/10/03

Form 10-401 Revised 3/2003 Submit in duplicate

ORIGINAL

Conditions of Approval

Evergreen Resources (Alaska) Corp.
Houston Pit #1 (PTD 203-206)

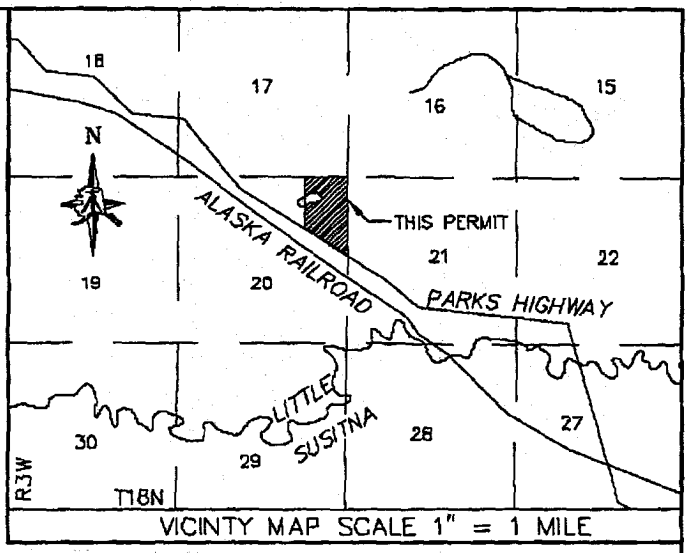
1. Per 20 AAC 25.030 (g), the formation integrity test requirement is waived.
2. Per 20 AAC 25.033 (j), the drilling fluid system requirements are waived.
3. Per 20 AAC 25.035 (h) (1) and (2), the BOPE and diverter requirements are waived.
4. Per 20 AAC 25.050 (h), alternate well bore directional survey intervals are approved.
5. Per 20 AAC 25.061 (c), the near surface survey requirement is waived.
6. Test BOPE to 1500 psi.
7. Abandonment plug cement volumes may be adjusted dependent upon actual subsurface conditions.

NOTES:

1. COORDINATES SHOWN ARE NAD83 ALASKA STATE PLANE ZONE 4 BASED ON PROTRACTED VALUES.
2. GEOGRAPHIC COORDINATES ARE NAD 83 BASED ON PROTRACTED VALUES.
3. ALL DISTANCES ARE GROUND IN U.S. SURVEY FEET.
4. VERTICAL DATUM IS NGVD 29 BENCHMARK S102, EL = 307.02'

HOUSTON PIT #1

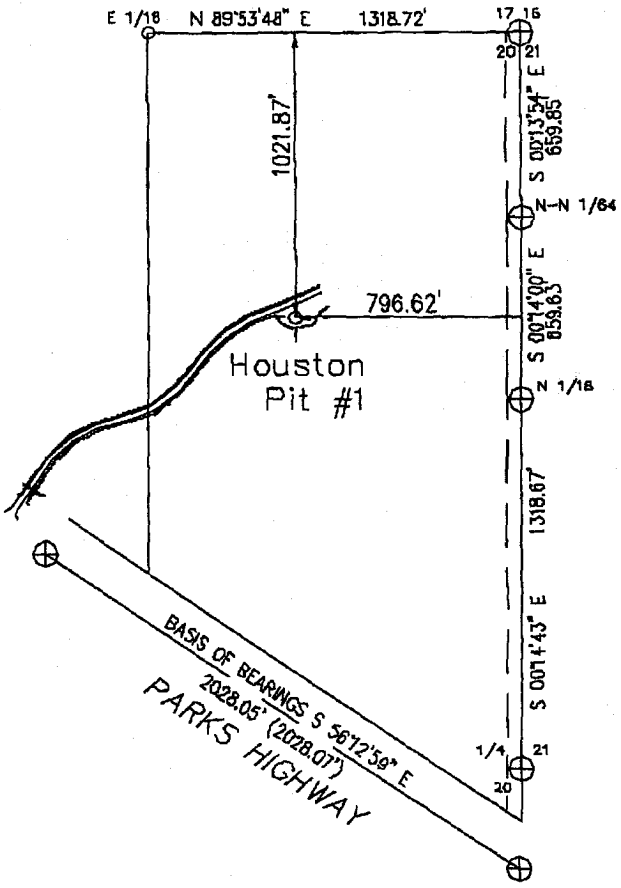
LOCATED 1022' FROM THE NORTH LINE OF SECTION 20
AND 797' FROM THE EAST LINE OF SECTION 20
T 18 N, R 3 W, SEWARD MERIDIAN
AT LAT. 61°38'24.304"N LONG. 149°50'53.656"W
ASP ZONE 4 N=2791428.91 E=1668810.687 (NAD 83)
GROUND ELEVATION = 303.7'



VICINTY MAP SCALE 1" = 1 MILE

SCALE 1" = 600'

SECTION 20
T18N, R3W, S.M., ALASKA



Houston Pit #1
PERMIT DRAWING

LOUNSBURY & ASSOCIATES, INC.
SURVEYORS–ENGINEERS–PLANNERS
723 W. 6th AVE. ANCHORAGE, ALASKA 99501
(907) 272–5451 FAX (907) 272–9065

DRAWN KWA	CHECKED KWA	SCALE 1' = 600'	November 24, 2003	DWG NAME 03–031–7.DWG

Proposed Drilling Procedure
Core Program 2003
Matanuska-Susitna Borough, Alaska

Objective
The objective of this operation is to core the intended wells for geologic study to determine coal bed methane exploration potential and begin to describe the Mat Su Basin

Casing Program
Surface casing will be run from surface through the glacial gravels to protect fresh water. The surface hole will be 6 inch diameter and the surface casing will be X-42 4 inch nominal schedule 40 line pipe.

	Hole Size (in)	Casing Size OD (in)	Casing Weight (lbs/ft)	Casing Grade	Casing Connection	Approx Casing Depth (ft)	Cement Interval
Surface	6	4.5	10.8	LP	LP	200	to surface

Mud Program
Water will be the primary drilling fluid used. Bentonite and EZ-Mud DP or other fresh water polymer may be used if hole conditions warrant. After the well has reached TD, this mud will be conditioned and transported to the next site. The cuttings will be tested and either spread on location, sent to an off site disposal facility or placed back in the hole as part of the abandoning process.

Open Hole Logging Program
Memory tools will be latched into the landing sub above the core barrel. The hole will be logged as the drill pipe is being pulled out of the hole.

Log	Interval
Single Induction	TD to ± 20 ft in Surface Casing
Sonic Porosity	TD to ± 20 ft in Surface Casing
Gamma Ray	TD to ± 20 ft in Surface Casing
Caliper	TD to ± 20 ft in Surface Casing
Compensated Density	TD to ± 20 ft in Surface Casing
Neutron Porosity	TD to ± 20 ft in Surface Casing

Formation Tops

Formation	Estimated Tops (ft KB)
Quarternary Gravel	Surface
Tertiary Tyonek	50-200

General Information
All information not publicly available is considered Tight Hole and confidential.

Spill Prevention Plan and Bear Mitigation measures must be adhered to at all times.

Proposed Drilling Procedure
Core Program 2003
Matanuska-Susitna Borough, Alaska

SURFACE AND CORE HOLE

1. MIRU DJ excavation. Make any necessary changes to location to accommodate core drilling rig.
    a. Dig 6' cellar w/ 6' diameter and place culverts.
2. MIRU Discovery Drilling.
3. Drill 6" hole through base of gravel (50'-200' anticipated) and set 4" casing to bottom.
    a. Evergreen personnel will call TD on surface hole.
4. Cement casing in place w/ 1-3 bbl cmt w/ cmt wt @ 15.6 ppg
    a. Water requirements – 5.2 gal/sk
    b. Slurry volume – 1.18 cu ft/sk
    c. Leave 1" to 2" of cement in cellar for seal
5. RDMO Discovery drilling to next well.
6. MIRU Layne Christiansen CS 4000 core drilling rig.
7. Fill mud tanks w/ city water. Make sure there is enough mud on site to mix kill wt mud if necessary.
8. WOC for 6 hours.
9. NU and test BOP.
10. Pressure test casing to 1500 psi.
11. Drill cmt and csg shoe. Drill 20 feet into new formation and POOH.
12. RIH with HQ core bit and barrel.
13. Core to Arkose Ridge formation. The well will be TD'd above this level if significant hole problems occur.
    a. Arkose Ridge formation: Fluvitile and alluvial feldsparic sandstone, conglomerate, siltsone and shale containing abundant plant fragments.
    b. The core will be described on site by Evergreen personnel or contractors in the following manner:
        i. Apparent texture variations
            1. Fractures
            2. Bedding plane attitudes
        ii. Apparent fluid variations
            1. Presence of hydrocarbons
        iii. Apparent lithologic variations
            1. Rock type
            2. Porosity
            3. Sedimentary structure
            4. Grain size
14. Evergreen personnel will call final TD. POOH w/ last core inner tube.
15. Condition hole.
16. PU 30 ft off of bottom to make room for logging tools.
17. MIRU Reeves Wireline. Drop memory tools consisting of Gamma Ray, Sonic Porosity, Array Induction, Compensated Neutron Density and Caliper.
18. POOH and LD drill pipe, rods, core barrel and core bit and logging tools.
19. TIH w/ "B" rods to TD. (Cmt calculations are based on TD=2500' and surface csg @ 200')
    a. Surface casing – (0.01574bbls/ft)(200') = 3.14 bbls
    b. HQ Hole – (0.01440 bbls/ft)(2300') = 33.12 bbls
    c. Total fluid required to fill hole - 36.26 bbls
20. Pump 3 bbls cmt and POOH 210 ft.
21. Pump 18 bbls (1250ft) of mud and cuttings and POOH to 1000 ft.
22. Pump 15.1 bbls cmt
23. POOH w/ "B" rods.
24. Clean-up well site.
25. RDMO Layne Christianson to next hole.
26. WOC 24 hours.
27. MIRU DJ Excavation.
    a. Cut 4" casing 3' below original ground level.
    b. Weld ¼" thick plate w/ 18" diameter onto 4" casing. WGA
    c. Plate must have the following bead welded information:
        i. Evergreen Resources
        ii. Permit to drill number (Number will be provided as soon as it is issued by AOGCC)

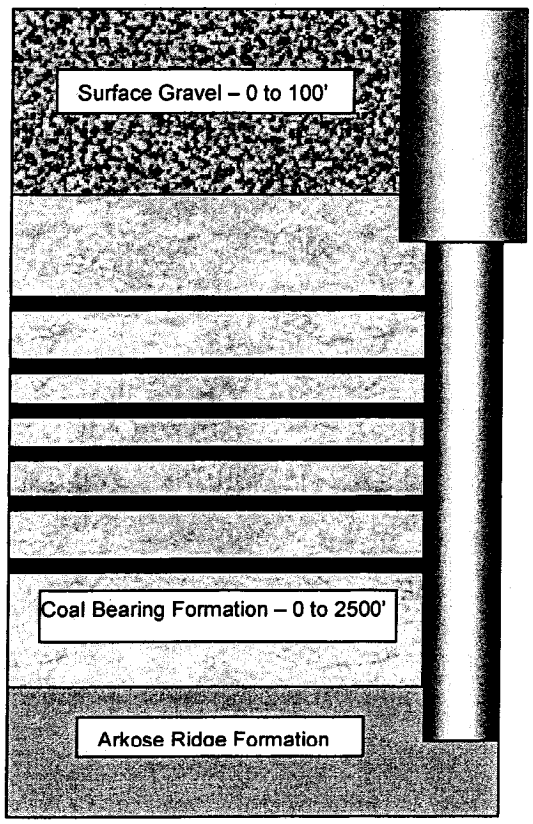
iii. Well number
iv. API number (Number will be provided as soon as it is issued by AOGCC)

d. Remove culvert and back fill cellar.

28. RDMO DJ Excavation.

Proposed Drilling Procedure
Core Program 2003
Matanuska-Susitna Borough, Alaska

Core Hole Diagram



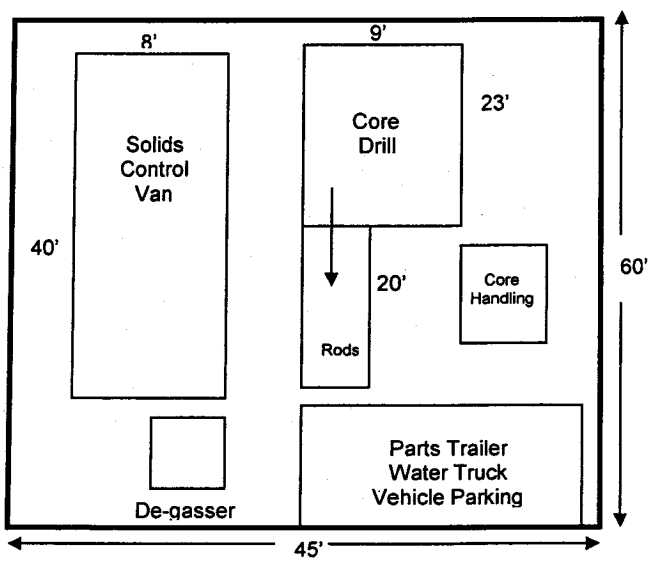
6" Hole to ± 100'

4" LP (4.5" OD, 4.026" ID, 3320 psi) @ ± 200'
Cemented w/ 25 sx Portland cmt

Tyonek Formation

HQ Diameter Hole (3.850") to 1800'
2.5" core. Log hole using memory tools latched into landing sub while pulling drill pipe.

Rig Layout Diagram

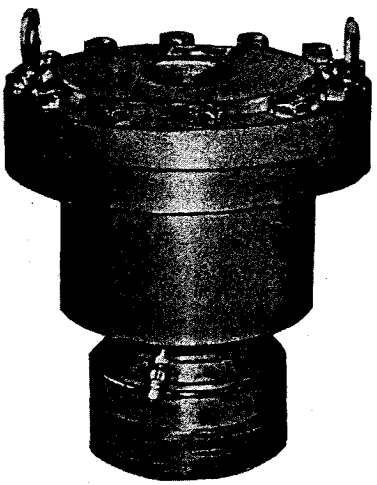


Proposed Telephone Contact List
Core Program 2003
Matanuska-Susitna Borough, Alaska

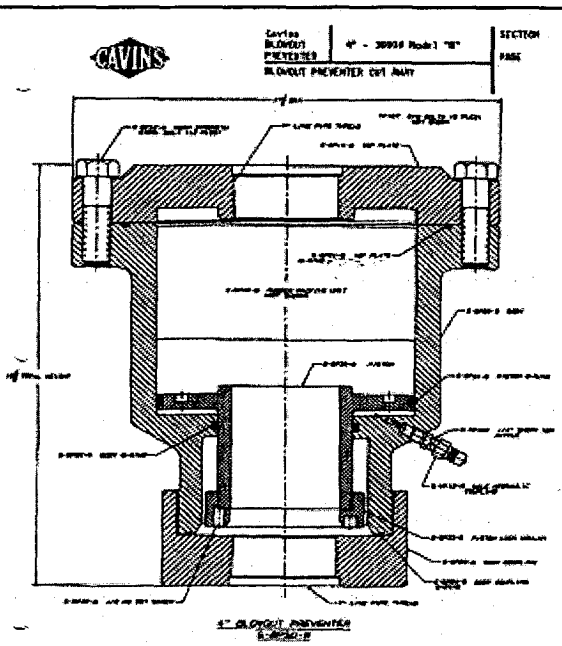
Company	Address	Name	Telephone
Evergreen Resources Inc.	Suite 1200 1401 Seventeenth Street Denver, Colorado 80202	Dennis Carlton Senior Vice President of Operations	Office: 303-298-8100 Fax: 303-298-7800
Evergreen Resources Inc.	Suite 1200 1401 Seventeenth Street Denver, Colorado 80202	Scott Zimmerman Vice President of Operations and Engineering	Office: 303-298-8100 Cell: 303-981-3314 Fax: 303-298-7800
Evergreen Resources Alaska	P.O. Box 871845 Wasilla, AK 99687	Shane Gagliardi AK Project Engineer	Office: 907-357-8130 Cell: 907-355-8569 Fax: 907-357-8340
Evergreen Resources Alaska	P.O. Box 871845 Wasilla, AK 99687	Mike Bellowich AK Project Geologist	Office: 907-357-8130 Cell: 907-232-9538 Fax: 907-357-8340
Evergreen Resources Inc.	Suite 1200 1401 Seventeenth Street Denver, Colorado 80202	Jerry Jacobs Environmental Manager	Office: 303-298-8100 Fax: 303-298-7800
Hampton & Waechter	Suite 300 1645 Court Pl. Denver, Colorado 80202	Noel Waechter	Office: 303-825-7140
Layne Christiansen	2370 Steese Hwy. Fairbanks, AK 99712	Shane Crum	Office:918-322-3095 Mobil 918-625-1668 Fax: 918-322-3829
MI Swaco	721 West 1st Ave. Anchorage, AK 99501	Dennis Jackson	Office: 907-274-5501
Reeves Wireline	121 South Country Estates Road, Liberal, KS 67901	Bob Gales	Office: 785-331-2933

Well Control Diagrams
Core Program 2003
Matanuska-Susitna Borough, Alaska

Manufacturer: Cavins Oil Well Tools
Size: 4"
Rating: 3000 psi
Usage: Used for mineral exploration core drilling in Nevada.



Cavins Annular BOP

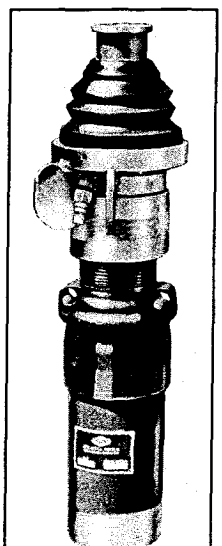


Cavins Annular BOP Schematic

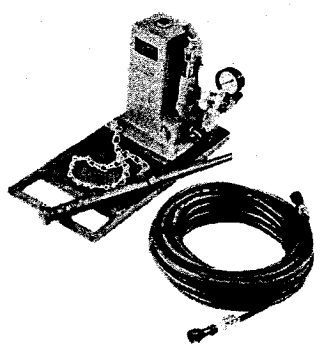
The combination Blowout Preventer and Sucker Rod Stripper combines safety and economy in a tool designed to perform the necessary function of line wiping. It can be operated from anywhere on the derrick floor utilizing pressure from bottled nitrogen, an optional hand operated hydraulic pump, or the optional BOP control system. When swabbing, a short lubricator the length of the swab between the master gate and the Blowout Preventer is all that is required. Pressure connection is for 1/4" A.P.I. pipe. The units are tested to give full closure up to 3000 psi well pressure with no leakage. The full closure feature of the Blowout Preventer will give a temporary seal, allowing ample time to close the master gate should a well blowout occur.

BALL LOCK OIL SAVER

The use of the Ball Lock Oil Savers by drilling and production departments has earned this service proven tool a reputation for trouble-free operation with simplicity. The CAVINS Ball Lock Oil Savers are made of high carbon steel and precision machined for demanding dependability and safety in a wide range of service applications. Exhaustive testing in the excess of 3000 psi is further assurance against failure or leakage. Incorporated in its design, which affords a cleanly wiped wire line, is its safeguard against blow out. One important feature of the Oil Saver is its automatic ball release design. Hardened Steel Balls hold the traveling assembly securely in the body until released by the upward travel of the Rope Socket. The Rubber Packing unit with its internal fins provide the ultimate in wire characteristics with only a normal pressure, or drag, on the line. The Packing Rubber is compounded of special abrasive and oil resistant properties to give the rubber longer wear. A tough spark-proof die cast alloy is utilized in the top and bottom line guides and enhances reduced wear in the rubber packing unit. A high quality leather hydraulic packing ring wards against leakage in the area between the body and the traveling assembly. The Hydraulic Bonnets provide an even greater degree of wiping efficiency. The wire line can be completely stripped of all oil, or water and an Oil Saver outfitted with a Hydraulic Bonnet foregoes the necessity of tools for "taking up" wear in the packing element. The one hand operation requires only a few strokes of the pump handle to give complete wiping action or turn the release valve when no wiping is required. The Hydraulic action affords a greater rubber contact surface as the packing rubber is compressed around the line. The line is completely surrounded and sealed from blow-out leakage by the action of the Hydraulic unit. There is no danger of packing rubber or other elements falling into the well.

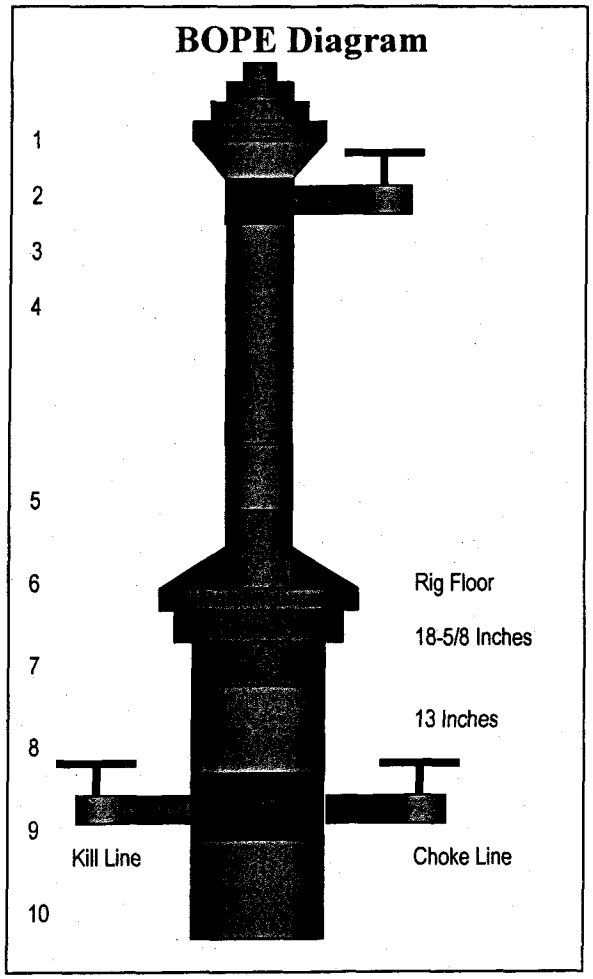


Ball Lock Oil Saver



Hydraulic Pump and Hose

Well Control Diagrams
Core Program 2003
Matanuska-Susitna Borough, Alaska



1. Oil saver fitted with stripping rubbers to fit 3/16" slick line. Can be operated manually and/or hydraulically.
2. Cross over from drill pipe thread to 4" API LP thread.
3. Relief valve for lubricator.
4. Lubricator made of HQ drill pipe. Rated to 4600 psi.
5. TIW (stabbing valve). Rated for 3000 psi. Used for shutting in drill pipe ID to rig up for pulling core.
6. Drill pipe sitting in foot clamps during coring operation.
7. Cavins 4" 3000 psi Annular BOP. BOP can be operated manually or hydraulically. Will be fit with rubbers to provide pressure control on the outer tube of the coring assembly.
8. 4" Full port 3000 psi valve.
9. Standard spool threaded to fit 4" line pipe connections w/ two 2" ports that will be fitted w/ 3000 psi full port ball valves.
10. 4" API line pipe surface casing.

NOTE: ALL CONNECTIONS ARE THREADED

Tubular Information
Core Program 2003
Matanuska-Susitna Borough, Alaska

Drill Pipe (HQ)

Size (in)	Pipe Grade	Weight (ppf)	ID (in)	Drift (in)	Collapse (psi)	Burst (psi)	Tensile (k-lbs)	Capacity (bbl/ft)	Capacity (ft/bbl)	6" Hole Annulus (bbl/ft)	6" Hole Annulus (ft/bbl)
3.5	HMQ	4.5	3.188	3.188	3910	4600	88.46	0.00911	109.7	0.02307	43.35

Surface Casing

Size (in)	Pipe Grade	Weight (ppf)	ID (in)	Drift (in)	Collapse (psi)	Burst (psi)	Tensile (k-lbs)	Capacity (bbls/ft)	Capacity (ft/bbl)	6" Hole Annulus (bbl/ft)	6" Hole Annulus (ft/bbl)
4.5"	LP X42 Sch 40	10.8	4.026	4.026	2650	3320		0.01574	63.51	0.0153	65.36

Core Program 2003
Matanuska-Susitna Borough, Alaska

List of Exceptions For Drilling

Exception #1

Regulation

20 AAC 25.030 - CASING AND CEMENTING.

(f) Except for through-tubing drilling, a formation integrity test must be performed if BOPE is installed on a casing. The test must be performed to a predetermined equivalent mud weight, leak-off, or fracture pressure as specified in the application for the Permit to Drill. The test must be conducted after drilling out of the casing shoe into at least 20 feet but not more than 50 feet of new formation. The test results must demonstrate that the integrity of the casing shoe is sufficient to contain anticipated wellbore pressures identified in the application for the Permit to Drill. The test procedure followed and the data from the test and any subsequent tests of the formation must be recorded as required by 20 AAC 25.070 (1).

Authority

20 AAC 25.030 - CASING AND CEMENTING.

(g) Upon request of the operator, the commission will, in its discretion, approve variances from the requirements of (b) - (f) of this section to allow for special or unusual conditions if the design requirements of (a) of this section are satisfied.

Justification

No intermediate casing will be set and surface casing will be set relatively close to surface; therefore, a formation integrity test is not valid.

Exception #2

Regulation

20 AAC 25.033 - PRIMARY WELL CONTROL FOR DRILLING: DRILLING FLUID PROGRAM AND DRILLING FLUID SYSTEM.

c) A drilling fluid system intended to maintain the wellbore in overbalanced condition must include

(1) a recording drilling fluid pit level indicator with both visual and audible warning devices located in the immediate area of the driller's station;

(2) a drilling fluid measuring system or trip tank for accurately determining drilling fluid volumes required to fill the wellbore on trips;

(3) a drilling fluid flow sensor with a readout convenient to the driller's station to enable the operator to determine whether drilling fluid returns equal drilling fluid pump discharge rates;

Authority

20 AAC 25.033 - PRIMARY WELL CONTROL FOR DRILLING: DRILLING FLUID PROGRAM AND DRILLING FLUID SYSTEM.

(j) Upon request by the operator, the commission will, in its discretion, approve a waiver of the requirements of (c) - (g) of this section if the alternative drilling fluid program and drilling fluid system meet the design criteria of (b) of this section and the corresponding equipment and procedures are at least equally effective in preventing the loss of primary well control.

Justification

The steel mud tank will be placed next to the drillers console in plain sight. There will be constant circulation of drilling fluids taking returns into the cellar. The mud system will have adequate volumes for maintaining the fluid level in the hole while tripping. For this process a couple of bit trips are anticipated per hole. Lost circulation is not anticipated as indicated by the previous drilling in the area. Other wells drilled in the area were drilled using air; during that drilling operation, gas influx was not an issue. There is no indication from past drilling that hydrogen sulfide gas will be encountered.

Exception #3

Regulation

20 AAC 25.035 - SECONDARY WELL CONTROL FOR PRIMARY DRILLING AND COMPLETION: BLOWOUT PREVENTION EQUIPMENT AND DIVERTER REQUIREMENTS.

(c) (1) (A) of at least 16 inches, unless a smaller diameter is approved by the commission to account for smaller hole size, geological conditions, rig layout, or surface facility constraints.

(B) the actuating mechanism for the vent line valve must be integrated with the actuating mechanism for the annular pack-off device in a fail-safe manner so that the vent line valve automatically opens before full closure of the annular pack-off;

(C) the vent line must extend to a point at least 75 feet

Authority

20 AAC 25.035 - SECONDARY WELL CONTROL FOR PRIMARY DRILLING AND COMPLETION: BLOWOUT PREVENTION EQUIPMENT AND DIVERTER REQUIREMENTS.

(h) Upon request of the operator, the commission will, in its discretion, approve a variance
(1) from the BOPE requirements in (e) of this section if the variance provides at least an equally effective means of well control; and
(2) from the diverter system requirements in (c) of this section if the variance provides at least equally effective means of diverting flow away from the drill rig or if drilling experience in the near vicinity indicates that a diverter system is not necessary.

Justification

The largest hole size being cored is only 3.85 inches. A 16 inch diverter vent line is not necessary. Due to the size of the location, manual valves and adjustable chokes would be sufficient to provide pressure control. The DNR states that the locations should be placed such that minimal surface damage is caused; therefore, the proposed location sizes are 45' x 65'. The location size is smaller than the required length of the vent line.

Exception #4

Regulation

20 AAC 25.035 - SECONDARY WELL CONTROL FOR PRIMARY DRILLING AND COMPLETION: BLOWOUT PREVENTION EQUIPMENT AND DIVERTER REQUIREMENTS.

(e) (1) (A) for an operation requiring a BOP stack equal to or less than API 5K, BOPE must have at least three preventers, including
(i) one equipped with pipe rams that fit the size of drill pipe, tubing, or casing being used, except that pipe rams need not be sized to bottom-hole assemblies (BHAs) and drill collars;
(ii) one with blind rams, except that a subsea BOPE assembly must have blind/shear rams in place of blind rams; and
(iii) one annular type

Authority

20 AAC 25.035 - SECONDARY WELL CONTROL FOR PRIMARY DRILLING AND COMPLETION: BLOWOUT PREVENTION EQUIPMENT AND DIVERTER REQUIREMENTS.

(h) Upon request of the operator, the commission will, in its discretion, approve a variance
(1) from the BOPE requirements in (e) of this section if the variance provides at least an equally effective means of well control; and
(2) from the diverter system requirements in (c) of this section if the variance provides at least equally effective means of diverting flow away from the drill rig or if drilling experience in the near vicinity indicates that a diverter system is not necessary

Justification

Being a mineral exploration rig, this equipment is not set up to easily accommodate blow out prevention equipment. The size of the rig and the size of the surface casing indicate that a small bore BOP is required. A Cavins 3000 psi annular BOP is requested to satisfy this portion of the secondary well control requirements. There will be no pipe rams and the blind rams will consist of a full port valve placed below the annular preventer. The annular can be closed either manually using a hand pump or by using rig hydraulics.

Exception #5

Regulation

20 AAC 25.035 - SECONDARY WELL CONTROL FOR PRIMARY DRILLING AND COMPLETION: BLOWOUT PREVENTION EQUIPMENT AND DIVERTER REQUIREMENTS.

(e) (4) (A) a hydraulic actuating system with
(B) locking devices on the ram-type preventers;
(D) in rotary drilling rig operations, one complete set of operable remote BOPE controls on or near the driller's station, in addition to controls on the accumulator system
(F) a kill line and a choke line each connected to a flanged or hubbed outlet on a drilling spool, the BOP body, or the tree, with two full-opening valves on each outlet, conforming to the following specifications:
ii) the outer valve on the choke side must be a remotely controlled hydraulic valve;
(H) a choke manifold equipped with
(i) two or more adjustable chokes, one of which must be hydraulic and remotely controlled from near the driller's station if the operation requires a BOP stack equal to or greater than API 5K;

Authority

20 AAC 25.035 - SECONDARY WELL CONTROL FOR PRIMARY DRILLING AND COMPLETION: BLOWOUT PREVENTION EQUIPMENT AND DIVERTER REQUIREMENTS.

(h) Upon request of the operator, the commission will, in its discretion, approve a variance
(1) from the BOPE requirements in (e) of this section if the variance provides at least an equally effective means of well control; and
(2) from the diverter system requirements in (c) of this section if the variance provides at least equally effective means of diverting flow away from the drill rig or if drilling experience in the near vicinity indicates that a diverter system is not necessary.

Justification

The proposed BOP does not have rams. This rig is not configured to have an additional set of BOP controls near the driller's console, this rig does not use BOPE on a regular basis when conducting mineral exploration. This rig is not equipped to run hydraulically operated chokes; therefore, manual adjustable chokes are requested. Due to anticipated low pressure, threaded connections are requested for the entire operation.

Exception #6

Regulation

20 AAC 25.035 - SECONDARY WELL CONTROL FOR PRIMARY DRILLING AND COMPLETION: BLOWOUT PREVENTION EQUIPMENT AND DIVERTER REQUIREMENTS.

(e) (10) (F) be assembled without hammer unions or internally clamped swivel joints, except that hammer unions and internally clamped swivel joints may be used on the kill line upstream of the valves that are flanged to the wellhead or tree.

(e) (9) connections directly to the BOPE, other than connections described in (8) of this subsection, must be flanged or hubbed, except that suitably pressurerated quick connects may be used if a positive seal manual valve, hydraulic valve, or BOPE blind ram and an annular type preventer or sealing ram are flanged to the wellhead or tree below the quick connection;

Authority

20 AAC 25.035 - SECONDARY WELL CONTROL FOR PRIMARY DRILLING AND COMPLETION: BLOWOUT PREVENTION EQUIPMENT AND DIVERTER REQUIREMENTS.

(h) Upon request of the operator, the commission will, in its discretion, approve a variance

(1) from the BOPE requirements in (e) of this section if the variance provides at least an equally effective means of well control; and

(2) from the diverter system requirements in (c) of this section if the variance provides at least equally effective means of diverting flow away from the drill rig or if drilling experience in the near vicinity indicates that a diverter system is not necessary.

Justification

The proposed BOP does not have rams. Request that all connections be threaded and hammer unions be approved. Anticipated surface pressure will be well within the pressures ratings of all BOPE. This well head is not intended to be a permanent fixture for production.

Exception #7

Regulation

20 AAC 25.035 - SECONDARY WELL CONTROL FOR PRIMARY DRILLING AND COMPLETION: BLOWOUT PREVENTION EQUIPMENT AND DIVERTER REQUIREMENTS.

(e) (6) (F) be assembled without hammer unions or internally clamped swivel joints, unless the commission determines that those joints do not compromise maintenance of well control;

(e) (8) connections attached directly to the wellhead, tree, or BOPE must be flanged or hubbed;

Authority

20 AAC 25.035 - SECONDARY WELL CONTROL FOR PRIMARY DRILLING AND COMPLETION: BLOWOUT PREVENTION EQUIPMENT AND DIVERTER REQUIREMENTS.

(h) Upon request of the operator, the commission will, in its discretion, approve a variance

(1) from the BOPE requirements in (e) of this section if the variance provides at least an equally effective means of well control; and

(2) from the diverter system requirements in (c) of this section if the variance provides at least equally effective means of diverting flow away from the drill rig or if drilling experience in the near vicinity indicates that a diverter system is not necessary.

Justification

Request that all connections be threaded and hammer unions be approved. Hammer unions to be used are rated for 5,000 psi. Anticipated surface pressure will be well within the pressures ratings of all BOPE. This well head is not intended to be a permanent fixture; and intended annular BOP is threaded.

Exception #8

Regulation

20 AAC 25.035 - SECONDARY WELL CONTROL FOR PRIMARY DRILLING AND COMPLETION: BLOWOUT PREVENTION EQUIPMENT AND DIVERTER REQUIREMENTS.

(e) (9) (A) an inside BOP and a full-opening drilling assembly safety valve in the open position on the drill rig floor to fit all connections that are in the drilling assembly;

Authority

20 AAC 25.035 - SECONDARY WELL CONTROL FOR PRIMARY DRILLING AND COMPLETION: BLOWOUT PREVENTION EQUIPMENT AND DIVERTER REQUIREMENTS.

(h) Upon request of the operator, the commission will, in its discretion, approve a variance

(1) from the BOPE requirements in (e) of this section if the variance provides at least an equally effective means of well control; and

(2) from the diverter system requirements in (c) of this section if the variance provides at least equally effective means of diverting flow away from the drill rig or if drilling experience in the near vicinity indicates that a diverter system is not necessary.

Justification

The use of a continuous core system prevents the use of internal check valves. A lubricator system will be employed when the core is to be retrieved.

Exception #9

Regulation

20 AAC 25.050 WELLBORE SURVEYS.

(a)(3) surveyed by a complete continuous directional survey if a portion of the well path is less than 500 feet from a property line where the ownership by owner or landowner is not identical on both sides of the line, or if a portion of the well path is less than 200 feet from any other vertical or deviated well; the survey must be taken at intervals not more than 100 feet apart, beginning within 100 feet of the surface.

Authority

20 AAC 25.050 WELLBORE SURVEYS.

(h) Upon application, the commission will, in its discretion, waive all or part of the directional survey requirements of this section or approve alternate means for determining the location of a wellbore if the variance at least equally ensures accurate surveying of the wellbore to prevent well intersection, to comply with spacing requirements, and to ensure protection of correlative rights.

Justification

Request that inclination surveys every 500 feet as stipulated in 20 AAC 25.050 (a) (2) be adequate for this operation. There will be no production from these wells; therefore, spacing requirements and correlative rights should not be an issue.

Exception #10

Regulation

20 AAC 25.055 - DRILLING UNITS AND WELL SPACING.

(a)(2) for a well drilling for gas, a wellbore may be open to test or regular production within 1,500 feet of a property line only if the owner is the same and the landowner is the same on both sides of the line

Authority

20 AAC 25.055 - DRILLING UNITS AND WELL SPACING.

(d) The commission will review an application for an exception to the provisions of this section in accordance with 20 AAC 25.540. The applicant for an exception shall send notice of the application by certified mail to the owners, landowners, and operators described in (1) of this subsection and shall furnish the commission with a copy of the notice, the date of mailing, and the addresses to which the notice was sent. The application must include

(1) The names of all owners, landowners, and operators of all properties within 1,000 feet of a well drilling for oil or within 3,000 feet of a well drilling for gas for which an exception is sought;

(2) A plat drawn to a scale of one inch equaling 2,640 feet or larger, showing the location of the well for which the exception is sought, all other completed and drilling wells on the property, and all adjoining properties and wells; and

(3) An affidavit by a person acquainted with the facts, verifying that all facts are true and that the plat correctly portrays pertinent and required data.

Justification

These wells are intended for stratigraphic testing only; therefore, no gas production or sales will result from any of these wells. The above listed requirements will be met.

Exception #11

Regulation

20 AAC 25.061 (a) – Well Site Surveys

For an exploratory or stratigraphic test well, near surface strata to a depth of 2,000 feet in the vicinity of the well must be evaluated seismically by common depth point refraction or reflection profile analysis, or by another method approved by the commission, to identify anomalous velocity variations indicative of potential shallow gas sources. Analysis results must be included with the application for the Permit to Drill (Form 10-401).

Authority

20 AAC 25.061 (c) – Well Site Surveys

Upon request by the operator, the commission will, in its discretion, waive the requirements of this section if the operator can identify, by other equally effective means, the likelihood of encountering potential shallow gas or seabed hazards or if the commission already has information that substantiates the presence or absence of shallow gas or seabed hazards.

Justification

Several wells have been drilled in the area through the intended formations without incident. Drilling history in the area indicates that over pressured shallow gas is not going to be a problem; therefore, seismic data collection and interpretation would be an unnecessary expense.

EVERGREEN
RESOURCES (ALASKA) CORP.
A Subsidiary of Evergreen Resources, Inc.

December 5, 2003

Ms. Sara Palin, Chair
Alaska Oil and Gas Conservation Commission
333 West Ave., Suite 100
Anchorage, Alaska 99501

RE: Application for Permit to Drill: Core Program 2003
Target: Tertiary Tyonek
Proposed TD: 3000 Feet
Proposed Spud Date: 10-December-2003

Dear Ms. Palin,

Evergreen Resources Alaska Corporation hereby applies for a Permit to Drill for the subject core wells located approximately 30 miles north of Anchorage. The wells are planned as a shallow, straight holes drilled to evaluate the producibility of the Tyonek Coals.

A core drilling company currently operating in the Fort Knox gold mine will be used to provide a continuous wireline coring operation. The rig to be used is a CS-4000 that is typical for mineral exploration. A six inch hole will be drilled through the glacial gravel section and a string of 4.5 inch line pipe will be cemented in place. Once the cement has hardened and the appropriate test has been conducted for casing integrity, an HQ hole (3.875" diameter) will be drilled to TD. A logging suite consisting of gamma ray, array induction, compensated neutron density, caliper and sonic porosity tools will be run. After all cores have been retrieved and logs run, the hole will be permanently abandoned.

Attached is information required by 20 AAC 25.005 (a) and (c) for your review. Due to the differences in equipment and methods used for mineral core drilling, Evergreen requires several variances from current AOGCC regulations.

The designated contact for reporting responsibilities to the Commission is Shane Gagliardi, Alaska Projects Engineer, office: 907-357-8130 or cell: 907-355-8569.

Sincerely,

Evergreen Resources (Alaska) Corporation

Shane Gagliardi
Alaska Projects Engineer

enclosures

RECEIVED
DEC - 5 2003
Alaska Oil & Gas Cons. Commission
Anchorage

ORIGINAL

1075 Check Street, Suite 202 • Wasilla AK 99654
P.O. Box 871845 • Wasilla, AK 99687 • TEL 907.357.8130 • FAX 907.357.8340

203-206

The Trust Land Office

December 3, 2003

Scott Zimmerman, Alaska Projects Manager
Evergreen Resources Alaska Corporation
P.O. Box 871845
Wasilla, Alaska 99687

Re: Proposed Core Drilling on Lease MHT 9200180

Dear Mr. Zimmerman:

The Trust Land Office (TLO) has reviewed the Plan of Operations that describes your proposed mineral core-drilling program on the above referenced Mental Health Trust oil and gas lease. As proposed, this drilling operation is to take place on a portion of the referenced lease located in the NE1/4 Section 20, Township 18 North, Range 3 West, S.M., on a parcel described by Evergreen as the Houston Pit #1 core site. Note that the Trust owns only the hydrocarbon (Oil and Gas) estate in this parcel.

Pursuant to Section 6 of Oil and Gas Lease MHT 9200180, the TLO approves your Plan of Operations subject to your providing a schedule of the operations to be conducted on the Leased Area, including the date operations are proposed to begin and their proposed duration. This schedule must be provided before activities begin on the Lease.

Note that approval of your Plan by the TLO does not relieve you of your obligations to adhere to all applicable provisions of the referenced Lease or to obtain all approvals or permits required by governmental agencies having regulatory authority over the proposed operations. It does not address your requested exemption of certain mitigation measures that are part of MHT 9200180, since these measures are covered by the regulatory authority of specific agencies. Note also that the TLO approval applies only to the Trust ownership interest in the oil and gas estate. You must obtain approval for use of the surface estate and resolve any surface use issues or conflicts with the surface estate owner of this parcel.

Let me know if you have any questions regarding this letter.

Sincerely,

Mike Franger
Senior Resource Manager

Cc: Stephen C. Planchon
Matt Rader

Alaska Mental Health Trust Land Office • Department of Natural Resources
550 West 7th Avenue, Suite 1430 • Anchorage, Alaska 99501 • Telephone: (907) 269-8658 • Fax: (907) 269-8905

DALE ADAMS, MAYOR

P.O. Box 940027
Houston, AK. 99694
907-892-6869
907-892-7677 Fax
cityhall@mtaonline.net.net

October 22, 2003

John Tanigawa, Projects Manager
Evergreen Resources
P.O. BOX 871845
Wasilla, AK 99687

Dear Mr. Tanigawa,

On October 22, 2003 the council for the City of Houston, Alaska voted to allow Evergreen Resources to drill a core well on its property in the vicinity of the old Houston strip pit.

Sincerley.

Dale Adams, Mayor

Welcome to the
Alaska Department of Natural Resources
Commissioner: Tom Irwin

Land Administration System Menu | Credit Card Payment

Land Administration System

Case Abstract Information

File Type: MHT **File Number:** 9200180

See Township, Range, Section and Acreage?
◉ Yes ○ No

New Search

Case Summary | Case Detail | Land Abstract

File: **MHT 9200180** As of 12/09/2003

Customer: 000038534 EVERGREEN RESOURCES INC.
1401 17TH STREET, SUITE 1200
DENVER CO 80202

Case Type: 784 OIL & GAS LEASE COMP *DNR Unit:* 150 MHT LAND UNIT

File Location: MHTLU MH TRUST LAND OFFICE

Case Status: 35 ISS/APPRV/ACTV AUTH *Status Date:* 10/19/2001

Total Acres: 1746.060 *Date Initiated:* 09/26/2001

Office of Primary Responsibility: MHTLU MH TRUST LAND OFFICE

Last Transaction Date: 12/31/2002 *Case Subtype:* CIMH COOK INLET MH TRUST

Last Transaction: CDESTAND STATUS CODE STANDARDIZED

Meridian: S	*Township:* 018N	*Range:* 003W	*Section:* 05	*Total Acres:* 80
Meridian: S	*Township:* 018N	*Range:* 003W	*Section:* 07	*Total Acres:* 463
Meridian: S	*Township:* 018N	*Range:* 003W	*Section:* 08	*Total Acres:* 80
Meridian: S	*Township:* 018N	*Range:* 003W	*Section:* 09	*Total Acres:* 120
Meridian: S	*Township:* 018N	*Range:* 003W	*Section:* 20	*Total Acres:* 80

Meridian: S *Township:* 018N *Range:* 003W *Section:* 21 *Total Acres:* 145

Meridian: S *Township:* 018N *Range:* 003W *Section:* 23 *Total Acres:* 80

Meridian: S *Township:* 018N *Range:* 003W *Section:* 30 *Total Acres:* 392

Meridian: S *Township:* 018N *Range:* 003W *Section:* 28 *Total Acres:* 240

Meridian: S *Township:* 018N *Range:* 003W *Section:* 25 *Total Acres:* 10

Meridian: S *Township:* 018N *Range:* 003W *Section:* 35 *Total Acres:* 56

Case Actions

09-26-2001 TRACT DEFINED

SALE DATE 09-26-2001
STATUS (11) 11 TRACT DEFINED
BID TYPE 1 FIXED ROYALTY RATE
SALE NUMBER NCI01
TRACT NUMBER 32
FORM NUMBER 46 MHT 001A
CONDITIONAL Y/N N
PRIMARY TERM 5

09-26-2001 BID RECEIVED

STATUS (12) 12 BID RECEIVED
BID TYPE 1 FIXED ROYALTY RATE
TOTAL BONUS BID 14020.860000
DEPOSIT AMOUNT 8000
ROYALTY SHARE % 12.500000

09-26-2001 NOTIFICATION LESSEE DESIGNATED

NEW REL (20) 20 NOTIFICATION LESSEE
OLD REL CODE 21 DISPOSAL NAME
NOTIFICATION CID NUMBER 38534 EVERGREEN RESOURCES
OLD CID # (SALE NO) 38701 MENTAL HEALTH TRUST

09-26-2001 INITIAL OWNER

SEGMENT CODE 1
CID NUMBER 000038534 EVERGREEN RESOURCES
WORKING INTEREST % 100

ROYALTY INTEREST % 89.500000

09-26-2001 INITIAL OWNER

SEGMENT CODE 1

CID NUMBER 000038701 MENTAL HEALTH TRUST

ROYALTY INTEREST % 10.500000

10-08-2001 LEASE AWARDED

STATUS (13) 13 LEASE AWARDED

10-19-2001 LEASE ISSUED

EFFECTIVE DATE 10-19-2001

EXPIRATN DATE 09-30-2006

STATUS (21) 21 ACTIVE

05-31-2002 COMMENTS

FIXED TRANSACTIONS THAT APPEARED TO BE DUPLICATES BECAUSE OF IDENTICAL

DATE AND TIME, BY CHANGING THE TIME ON THE TRANSACTIONS

10-07-2002 COMMENTS

FIXED TRANSACTIONS THAT APPEARED TO BE DUPLICATES BECAUSE OF IDENTICAL

DATE AND TIME, BY CHANGING THE TIME ON THE TRANSACTIONS

12-31-2002 STATUS CODE STANDARDIZED

STATUS CODE 35 ISS/APPRV/ACTV AUTH

***** STATUS CODE STANDARDIZATION *****

STATUS CODE CHANGED BY BATCH UPDATE

Legal Description

*09-26-2001 *****LEGAL DESCRIPTION*****

TRACT 32:

T. 18 N, R. 3 W., SEWARD MERIDIAN, ALASKA

SECTION 5: SURVEYED, S1/2SE1/4 (80.00 ACRES);

SECTION 7: SURVEYED, LOTS 2, 3, AND 4, S1/2NE1/4, SE1/4NW1/4, E1/2SW1/4, SE1/4 (463.1 ACRES);

SECTION 8: SURVEYED, N1/2NE1/4 (80.00 ACRES);

ACCORDING TO THE SURVEY MAP EXAMINED AND APPROVED BY THE U.S. SURVEYOR GENERAL'S OFFICE IN JUNEAU, ALASKA ON APRIL 2, 1917.

SECTION 15: SURVEYED, N1/2SW1/4, SW1/4SW1/4 (120.00 ACRES);

SECTION 20: SURVEYED, E1/2NE1/4 (80.00 ACRES);

SECTION 21: SURVEYED, N1/2N1/2 EXCLUDING THAT LAND ENCOMPASSED BY LEASE APPLICATION ADL 215214 LOCATED WITHIN NW1/4NW1/4NW1/4, W1/2NE1/4NW1/4NW1/4 (145 ACRES)

SECTION 23: SURVEYED, NW1/4NE1/4, NE1/4NW1/4 (80.00 ACRES);

SECTION 25: SURVEYED, SE1/4SE1/4NW1/4 (10.00 ACRES);

SECTION 28: SURVEYED, SE1/4, W1/2SW1/4 (240.00 ACRES);

SECTION 30: SURVEYED, LOTS 1 AND 4, E1/2W1/2, SE1/4 (391.62 ACRES);

SECTION 35: SURVEYED, LOT 3, NE1/4NE1/4 (56.24 ACRES);

ACCORDING TO THE SURVEY MAP EXAMINED AND APPROVED BY THE U.S. SURVEYOR GENERAL'S OFFICE IN JUNEAU, ALASKA ON DECEMBER 4, 1915.

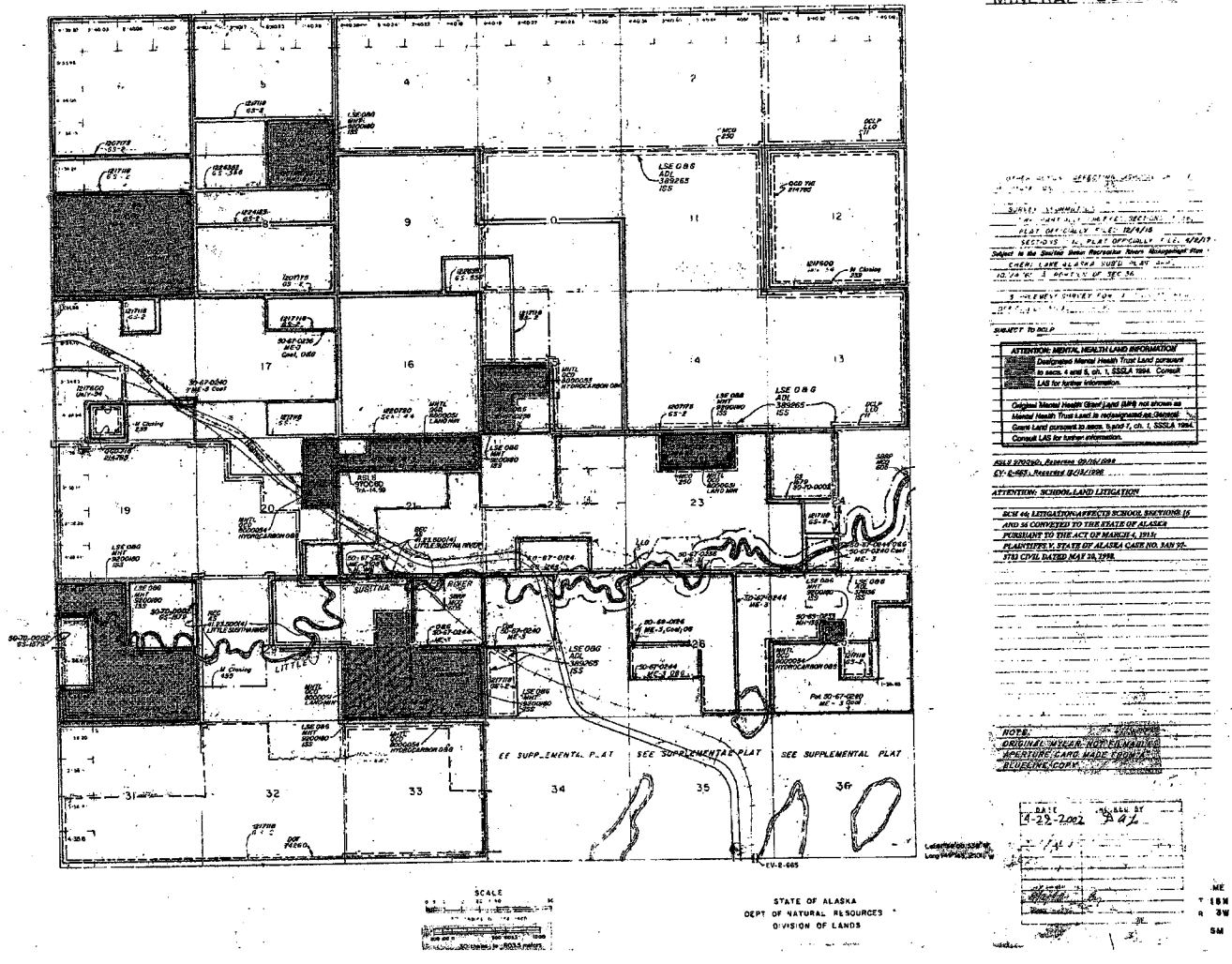
THIS TRACT CONTAINS 1,746.06 ACRES, MORE OR LESS.

End of Case Abstract

Back

TOWNSHIP 18 N RANGE 3 W OF THE SEWARD MERIDIAN, ALASKA

MINERAL ESTATE



MH

Controlled Disbursement Account

Evergreen Resources (Alaska) Corp
1401 17th Street Suite 1200
Denver CO 80202
303-298-8100

Hibernia National Bank

Check No	Check Date	Check Amount
0077000729	12/08/2003	**********$100.00

PAY *One Hundred Dollars and Zero Cents*

Void After 90 Days

TO THE ORDER OF
Alaska Oil and Gas
Conservation Commission
333 West 7th Avenue #100
Anchorage AK 99501

⑈0077000729⑈ ⑆111104879⑆ 5420247040⑈

^PLEASE DETACH AT PERFORATION ABOVE^

^PLEASE DETACH AT PERFORATION ABOVE^

Evergreen Resources (Alaska) Corp

EVERGREEN
EVERGREEN RESOURCES, INC.

1401 17th Street Suite 1200
Denver CO 80202
303-298-8100

Check Number 0077000729

Invoice #	Inv. Date	Description	Amount	Discount	Net Amount
112403SG5	11/24/2003	12 month permit fee Houston Pit 1	100.00	0.00	100.00

RECEIVED
DEC - 9 2003
Alaska Oil & Gas Cons. Commission
Anchorage

009195 ⇐ Vendor Check Date: 12/08/2003 Check Amount ⇒ 100.00

TRANSMITAL LETTER CHECK LIST
CIRCLE APPROPRIATE LETTER/PARAGRAPHS TO BE INCLUDED IN TRANSMITTAL LETTER

WELL NAME _____

PTD# _____

CHECK WHAT APPLIES	ADD-ONS (OPTIONS)	"CLUE"
	MULTI LATERAL (If API number last two (2) digits are between 60-69)	The permit is for a new wellbore segment of existing well _____, Permit No, _____ API No. _____. Production should continue to be reported as a function of the original API number stated above.
	PILOT HOLE (PH)	In accordance with 20 AAC 25.005(f), all records, data and logs acquired for the pilot hole must be clearly differentiated in both name (name on permit plus PH) _____and API number (50_____-70/80) from records, data and logs acquired for well (name on permit).
	SPACING EXCEPTION	The permit is approved subject to full compliance with 20 AAC 25.055. Approval to perforate and produce is contingent upon issuance of a conservation order approving a spacing exception. _____ (Company Name) assumes the liability of any protest to the spacing exception that may occur.
	DRY DITCH SAMPLE	All dry ditch sample sets submitted to the Commission must be in no greater than 30' sample intervals from below the permafrost or from where samples are first caught and 10' sample intervals through target zones.

WELL PERMIT CHECKLIST Field & Pool _____ Well Name: HOUSTON PIT No. 1 Program STR Well bore seg ☐

PTD#: 2032060 Company EVERGREEN RESOURCES (ALASKA) CORPORATION Initial Class/Type STR / INFO GeoArea _____ Unit _____ On/Off Shore On Annular Disposal ☐

Administration	1	Permit fee attached	Yes		
	2	Lease number appropriate	Yes		
	3	Unique well name and number	Yes		
	4	Well located in a defined pool	No	This is a continous core strat test	
	5	Well located proper distance from drilling unit boundary	Yes	There will be no tests of this well	
	6	Well located proper distance from other wells	Yes	and no correlative rights issues.	
	7	Sufficient acreage available in drilling unit	Yes		
	8	If deviated, is wellbore plat included	NA		
	9	Operator only affected party	Yes		
	10	Operator has appropriate bond in force	Yes		
	11	Permit can be issued without conservation order	Yes	See above	
Appr **Date**	12	Permit can be issued without administrative approval	Yes		
RPC 12/9/2003	13	Can permit be approved before 15-day wait	Yes		
	14	Well located within area and strata authorized by Injection Order # (put IO# in comments) (For	NA		
	15	All wells within 1/4 mile area of review identified (For service well only)	NA		
	16	Pre-produced injector; duration of pre-production less than 3 months (For service well only)	NA		
	17	ACMP Finding of Consistency has been issued for this project	NA		
Engineering	18	Conductor string provided	NA		
	19	Surface casing protects all known USDWs	Yes		
	20	CMT vol adequate to circulate on conductor & surf csg	Yes		
	21	CMT vol adequate to tie-in long string to surf csg	NA	No casing below surface.	
	22	CMT will cover all known productive horizons	No	Stratigraphic test.	
	23	Casing designs adequate for C, T, B & permafrost	Yes		
	24	Adequate tankage or reserve pit	Yes		
	25	If a re-drill, has a 10-403 for abandonment been approved	NA		
	26	Adequate wellbore separation proposed	Yes		
	27	If diverter required, does it meet regulations	NA	Waived.	
Appr **Date**	28	Drilling fluid program schematic & equip list adequate	Yes		
WGA 12/10/2003	29	BOPEs, do they meet regulation	NA	Waived.	
	30	BOPE press rating appropriate; test to (put psig in comments)	Yes	Test to 1500 psi. MSP 1080 psi.	
	31	Choke manifold complies w/API RP-53 (May 84)	NA		
	32	Work will occur without operation shutdown	Yes		
	33	Is presence of H2S gas probable	No		
	34	Mechanical condition of wells within AOR verified (For service well only)	NA		
Geology	35	Permit can be issued w/o hydrogen sulfide measures	Yes	offset wells indicate no H2S	
	36	Data presented on potential overpressure zones	Yes	offset wells show normal pressure	
Appr **Date**	37	Seismic analysis of shallow gas zones	No		
RPC 12/9/2003	38	Seabed condition survey (if off-shore)	NA		
	39	Contact name/phone for weekly progress reports [exploratory only]	Yes	Shane Gagliardi (907) 355-8569	

Geologic Commissioner: Date: Engineering Commissioner: Date Public Commissioner Date

12/10/3 12/10

Well History File

APPENDIX

Information of detailed nature that is not particularly germane to the Well Permitting Process but is part of the history file.

To improve the readability of the Well History file and to simplify finding information, information of this nature is accumulated at the end of the file under APPENDIX.

No special effort has been made to chronologically organize this category of information.

Evergreen Resources Inc.

Well History Record

Kashwitna Lake #1

Image Project Well History File Cover Page

XHVZE

This page identifies those items that were not scanned during the initial production scanning phase. They are available in the original file, may be scanned during a special rescan activity or are viewable by direct inspection of the file.

203 - 209 **Well History File Identifier**

Organizing (done) ☐ Two-sided ☐ Rescan Needed

RESCAN

☐ Color Items:

☐ Greyscale Items:

☐ Poor Quality Originals:

☐ Other:

DIGITAL DATA

☐ Diskettes, No.

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MEMORANDUM

State of Alaska

Alaska Oil and Gas Conservation Commission

TO: Jim Regg, P.I. Supervisor — Regg 6/26/07 — **DATE:** June 12, 2007

FROM: Chuck Scheve, Petroleum Inspector

SUBJECT: Location Inspection
Pioneer (Evergreen)
Kashwitna Lake#1 PTD203-209

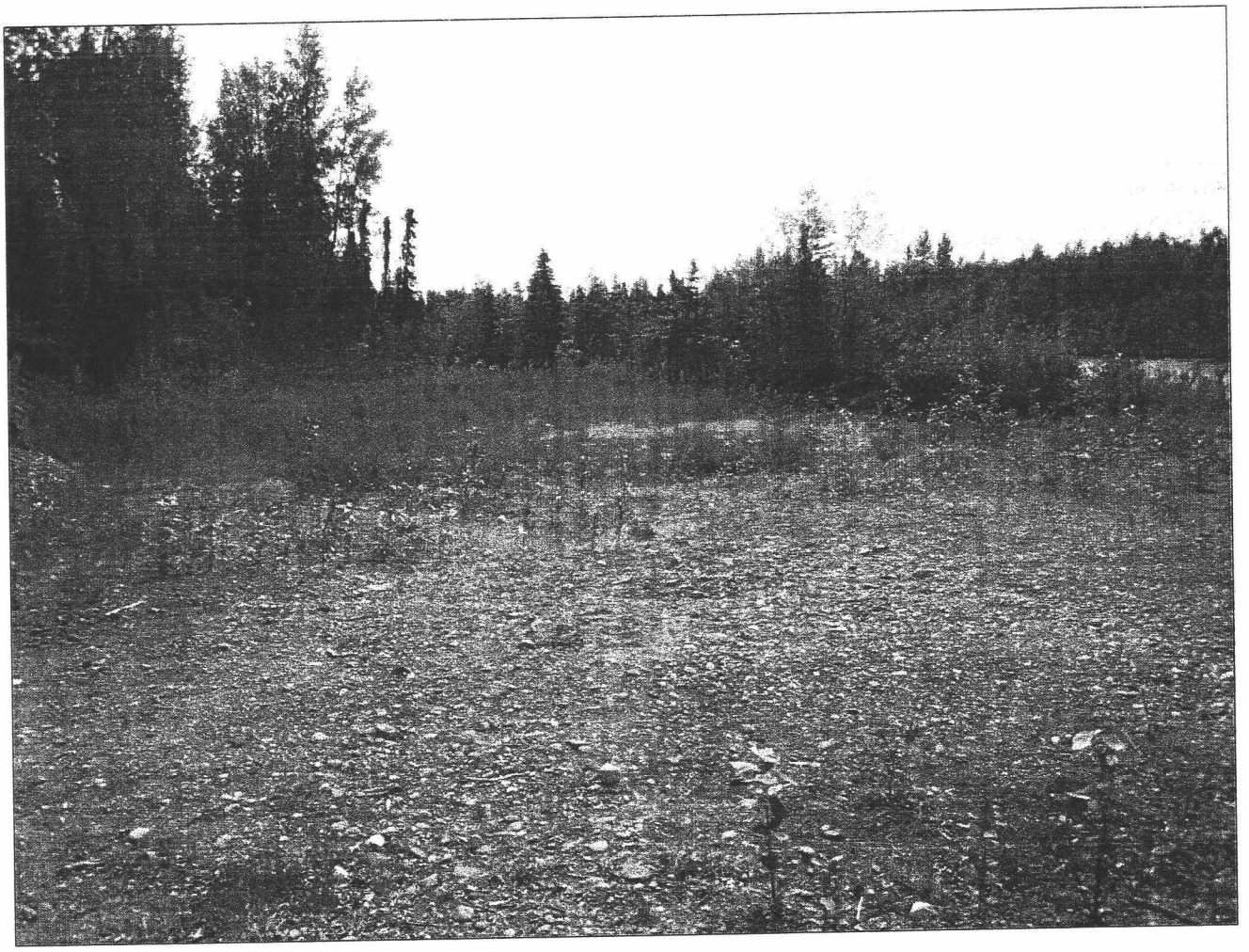
Tuesday, June 12, 2007; I traveled to the Pioneer (Evergreen) coal bed methane exploration wells Little Su #1,Houston Pit #1, Sheep Creek #1, Kashwitna Lake #1 and Slats #1 to verify location clearance. The exploratory locations were clean with no evidence of past drilling activity.

SUMMARY: I recommend the above mentioned 5 locations be given final clearance approval

Attachments: Kashwitna Lake #1.JPG

SCANNED JUL 2 0 2007

Location Clearance Inspection – Kashwitna Lake #1
Photos by AOGCC Inspector Chuck Scheve
June 12, 2007



March 1, 2004

Bob Crandall
Petroleum Engineer
Alaska Oil and Gas Conservation Commission (AOGCC)
333 West 7th Ave. #100
Anchorage, AK 99501-3539

203-209?

RE: Well Completion Report (Form 10-407) for Kashwitna Lake #1

Dear Mr. Crandall:

Attached is the 10-407 form and attachments for the Kashwitna Lake #1. Hole conditions and mechanical problems did not allow the well to reach its intended total depth; the well was abandoned according to the approved plan. Core photos, chips and reports will be submitted to the Alaska Oil and Gas Conservation Commission as soon as they are available.

If you have any questions, please feel free to contact me at 907-355-8569 or shaneg@evergreengas.com.

Sincerely,

SCANNED JUN 1 2 2006

Shane Gagliardi
Petroleum Engineer

203-209

STATE OF ALASKA
ALASKA OIL AND GAS CONSERVATION COMMISSION

WELL COMPLETION OR RECOMPLETION REPORT AND LOG

1a. Well Status: Oil☐ Gas☐ Plugged☐ Abandoned☒ Suspended☐ 20AAC 25.105 WAG☐ 20AAC 25.110
GINJ☐ WINJ☐ WDSPL☐ No. of completions _____ Other _____

1b. Well Class:
Development ☐ Exploratory ☐
Service ☐ Stratigraphic Test ☒

2. Operator Name: **Evergreen Resources Alaska Corp.**

3. Address: **P.O. Box 871845 Wasilla, AK 99687**

4a. Location of Well (Governmental Section):
Sec 7, TWN 20N, RNG 4W
Surface: **1847' FNL and 2050' FWL**

Top of Productive Horizon: **Same as Above**

Total Depth: **1770' MD**

4b. Location of Well (State Base Plane Coordinates): **(NAD 27)**

Surface:	x- **487747.09**	y- **2866054.57**	Zone- **4**
TPI:	x- **487747.09**	y- **2866054.57**	Zone- **4**
TotalDepth:	x- **487747.09**	y- **2866054.57**	Zone- **4**

18. Directional Survey: Yes☒ No☐

5. Date Comp., Susp., or Aband.: **2/14/2004**

6. Date Spudded: **12/31/03**

7. Date TD Reached: **2/8/04**

8. KB Elevation (ft): **Ground Level**

9. Plug Back Depth (MD + TVD): **Surface (abd)**

10. Total Depth (MD + TVD): **1770'**

11. Depth where SSSV Set: **N/A** feet MD

19. Water Depth, if Offshore: **N/A** feet MSL

12. Permit to Drill Number: **203-209**

13. API Number: 50- **283-20106**

14. Well Name and Number: **Kashwitna Lake #1**

15. Field/Pool(s): **Wildcat**

16. Property Designation: **State of Alaska**

17. Land Use Permit: **ADL 389316**

20. Thickness of Permafrost: **N/A**

21. Logs Run: **Gamma Ray, Spontaneous Potential, Caliper, Array Induction, Compensated Neutron Density, Sonic, Inclination Survey**

22. CASING, LINER AND CEMENTING RECORD

CASING SIZE	WT. PER FT.	GRADE	SETTING DEPTH MD TOP	SETTING DEPTH MD BOTTOM	SETTING DEPTH TVD TOP	SETTING DEPTH TVD BOTTOM	HOLE SIZE	CEMENTING RECORD	AMOUNT PULLED
6"	**17**	**LP**	**0**	**209**	**0**	**209**	**6.125**	**16 sx Portland cmt**	
4.5"	**14.4**	**X42**	**0**	**512**	**0**	**512**	**5.5**	**18 sx Portland cmt**	

23. Perforations Open to Production (MD + TVD of Top and Bottom Interval, Size, and Number; if none, state "none"):
None

24. TUBING RECORD

SIZE	DEPTH SET (MD)	PACKER SET (MD)
N/A	**N/A**	**N/A**
N/A	**N/A**	**N/A**

25. ACID, FRACTURE, CEMENT SQUEEZE, ETC.

DEPTH INTERVAL (MD)	AMOUNT AND KIND OF MATERIAL USED
None	**None**

26. PRODUCTION TEST

Date of First Production: **Abandoned**

Method of Operation (Flowing, Gas Lift, etc.): **Abandoned**

Date of Test:	Hours Tested:	Production for Test Period →	Oil-Bbl:	Gas-MCF:	Water-Bbl:	Choke Size:	Gas-Oil Ratio:
N/A							
Flow. Tubing Press:	Casing Pressure:	Calulated 24-Hour Rate →	Oil-Bbl:	Gas-MCF:	Water-Bbl:	Oil Gravity-API (corr):	

27. CORE DATA

Brief description of lithology, porosity, fractures, apparent dips and presence of oil, gas, or water (attach separate sheet, if necessary). Submit core chips; if none, state "none".

Separate core analysis will be submitted.

28. GEOLOGIC MARKERS			29. FORMATION TESTS
NAME	MD	TVD	Include and briefly summarize test results. List intervals tested, and attach detailed supporting data as necessary. If no tests were conducted, state "None".
Quaternary Gravel	**0 – 422'**	**0 – 422'**	**None**
Sterling Formation	**422' – 1770'**	**422' – 1770'**	

30. List of Attachments: **Daily reports, wireline logs, mud logs, inclination survey**

31. I hereby certify that the foregoing is true and correct to the best of my knowledge. Contact **Shane Gagliardi**
Printed Name **Shane Gagliardi** Title **Petroleum Engineer**

Signature_____ Phone **907-355-8569** Date **3/1/04**

INSTRUCTIONS

General: This form is designed for submitting a complete and correct well completion report and log on all types of lands and leases in Alaska. Submit a well schematic diagram with each 10-407 well completion report and 10-404 well sundry report when the downhole well design is changed.

Item 1a: Classification of Service Wells: Gas Injection, Water Injection, Water-Alternating-Gas Injection, Salt Water Disposal, Water Supply for Injection, Observation, or Other. Multiple completion is defined as a well producing from more than one pool with production from each pool completely segregated. Each segregated pool is a completion.

Item 4b: TPI (Top of Producing Interval).

Item 8: The Kelly Bushing elevation in feet above mean low low water. Use same as reference for depth measurements given in other spaces on this form and in any attachments.

Item 13: The API number reported to AOGCC must be 14 digits (ex: 50-029-20123-00-00).

Item 20: True vertical thickness.

Item 22: Attached supplemental records for this well should show the details of any multiple stage cementing and the location of the cementing tool.

Item 23: If this well is completed for separate production from more than one interval (multiple completion), so state in item 1, and in item 23 show the producing intervals for only the interval reported in item 26. (Submit a separate form for each additional interval to be separately produced, showing the data pertinent to such interval).

Item 26: Method of Operation: Flowing, Gas Lift, Rod Pump, Hydraulic Pump, Submersible, Water Injection, Gas Injection, Shut-In, or Other (explain).

Item 27: If no cores taken, indicate "none".

Item 29: List all test information. If none, state "None".

EVERGREEN
RESOURCES (ALASKA) CORP.
A Subsidiary of Evergreen Resources, Inc.

Daily Drilling Summary

Well Name	Location				API Number	Permit to Drill	Spud Date	Total Depth
	QTR	Sec	Twn	Rng				
Kashwitna Lake #1	SE/NW	7	20N	4w	50-283-20100	203-209	12/29/2003	1770' MD

12/19/2003	Plow snow from location and right of way. Snow is approximately 30 inches deep.
12/20/2003	Clear road and begin clearing brush on site. Large brush piles and secondary growth from previous disturbance cleared. No trees damaged for site constr.
12/22/2003	Clear cellar and set culvert. Wait on Layne Christiansen.
12/29/2003	MIRU drilling support equipment.
12/30/2003	MIRU Layne Christiansen CS 4000 drilling rig, solids control van and gas detection.
12/31/2003	Mix bentonite mud. Make up 5-1/2 dc to 6-1/8 varel bit. Spud @ 10:30 AM. Drill to 16' and evaluate mud. MW = 9.1 ppg and Vis = 45. Drill 6-1/8" hole to 72'. Boulders begin @ 66'. SDON.
1/1/2004	Troubleshoot generator; thaw equip. Drill 6-1/8" hole from 72' to 172'. Pipe wrench fell in hole. Log surface hole w/ gamma, SP and induction. Loggers TD = 130'. Hole sloughing; pull tight @ 102'. SDON.
1/2/2004	Thaw rig. Drive one jt 8-5/8 csg. SDON
1/3/2004	Thaw equipment. Chuck broke; repair. TIH. Tag wrench @ 130'. Attempt to push to bottom; unsuccessful. SDON.
1/4/2004	Thaw rig. TIH w/ core bit and bbl. Wash down to 120'. Swabbed river gravel into wellbore when retreiving inner tube. Cannot get inner tube down. Mud froze while working inner tube. SDON.
1/5/2004	Warm rig and mud pits. Hydraulic fittings on chuck broken again; replce. TIH w/ core bit, core bbl and DP. Tag fill @ 110'. Clean hole. Circulate hole. Core drill to 120'. POOH w/ inner tube. Problems getting new inner tube latched. Short trip to 100' to clear core bbl. Gravel sloughing. Clear core bbl and trip back to bottom. Back on bottom with core bit and rotating. Pump pressure and torque is very erratic. Think bit is bad. Round trip bit. Core bit is in good shape. Tag fill @ 80'. Attempt to clean hole back to 130'. Not making any hole. POOH w/ core bit, core bbl and DP. PU tri-cone, DC and DP. TIH; tag fill 80'. Drill w/ tri-cone to 130'. Condition hole. POOH and LD tri-cone, DC and DP. PU and TIH w/ core bit, core bbl and DP. Tag fill @ 80'. Condition hole, attempt to wash to 130'; unsuccessful.
1/6/2004	Attempt to clean fill w/ core bit; unsuccessful. Wait on orders. Get verbal approval from AOGCC to abandon current hole and skid rig. Mix 18 sx, 5 bbls, cement @ 12.5 ppg. Pump cmt through drill string @ 90'. Circulate one half bbl 12.5 ppg cmt to cellar. SDON; wait on Denali Drilling rig. Wait on Denali rig.
1/7/2004	RDMO Layne Christiansen to staging area for rig maintenance. MIRU Denali rig. Drilling rig on site @ 17:00. SDON.
1/8/2004	Wait on Denali Drilling equipment to mob from Anchorage.
1/9/2004	Wait on Denali Drilling .
1/10/2004	Mob final Denali Drilling equipment from Anchorage. Warm rig. Weld hammer shoe to 6 inch casing. Finish cutting and welding hammer shoe. SDON
1/11/2004	Stand up rig derrick and level rig. Lay derrick down to repair hose brace and hydraulic fittings. 69 feet. PU water @ 55' and continues to 65'. (Water sample @ 69' - 96 ppm TDS 10.3 degrees C). 89 feet. PU more water @ 80'. Water sample @ 89' - 79 ppm TDS @ 6.6 degrees C. 109 feet. Water sample @ 109' - 85 ppm TDS @ 6.4 degrees C. 169 feet. Water sample @ 169' - 71ppm TDS @ 4.3 degrees C. 189'. Water sample @ 189' - 73 ppm TDS @ 4.3 degrees C. Haul 3 loads fresh wtr to disposal. PU lots of water; too much water for hammer. Water sample @ 209' - 73 ppm TDS @ 4.3 degrees C.
1/12/2004	Finish drilling to 209'. Water sample @ 209' - 73 ppm TDS @ 4.3 degrees C. RDMO Denali drilling to Sheep Creek. SDON.
1/13/2004	MIRU Layne Christiansen rig. Hard shack rig and set up tents and tarps. Dig new cellar and set culvert @ 3' BGL.
1/14/2004	Wait on orders for cementing 6" csg. Wait for cement and cement additives.

	Cement 6 inch casing w/ 16 sx cement - 225 gal @ 12.5 ppg. Displace cmt w/ 263 gal fresh water. No lift pressure. Cement from top w/ 50 gal 12.5 ppg cmt. Wait on cement.

1/15/2004	Wait on cement. Cement in cellar still not set.
	Make up tricone bit and bit subs. TIH w/ bit to tag cmt. Tag cmt @ 200'.
	Mix bentonite/barite mud. Mud weight 9.8 ppg and 38 vis.
	Drill new 5-1/2" hole from 209' to 320'. Make several short trips; no fill.
	Circulate hole.
	POOH w/ tricone bit and TIH w/ core bit and bbl for taking spot core.
	Core 4'. POOH w/ inner tube. Full of gravel.
1/16/2004	POOH w/ core bbl and bit. Still in gravel.
	TIH w/ tricone bit.
	Wait on drill pipe.
	Drill to 405'. Bit jumping and torquing. Pull bit for penetration rate.
	POOH w/ tri-cone bit. Bit is in good shape. Begin to TIH w/ 5-1/8 button bit.
1/17/2004	Generator went down. Wait on generator repairs.
	Drill from 405' to 505'. No more drill pipe.
	POOH w/ tricone button bit. TIH w/ core bit and bbl to take 4' spot core for lithology confirmation.
1/18/2004	Chuck froze and broke. Reapir chuck.
	Finish POOH w/ tri-cone. TIH w/ core bit and bbl.
	Core bit on btm. Core bbl plugged; cannot pump through it. Round trip core bble to clear plug.
	Core 7' to 512' to check lithology. Cannot pull inner tube. POOH w/ DP to retreive core.
1/19/2004	Finish POOH w/ core bit and bbl.
	Some river cobbles; most likely fill. Appears that unconsolidated sand is the lithology at current depth.
	Weld first 300' of 4.5" csg. Begin to screw together last 200'.
1/20/2004	Finish TIH w/ csg. Land csg @ 510'.
	Circulate mud out of hole.
	Cement 4.5" csg w/ 18 sx; 198 gal wtr, 40 lbs Calcium Chloride @12.5 ppg.
	Lift pressure - 200 psi; full returns. Circ lite cmt to cellar. SD backside on suck; fill from top.
	Wait on cmt.
1/21/2004	RD Core rig to lift on timbers to make room for BOP. Timber rig; rig not over hole.
	Will slide rig in the AM. SDON
1/22/2004	RU mud plant. Hard shack rig. Test csg to 1500 psi; test BOP to 1500 psi;
	witnessed by John Spalding AOGCC.
	TIH w/ core bbl, bit and DP. Have to wash down due to heaving sand at shoe.
1/23/2004	Core from 515-520. Sand and gravel fill; core bble jammed.
	Core from 520'-530'. Recover 7' of core.
	Core from 530'-538'. Recover 6.5' core. Core bbl jammed and bit burned; prepare to POOH.
	Make bit trip. Replace bit and TIH.
	Core from 538'-582'. Recover 40' core; recover 91 percent. Inner tube would not latch on last run.
	Prepare to POOH.
	Inner tube would not latch. Round trip to repair.
	Core from 582'-605'. Recover 31' of core; recover 135 percent - abundant sand fill.
1/24/2004	Core from 605'-617'. Recover 17'; recover 143 percent. Heaving sand.
	Blew main hydraulic line. Rig down for repairs.
	Core from 617' to 738'. Recover 114' of core; 95 percent. Problems w/ heaving sand.
1/25/2004	Core from 738'-897'. Recover 159' of core; 100% recovery. Sand sloughing is settling down.
1/26/2004	Core from 897' - 986'. Recover 88.8'; 96 percent. Problem w/ heaving sand. Redrill fill @ 954' - 968'.
	Inner tube wouldnot latch. Rods sanded in. Round trip pipe to clear.
	Hit sand 200' off of bottom; heavy sand 90' off bottom.
	Core From 986' - 991'. Recover 1' of core.
	Core from 991' - 992'. Hole caving in.
1/27/2004	Core from 992' - 1043'. Recover 48.1'; 94 percent. Bearings in chuck froze. Wait on parts; repair.
	Core from 1043' - 1094'. Recover 51.3'; 100 percent.
1/28/2004	Core from 1094' - 1113'. Recover 19'; 100 percent recovery.
	Round trip pipe. Replace 5' tools w/ 10' tools.
	Wash 200' back to bottom.
	Core from 1113' - 1168'. Recover 34.3'; 62 percent recovery. Drop core, chase tube.
	Broke wireline. POOH w/ rods, bit and bbl. Suspect that the core bit is under gauge. Wait on new bit.
1/29/2004	TIH to 970'. Sanded tube in. POOH to 570'; clear tube. TIH to 970' and wash to bottom.
	Problems w/ high pump pressure.
	Core from 1168' - 1213'. Recover 45'; 100 percent recovery.
1/30/2004	Core from 1213' to 1274'. Rods tight between runs. Recover 58'; 95 percent recovery.
	Core from 1274' to 1324'. Recover 50'; 100 percent recovery. Hit unconsolidated sand; hole filling.
	Have to wash and redrill at every connection.
	Washing hole; keeps refilling w/ sand. High torque.
1/31/2004	High torque. POOH to 800'.
	Drill 824' to 826' Pipe stuck.

Work stuck pipe. Twisted off @ 900'.
Fish twisted DP w/ center spear. Grab Dp and POOH.
POOH w/ fish.
Repair rig. Wait on mud additives from Fairbanks. Change bit and bit subs to higher flow bit.
Replace wireline spool and mainline.
TIH to 900', tag swelling clays and sand. Wash 400' to 1324'

2/1/2004	Hole cleaned back to bottom.
	Core from 1324' to 1351'. Sand rings causing problems inside DP.
	Redrilling fill and washing 7' back to bottom on each pull. Recover 8.3'; 30 percent recovery.
	Clean hole.
	Core from 1351' to 1354'. Recover 3.2'; 107 percent recovery. Hole caving.
	Clean hole.
	Core from 1354' to 1363'. No recovery. Pull back to work through swelling clays.
2/2/2004	Washing back to bottom. Bad gravel zone 10' off bottom. Need to make a bit trip. Decide to cement hole.
	Wait for cement to be delivered from Wasilla.
	Mix and pump 10 sx cmt @ 13 ppg w/ 3% CaCl2.
	POOH w/ HQ rods.
	Wait on cmt to set.
2/3/2004	Wait for cmt to set.
	TIH w/ new core bit. Start washing in 220' off of bottom.
	Core from 1363' to 1397'. Recover 23'; 68 percent recovery. Did not tag cmt.
	Rocks are poorly lithified and caving.
2/4/2004	Core from 1399' to 1402'. Bad hole conditions; hole sloughing. Make decision to tricone hole to 2000'.
	Round trip DP. Change to 3-3/4" MT Varel bit. Wash back to bottom.
	Drill w/ tricone from 1402' to 1472'. Short trip pipe twice to reduce pump pressure.
	Wash back to bottom. ROP = 8.75 ft/hr.
2/5/2004	Washing back to bottom. Pump pressure @ 1100 psi.
	Make a bit trip. Suspect bit cutting under gauge hole; confirmed. Gauge row badly worn.
	Switch out MT bit for BB.
	Wash back to bottom.
	Drill 3-3/4" hole from 1472' to 1557'.
	POOH w/ bit and HQ DP.
	Wait on orders; having mud analyzed by MI Fluids.
	MW: 9.2, pH: 8.1, PV: 17, YP: 17; Solids 12%; CGS 7%
2/6/2004	Make decision to run NQ rods to reduce pump pressure.
2/7/2004	Wait on cross over subs.
	Sub up to NQ pipe and TIH w/ 3-34" button bit and 20' HQ pipe for stiffness. Start washing @ 1220'.
	Drill 3-3/4" hole from 1557' to 1645'.
2/8/2004	Drill 3-3/4" hole from 1645' to 1770'.
	Bean pump on rig went out. Love Joy coupler broken. PU 60' off of bottom.
	Attempt to POOH after working on a auxilliary pump for four hours.
	Rods are stuck in hole. SD waiting on pump parts. Swaco solids control van shells main impellar shaft on centerfuge. Centerfuge is down waiting on parts.
2/9/2004	Wait on parts for Bean pump. Rig maintenance.
	Work on stuck pipe. Attempt manual back off to break NQ rods below BOP. Rods broke deep; cannot screw back into fish.
	POOH w/ 17 20' stands of NQ rods. Rods broke @ 340'; NQ pin sheared. TOF @ 340'.
	NQ box w/ part of NQ broken pin looking up. Attempt to repair bean 35 pump.
	Sent parts for Bean 20; not Bean 35. Waiting on correct pump parts.
2/10/2004	Re-level and block rig. Rig shift due to soft ground and warming temperatures.
	Wait on correct pump parts for Bean 35 pump.
	Repair Bean 35 Rig pump.
	TIH w/ HQ wash pipe. Tag TOF @ 340'; had to rotate to get over NQ pipe.
	Wash every fifth joint to maintain clean hole. Tag bridges @ 1330'. Tag fill @ 1400' and wash continuously to x-over @ 1690'. MW 9.2; Vis 48.
	TIH w/ NQ Rods and Bowen spear. Stab into NQ pipe @ 340'; fish will not move.
2/11/2004	Wait on B rods and cutter.
2/12/2004	Wait on B rods and cutter.
	B rods and cutters arrive. Rack rods and TIH w/cutter.
	Chuck jaws fail. TIH to fish B rods and cutter. Tag B rods and screw into. Pressure cutter and attempt to cut, unsucessful. POOH.
	Wait on second cutter. TIH w/new cutter to 1689', attempt to cut, unsucessful. POOH.
	Clean cutter piston and TIH to 1689'. Second attempt to cut NQ rod unsucessful.
	POOH and clean out cutter. TIH to 1689', third attempt to cu NQ rods sucessful.
2/13/2004	POOH w/ B rods, NQ rods that were cut and HQ wash pipe.
	MIRU Reeves wireline for logging.
	TIH w/Gamma, SP, Comp, ND, Duel Induction and sonic log to 1576'. Log hole from 1576' to 400'.
	Standby for cement.
2/14/2003	TIH w/ NQ rods and core bbl to 1586" Take survey @ 500' - degree, 1000' - 1 degree and 1500' -1 degree.
	Mix 13 sx portland cement, 229 gal @ 3% calcium chloride and pump. POOH w/ NQ rods to 1000'
	Mix 13 sx portland cement, 229 gal @ 3% calcium chloride and pump. POOH 200' and pump next batch,

229 gal of cmt. Repeat 2 more times.
Pump total of 65 sx cmt @ 12.1 ppg and 3% CaCl2; circulate 4 bbls cmt to pit.
Begin RDMO to Sheep Creek #1.
Prepare site for reclamation and P & A. Weld AOGCC name plate on 4 1/2" casing.

Kashwitna Lake

Run number	Date	From	To	Cut	Recovered	Percent Recovery	Time Start out	Time at Surface	Retrieval Time (min)
1	01/23/04	515.0	520.0	5.0	0.0	0%	1033	1035	2.0
2	01/23/04	520.0	525.0	5.0	1.5	30%	1107	1110	3.0
3	01/23/04	525.0	530.0	5.0	2.0	40%	1140	1143	3.0
4	01/23/04	530.0	535.0	5.0	5.0	100%	1208	1211	3.0
5	01/23/04	535.0	538.0	3.0	1.5	50%	1230	1233	3.0
6	01/23/04	538.0	538.0	0.0	0.0	0%	1303	1306	3.0
7	01/23/04	538.0	538.0	0.0	0.0	0%	1331	1334	3.0
8	01/23/04	538.0	539.0	1.0	1.0	100%	1556	1559	3.0
9	01/23/04	539.0	540.0	1.0	0.0	0%	1652	1656	4.0
10	01/23/04	540.0	545.0	5.0	5.0	100%	1733	1736	3.0
11	01/23/04	545.0	550.0	5.0	5.0	100%	1815	1818	3.0
12	01/23/04	550.0	555.0	5.0	4.0	80%	1844	1847	3.0
13	01/23/04	555.0	560.0	5.0	1.6	32%	1934	1936	2.0
14	01/23/04	560.0	562.0	2.0	5.0	250%	1958	2001	3.0
15	01/23/04	562.0	567.0	5.0	5.0	100%	2032	2035	3.0
16	01/23/04	567.0	572.0	5.0	3.5	70%	2100	2103	3.0
17	01/23/04	572.0	577.0	5.0	5.0	100%	2139	2141	2.0
18	01/24/04	577.0	582.0	5.0	5.0	100%	2230	130	120.0
19	01/24/04	582.0	586.0	4.0	3.5	88%	247	250	3.0
20	01/24/04	586.0	588.0	2.0	5.0	250%	318	320	2.0
21	01/24/04	588.0	589.0	1.0	3.0	300%	329	331	2.0
22	01/24/04	589.0	593.0	4.0	5.0	125%	358	400	2.0
23	01/24/04	593.0	597.0	4.0	5.0	125%	431	434	3.0
24	01/24/04	597.0	600.0	3.0	5.0	167%	508	511	3.0
25	01/24/04	600.0	605.0	5.0	0.2	4%	556	559	3.0
26	01/24/04	605.0	607.0	2.0	5.0	250%	620	623	3.0
27	01/24/04	607.0	609.0	2.0	4.0	200%	713	716	3.0
28	01/24/04	609.0	614.0	5.0	3.2	64%	756	759	3.0
29	01/24/04	614.0	617.0	3.0	5.0	167%	900	1440	340.0
30	01/24/04	617.0	619.0	2.0	0.0	0%	1508	1511	3.0
31	01/24/04	619.0	623.0	4.0	3.5	88%	1541	1544	3.0
32	01/24/04	623.0	626.0	3.0	5.5	183%	1635	1638	3.0
33	01/24/04	626.0	631.0	5.0	0.0	0%	1707	1725	18.0
34	01/24/04	631.0	632.0	1.0	5.0	500%	1725	1728	3.0

35	01/24/04	632.0	637.0	5.0	5.0	100%	1811	1814	3.0
36	01/24/04	637.0	642.0	5.0	5.0	100%	1843	1847	4.0
37	01/24/04	642.0	646.0	4.0	5.0	125%	1936	1939	3.0
38	01/24/04	646.0	651.0	5.0	4.0	80%	2003	2006	3.0
39	01/24/04	651.0	656.0	5.0	5.0	100%	2027	2030	3.0

14 March

DATA SUBMITTAL COMPLIANCE REPORT

2/6/2006

Permit to Drill 2032090 **Well Name/No.** KASHWITNA LAKE 1 **Operator** EVERGREEN RESOURCES (ALASKA) **API No.** 50-283-20106-00-00

MD 1770 TVD 1770 Completion Date 2/14/2004 Completion Status P&A Current Status P&A UIC N

REQUIRED INFORMATION

Mud Log Yes Samples No Directional Survey No

DATA INFORMATION

Types Electric or Other Logs Run: Text to large see 10-407 (data taken from Logs Portion of Master Well Data Maint

Well Log Information:

Log/ Data Type	Digital Med/Frmt	Electr Dataset Number	Name	Log Scale	Log Media	Run No	Interval Start	Interval Stop	OH / CH	Received	Comments
ED	C Las	12507	Induction/Resistivity			1	400	1576	Open	6/21/2004	Sonic/Neutron/Porosity/GR/ SP
ED	C Las	12507	Sonic			1	400	1576	Open	6/21/2004	Sonic/Neutron/Porosity/GR/ SP
Log			Sonic	25	Blu	1	400	1576	Open	6/21/2004	ARRAY INDUCTION, PHOTO DENSITY, DUAL SPACED NEUTRON
Log			Induction/Resistivity	25	Blu	1	400	1576	Open	6/21/2004	PHOTO DENSITY, DUAL SPACED NEUTRON
Log			Density	25	Blu	1	400	1576	Open	6/21/2004	ARRAY INDUCTION, DUAL SPACED NEUTRON
Log			Lithology		Col		0	1770	Open	6/21/2004	5 IN. =20FT.

Well Cores/Samples Information:

Name	Interval Start	Interval Stop	Sent	Received	Sample Set Number	Comments
						Cores and/or Samples are required to be submitted. This record automatically created from Permit to Drill Module on: 12/22/2003.

ADDITIONAL INFORMATION

Well Cored? Y N

Chips Received? Y/N whole core

Analysis Received? Y/N

Daily History Received? Y / N

Formation Tops Y / N

Comments:

No 407 - Log show 407 Left of 3/15/2004 plus Drilling summary

DATA SUBMITTAL COMPLIANCE REPORT

2/6/2006

Permit to Drill **2032090** **Well Name/No.** **KASHWITNA LAKE 1** **Operator** **EVERGREEN RESOURCES (ALASKA)** **API No.** **50-283-20106-00-00**

MD 1770 TVD 1770 Completion Date 2/14/2004 Completion Status P&A Current Status P&A UIC N

Compliance Reviewed By: _____ **Date:** _____

January 13, 2005

PIONEER
NATURAL RESOURCES ALASKA, INC.

Howard Okland
Petroleum Geologist Assistant
Alaska Oil & Gas Conservation Commission
333 W. 7th Ave., Suite 100
Anchorage, Alaska 99501

Re: Letter of Transmittal

Subj: Evergreen Resources Alaska Corp's 2004 Five-Hole Core Program

Dear Mr. Okland,

I am enclosing with this correspondence, both an inventory of the continuously cored exploratory wells that were drilled in early 2004 by Evergreen Resources Alaska Corporation (Evergreen) and a data CD, per your request. The wells drilled include the Sheep Creek #1, Kashwitna Lake #1, Houston Pit #1, Little Su #1, and the Slats #1. Total well depths and cored footage (in parentheses) of these exploratory wells are as follows: Sheep Creek #1 – 1,369' (1,034'); Kashwitna Lake #1 – 1,750' (878.5'); Houston Pit #1 – 1,604' (1,548'); Little Su #1 – 2,125' (2,010'); and Slats #1 – 3,095' (2,685'). Total cored footage equates to 8,155.5 feet.

Core from the five Evergreen exploratory wells is presently in a container at the Alaska Geologic Materials Center in Eagle River. If you have any additional questions or requests, please feel free to contact me.

Sincerely,

Michael A. Belowich

Michael A Belowich
Coal Geologist
Pioneer Natural Resources

Cc: Robert Crandall – Alaska Oil & Gas Conservation Commission
Matt Rader – Alaska Division of Oil and Gas
John Reeder – Alaska Geologic Materials Center

1075 CHECK STREET, STE. 202 · WASILLA, ALASKA 99654 · MAIN: (907) 357-8130 · FAX: (907) 357-8340

Well Name: **Kashwitna Lake #1** 203-209

Box Numbers	Column	Shelf	Depth Top (ft)	Depth Bottom (ft)	Box Numbers	Column	Shelf	Depth Top (ft)	Depth Bottom (ft)
1	5	B	523.5	538.0	51	4	C	1011.0	1020.5
2	5	B	538.0	549.0	52	4	C	1020.5	1031.0
3	5	B	549.0	562.0	53	4	C	1031.0	1039.9
4	5	B	562.0	569.0	54	4	C	1039.9	1050.2
5	5	B	569.0	579.5	55	4	C	1052.2	1059.0
6	5	B	579.5	587.8	56	4	C	1059.0	1067.3
7	5	B	587.8	590.5	57	4	C	1067.3	1077.0
8	5	B	590.5	598.0	58	4	B	1077.0	1086.5
9	5	B	598.0	607.0	59	4	B	1086.5	1095.5
10	5	B	607.0	617.0	60	4	B	1095.5	1105.0
11	5	B	617.0	626.0	61	4	B	1105.0	1114.0
12	5	B	626.0	637.0	62	4	B	1114.0	1124.0
13	5	A	637.0	646.8	63	4	B	1124.0	1134.0
14	5	A	646.8	656.5	64	4	B	1134.0	1143.5
15	5	A	656.5	667.0	65	4	B	1143.5	1172.5
16	5	A	667.0	675.8	66	4	B	1172.5	1182.5
17	5	A	675.8	685.4	67	4	B	1182.5	1191.6
18	5	A	685.4	694.4	68	4	B	1191.6	1201.5
19	5	A	694.4	704.0	69	4	B	1201.5	1210.0
20	5	A	704.0	713.6	70	4	B	1210.0	1220.0
21	5	A	713.6	724.6	71	4	B	1220.0	1231.0
22	5	A	724.5	734.4	72	4	B	1231.0	1242.0
23	5	A	734.4	743.2	73	4	B	1242.0	1251.0
24	5	A	743.2	752.5	74	4	B	1251.0	1260.0
25	5	A	752.5	763.0	75	4	B	1260.0	1269.0
26	5	A	763.0	772.0	76	4	A	1269.0	1279.8
27	5	A	772.0	781.0	77	4	A	1279.8	1290.0
28	5	A	781.0	790.0	78	4	A	1290.0	1297.0
29	5	A	790.0	800.0	79	4	A	1297.0	1306.8
30	5	A	800.0	810.0	80	4	A	1306.8	1316.1
31	4	D	810.0	820.0	81	4	A	1316.1	1326.0
32	4	D	820.0	830.0	82	4	A	1326.0	1352.0
33	4	D	830.0	839.5	83	4	A	1352.0	1375.3
34	4	D	839.5	848.8	84	4	A	1375.3	1383.7
35	4	D	848.8	858.5	85	4	A	1383.7	1399.0
36	4	D	858.5	867.2	86	4	A	1399.0	1402.0
37	4	D	867.2	877.0	87				
38	4	D	877.0	886.0	88				
39	4	D	886.0	894.3	89				
40	4	C	894.3	903.2	90				
41	4	C	903.2	913.0	91				
42	4	C	913.0	922.0	92				
43	4	C	922.0	933.0	93				
44	4	C	933.0	942.5	94				
45	4	C	942.5	953.0	95				
46	4	C	953.0	963.0	96				
47	4	C	963.0	973.0	97				
48	4	C	973.0	991.3	98				
49	4	C	991.3	1000.5	99				
50	4	C	1000.5	1011.0	100				

14 Jan 2005

203-209

Subject: Slats #1 Core Disposition
From: Shane Gagliardi <shaneg@evergreengas.com>
Date: Thu, 20 May 2004 09:33:35 -0800
To: bob_crandall@admin.state.ak.us
CC: Corri Feige <CorriF@EvergreenGas.com>, Scott Zimmerman <ScottZ@EvergreenGas.com>, Chris Cornelius <ChrisC@EvergreenGas.com>

Bob,

>From this year's core program, we have extracted approximately 8,000' of core. Of this core about 3,000' will be slabbed. Evergreen Alaska will donate all of the core to the state to fulfill the AOGCC requirements of 20 AAC 25.071 (b)(4). We understand that the donated core will be kept confidential for a minimum of two years. The slabbing and photographing process is lengthy; the anticipated approximate date for completion of the process and transferring the core to the state is March 05.

If you have any further questions, please contact me @ 907-355-8569.

Thanks,
Shane

203-209

MEMORANDUM

State of Alaska

Alaska Oil and Gas Conservation Commission

TO: Jim Regg, P.I. Supervisor — Regg 2/20/04 — **DATE:** **January 28, 2004**

FROM: John Spaulding, Petroleum Inspector

SUBJECT: Location Inspections Evergreen Resources Coal Bed Methane

January 2004: I traveled to Evergreen Resources locations in the Mat-Su Borough. Susitna 1, Kashwitna 1 and Sheep Creek 1 are noted in this report. At present all wells are being drilled for core sampling purposes of the formations.

I was notified of the Susitna 1 well after the rig had encountered some problems cementing surface casing. The well was suspended and the rig had moved off location when I arrived. There was probably a foot of new snow when I visited the location and and the casing and the location was pretty well covered over. I intend to revisit at a later date when the rig has returned or the well is P&Aed.

Kashwitna 1 located North and West of Willow, AK: I observed a BOPE test and inspected the rig and location. Pictures were taken of the BOPE, rig and surrounding location. I observed the technique for water sampling, and to my estimations found it adequate.

Sheep Cr. 1 located farther North and West from the Kashwitna location near the Parks Highway: I was only able to look at the location, as the rig had not moved in yet.

I am questioning the requirements for a manual annular device and a manual valve for a blind ram. These are located under the rig floor as with all drilling rigs, but are not hydraulically operated from a remote location. If in the event of an influx of gas a person would have to lay on their stomach and have their face next to the top of the casing in order to close either portion of BOPE.

Should we be requiring hydraulically operated BOPE? Should we relax the requirements for the manual BOPE?

Hopefully the accompanying photos will help explain.

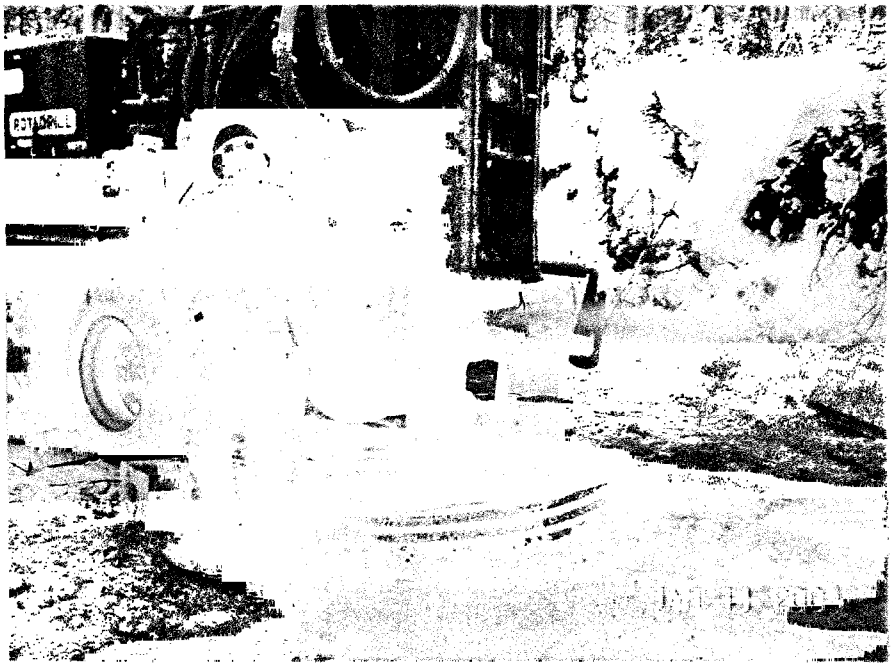
SUMMARY; I inspected the above-mentioned locations and found all to be quite clean and orderly. A BOP test was witnessed, with no failures.

Attachments: Photo's

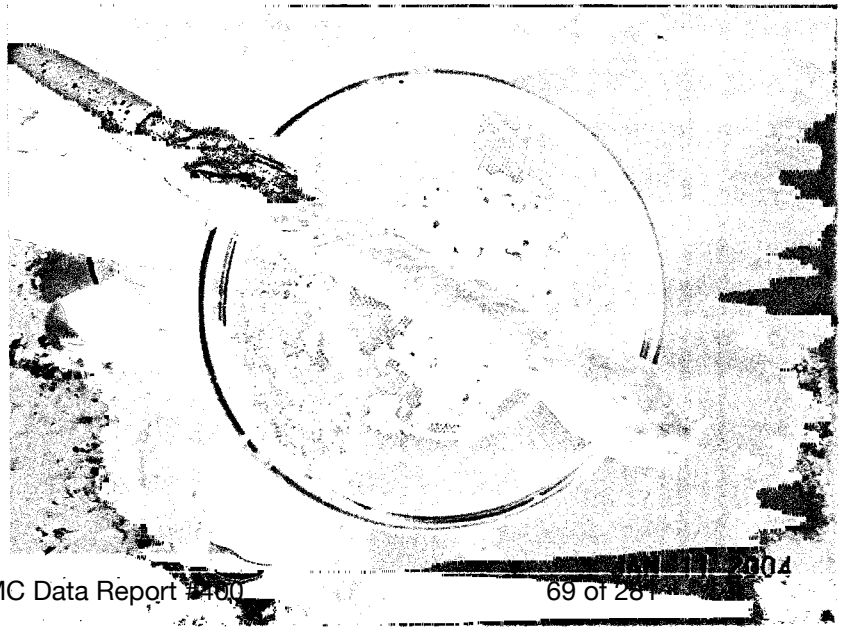
CONFIDENTIAL

Evergreen Resources - Pioneer CBM Project

Inspections from January 11 and January 22, 2004
Photos from AOGCC Inspector John Spaulding

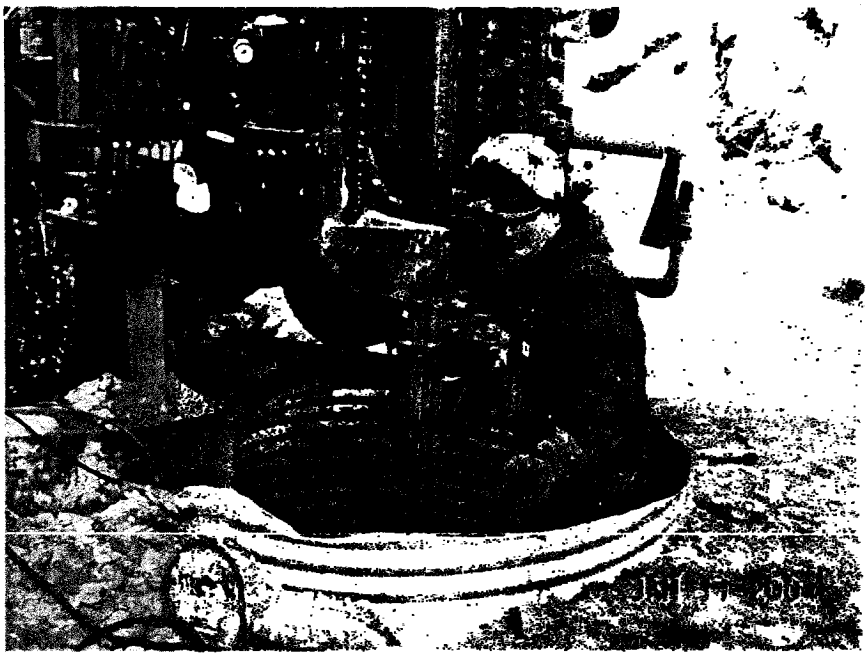


Blowing casing dry

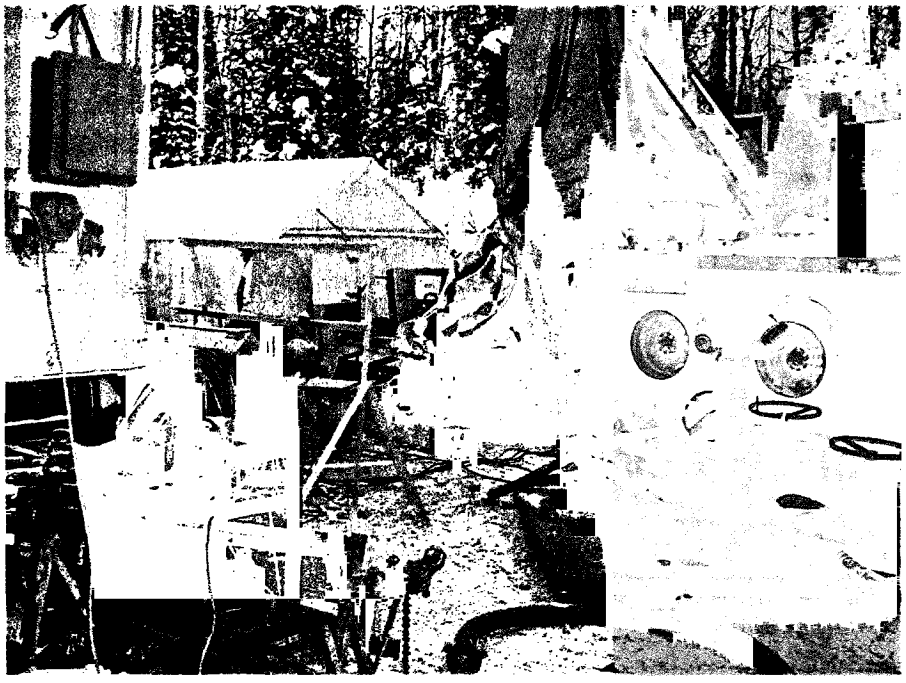


Cuttings catcher

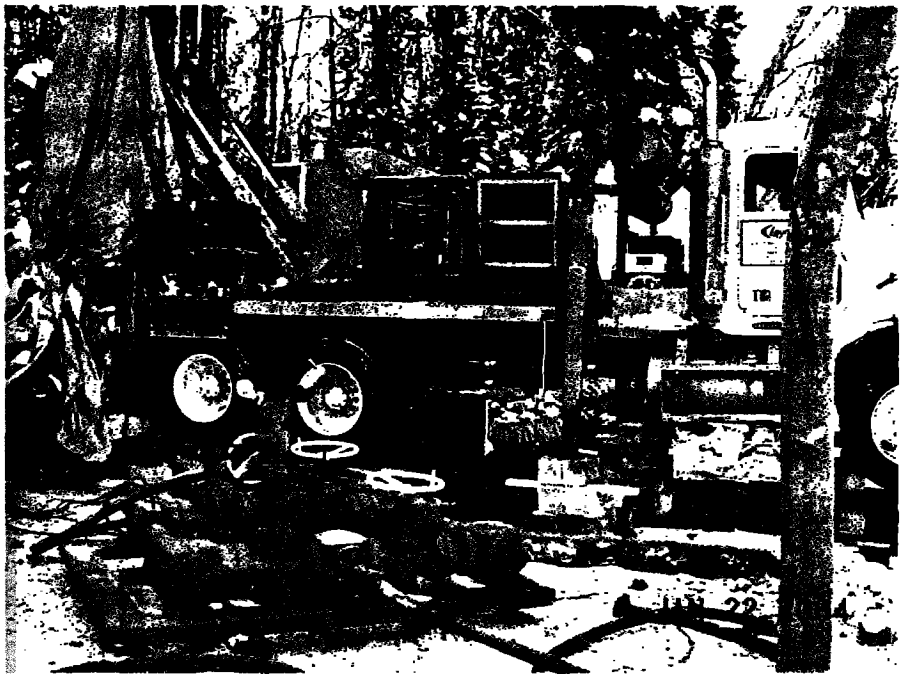
Cuttings and water return lines



Welding casing



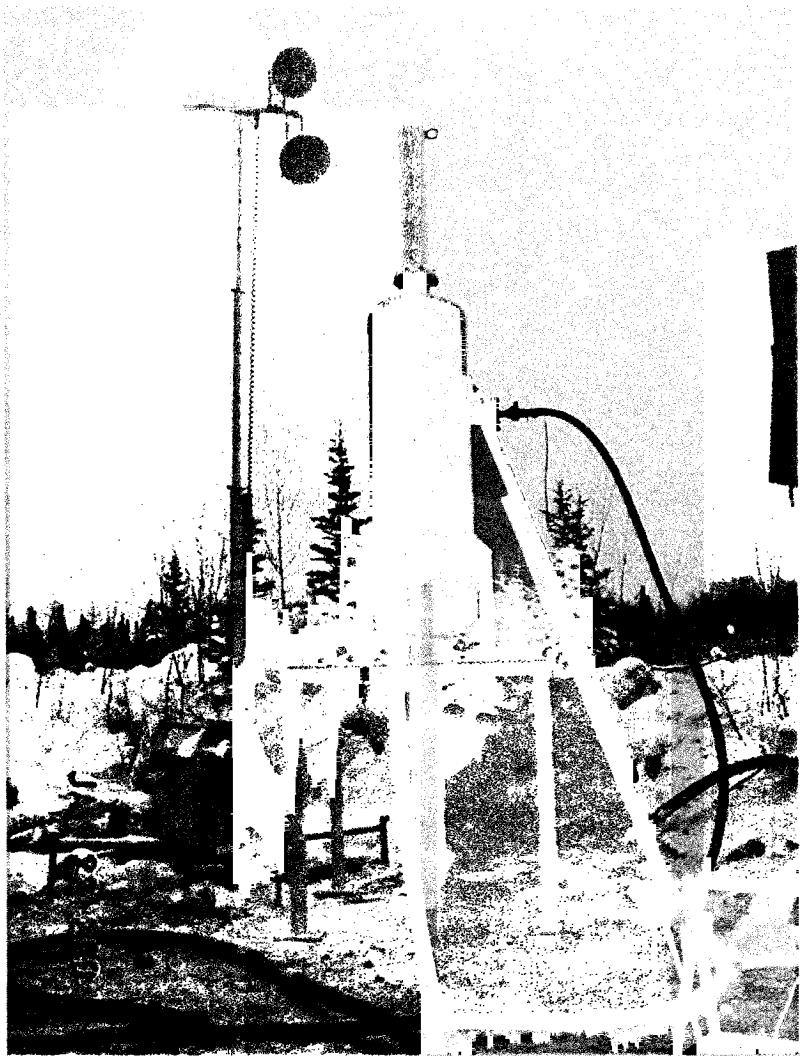
Location –
Kashwitna #1



Rig and choke
manifold

BOP

Manual BOP valve



Gas buster

MEMORANDUM

State of Alaska
Alaska Oil and Gas Conservation Commission

TO: **Jim Regg** Regg 4/14/04
P.I. Supervisor

DATE: January 22, 2004

SUBJECT: Mechanical Integrity Tests
Evergreen Resources Alaska
Wildcat
Kashwitna 1
PTD 203-209

From: **John Spaulidng**
Petroleum Inspector

NON- CONFIDENTIAL

				Packer	Depth		Pretest	Initial	15 Min.	30 Min.		
Well	**Kash.1**	Type Inj.	NA	T.V.D.	512	Tubing					Interval	
P.T.D.	**203-209**	Type test	P	Test psi	128	Casing	+	1500	1500	1500	P/F	**P**
Notes:												
Well		Type Inj.		T.V.D.		Tubing					Interval	
P.T.D.		Type test		Test psi		Casing					P/F	
Notes:												
Well		Type Inj.		T.V.D.		Tubing					Interval	
P.T.D.		Type test		Test psi		Casing					P/F	
Notes:												
Well		Type Inj.		T.V.D.		Tubing					Interval	
P.T.D.		Type test		Test psi		Casing					P/F	
Notes:												
Well		Type Inj.		T.V.D.		Tubing					Interval	
P.T.D.		Type test		Test psi		Casing					P/F	
Notes:												

Type INJ. Fluid Codes	Type Test	Interval
F = FRESH WATER INJ.	M= Annulus Monitoring	I= Initial Test
G = GAS INJ.	P= Standard Pressure Test	4= Four Year Cycle
S = SALT WATER INJ.	R= Internal Radioactive Tracer Survey	V= Required by Variance
N = NOT INJECTING	A= Temperature Anomaly Survey	W= Test during Workover
	D= Differential Temperature Test	O= Other (describe in notes)

Test's Details

4.5" casing set at 512' md' md. Tested casing to 1500 psi for 30 minutes prior to drilling out.

M.I.T.'s performed: **1** Number of Failures: **0** Total Time during tests: **2 hrs.**
Attachments: **none** **cc: none**

203-209

State of Alaska
Department of Natural Resources
Division of Oil and Gas

DIRECTORS OFFICE
550 West 7th Ave #800
Anchorage, Alaska 995031-3560

(907) 269-8784 phone
(907) 562-3852 fax

DELIVER TO:	**Sharmon Stanbough**	**ADEC**	**269-7508**
	Oran Woolley	**ADEC**	**269-2294**
	Bob Blankenburg	**ADEC**	**269-7600**
	Matt LaCroix	**OHMP**	**907 745-7112**
	Bob Crandall	**AOGCC**	**276-7542**

DATE: December 30, 2003 TOTAL PAGES: 9

FROM: Matt Rader phone (907) 269-8776
e-mail Matt_Rader@dnr.state.ak.us

MESSAGE: Evergreen will begin drilling tomorrow on the Kashwitna Lake site. They have indicated they may use the following drilling fluid additives if needed:

1. Extreme Number One
2. Super Gel - X

MSDS Datasheets are attached.

RECEIVED
DEC 3 X 2003
Alaska Oil & Gas Cons. Commission
Anchorage

RECEIVED
DEC 3 1 2003
Alaska Oil & Gas Cons. Commission
Anchorage

EXTREME PRODUCTS PRODUCTION & DRILLING SURFACTANTS INC.
15640 Mountainview Dr., White Rock, BC V4P 2W9 • Tel: (604) 535-6699 Fax: (604) 535-5495

Product Information

Extreme Number One

Granular Drilling Mud Polymer

Description

Ultra High Grade, Anionic, Acrylamide Copolymer in the form of a free flowing coarse white powder.

Principle Use

The Number One choice for demanding hole conditions when Bentonite is unavailable or unwanted. A one product drilling fluid. Excellent for winter. Product does not freeze in container. Economical. Ultra High Grade means less product required on jobs and less product to fly into remote sites. Lifts cuttings and stabilizes the hole. Reduces torque and drag in the hole. Greatly reduces swelling of clays and shales. Can be used to make stiff foam for air drilling. Environment Friendly. Extremely Effective.

Mixing

Add a small amount of Extreme Number One to water in the mixing tank. Sprinkle slowly into turbulent water when mixer is on high. Increase the quantity added of Extreme Number One if hole conditions are difficult. For fast mixing, add Extreme Number One to a small amount of vegetable oil first and then pour quickly into turbulent water.

Packaging

Extreme Number One comes in 5 gallon, high impact plastic pails with a snap-on lid. 24 pails per pallet.

MATERIAL SAFETY DATA SHEET

EXTREME PRODUCTS & DRILLING SUPPLIES INC.
15640 Mountainview Dr., White Rock, BC V4P 2W9 • Tel: (604) 535-6699 Fax: (604) 535-5493

EMERGENCY PHONE NO. (604) 535-6699

WHMIS HAZARD INDEX:

DEGREE OF HAZARD:		HAZARD RATING:	
HEALTH	1	0	LEAST
FIRE	0	1	SLIGHT
REACTIVITY	0	2	MODERATE
OTHER:	B (GLASSES & GLOVES)	3	HIGH
		4	EXTREME

SECTION 1 — PRODUCT IDENTIFICATION

PRODUCT NAME:	EXTREME NUMBER ONE
CHEMICAL IDENTIFICATION:	Acrylamide, Acrylate Copolymer
MATERIAL USE:	Drilling Fluid Additive
WHMIS CLASSIFICATION:	Not Regulated
WORK PLACE HAZARD:	Not Applicable

TRANSPORTATION OF DANGEROUS GOODS (TDGR)

CLASSIFICATION:	Not Dangerous Goods
PACKAGE GROUP:	Not Applicable
CAS NUMBER:	Not Applicable
MSDS CODE:	Not Applicable

SECTION 2 — HAZARDOUS INGREDIENTS

INGREDIENT:	None Considered Hazardous
PERCENTAGE:	Not Available
CAS NUMBER:	Not Available
LD (50):	Not Available
LC (50):	Not Available

EXTREME NUMBER ONE

MATERIAL SAFETY DATA SHEET

SECTION 3 PHYSICAL DATA

APPEARANCE AND ODOUR:	Slight, mild odour, white, granular solid
DENSITY (SPECIFIC GRAVITY):	.80
BOILING POINT:	Not Available
MELTING POINT:	Not Available
SOLUBILITY:	Soluble
EVAPORATION RATE: (EE=1):	Not Available
VAPOUR PRESSURE: (MM HG):	Not Available
VAPOUR DENSITY: (AIR = 1):	Not Available

SECTION 4 FIRE AND EXPLOSION

FLASHPOINT:	Not Applicable
FLAMMABLE LIMIT:	Not Available
AUTO IGNITION TEMP:	No Data
EXTINGUISHING MEDIA:	Dry Chemical, Carbon Dioxide, Foam
SPECIAL FIRE FIGHTING PROCEDURES:	Self-Contained Respirators For Fire Fighting Personnel.
UNUSUAL FIRE AND EXPLOSION HAZARDS:	Products of incomplete combustion and oxides of nitrogen and carbon.

SECTION 5 REACTIVITY DATA

STABILITY (THERMAL, LIGHT, ETC.):	Stable
INCOMPATIBILITY (CONDITIONS TO AVOID):	Strong oxidizing agents and highly alkaline solutions
HAZARDOUS POLYMERIZATION:	Will not occur
HAZARDOUS DECOMPOSITION PRODUCTS:	None

EXTREME PRODUCTS & DRILLING SUPPLIES INC.

EXTREME NUMBER ONE

MATERIAL SAFETY DATA SHEET

SECTION 6 — HEALTH HAZARDS

ROUTE OF ENTRY:
(X) SKIN (X) EYE CONTACT (X) INHALATION (X) INGESTION

SKIN CONTACT:	May be minimally irritating to sensitive skin upon prolonged direct contact.
EYE CONTACT:	May be minimally irritating to eyes upon direct contact.
INHALATION:	May cause irritation to nose and throat.

SECTION 7 — PREVENTATIVE MEASURES

SKIN PROTECTION:	Impervious gloves, protective clothing as required
EYE PROTECTION:	Goggles.
VENTILATION:	General mechanical; 10 changes per hour.
RESPIRATORY PROTECTION:	Approved dust mask; MESA type
LEAK & SPILL PROCEDURE:	Ventilate area, wear rubber boots, gloves and a self-contained respirator if ventilation inadequate. Collect into waste container, wash site after pick up. Water solutions extremely slippery.
WASTE DISPOSAL:	Dispose in compliance with government regulations and local requirements.
STORAGE REQUIREMENTS:	Cool, dry area, away from oxidizing and reducing agents. Keep containers closed when not in use. Avoid prolonged contact when handling. Do not inhale dust.

EXTREME NUMBER ONE

MATERIAL SAFETY DATA SHEET

SECTION 8	**FIRST AID MEASURES**
SKIN:	Wash thoroughly with soap and warm water
EYE:	Flush with water for at least 15 minutes. Seek medical attention.
INHALATION:	Remove to fresh air. If not breathing, give artificial respiration. If breathing is difficult, give oxygen. Seek medical attention.
INGESTION:	Do not induce vomiting. If conscious, dilute by giving two glasses of water. Seek medical attention.

SECTION 9	**PREPARATION DATE**
DATE ISSUED:	AUGUST 20, 1996
BY:	PRODUCT SAFETY COMMITTEE

THE DATA REPRESENTED HEREIN IS BELIEVED ACCURATE AND REFLECTS OUR BEST PROFESSIONAL JUDGMENT. HOWEVER, NO WARRANTY OF MERCHANTABILITY, FITNESS FOR ANY USE, OR ANY OTHER WARRANTY IS EXPRESSED OR IMPLIED REGARDING THE ACCURACY OF SUCH DATA, THE RESULTS TO BE OBTAINED FROM THE USE THEREOF, OR THAT ANY SUCH USE DOES NOT INFRINGE ANY PATENT. SINCE THE INFORMATION CONTAINED HEREIN MAY BE APPLIED UNDER CONDITIONS OF USE BEYOND OUR CONTROL AND WITH WHICH WE MAY BE UNFAMILIAR, WE DO NOT ASSUME ANY RESPONSIBILITY FOR THE RESULTS OF SUCH APPLICATION. THIS INFORMATION IS FURNISHED UPON THE CONDITION THAT THE PERSON RECEIVING IT SHALL MAKE HIS OWN DETERMINATION OF THE SUITABILITY OF THE MATERIAL FOR HIS PARTICULAR PURPOSE.

DATE REVISED:

EXTREME NUMBER ONE

MATERIAL SAFETY DATA SHEET

ADDENDUM

SECTION 10 — **ECOLOGICAL INFORMATION**

ACUTE TOXICITY:
- Oral: LD50/oral/rat > 5000 mg/kg
- Dermal: The results of lab testing showed this material to be non-toxic even at high dose levels.
- Inhalation: The product is not expected to be toxic by inhalation.

IRRITATION:
- Skin: The results of lab testing showed this material to be non-irritating to the skin.
- Eyes: Testing conducted according to the Draize technique showed the material produces no corneal or iridial effects and only slight transitory conjunctival effects similar to those which all granular materials have no conjuctivae.

SENSITIZATION: The results of lab testing showed this material to be non-sensitizing.

CHRONIC TOXICITY: The results of extensive lab testing did not reveal adverse health effects.

ECOTOXICITY
- Fish: LC50 / Fathead minnows / 96 hours > 1000 mg/l
- Algae: EC50 / Selenastrum capricornutum > 96 hours > 500 mg/l

Bioaccumulation: The product is not expected to bioaccumulate.
Persistence / degradability: Not readily biodegradable.

CETCO Material Safety Data Sheet

drilling fluids • grouts & sealants • polymers & additives • well rehabilitation chemicals

MATERIAL SAFETY DATA SHEET

May be used to comply with OSHA's Hazard Communication Standard, 29 CFR 1910.1200. Standard must be consulted for specific requirements.

69101/69101
Page 1 of 3

PRODUCT NAME: SUPER GEL-X™

Section I MANUFACTURER'S INFORMATION

MANUFACTURER'S NAME & ADDRESS:

Date Prepared: June 1, 2002

CETCO – *Drilling Products Group*
1500 West Shure Drive
Arlington Heights, IL 60004

Telephone Number: 847-392-5800 Fax 847-506.6150
EMERGENCY CONTACT: CHEMTREC 800-424-9300
E-mail: www.cetco.com

Section II HAZARDOUS INGREDIENTS/IDENTITY INFORMATION

HAZARDOUS COMPONENTS: (Specific Chemical Identity: Common Name(s))	OSHA PEL	ACGIH TLV	Other Limits Recommended *	% (optional)
Crystalline Quartz: CAS# 14808-60-7				< 6%
Respirable Crystalline Quartz:			NIOSH	< 2%
Present (TWA)	0.1 mg/m³	0.1 mg/m³	50 ug/m³	
Proposed (TWA)		50.0 ug/m³		
Nuisance Dust:				
Respirable	5 mg/m³	5 mg/m³		
Total Dust	15 mg/m³	10 mg/m³		

* **WARNING:** This product contains a small amount of crystalline silica, which may cause delayed respiratory disease if inhaled over a prolonged period of time. Avoid breathing dust. Use NIOSH/MSHA approved respirator where TLV for crystalline silica (Quartz) may be exceeded. IARC Monographs on the evaluation of the Carcinogenic Risk of Chemicals to Humans (volume 68, 1997) concludes that crystalline silica is carcinogenic to humans in the form of quartz. IARC classification 1.

The small quantities of crystalline silica (quartz) found in this product are, under normal conditions, naturally coated with an unremovable layer of amorphous silica and/or bentonite clay. IARC (vol. 68, 1997, pg. 191-192) has stated that crystalline silica (quartz) can differ in toxicity depending on the minerals with which it is combined, citing studies in IARC (vol. 42, 1987, p. 86) which stated that the toxic effect of crystalline silica (quartz) is reduced by the "protective effect...due mainly to clay minerals..."

National Institute for Occupational Safety and Health (NIOSH) has recommended that the permissible exposure limit be changed to 50 micrograms respirable free silica per cubic meter of air (0.05 mg/ m³) as determined by a full shift sample up to a 10 hour working day, 40 hours per week. *See*: 1974 NIOSH criteria for a recommended Standard for Occupational Exposure to Crystalline Silica should be consulted for more detailed information.

PEL - OSHA Permissible Exposure Limit.

TLV - American Conference of Governmental Industrial Hygienists (ACGIH) Threshold Limit Value.

TWA - 8 hour time weighted average

Note: The Permissible Exposure Limits (PEL) reported above are the pre - 1989 limits that were reinstated by OSHA June 30, 1993 following a decision by the United States Circuit Court of Appeals for the 11th Circuit. Federal OSHA is now enforcing these PELs. More restrictive exposure limits may be enforced by some other jurisdictions.

PRODUCT IDENTIFICATION:

Chemical Name: Dry Mixture of Inorganic Mineral Compounds.
NFPA/HMIS: Health - 2, Fire - 0, Reactivity - 0, Specific Hazard - *See Section VI.*
Shipping Class: Not Regulated (DOT / 49CFR, IMDG, ICAO / IATA).

Section III PHYSICAL/CHEMICAL CHARACTERISTICS

Boiling Point: Not Applicable.
Vapor Pressure (mm Hg.): Not Applicable.
Vapor Density (AIR = 1): Not Applicable.
Solubility in Water: Negligible.
Specific Gravity (H_2O = 1): 2.5
Melting Point: 1400°F
Evaporation Rate (Butyl Acetate = 1): Not Applicable.
Appearance and Odor: Tan or beige to light gray colored powder to fine granules, odorless.

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drilling fluids • grouts & sealants • polymers & additives • well rehabilitation chemicals

Material Safety Data Sheet

PRODUCT NAME: SUPER GEL-X™

Section VIII CONTROL MEASURES

Respiratory Protection: Use appropriate respiratory protection for respirable particulate based on consideration of airborne workplace concentration and duration of exposure arising from intended end use. Refer to the most recent standards of ANSI (z88.2) OSHA (29 CFR 1910.134), MSHA (30 CFR Parts 56 and 57) and NIOSH Respirator Decision Logic.
Ventilation: Use local exhaust as required to maintain exposures below applicable occupational exposure limits (*See Section II*). See also ACGIH "Industrial Ventilation – A Manual for Recommend Practice", (*current edition*).
Protective Gloves: Not Required. **Eye Protection:** Recommended.
Other Protective Clothing or Equipment: None. **Work/Hygienic Practices:** Use good housekeeping practices.

Section IX REGULATORY INFORMATION

SARA 311/312: Hazard Categories for SARA Section 311/312 Reporting: Chronic Health
SARA 313: This product contains the following chemicals subject to annual release reporting requirements under the SARA section 313 (40 CFR 372): None

CERCLA section 103 Reportable Quantity: None

California Proposition 65: *This product contains the following substances known to the state of California to cause cancer and/or reproductive harm: This product contains crystalline silica (respirable); however, the user should note that the small quantities of crystalline silica (quartz) found in this product are, under normal conditions, naturally coated with an unremovable layer of amorphous silica and/or bentonite clay. IARC (Vol. 68, 1997, pg. 191-192) has stated that crystalline silica (quartz) can differ in toxicity depending on the minerals with which it is combined. Citing studies in IARC (Vol. 42, 1987, p. 86) which stated that the toxic effect of crystalline silica (quartz) is reduced by the "protective effect....due mainly to clay minerals... .*

Toxic Substances Control Act: All of the components of this product are listed on the EPA TSCA Inventory or are exempt from notification requirements.

Canadian Environmental Protection Act: All the components of this product are listed on the Canadian Domestic Substances List or exempt from notification requirements.

European Inventory of Commercial Chemical Substances: All the components of this product are listed on the EINECS Inventory or exempt from notification requirements. (The EINECS number for Quartz: 231-545-5)
European Community Labeling Classification: Harmful (Xn)
European Community Risk and Safety Phrases: R40, R48, S22

Japan MITI: All the components of this product are existing chemical substances as defined in the Chemical Substance Control Law.

Australian Inventory of Chemical Substances: All the components of this product are listed on the AICS Inventory or exempt from notification requirements.

Canadian WHMIS Classification: Class D, Division 2, Subdivision A (Very Toxic Material causing other Toxic Effects)

NFPA Hazard Rating:	Health: 2	Fire: 0	Reactivity: 0
HMIS Hazard Rating:	Health: *	Fire: 0	Reactivity: 0

*Warning - Chronic health effect possible - inhalation of silica dust may cause lung injury/disease (silicosis). Take appropriate measures to avoid breathing dust. *See Section II.*

REFERENCES:

Registry for Toxic Effects of Chemical Substances (RTECS), 1995.

Patty's Industrial Hygiene and Toxicology.

NTP Seventh Annual Report on Carcinogens, 1994.

IARC Monograph Volume 68, Silica, Some Silicates and Organic Fibers, 1997.

The information herein has been compiled from sources believed to be reliable and is accurate to the best of our knowledge. However, CETCO cannot give any guarantees regarding information from other sources, and expressly does not make any warranties, nor assumes any liability, for its use.

1500 W. Shure Dr., Arlington Heights, Illinois 60004 USA / +1 800.527.9948 / tel +1 847.392.5800 / fax +1 847.577.5571
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GMC Data Reporter 4.00 ALASKA MINERALS 907.357.8340 Dec 30 03 03:13p p.9
12/30/2003 13:25 9075221940 DH

CETCO Material Safety Data Sheet

drilling fluids • grouts & sealants • polymers & additives • well rehabilitation chemicals

69101/69101

PRODUCT NAME: SUPER GEL-X™

Section IV FIRE AND EXPLOSION HAZARD DATA

Flash Point (*Method Used*): Not Available. **Flammable Limits:** Not Available. LEL - NA. UEL - NA.
Extinguishing Media: Not Applicable. **Special Fire Fighting Procedure:** Not Applicable.
Unusual Fire/Explosion Hazards: Product may pose possible dust explosion under *extremely rare* circumstances or conditions.

Section V REACTIVITY DATA

Stability: Stable **Conditions to Avoid** - None Known.
Incompatibility (*Materials to Avoid*): Powerful oxidizing agents such as fluorine, chlorine trifluoride, manganese trioxide, etc.
Hazardous Decomposition or By-products: Silica will dissolve in hydrofluoric acid producing a corrosive gas, silicon tetrafluoride.
Hazardous Polymerization: Will Not Occur **Conditions to Avoid** - None Known.

Section VI HEALTH HAZARD DATA

Route(s) of Entry: Inhalation? Yes Skin? No Ingestion? No
Health Hazards (Acute and Chronic):

Inhalation: Breathing silica dust may not cause noticeable injury or illness even though permanent lung damage may be
occurring. Inhalation of dust may have the following serious chronic health effects:
Silicosis: Excessive inhalation of respirable crystalline silica dust may cause a progressive, disabling and sometimes-fatal
lung disease called silicosis. Symptoms include cough, shortness of breath, wheezing, non-specific chest illness and reduced
pulmonary function. Smoking exacerbates this disease. Individuals with silicosis are predisposed to develop tuberculosis.
Cancer Status: The International Agency for Research on Cancer has determined that crystalline silica inhaled in the form
of quartz or cristobalite from occupational sources is carcinogenic to humans (Group 1 - carcinogenic to humans). Refer to
IARC Monograph 68, Silica, Some Silicates and Organic Fibers (published in June 1997) in conjunction with the use of
these
materials. The National Toxicology Program classifies respirable crystalline silica as "reasonably anticipated to be a
carcinogen". For further information *See* "Adverse effects of Crystalline Silica Exposure" published by the American
Thoracic Society Medical Section of the American Lung Association, American Journal of Respiratory and Critical Care
Medicine, Volume 155, page 761-765, 1997.

Other Data with Possible Relevance to Human Health: The small quantities of crystalline silica (quartz) found in this product are,
under normal conditions, naturally coated with an unremovable layer of amorphous silica and/or bentonite clay. IARC (Vol. 68,
1997, pg. 191-192) has stated that crystalline silica (quartz) can differ in toxicity depending on the minerals with which it is
combined, citing studies in IARC (Vol. 42, 1987 pg. 86) which stated that the toxic effect of crystalline silica (quartz) is reduced by
the "protective effect...due mainly to clay minerals..."

Carcinogenicity: NTP? No IARC Monographs? Yes OSHA Regulated? No

Signs and Symptoms of Exposure: Excessive inhalation of generated dust may result in shortness of breath and reduced pulmonary function.

Medical Conditions Generally Aggravated by Exposure: Individuals with respiratory disease, including but not limited to, asthma and bronchitis, or subject to eye irritation should not be exposed to respirable crystalline silica (quartz) dust.

Emergency and First Aid Procedures:
Eyes & Skin: Flush with water.
Gross Inhalation of Dust: Remove to fresh air; give oxygen or artificial respiration if necessary; seek medical attention.
Ingestion: If large amounts are swallowed, get immediate medical attention.

Section VII PRECAUTIONS FOR SAFE HANDLING AND USE

Steps to be Taken in Case Material is Released or Spilled: Vacuum if possible to avoid generating airborne dust. Avoid breathing dust. Wear an approved respirator. Avoid adding water; product will become slippery when wet.
Waste Disposal Method: Bury in an approved sanitary landfill, in accordance with federal, state and local regulations.
Precautions to Be Taken in Handling and Storing: Avoid breathing dust, use NIOSH/MSHA approved respirator where TLV limits for Crystalline Silica may be exceeded.
Other Precautions: Slippery when wet.

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STATE OF ALASKA

FRANK H. MURKOWSKI, GOVERNOR

ALASKA OIL AND GAS CONSERVATION COMMISSION

333 W. 7TH AVENUE, SUITE 100
ANCHORAGE, ALASKA 99501-3539
PHONE (907) 279-1433
FAX (907) 276-7542

Shane Gagliardi
Petroleum Engineer
Evergreen Resources (Alaska), Corp.
PO Box 871845
Wasilla, AK 99687

Re: Kashwitna Lake #1
Evergreen Resources (Alaska), Corp.
Permit No: 203-209
Surface Location: 1847' FNL and 2050' FEL, Sec. 7, T20N, R4W, SM
Bottomhole Location: 1847' FNL and 2050' FEL, Sec. 7, T20N, R4W, SM

Dear Mr. Gagliardi:

Enclosed is the approved application for permit to drill the above referenced development well.

This permit to drill does not exempt you from obtaining additional permits or approvals required by law from other governmental agencies, and does not authorize conducting drilling operations until all other required permits and approvals have been issued. In addition, the Commission reserves the right to withdraw the permit in the event it was erroneously issued.

Operations must be conducted in accordance with AS 31.05 and Title 20, Chapter 25 of the Alaska Administrative Code unless the Commission specifically authorizes a variance. Failure to comply with an applicable provision of AS 31.05, Title 20, Chapter 25 of the Alaska Administrative Code, or a Commission order, or the terms and conditions of this permit may result in the revocation or suspension of the permit. Please provide at least twenty-four (24) hours notice for a representative of the Commission to witness any required test. Contact the Commission's North Slope petroleum field inspector at 659-3607 (pager).

Sincerely,

Daniel T. Seamount, Jr.
Commissioner

BY ORDER OF THE COMMISSION
DATED this 18 day of December, 2003

Department of Fish & Game, Habitat Section w/o encl.
Department of Environmental Conservation w/o encl.

WGA 12/18/2003
SP
12/03

STATE OF ALASKA
ALASKA OIL AND GAS CONSERVATION COMMISSION

PERMIT TO DRILL

20 AAC 25.005

1a. Type of Work: Drill ☒ Redrill ☐ Re-entry ☐	1b. Current Well Class: Exploratory ☐ Development Oil ☐ Multiple Zone ☐ Stratigraphic Test ☒ Service ☐ Development Gas ☐ Single Zone ☐	
2. Operator Name: **Evergreen Resources (Alaska) Corp.**	5. Bond: ☒ Blanket ☐ Single Well Bond No. **RLB0003430**	11. Well Name and Number: **Kashwitna Lake #1**
3. Address: **P.O. Box 871845, Wasilla, AK 99687**	6. Proposed Depth: MD: **3000 ft** TVD: **3000 ft**	12. Field/Pool(s): **Wildcat**
4a. Location of Well (Governmental Section): **Sec 7, TWN 20N, Rng 4W** Surface: **1847' FNL and 2050' FWL** Top of Productive Horizon: **Same as above** Total Depth: **Same as above**	7. Property Designation: **State of Alaska**	
	8. Land Use Permit: **ADL 389316**	13. Approximate Spud Date: **10 Dec 03**
	9. Acres in Property: **108 acres**	14. Distance to Nearest Property: **560 feet**
4b. Location of Well (State Base Plane Coordinates): **NAD 83** Surface: x- **1627777.26** y- **2865814.36** Zone- **4**	10. KB Elevation (Height above GL): **195.3** feet	15. Distance to Nearest Well within Pool: **76,560 feet**
16. Deviated Wells: **N/A** Kickoff Depth: **N/A** ft. Maximum Hole Angle: **N/A**	17. Anticipated Pressure (see 20 AAC 25.035) Max. Downhole Pressure: ~~1080~~ 1167 psig. Max. Surface Pressure: ~~1167~~ 1080 psig.	WGA

18. Casing Program: Size		Specifications				Setting Depth Top		Setting Depth Bottom		Quantity of Cement c.f. or sacks.
Hole	Casing	Weight	Grade	Coupling	Length	MD	TVD	MD	TVD	(Including Stage Data)
6	4.5	10.8	LP	LP	200	0	0	204	204	17.1 cu. Ft.

19. **PRESENT WELL CONDITION SUMMARY** (To be completed for Redrill and Re-Entry Operations)

Total Depth MD (ft):	Total Depth TVD (ft):	Effective Depth MD (ft):	Effective Depth TVD(ft):	Plugs (measured):	Junk (measured):

Casing	Length	Size	Cement Volume	MD	TVD
Structural					
Conductor					
Surface					
Intermediate					
Production					
Liner					

Perforation Depth MD (ft): **None** Perforation Depth TVD (ft): **None**

20. Attachments: Filing Fee ☒ BOP Sketch ☒ Drilling Program ☒ Time v. Depth Plot ☐ Shallow Hazard Analysis ☐
Property Plat ☒ Diverter Sketch ☐ Seabed Report ☐ Drilling Fluid Program ☒ 20 AAC 25.050 Requirements ☐

21. Verbal Approval: Commission Representative: Date:

22. I hereby certify that the foregoing is true and correct to the best of my knowledge. Contact Shane Gagliardi

Printed Name Shane Gagliardi Title Petroleum Engineer

Signature [signature] Phone 907-355-8569 Date 12/5/03

Commission Use Only

Permit to Drill Number: 203-209	API Number: 50- 283-20106	Permit Approval Date: 12/18/03	See cover letter for other requirements.

Conditions of approval: Samples required ☒ Yes ☐ No Mud log required. ☒ Yes ☐ No

Hydrogen sulfide measures ☐ Yes ☒ No Directional survey required ☐ Yes ☒ No

Other: Refer to attached Conditions of Approval.

Approved by: [signature] COMMISSIONER BY ORDER OF THE COMMISSION Date: 12/18/03

RECEIVED
DEC - 5 2003
Alaska Oil & Gas Cons. Commission
Anchorage

Form 10-401 Revised 3/2003 Submit in duplicate

Core Program 2003 APD
GMC Data Report #400

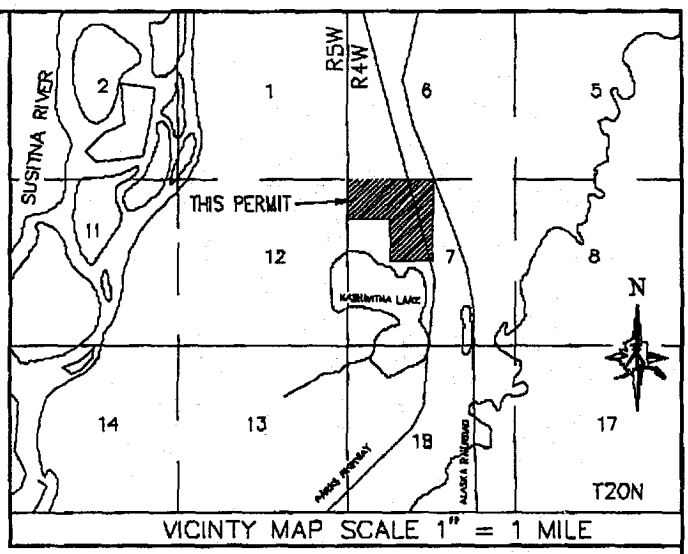
ORIGINAL

NOTES:

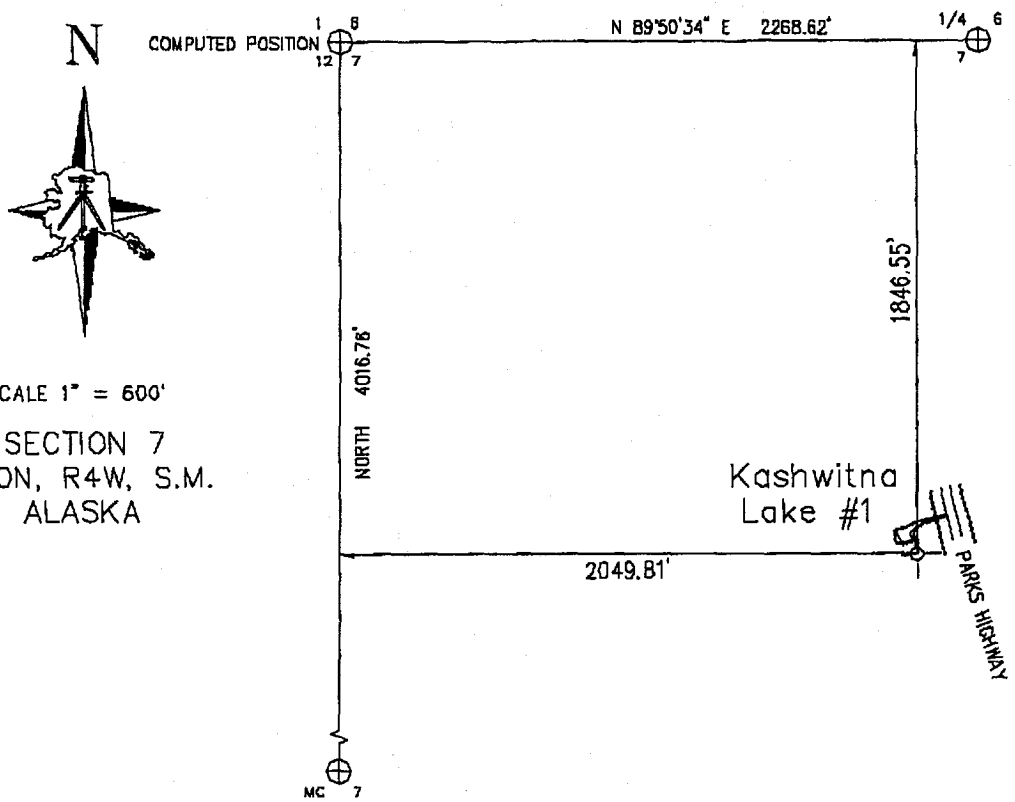
1. COORDINATES SHOWN ARE NAD 83 ALASKA STATE PLANE ZONE 4 BASED ON PROTRACTED VALUES.
2. GEOGRAPHIC COORDINATES ARE NAD 83 BASED ON PROTRACTED VALUES.
3. ALL DISTANCES ARE GROUND IN U.S. SURVEY FEET.
4. VERTICAL DATUM IS BASED ON NGS CONTROL BENCHMARK N-104. EL = 222.22'

KASHWITNA LAKE #1

LOCATED 1847' FROM THE NORTH LINE OF SECTION 7
AND 2050' FROM THE WEST LINE OF SECTION 7
T 20 N, R 4 W, SEWARD MERIDIAN
AT LAT. 61°50'37.030"N LONG. 150°04'23.362"W
ASP ZONE 4 N=2865814.36 E=1627777.28 (NAD 83)
GROUND ELEVATION = 195.3'



VICINITY MAP SCALE 1" = 1 MILE



SCALE 1" = 600'

SECTION 7
T20N, R4W, S.M.
ALASKA

KASHWITNA LAKE #1
PERMIT DRAWING

LOUNSBURY & ASSOCIATES, INC.
SURVEYORS-ENGINEERS-PLANNERS
723 W. 6th AVE. ANCHORAGE, ALASKA 99501
(907) 272-5451 FAX (907) 272-9065

DRAWN KWA	CHECKED KWA	SCALE 1" = 600'	December 04, 2003	DWG NAME 03-031-5.DWG

Proposed Drilling Procedure
Core Program 2003
Matanuska-Susitna Borough, Alaska

Objective
The objective of this operation is to core the intended wells for geologic study to determine coal bed methane exploration potential and begin to describe the Mat Su Basin

Casing Program
Surface casing will be run from surface through the glacial gravels to protect fresh water. The surface hole will be 6 inch diameter and the surface casing will be X-42 4 inch nominal schedule 40 line pipe.

	Hole Size (in)	Casing Size OD (in)	Casing Weight (lbs/ft)	Casing Grade	Casing Connection	Approx Casing Depth (ft)	Cement Interval
Surface	6	4.5	10.8	LP	LP	200	to surface

Mud Program
Water will be the primary drilling fluid used. Bentonite and EZ-Mud DP or other fresh water polymer may be used if hole conditions warrant. After the well has reached TD, this mud will be conditioned and transported to the next site. The cuttings will be tested and either spread on location, sent to an off site disposal facility or placed back in the hole as part of the abandoning process.

Open Hole Logging Program
Memory tools will be latched into the landing sub above the core barrel. The hole will be logged as the drill pipe is being pulled out of the hole.

Log	Interval
Single Induction	TD to ± 20 ft in Surface Casing
Sonic Porosity	TD to ± 20 ft in Surface Casing
Gamma Ray	TD to ± 20 ft in Surface Casing
Caliper	TD to ± 20 ft in Surface Casing
Compensated Density	TD to ± 20 ft in Surface Casing
Neutron Porosity	TD to ± 20 ft in Surface Casing

Formation Tops

Formation	Estimated Tops (ft KB)
Quarternary Gravel	Surface
Tertiary Tyonek	50-200

General Information
All information not publicly available is considered Tight Hole and confidential.

Spill Prevention Plan and Bear Mitigation measures must be adhered to at all times.

Proposed Drilling Procedure
Core Program 2003
Matanuska-Susitna Borough, Alaska

SURFACE AND CORE HOLE

1. MIRU DJ excavation. Make any necessary changes to location to accommodate core drilling rig.
    a. Dig 6' cellar w/ 6' diameter and place culverts.
2. MIRU Discovery Drilling.
3. Drill 6" hole through base of gravel (50'-200' anticipated) and set 4" casing to bottom.
    a. Evergreen personnel will call TD on surface hole.
4. Cement casing in place w/ 1-3 bbl cmt w/ cmt wt @ 15.6 ppg
    a. Water requirements – 5.2 gal/sk
    b. Slurry volume – 1.18 cu ft/sk
    c. Leave 1" to 2" of cement in cellar for seal
5. RDMO Discovery drilling to next well.
6. MIRU Layne Christiansen CS 4000 core drilling rig.
7. Fill mud tanks w/ city water. Make sure there is enough mud on site to mix kill wt mud if necessary.
8. WOC for 6 hours.
9. NU and test BOP.
10. Pressure test casing to 1500 psi.
11. Drill cmt and csg shoe. Drill 20 feet into new formation and POOH.
12. RIH with HQ core bit and barrel.
13. Core to Arkose Ridge formation. The well will be TD'd above this level if significant hole problems occur.
    a. Arkose Ridge formation: Fluvitile and alluvial feldsparic sandstone, conglomerate, siltsone and shale containing abundant plant fragments.
    b. The core will be described on site by Evergreen personnel or contractors in the following manner:
        i. Apparent texture variations
            1. Fractures
            2. Bedding plane attitudes
        ii. Apparent fluid variations
            1. Presence of hydrocarbons
        iii. Apparent lithologic variations
            1. Rock type
            2. Porosity
            3. Sedimentary structure
            4. Grain size
14. Evergreen personnel will call final TD. POOH w/ last core inner tube.
15. Condition hole.
16. PU 30 ft off of bottom to make room for logging tools.
17. MIRU Reeves Wireline. Drop memory tools consisting of Gamma Ray, Sonic Porosity, Array Induction, Compensated Neutron Density and Caliper.
18. POOH and LD drill pipe, rods, core barrel and core bit and logging tools.
19. TIH w/ "B" rods to TD. (Cmt calculations are based on TD=2500' and surface csg @ 200')
    a. Surface casing – (0.01574bbls/ft)(200') = 3.14 bbls
    b. HQ Hole – (0.01440 bbls/ft)(2300') = 33.12 bbls
    c. Total fluid required to fill hole - 36.26 bbls
20. Pump 3 bbls cmt and POOH 210 ft.
21. Pump 18 bbls (1250ft) of mud and cuttings and POOH to 1000 ft.
22. Pump 15.1 bbls cmt
23. POOH w/ "B" rods.
24. Clean-up well site.
25. RDMO Layne Christianson to next hole.
26. WOC 24 hours.
27. MIRU DJ Excavation.
    a. Cut 4" casing 3' below original ground level.
    b. Weld ¼" thick plate w/ ~~6~~ 18" diameter onto 4" casing. WGA
    c. Plate must have the following bead welded information:
        i. Evergreen Resources
        ii. Permit to drill number (Number will be provided as soon as it is issued by AOGCC)

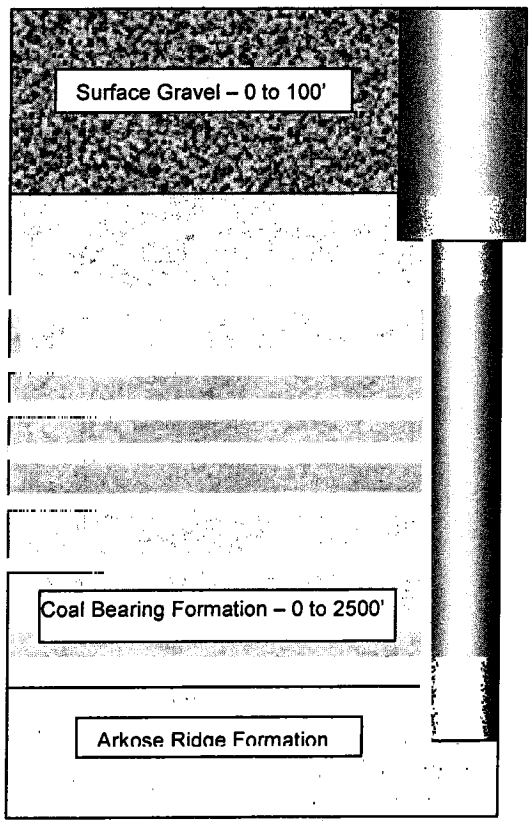
iii. Well number
iv. API number (Number will be provided as soon as it is issued by AOGCC)

d. Remove culvert and back fill cellar.

28. RDMO DJ Excavation.

Proposed Drilling Procedure
Core Program 2003
Matanuska-Susitna Borough, Alaska

Core Hole Diagram



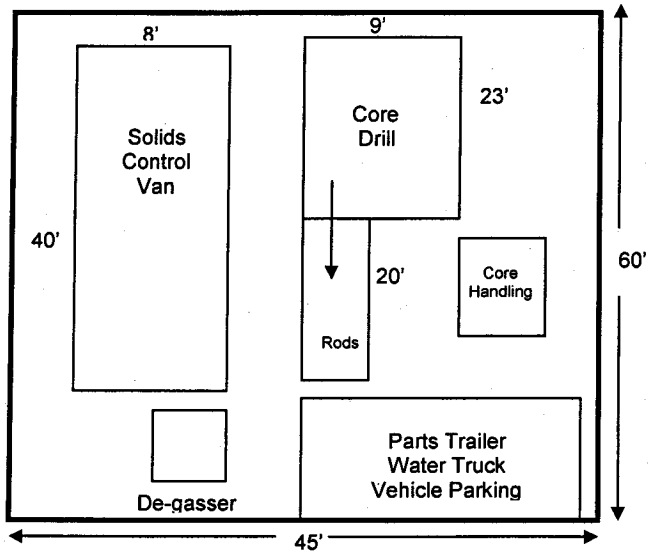
6" Hole to ± 100'

4" LP (4.5" OD, 4.026" ID, 3320 psi) @ ± 200'
Cemented w/ 25 sx Portland cmt

Tyonek Formation

HQ Diameter Hole (3.850") to 1800'
2.5" core. Log hole using memory tools latched into landing sub while pulling drill pipe.

Rig Layout Diagram

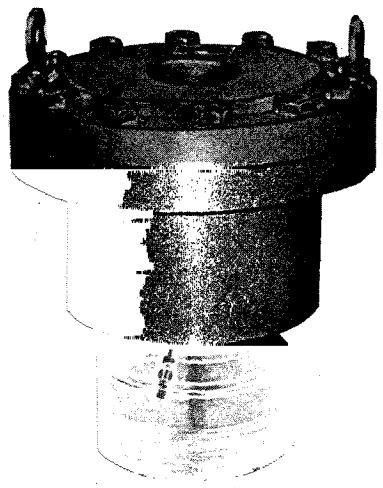


Proposed Telephone Contact List
Core Program 2003
Matanuska-Susitna Borough, Alaska

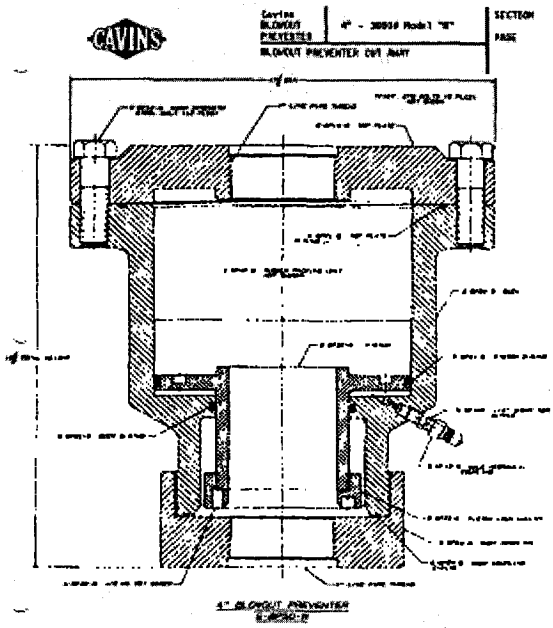
Company	Address	Name	Telephone
Evergreen Resources Inc.	Suite 1200 1401 Seventeenth Street Denver, Colorado 80202	Dennis Carlton Senior Vice President of Operations	Office: 303-298-8100 Fax: 303-298-7800
Evergreen Resources Inc.	Suite 1200 1401 Seventeenth Street Denver, Colorado 80202	Scott Zimmerman Vice President of Operations and Engineering	Office: 303-298-8100 Cell: 303-981-3314 Fax: 303-298-7800
Evergreen Resources Alaska	P.O. Box 871845 Wasilla, AK 99687	Shane Gagliardi AK Project Engineer	Office: 907-357-8130 Cell: 907-355-8569 Fax: 907-357-8340
Evergreen Resources Alaska	P.O. Box 871845 Wasilla, AK 99687	Mike Bellowich AK Project Geologist	Office: 907-357-8130 Cell: 907-232-9538 Fax: 907-357-8340
Evergreen Resources Inc.	Suite 1200 1401 Seventeenth Street Denver, Colorado 80202	Jerry Jacobs Environmental Manager	Office: 303-298-8100 Fax: 303-298-7800
Hampton & Waechter	Suite 300 1645 Court Pl. Denver, Colorado 80202	Noel Waechter	Office: 303-825-7140
Layne Christiansen	2370 Steese Hwy. Fairbanks, AK 99712	Shane Crum	Office:918-322-3095 Mobil 918-625-1668 Fax: 918-322-3829
MI Swaco	721 West 1st Ave. Anchorage, AK 99501	Dennis Jackson	Office: 907-274-5501
Reeves Wireline	121 South Country Estates Road, Liberal, KS 67901	Bob Gales	Office: 785-331-2933

Well Control Diagrams
Core Program 2003
Matanuska-Susitna Borough, Alaska

Manufacturer: Cavins Oil Well Tools
Size: 4"
Rating: 3000 psi
Usage: Used for mineral exploration core drilling in Nevada.



Cavins Annular BOP

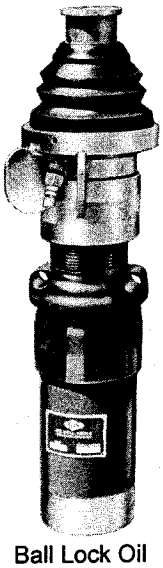


Cavins Annular BOP Schematic

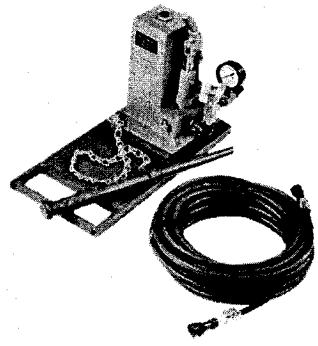
The combination Blowout Preventer and Sucker Rod Stripper combines safety and economy in a tool designed to perform the necessary function of line wiping. It can be operated from anywhere on the derrick floor utilizing pressure from bottled nitrogen, an optional hand operated hydraulic pump, or the optional BOP control system. When swabbing, a short lubricator the length of the swab between the master gate and the Blowout Preventer is all that is required. Pressure connection is for 1/4" A.P.I. pipe. The units are tested to give full closure up to 3000 psi well pressure with no leakage. The full closure feature of the Blowout Preventer will give a temporary seal, allowing ample time to close the master gate should a well blowout occur.

BALL LOCK OIL SAVER

The use of the Ball Lock Oil Savers by drilling and production departments has earned this service proven tool a reputation for trouble-free operation with simplicity. The CAVINS Ball Lock Oil Savers are made of high carbon steel and precision machined for demanding dependability and safety in a wide range of service applications. Exhaustive testing in the excess of 3000 psi is further assurance against failure or leakage. Incorporated in its design, which affords a cleanly wiped wire line, is its safeguard against blow out. One important feature of the Oil Saver is its automatic ball release design. Hardened Steel Balls hold the traveling assembly securely in the body until released by the upward travel of the Rope Socket. The Rubber Packing unit with its internal fins provide the ultimate in wire characteristics with only a normal pressure, or drag, on the line. The Packing Rubber is compounded of special abrasive and oil resistant properties to give the rubber longer wear. A tough spark-proof die cast alloy is utilized in the top and bottom line guides and enhances reduced wear in the rubber packing unit. A high quality leather hydraulic packing ring wards against leakage in the area between the body and the traveling assembly. The Hydraulic Bonnets provide an even greater degree of wiping efficiency. The wire line can be completely stripped of all oil, or water and an Oil Saver outfitted with a Hydraulic Bonnet foregoes the necessity of tools for "taking up" wear in the packing element. The one hand operation requires only a few strokes of the pump handle to give complete wiping action or turn the release valve when no wiping is required. The Hydraulic action affords a greater rubber contact surface as the packing rubber is compressed around the line. The line is completely surrounded and sealed from blow-out leakage by the action of the Hydraulic unit. There is no danger of packing rubber or other elements falling into the well.

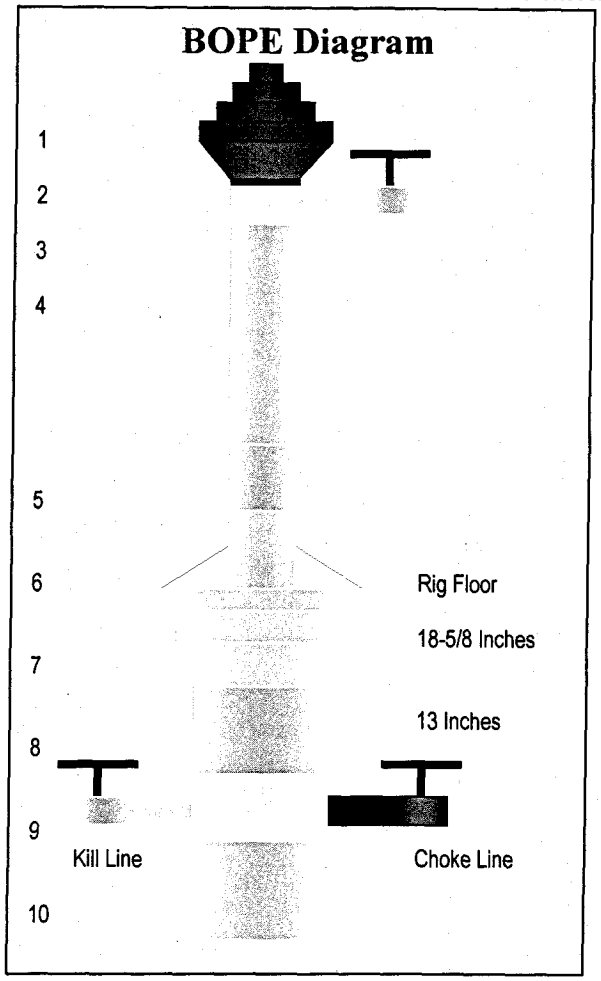


Ball Lock Oil Saver



Hydraulic Pump and Hose

Well Control Diagrams
Core Program 2003
Matanuska-Susitna Borough, Alaska



1. Oil saver fitted with stripping rubbers to fit 3/16" slick line. Can be operated manually and/or hydraulically.
2. Cross over from drill pipe thread to 4" API LP thread.
3. Relief valve for lubricator.
4. Lubricator made of HQ drill pipe. Rated to 4600 psi.
5. TIW (stabbing valve). Rated for 3000 psi. Used for shutting in drill pipe ID to rig up for pulling core.
6. Drill pipe sitting in foot clamps during coring operation.
7. Cavins 4" 3000 psi Annular BOP. BOP can be operated manually or hydraulically. Will be fit with rubbers to provide pressure control on the outer tube of the coring assembly.
8. 4" Full port 3000 psi valve.
9. Standard spool threaded to fit 4" line pipe connections w/ two 2" ports that will be fitted w/ 3000 psi full port ball valves.
10. 4" API line pipe surface casing.

NOTE: ALL CONNECTIONS ARE THREADED

Tubular Information
Core Program 2003
Matanuska-Susitna Borough, Alaska

Drill Pipe (HQ)

Size (in)	Pipe Grade	Weight (ppf)	ID (in)	Drift (in)	Collapse (psi)	Burst (psi)	Tensile (k-lbs)	Capacity (bbl/ft)	Capacity (ft/bbl)	6" Hole Annulus (bbl/ft)	6" Hole Annulus (ft/bbl)
3.5	HMQ	4.5	3.188	3.188	3910	4600	88.46	0.00911	109.7	0.02307	43.35

Surface Casing

Size (in)	Pipe Grade	Weight (ppf)	ID (in)	Drift (in)	Collapse (psi)	Burst (psi)	Tensile (k-lbs)	Capacity (bbls/ft)	Capacity (ft/bbl)	6" Hole Annulus (bbl/ft)	6" Hole Annulus (ft/bbl)
4.5"	LP X42 Sch 40	10.8	4.026	4.026	2650	3320		0.01574	63.51	0.0153	65.36

Core Program 2003
Matanuska-Susitna Borough, Alaska

List of Exceptions For Drilling

Exception #1

Regulation

20 AAC 25.030 - CASING AND CEMENTING.

(f) Except for through-tubing drilling, a formation integrity test must be performed if BOPE is installed on a casing. The test must be performed to a predetermined equivalent mud weight, leak-off, or fracture pressure as specified in the application for the Permit to Drill. The test must be conducted after drilling out of the casing shoe into at least 20 feet but not more than 50 feet of new formation. The test results must demonstrate that the integrity of the casing shoe is sufficient to contain anticipated wellbore pressures identified in the application for the Permit to Drill. The test procedure followed and the data from the test and any subsequent tests of the formation must be recorded as required by 20 AAC 25.070 (1).

Authority

20 AAC 25.030 - CASING AND CEMENTING.

(g) Upon request of the operator, the commission will, in its discretion, approve variances from the requirements of (b) - (f) of this section to allow for special or unusual conditions if the design requirements of (a) of this section are satisfied.

Justification

No intermediate casing will be set and surface casing will be set relatively close to surface; therefore, a formation integrity test is not valid.

Exception #2

Regulation

20 AAC 25.033 - PRIMARY WELL CONTROL FOR DRILLING: DRILLING FLUID PROGRAM AND DRILLING FLUID SYSTEM.

c) A drilling fluid system intended to maintain the wellbore in overbalanced condition must include

(1) a recording drilling fluid pit level indicator with both visual and audible warning devices located in the immediate area of the driller's station;

(2) a drilling fluid measuring system or trip tank for accurately determining drilling fluid volumes required to fill the wellbore on trips;

(3) a drilling fluid flow sensor with a readout convenient to the driller's station to enable the operator to determine whether drilling fluid returns equal drilling fluid pump discharge rates;

Authority

20 AAC 25.033 - PRIMARY WELL CONTROL FOR DRILLING: DRILLING FLUID PROGRAM AND DRILLING FLUID SYSTEM.

(j) Upon request by the operator, the commission will, in its discretion, approve a waiver of the requirements of (c) - (g) of this section if the alternative drilling fluid program and drilling fluid system meet the design criteria of (b) of this section and the corresponding equipment and procedures are at least equally effective in preventing the loss of primary well control.

Justification

The steel mud tank will be placed next to the drillers console in plain sight. There will be constant circulation of drilling fluids taking returns into the cellar. The mud system will have adequate volumes for maintaining the fluid level in the hole while tripping. For this process a couple of bit trips are anticipated per hole. Lost circulation is not anticipated as indicated by the previous drilling in the area. Other wells drilled in the area were drilled using air; during that drilling operation, gas influx was not an issue. There is no indication from past drilling that hydrogen sulfide gas will be encountered.

Exception #3

Regulation

20 AAC 25.035 - SECONDARY WELL CONTROL FOR PRIMARY DRILLING AND COMPLETION: BLOWOUT PREVENTION EQUIPMENT AND DIVERTER REQUIREMENTS.

(c) (1) (A) of at least 16 inches, unless a smaller diameter is approved by the commission to account for smaller hole size, geological conditions, rig layout, or surface facility constraints.

(B) the actuating mechanism for the vent line valve must be integrated with the actuating mechanism for the annular pack-off device in a fail-safe manner so that the vent line valve automatically opens before full closure of the annular pack-off;

(C) the vent line must extend to a point at least 75 feet

Authority

20 AAC 25.035 - SECONDARY WELL CONTROL FOR PRIMARY DRILLING AND COMPLETION: BLOWOUT PREVENTION EQUIPMENT AND DIVERTER REQUIREMENTS.

(h) Upon request of the operator, the commission will, in its discretion, approve a variance
(1) from the BOPE requirements in (e) of this section if the variance provides at least an equally effective means of well control; and
(2) from the diverter system requirements in (c) of this section if the variance provides at least equally effective means of diverting flow away from the drill rig or if drilling experience in the near vicinity indicates that a diverter system is not necessary.

Justification

The largest hole size being cored is only 3.85 inches. A 16 inch diverter vent line is not necessary. Due to the size of the location, manual valves and adjustable chokes would be sufficient to provide pressure control. The DNR states that the locations should be placed such that minimal surface damage is caused; therefore, the proposed location sizes are 45' x 65'. The location size is smaller than the required length of the vent line.

Exception #4

Regulation

20 AAC 25.035 - SECONDARY WELL CONTROL FOR PRIMARY DRILLING AND COMPLETION: BLOWOUT PREVENTION EQUIPMENT AND DIVERTER REQUIREMENTS.

(e) (1) (A) for an operation requiring a BOP stack equal to or less than API 5K, BOPE must have at least three preventers, including
(i) one equipped with pipe rams that fit the size of drill pipe, tubing, or casing being used, except that pipe rams need not be sized to bottom-hole assemblies (BHAs) and drill collars;
(ii) one with blind rams, except that a subsea BOPE assembly must have blind/shear rams in place of blind rams; and
(iii) one annular type

Authority

20 AAC 25.035 - SECONDARY WELL CONTROL FOR PRIMARY DRILLING AND COMPLETION: BLOWOUT PREVENTION EQUIPMENT AND DIVERTER REQUIREMENTS.

(h) Upon request of the operator, the commission will, in its discretion, approve a variance
(1) from the BOPE requirements in (e) of this section if the variance provides at least an equally effective means of well control; and
(2) from the diverter system requirements in (c) of this section if the variance provides at least equally effective means of diverting flow away from the drill rig or if drilling experience in the near vicinity indicates that a diverter system is not necessary

Justification

Being a mineral exploration rig, this equipment is not set up to easily accommodate blow out prevention equipment. The size of the rig and the size of the surface casing indicate that a small bore BOP is required. A Cavins 3000 psi annular BOP is requested to satisfy this portion of the secondary well control requirements. There will be no pipe rams and the blind rams will consist of a full port valve placed below the annular preventer. The annular can be closed either manually using a hand pump or by using rig hydraulics.

Exception #5

Regulation

20 AAC 25.035 - SECONDARY WELL CONTROL FOR PRIMARY DRILLING AND COMPLETION: BLOWOUT PREVENTION EQUIPMENT AND DIVERTER REQUIREMENTS.

(e) (4) (A) a hydraulic actuating system with
(B) locking devices on the ram-type preventers;
(D) in rotary drilling rig operations, one complete set of operable remote BOPE controls on or near the driller's station, in addition to controls on the accumulator system
(F) a kill line and a choke line each connected to a flanged or hubbed outlet on a drilling spool, the BOP body, or the tree, with two full-opening valves on each outlet, conforming to the following specifications:
ii) the outer valve on the choke side must be a remotely controlled hydraulic valve;
(H) a choke manifold equipped with
(i) two or more adjustable chokes, one of which must be hydraulic and remotely controlled from near the driller's station if the operation requires a BOP stack equal to or greater than API 5K;

Authority

20 AAC 25.035 - SECONDARY WELL CONTROL FOR PRIMARY DRILLING AND COMPLETION: BLOWOUT PREVENTION EQUIPMENT AND DIVERTER REQUIREMENTS.

(h) Upon request of the operator, the commission will, in its discretion, approve a variance
(1) from the BOPE requirements in (e) of this section if the variance provides at least an equally effective means of well control; and
(2) from the diverter system requirements in (c) of this section if the variance provides at least equally effective means of diverting flow away from the drill rig or if drilling experience in the near vicinity indicates that a diverter system is not necessary.

Justification

The proposed BOP does not have rams. This rig is not configured to have an additional set of BOP controls near the driller's console, this rig does not use BOPE on a regular basis when conducting mineral exploration. This rig is not equipped to run hydraulically operated chokes; therefore, manual adjustable chokes are requested. Due to anticipated low pressure, threaded connections are requested for the entire operation.

Exception #6

Regulation

20 AAC 25.035 - SECONDARY WELL CONTROL FOR PRIMARY DRILLING AND COMPLETION: BLOWOUT PREVENTION EQUIPMENT AND DIVERTER REQUIREMENTS.

(e) (10) (F) be assembled without hammer unions or internally clamped swivel joints, except that hammer unions and internally clamped swivel joints may be used on the kill line upstream of the valves that are flanged to the wellhead or tree.

(e) (9) connections directly to the BOPE, other than connections described in (8) of this subsection, must be flanged or hubbed, except that suitably pressurerated quick connects may be used if a positive seal manual valve, hydraulic valve, or BOPE blind ram and an annular type preventer or sealing ram are flanged to the wellhead or tree below the quick connection;

Authority

20 AAC 25.035 - SECONDARY WELL CONTROL FOR PRIMARY DRILLING AND COMPLETION: BLOWOUT PREVENTION EQUIPMENT AND DIVERTER REQUIREMENTS.

(h) Upon request of the operator, the commission will, in its discretion, approve a variance

(1) from the BOPE requirements in (e) of this section if the variance provides at least an equally effective means of well control; and

(2) from the diverter system requirements in (c) of this section if the variance provides at least equally effective means of diverting flow away from the drill rig or if drilling experience in the near vicinity indicates that a diverter system is not necessary.

Justification

The proposed BOP does not have rams. Request that all connections be threaded and hammer unions be approved. Anticipated surface pressure will be well within the pressures ratings of all BOPE. This well head is not intended to be a permanent fixture for production.

Exception #7

Regulation

20 AAC 25.035 - SECONDARY WELL CONTROL FOR PRIMARY DRILLING AND COMPLETION: BLOWOUT PREVENTION EQUIPMENT AND DIVERTER REQUIREMENTS.

(e) (6) (F) be assembled without hammer unions or internally clamped swivel joints, unless the commission determines that those joints do not compromise maintenance of well control;

(e) (8) connections attached directly to the wellhead, tree, or BOPE must be flanged or hubbed;

Authority

20 AAC 25.035 - SECONDARY WELL CONTROL FOR PRIMARY DRILLING AND COMPLETION: BLOWOUT PREVENTION EQUIPMENT AND DIVERTER REQUIREMENTS.

(h) Upon request of the operator, the commission will, in its discretion, approve a variance

(1) from the BOPE requirements in (e) of this section if the variance provides at least an equally effective means of well control; and

(2) from the diverter system requirements in (c) of this section if the variance provides at least equally effective means of diverting flow away from the drill rig or if drilling experience in the near vicinity indicates that a diverter system is not necessary.

Justification

Request that all connections be threaded and hammer unions be approved. Hammer unions to be used are rated for 5,000 psi. Anticipated surface pressure will be well within the pressures ratings of all BOPE. This well head is not intended to be a permanent fixture; and intended annular BOP is threaded.

Exception #8

Regulation

20 AAC 25.035 - SECONDARY WELL CONTROL FOR PRIMARY DRILLING AND COMPLETION: BLOWOUT PREVENTION EQUIPMENT AND DIVERTER REQUIREMENTS.

(e) (9) (A) an inside BOP and a full-opening drilling assembly safety valve in the open position on the drill rig floor to fit all connections that are in the drilling assembly;

Authority

20 AAC 25.035 - SECONDARY WELL CONTROL FOR PRIMARY DRILLING AND COMPLETION: BLOWOUT PREVENTION EQUIPMENT AND DIVERTER REQUIREMENTS.

(h) Upon request of the operator, the commission will, in its discretion, approve a variance

(1) from the BOPE requirements in (e) of this section if the variance provides at least an equally effective means of well control; and

(2) from the diverter system requirements in (c) of this section if the variance provides at least equally effective means of diverting flow away from the drill rig or if drilling experience in the near vicinity indicates that a diverter system is not necessary.

Justification

The use of a continuous core system prevents the use of internal check valves. A lubricator system will be employed when the core is to be retrieved.

Exception #9

Regulation

20 AAC 25.050 WELLBORE SURVEYS.

(a)(3) surveyed by a complete continuous directional survey if a portion of the well path is less than 500 feet from a property line where the ownership by owner or landowner is not identical on both sides of the line, or if a portion of the well path is less than 200 feet from any other vertical or deviated well; the survey must be taken at intervals not more than 100 feet apart, beginning within 100 feet of the surface.

Authority

20 AAC 25.050 WELLBORE SURVEYS.

(h) Upon application, the commission will, in its discretion, waive all or part of the directional survey requirements of this section or approve alternate means for determining the location of a wellbore if the variance at least equally ensures accurate surveying of the wellbore to prevent well intersection, to comply with spacing requirements, and to ensure protection of correlative rights.

Justification

Request that inclination surveys every 500 feet as stipulated in 20 AAC 25.050 (a) (2) be adequate for this operation. There will be no production from these wells; therefore, spacing requirements and correlative rights should not be an issue.

Exception #10

Regulation

20 AAC 25.055 - DRILLING UNITS AND WELL SPACING.

(a)(2) for a well drilling for gas, a wellbore may be open to test or regular production within 1,500 feet of a property line only if the owner is the same and the landowner is the same on both sides of the line

Authority

20 AAC 25.055 - DRILLING UNITS AND WELL SPACING.

(d) The commission will review an application for an exception to the provisions of this section in accordance with 20 AAC 25.540. The applicant for an exception shall send notice of the application by certified mail to the owners, landowners, and operators described in (1) of this subsection and shall furnish the commission with a copy of the notice, the date of mailing, and the addresses to which the notice was sent. The application must include

(1) The names of all owners, landowners, and operators of all properties within 1,000 feet of a well drilling for oil or within 3,000 feet of a well drilling for gas for which an exception is sought;

(2) A plat drawn to a scale of one inch equaling 2,640 feet or larger, showing the location of the well for which the exception is sought, all other completed and drilling wells on the property, and all adjoining properties and wells; and

(3) An affidavit by a person acquainted with the facts, verifying that all facts are true and that the plat correctly portrays pertinent and required data.

Justification

These wells are intended for stratigraphic testing only; therefore, no gas production or sales will result from any of these wells. The above listed requirements will be met.

Exception #11

Regulation

20 AAC 25.061 (a) – Well Site Surveys

For an exploratory or stratigraphic test well, near surface strata to a depth of 2,000 feet in the vicinity of the well must be evaluated seismically by common depth point refraction or reflection profile analysis, or by another method approved by the commission, to identify anomalous velocity variations indicative of potential shallow gas sources. Analysis results must be included with the application for the Permit to Drill (Form 10-401).

Authority

20 AAC 25.061 (c) – Well Site Surveys

Upon request by the operator, the commission will, in its discretion, waive the requirements of this section if the operator can identify, by other equally effective means, the likelihood of encountering potential shallow gas or seabed hazards or if the commission already has information that substantiates the presence or absence of shallow gas or seabed hazards.

Justification

Several wells have been drilled in the area through the intended formations without incident. Drilling history in the area indicates that over pressured shallow gas is not going to be a problem; therefore, seismic data collection and interpretation would be an unnecessary expense.

STATE OF ALASKA

DEPARTMENT OF NATURAL RESOURCES

DIVISION OF OIL AND GAS

FRANK H. MURKOWSKI, GOVERNOR

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ANCHORAGE, ALASKA 99501-3650
PHONE: (907) 269-8800
FAX: (907) 269-8938

December 16, 2003

Evergreen Resources Alaska Corp.
Attn. Scott Zimmerman
PO Box 871845
Wasilla, AK 99687

Re: **Plan of Operation** **LO/CI 03-17**
Mat-Su Core Holes 2003

Activity	Subsurface	Surface
Kashwitna Lake #1	ADL 389316	DNR
Willow Fishhook #1	ADL 389238	DNR
Access Road	ADL 389238	ADL 25334 to Burrow
Material Site	ADL 389238	ADL 25125 to DOT
Sheep Creek #1	ADL 389302	DNR
Material Site	ADL 389302	ADL 43689 to DOT

Dear Mr. Zimmerman:

Evergreen Resources Alaska Corp. (Evergreen) applied for a Plan of Operations approval to drill three core holes on shallow gas leases in the Mat-Su Valley. The three core holes are part of a larger plan to drill mineral core holes at seven possible locations to gather information on coal seams. The holes are being drilled for geological information only and do not involve dewatering the coal seams, or gas production. Core holes are drilled from small pads over a two-week period. The core is removed, the hole is plugged, and the site abandoned.

The program will last approximately 8 weeks beginning in December 2003. Initial plans call for drilling 5 core holes this winter. A DNR plan of operations is required for activities at the following three sites.

Kashwitna Lake #1	T20N,R4W Sec. 7: NW1/4
Willow Fishhook #1	T19N,R4W Sec. 3: SW1/4NE1/4
Sheep Creek #1	T22N,R4W Sec. 20: N1/2N1/2

These sites are on state owned surface and subsurface. Site preparation may require a few days at each drill site to clear the access route and construct the pads. The drill pads will be approximately 45 ft. x 60 ft. Drilling will be conducted 24 hours per day for about two weeks at each site utilizing a compact truck-mounted unit. Drilling fluids will be plain water and additives such as soda ash, cellulose fiber, bentonite, and barite. The proposed additives are widely used for water well drilling and mineral

coring in Alaska. Approximately 100 barrels of water per core hole will be utilized from existing permitted off-site sources. Each core hole will result in approximately 7 cubic yards of cuttings. Cuttings from coring will be permanently disposed of in the core hole or buried in the cellar when the core hole is abandoned. Cuttings from unconsolidated materials such as surface gravels may be disposed of to the surface of the pad in a manner similar to the disposal of cuttings from a water well. Muds and drilling fluids will remain in the portable, above ground tanks and will be removed from the site. Drilling fluids will be re-injected into an approved Class II disposal well. The core holes will be abandoned with cement plugs in accordance with AOGCC regulations immediately after operations are completed. All man-made materials will be removed and the sites left in a clean and graded condition.

Public Outreach

Public Notice was published in the Frontiersman and the Anchorage Daily News on November 7, 2003. Landowners of record with the Mat-Su Borough within ½ mile of each site were sent direct mail notifying them of the proposed activity. Surface interest holders were also notified. Information was included in a direct mailout to individuals who had expressed an interest in shallow gas leasing at a previous public meeting. The full application, including maps and other exhibits, was available on DNR's website.

Public Comment Summary

Public comments have been overwhelmingly against approving the plan of operations for the core holes. The primary concern is not with drilling the core holes themselves. The concern is with the existence of the leases and uncertainty over impacts to drinking water aquifers, surface property rights, lifestyles, existing land use, and the quality of life that might result if the leases are developed for coal bed methane (CBM). A large majority of the public comments request a moratorium on all shallow gas permitting and activity until a buyback of the leases can be explored. Also, the public comments requested comprehensive methane seep, aquifer recharge, social, and environmental studies before any core holes are approved. Public and agency comments also discussed the applicant's stated request for an exception to lease mitigation measures concerning solid waste.

DNR Jurisdiction

Many of the comments addressed all the core locations. Of the seven core locations, three are on shallow natural gas leases managed by DNR, three are on Mental Health Trust subsurface, and one is on private subsurface. DNR's management authority over the proposed activities is limited to surface and sub-surface state lands. A number of approval conditions have been developed in response to the public and agency concerns and will be applied to the three core holes under DNR jurisdiction.

Lease Buyback

Whether these shallow gas leases should be bought back by the state is a question that is generating a great deal of public attention. The Governor recently clarified his position on this matter by stating that buying back the leases is a last resort. Ultimately, the question of whether to buy back these leases is a political one that would require a legislative grant of authority to DNR to negotiate and execute any such buy back. Without any authority to consider buying back these leases, it is inappropriate for DNR to deny this application based on the possibility that these leases may be considered for buy back.

These leases are valid. In approving a Plan of Operations the commissioner can require amendments he determines necessary to protect the state's interest, but cannot require an amendment that deprives

the lessee of reasonable use of the leasehold interest (11 AAC 83.158(e)). These core holes, subject to the conditions contained in this decision, are a reasonable use of the leasehold interest.

Exploration v. Development

Core hole drilling does not present the same issues and concerns as CBM development. Core holes are drilled from small pads over a two-week period. The core is removed, the hole is plugged, and the site abandoned. The coal seams are not fractured or dewatered and there is no residual activity required at the site. If laboratory tests reveal gas content and geological conditions that justify further testing, a pilot project could be proposed in the future at or near the site. A future pilot project will require a new public notice, review, and plan of operations approval. Alternatively, the information acquired might exclude the area from further consideration by the company.

Most of the concerns center on development issues being considered in the Mat-Su CBM project. As things progress over the next several months, the issues associated with CBM development will be thoroughly examined. Copies of the comments received during this review have been provided to the CBM project team for consideration in their process.

Environmental Studies

Performing comprehensive methane seep, aquifer recharge, social, and environmental studies at this time is premature. The potential effects of exploration activities such as those proposed here are too small to justify the types of studies requested. If exploration is successful, the impacts of field development will be examined and the suggested information needs can be addressed prior to making a decision on whether to approve development. If exploration is unsuccessful (as a majority of oil and gas exploration projects turn out to be), any studies concerning the impacts of development become moot. Requiring such comprehensive studies now would require expenditures of time and resources to generate information for a decision that may never need to be made. There may be a time when conducting such studies is appropriate, however that time has not yet come.

Confidentiality

The state (DNR and AOGCC) will obtain confidential data from the core holes that will offer insights into the character and extent of the methane resource and an opportunity to review other geological and hydrological information at these locations. This information will allow wiser management of the surface and subsurface resources by DNR and AOGCC for the benefit of all the citizens of the state.

It has been suggested that the lessee or the state share information from the core holes with the public. AS 38.05.035(a)(9)(C) provides that upon the request of the person supplying the information to DNR, all geological, geophysical, and engineering data supplied must be kept confidential. The lessee is free to share the data if they so choose. Information acquired, sometimes at great expense, is proprietary and provides a business advantage over others who are not as well informed. Until a company's land position is assembled or prospect is explored it is common to not release much information. Well data and information collected by AOGCC is routinely held confidential for two years and that data will then be available for public consumption if it does not qualify for extended confidentiality.

Disposal of Drilling Wastes

Evergreen proposes to discharge cuttings and well bore solids to the pad surface as explained on page 11 and 12 of the plan of operations. Evergreen requests an exemption from the lease mitigation measures concerning solid waste disposal. However, DNR finds that the exemption request is based on an erroneous interpretation of the lease mitigation measures, and that Evergreen's plan of operations meets the requirements of the mitigation measures as proposed. Shallow natural gas mitigation measure 26 and 27 discuss these discharges:

26. New solid waste disposal sites, other than for drilling waste, will not be approved or located on state property during the exploration phase of leasehold activities. Disposal sites may be provided for drilling waste if the facility complies with 18 AAC 60.

27. Drilling mud and cuttings cannot be discharged into lakes, streams, rivers, or important wetlands. On pad temporary cuttings storage will be allowed. Injection of non-hazardous oilfield wastes is regulated by AOGCC through its Underground Injection Control (UIC) Program for oil and gas wells.

Mitigation measure 26 allows onsite drilling waste disposal if it complies with the DEC Solid Waste Management Regulations (18 AAC 60). These regulations are promulgated and administered by DEC to implement state statutes. DNR consulted ADEC regarding this issue, and ADEC concluded that Evergreen's proposed activity should be regulated as mineral drilling which is exempt from ADEC solid waste permitting requirements by statutory exemption (AS 46.03.100(f)(1)). From a physical operations and impact perspective, this activity is no different than mineral coring activity. Since ADEC has concluded that the activity complies with 18 AAC 60, the activity meets mitigation measure 26.

Mitigation measure 27 allows temporary cuttings storage on the pad. There are instances where cuttings are temporarily stored on the pad pending final disposition in compliance with 18 AAC 60, and by extension mitigation measure 26. Mitigation measure 27 does not preclude permanent disposal on pad when such disposal is in compliance with 18 AAC 60.

The Office of Habitat Management and Permitting (OHMP) requested containment and testing of the well bore solids and cuttings prior to disposal on site. OHMP reasons that Evergreen has not provided any evidence to support their claim that disposal on the pad would not harm fish or wildlife. The proposed measure does not list the substances to be tested or justify thresholds that might be appropriate. ADEC is the state agency with expertise in the proper disposal of solid waste. ADEC has determined that solid waste associated with mineral core hole drilling in Alaska does not pose a significant risk to humans, fish, or wildlife. Imposing a testing requirement on these core holes is not consistent with the ADEC requirements for the same activity elsewhere in Alaska.

Drilling wastes remain subject to the commissioner's ability to amend the plan of operation as necessary to protect the state's interest. To assure that state lands are left in a condition that is compatible with present and future uses, DNR is requiring additional mitigation as set out later in Attachment (1) to this approval.

Plan of Operation Approval

The Plan of Operation has been reviewed and found in compliance with the mitigation measures and advisories contained in the shallow gas lease. The Plan of Operation is approved for the Kashwitna Lake #1, Willow Fishhook #1, and the Sheep Creek #1 subject to the approval conditions found in Attachment (1) Operation Conditions; Attachment (2) DOT Requirements; Attachment (3) Well Data Submittal Requirements; and the following:

1. Where the state does not own the subsurface, surface entry is not an exercise of the rights granted in the state lease and such entry is governed by the operator's subsurface and surface agreements with the respective owners of those estates.
2. Lessee will notify this office at 269-8776 when drilling commences at each well site.
3. A Status Report for the activities conducted under this approval must be filed with this office on May 1 and November 1 each year, from the date this approval is issued and until a Completion Report is filed with the Division. Failure to file in a timely manner may result in revocation of this approval. The report shall contain a statement describing clean-up activities conducted, the method of debris disposal, and a narrative description of known incidents of surface damage.
4. The applicant shall defend, indemnify and hold the State of Alaska harmless from and against any and all claims, damages, suits, losses, liabilities and expenses for injury to or death of persons and damage to or loss of property arising out of or in connection with the entry on and use of State lands authorized under this approval by the applicant, its contractors, subcontractors and their employees.
5. The applicant shall inform and insure compliance with any and all conditions of this approval by its employees, agents and contractors, including subcontractors at any level.
6. The Commissioner of the Department of Natural Resources may require that an authorized representative be on-site during any operations conducted under this approval.
7. Rehabilitation shall be completed to the satisfaction of the Commissioner.
8. The Alaska Historic Preservation Act (AS 41.35.200) prohibits the appropriation, excavation, removal, injury, or destruction of any state-owned historic, prehistoric (paleontological) or archaeological site without a permit from the commissioner. Should any sites be discovered during the course of field operations, activities that may damage the site will cease and the Office of History and Archaeology in the Division of Parks and Outdoor Recreation ((907) 762-2622).
9. This approval does not authorize activity on Mental Health Trust lands, school land, or lands owned by the University of Alaska.

Legal Basis for Decision and Appeal

This Plan of Operation Approval is approval is issued in accordance with Alaska Statute 38.05, 46.40.205, and Alaska Administrative Code 11 AAC 83.158 or 11 AAC 83.343. A person affected by this decision may appeal it, in accordance with 11 AAC 02. Any appeal must be received by **January 6, 2004** and may be mailed or delivered to Thomas E. Irwin, Commissioner, Department of Natural Resources, 550 W. 7th Avenue, Suite 1400, Anchorage, Alaska 99501; faxed to 1-907-269-8918, or sent by electronic mail to dnr_appeals@dnr.state.ak.us. This decision takes effect

immediately. If no appeal is filed by the appeal deadline, this decision becomes a final administrative order and decision of the department on the 31st day after issuance. An eligible person must first appeal this decision in accordance with 11 AAC 02 before appealing this decision to Superior Court. A copy of 11 AAC 02 may be obtained from this office or any regional information office of the Department of Natural Resources.

This approval does not constitute certification of any property right or land status claimed by the applicant nor does it relieve the applicant of responsibility to obtain approvals or permits from other persons or governmental agencies that may also be required. All stipulations contained in the original lease and subsequent approvals remain in effect.

If activities have not commenced, **this approval expires at midnight, December 16, 2006**. Failure to comply with the terms and conditions outlined in the lease, the attached stipulations, and this authorization may result in revocation of this plan of operations approval.

If you have any questions please contact Matt Rader at the Division of Oil and Gas in Anchorage, at 269-8776, fax 269-8943, or e-mail mwr@dnr.state.ak.us.

Sincerely,

/S/

Matt Rader
Natural Resources Specialist

Attachments: (1) Operation Conditions
(2) DOT Requirements
(3) Well Data Submittal Requirement

Subject: Nad 27 Coords for Core Wells
From: Shane Gagliardi <ShaneG@EvergreenGas.com>
Date: Mon, 15 Dec 2003 15:12:46 -0900
To: Bob Fleckenstein <bob_fleckenstein@admin.state.ak.us>

Bob,

Here are the coords (in NAD 27) for the core wells.

Little Su - N = 2813373.15 E = 633118.22
Houston Pit - N = 2791671.87 E = 526782.80
Willow Fishhook - N = 2838106.12 E = 504445.60
Kashwitna Lake - N = 2866054.57 E = 487747.09
Sheep Creek - N = 2918957.46 E = 489689.87

I think that most internet converters can convert Lat Long coords to NAD 27
without a problem. I have found several free programs that can do this. At
this point, the standard has become NAD 83 due to the increasing number of
handheld GPS tools.

Thanks,
Shane

Welcome to the
Alaska Department of Natural Resources
Commissioner: Tom Irwin

Land Administration System Menu | Credit Card Payment

Land Administration System

Case Abstract Information

File Type: ADL **File Number:** 389316

See Township, Range, Section and Acreage?
(•) Yes ( ) No

New Search

Case Summary | Case Detail | Land Abstract

File: **ADL 389316**

As of 12/15/2003

Customer: 000038534 EVERGREEN RESOURCES, INC.
1401 17TH STREET, SUITE 1200
DENVER CO 80202

Case Type: 789 O&G SHALLOW NAT.GAS LEASE *DNR Unit:* 780 OIL AND GAS

File Location: DOG DIV OIL AND GAS

Case Status: 35 ISS/APPRV/ACTV AUTH *Status Date:* 10/06/2003

Total Acres: 3969.100 *Date Initiated:* 02/29/2000

Office of Primary Responsibility: DOG DIV OIL AND GAS

Last Transaction Date: 12/05/2003 *Case Subtype:* SC SOUTHCENTRAL REGION

Last Transaction: CHNGSUB CHANGE CASE SUBTYPE

Meridian:	S	*Township:*	020N	*Range:*	004W	*Section:* 06	*Total Acres:* 554
Meridian:	S	*Township:*	020N	*Range:*	004W	*Section:* 05	*Total Acres:* 643
Meridian:	S	*Township:*	020N	*Range:*	004W	*Section:* 04	*Total Acres:* 643
Meridian:	S	*Township:*	020N	*Range:*	004W	*Section:* 07	*Total Acres:* 361
Meridian:	S	*Township:*	020N	*Range:*	004W	*Section:* 08	*Total Acres:* 560
Meridian:	S	*Township:*	020N	*Range:*	004W	*Section:* 09	*Total Acres:* 480
Meridian:	S	*Township:*	020N	*Range:*	004W	*Section:* 18	*Total Acres:* 368
Meridian:	S	*Township:*	020N	*Range:*	004W	*Section:* 17	*Total Acres:* 360

Case Actions

02-29-2000 APPLICATION RECEIVED

STATUS 11 11 APPLICATION RECD

SNG APPLICATION FILED BY EVERGREEN RESOURCES, INC. FOR

T 20 N R 4 W SM SECS 4-9 & 16-18.

06-20-2000 PUBLICATION DIRECTED

PUBLICATION OF PUBLIC NOTICE ORDERED FOR 6/20/2000 IN THE ANCHORAGE

DAILY NEWS, KENAI PENINSULA CLARION AND FRONTIERSMAN.

06-20-2000 COMMENTS

PUBLIC NOTICE ADDED TO STATE'S ON-LINE PUBLIC NOTICE WEBSITE AND SENT

TO POSTMASTERS IN AREA OF APPLICATION FOR PUBLIC POSTING.

06-30-2000 PROOF OF PUBLICATION RECEIVED

PROOF OF PUBLICATION CERTIFIED BY ANCHORAGE DAILY NEWS & FRONTIERSMAN

ON 6/23/2000 AND PENINSULA CLARION ON 6/30/2000.

01-16-2003 LAND WITHIN SECTION (S) CHANGED

NEW TOTAL AC 3969.100000

OLD TOTAL AC 5760

CORRECTION AFTER TITLE SEARCH.

01-16-2003 DELETE LAND SECTIONS FROM CASE

TTL SECTIONS DELETED 1

TOTAL ACRES DELETED 640

03-24-2003 COMMENTS

SHALLOW NATURAL GAS LEASE APPLICATION SUSPENDED PENDING APPEAL.

09-17-2003 AWARD/NON-OBJECTION/INTERIM AUTHORIZATION R&B

STATUS 21 21 AWRD/NON-OBJ/INTERIM

10-06-2003 NOTIFICATION LESSEE DESIGNATED

NEW REL (20) 20 NOTIFICATION LESSEE

OLD REL CODE 21 DISPOSAL NAME

NOTIFICATION CID NUMBER 38534 EVERGREEN RESOURCES,

OLD CID # 38534 EVERGREEN RESOURCES,

10-06-2003 INITIAL OWNER

SEGMENT CODE 1

CID NUMBER 000038534 EVERGREEN RESOURCES,

WORKING INTEREST % 100

ROYALTY INTEREST % 93.750000

10-06-2003 INITIAL OWNER

SEGMENT CODE 1

CID NUMBER 000005467 DNR DOG

ROYALTY INTEREST % 6.250000

10-06-2003 ISSUE/APPROVE/ACTIVE AUTHORIZATION R&B

EFFECTIVE DATE 11-01-2003

EXPIRATN DATE 10-31-2006

STATUS 35 35 ISS/APPRV/ACTV AUTH

10-07-2003 STATUS PLAT UPDATE REQUESTED

ATTACHMENTS SENT (Y,N): N NO

ADD TO STATUS PLAT

10-09-2003 STATUS PLAT UPDATED

REQUESTED TRANSACTION: SPU STATUS PLAT UPDATED

ACTION TAKEN: C COMPLETED

12-05-2003 CHANGE CASE SUBTYPE

CASE SUBTYPE SC SOUTHCENTRAL REGION

X

Legal Description

*01-16-2003 *** FINAL LEGAL DESCRIPTION ****

T. 20 N., R. 4 W., SEWARD MERIDIAN, ALASKA.

SECTION 4, SURVEYED, FRACTIONAL, ALL, 642.80 ACRES;
SECTION 5, SURVEYED, FRACTIONAL, ALL, 643.28 ACRES;
SECTION 6, SURVEYED, FRACTIONAL, ALL EXCLUDING GLO LOT 5 AND
U.S. SURVEY 9031 LOTS 13, 14 AND 15, 554.19 ACRES;
SECTION 7, SURVEYED, FRACTIONAL, ALL EXCLUDING GLO LOTS 2, 6, 10 AND
12, AND U.S. SURVEY 9031 LOTS 10 AND 12, AND THE BED OF
KASHWITNA LAKE, 360.61 ACRES;
SECTION 8, SURVEYED, N2, SE4, E2SW4, 560.00 ACRES;
SECTION 9, SURVEYED, NE4, S2, 480.00 ACRES;
SECTION 17, SURVEYED, NE4SE4, S2SE4, SW4, E2NW4, 360.00 ACRES;
SECTION 18, SURVEYED, FRACTIONAL, ALL EXCLUDING NW4NE4, SE4NW4,
GLO LOTS 1 THRU 4 INCLUSIVE, U.S. SURVEY 9031 LOTS 6,
7, AND 8, AND THE BED OF KASHWITNA LAKE, 368.22 ACRES;

THIS TRACT CONTAINS 3,969.10 ACRES MORE OR LESS.

End of Case Abstract

Back

Land Administration System Menu | Land Records/Status Plats | Dept. of Natural Resources Home Page | State of Alaska Home Page |
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Last updated on 12/15/2003.

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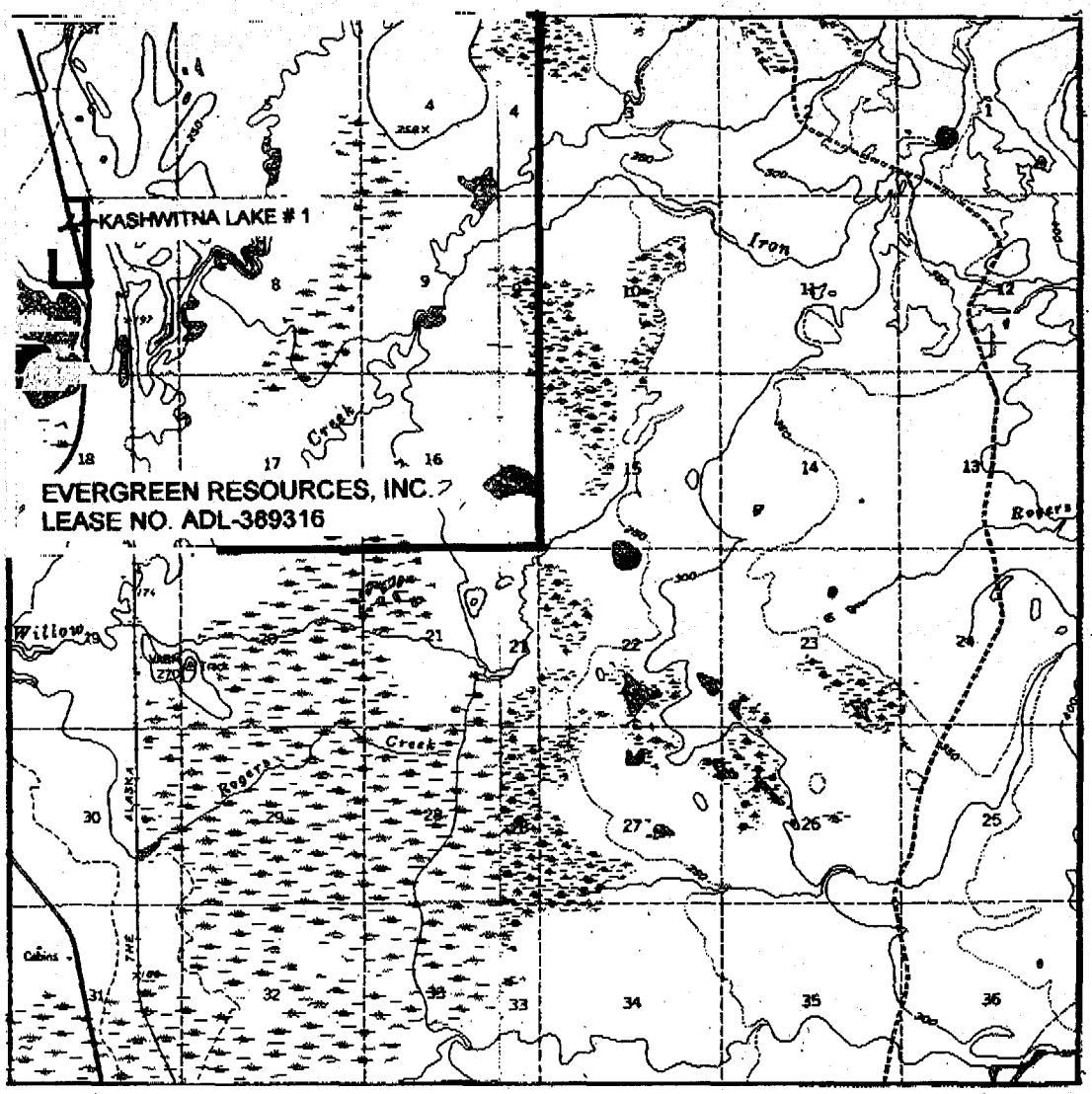
This site works best with 4.x or *newer version of Internet Explorer and Netscape.*
This site also requires that all COOKIES must be accepted.

T20N, R4W, SEWARD MERIDIAN, ALASKA

KASHWITNA LAKE # 1



From U.S.G.S. Topographic Map
ANCHORAGE (D-8) & TYONEK (D-1), ALASKA

EVERGREEN
RESOURCES (ALASKA) CORP.
A Subsidiary of Evergreen Resources, Inc.

December 12, 2003

Mr. Bob Crandall
Alaska Oil and Gas Conservation Commission
333 W. 7th Ave #100
Anchorage, Alaska, 99501-3539

RE: Additional Information for Evergreen Resources Alaska's Core Program 2003 Resulting from Conversation with Commissioner Seamount

Dear Mr. Crandall:

As a result of conversations with Commissioner Seamount, Evergreen will monitor water produced during the surface hole drilling process for salinity. Evergreen professionals will be on location with field measuring equipment to determine the depth at which a significant change in water salinity occurs.

The change in water salinity as measured by Evergreen professionals will dictate the surface casing set depth for each of the wells in the core drilling program. The use of this method will ensure that the portion of the surface hole used for drinking water is protected.

In the event that a deviation in water conductivity is not noticed, the Alaska Oil and gas Conservation Commission will be notified before casing is set.

If you have any questions, please feel free to contact me at 907-355-8569 or shaneg@evergreengas.com.

Sincerely,

Shane Gagliardi
Petroleum Engineer

1075 Check Street, Suite 202 • Wasilla AK 99654
P.O. Box 871845 • Wasilla, AK 99687 TEL 907.357.8130 • FAX 907.357.8340

EVERGREEN
RESOURCES (ALASKA) CORP.
A Subsidiary of Evergreen Resources, Inc.

December 5, 2003

Ms. Sara Palin, Chair
Alaska Oil and Gas Conservation Commission
333 West Ave., Suite 100
Anchorage, Alaska 99501

RE: Application for Permit to Drill: Core Program 2003
Target: Tertiary Tyonek
Proposed TD: 3000 Feet
Proposed Spud Date: 10-December-2003

RECEIVED
DEC - 5 2003
Alaska Oil & Gas Cons. Commission
Anchorage

Dear Ms. Palin,

Evergreen Resources Alaska Corporation hereby applies for a Permit to Drill for the subject core wells located approximately 30 miles north of Anchorage. The wells are planned as a shallow, straight holes drilled to evaluate the producibility of the Tyonek Coals.

A core drilling company currently operating in the Fort Knox gold mine will be used to provide a continuous wireline coring operation. The rig to be used is a CS-4000 that is typical for mineral exploration. A six inch hole will be drilled through the glacial gravel section and a string of 4.5 inch line pipe will be cemented in place. Once the cement has hardened and the appropriate test has been conducted for casing integrity, an HQ hole (3.875" diameter) will be drilled to TD. A logging suite consisting of gamma ray, array induction, compensated neutron density, caliper and sonic porosity tools will be run. After all cores have been retrieved and logs run, the hole will be permanently abandoned.

Attached is information required by 20 AAC 25.005 (a) and (c) for your review. Due to the differences in equipment and methods used for mineral core drilling, Evergreen requires several variances from current AOGCC regulations.

The designated contact for reporting responsibilities to the Commission is Shane Gagliardi, Alaska Projects Engineer, office: 907-357-8130 or cell: 907-355-8569.

Sincerely,

Evergreen Resources (Alaska) Corporation

Shane Gagliardi
Alaska Projects Engineer

enclosures

ORIGINAL

1075 Check Street, Suite 202 • Wasilla AK 99654

Conditions of Approval

Evergreen Resources (Alaska) Corp.
Kashwitna Lake #1 (PTD 203-209)

1. Per 20 AAC 25.030 (g), the formation integrity test requirement is waived.
2. Per 20 AAC 25.033 (j), the drilling fluid system requirements are waived.
3. Per 20 AAC 25.035 (h) (1) and (2), the BOPE and diverter requirements are waived.
4. Per 20 AAC 25.050 (h), alternate well bore directional survey intervals are approved.
5. Per 20 AAC 25.061 (c), the near surface survey requirement is waived.
6. Test BOPE to 1500 psi.
7. Abandonment plug cement volumes may be adjusted dependent upon actual subsurface conditions.

Controlled Disbursement Account

Evergreen Resources (Alaska) Corp
1401 17th Street Suite 1200
Denver CO 80202
303-298-8100

Hibernia National Bank

Check No	Check Date	Check Amount
0077000725	12/08/2003	*************$100.00

PAY *One Hundred Dollars and Zero Cents*

Void After 90 Days

TO THE ORDER OF
Alaska Oil and Gas
Conservation Commission
333 West 7th Avenue #100
Anchorage AK 99501

⑈0077000725⑈ ⑆111104879⑆ 542024704⑈

^PLEASE DETACH AT PERFORATION ABOVE^ ^PLEASE DETACH AT PERFORATION ABOVE^

EVERGREEN
EVERGREEN RESOURCES, INC.

Evergreen Resources (Alaska) Corp
1401 17th Street Suite 1200
Denver CO 80202
303-298-8100

Check Number 0077000725

Invoice #	Inv. Date	Description	Amount	Discount	Net Amount
112403SG	11/24/2003	12 mon. permit fee Kashwitna Lake 1	100.00	0.00	100.00

RECEIVED
DEC - 9 2003
Alaska Oil & Gas Cons. Commission
Anchorage

009195 Vendor Check Date: 12/08/2003 Check Amount 100.00

TRANSMITAL LETTER CHECK LIST
CIRCLE APPROPRIATE LETTER/PARAGRAPHS TO BE INCLUDED IN TRANSMITTAL LETTER

WELL NAME _____

PTD# _____

CHECK WHAT APPLIES	ADD-ONS (OPTIONS)	"CLUE"
	MULTI LATERAL (If API number last two (2) digits are between 60-69)	The permit is for a new wellbore segment of existing well _____, Permit No, _____ API No. _____. Production should continue to be reported as a function of the original API number stated above.
	PILOT HOLE (PH)	In accordance with 20 AAC 25.005(f), all records, data and logs acquired for the pilot hole must be clearly differentiated in both name (name on permit plus PH) _____and API number (50_____-70/80) from records, data and logs acquired for well (name on permit).
	SPACING EXCEPTION	The permit is approved subject to full compliance with 20 AAC 25.055. Approval to perforate and produce is contingent upon issuance of a conservation order approving a spacing exception. _____ (Company Name) assumes the liability of any protest to the spacing exception that may occur.
	DRY DITCH SAMPLE	All dry ditch sample sets submitted to the Commission must be in no greater than 30' sample intervals from below the permafrost or from where samples are first caught and 10' sample intervals through target zones.

WELL PERMIT CHECKLIST Field & Pool _____ Well Name: KASHWITNA LAKE 1 Program STR Well bore seg ☐

PTD#: 2032090 Company EVERGREEN RESOURCES (ALASKA) CORPORATION Initial Class/Type STR / INFO GeoArea _____ Unit _____ On/Off Shore On Annular Disposal ☐

Administration	1	Permit fee attached	Yes	
	2	Lease number appropriate	Yes	
	3	Unique well name and number	Yes	
	4	Well located in a defined pool	No	
	5	Well located proper distance from drilling unit boundary	Yes	This is a strat test, no production or testing will occur. There are no correlative rights issues associated
	6	Well located proper distance from other wells	Yes	with the drilling of this well. RPC
	7	Sufficient acreage available in drilling unit	Yes	
	8	If deviated, is wellbore plat included	NA	
	9	Operator only affected party	Yes	
	10	Operator has appropriate bond in force	Yes	
	11	Permit can be issued without conservation order	Yes	
Appr Date	12	Permit can be issued without administrative approval	Yes	
RPC 12/17/2003	13	Can permit be approved before 15-day wait	Yes	
	14	Well located within area and strata authorized by Injection Order # (put IO# in comments) (For	NA	
	15	All wells within 1/4 mile area of review identified (For service well only)	NA	
	16	Pre-produced injector: duration of pre-production less than 3 months (For service well only)	NA	
	17	ACMP Finding of Consistency has been issued for this project	NA	
Engineering	18	Conductor string provided	NA	
	19	Surface casing protects all known USDWs	Yes	Set @ 200 ft.
	20	CMT vol adequate to circulate on conductor & surf csg	Yes	
	21	CMT vol adequate to tie-in long string to surf csg	NA	No casing below surface.
	22	CMT will cover all known productive horizons	No	Stratigraphic test.
	23	Casing designs adequate for C, T, B & permafrost	Yes	
	24	Adequate tankage or reserve pit	Yes	Core rig tanks.
	25	If a re-drill, has a 10-403 for abandonment been approved	NA	
	26	Adequate wellbore separation proposed	Yes	
	27	If diverter required, does it meet regulations	NA	Requirement waived.
Appr Date	28	Drilling fluid program schematic & equip list adequate	Yes	Water.
WGA 12/18/2003	29	BOPEs, do they meet regulation	NA	Annular only.
	30	BOPE press rating appropriate; test to (put psig in comments)	Yes	Test to 1500 psi. MSP 1080 psi.
	31	Choke manifold complies w/API RP-53 (May 84)	NA	
	32	Work will occur without operation shutdown	Yes	
	33	Is presence of H2S gas probable	No	
	34	Mechanical condition of wells within AOR verified (For service well only)	NA	
Geology	35	Permit can be issued w/o hydrogen sulfide measures	Yes	
	36	Data presented on potential overpressure zones	NA	
Appr Date	37	Seismic analysis of shallow gas zones	NA	
RPC 12/17/2003	38	Seabed condition survey (if off-shore)	NA	
	39	Contact name/phone for weekly progress reports [exploratory only]	NA	

Geologic Commissioner: Date: Engineering Commissioner: Date Public Commissioner Date

DTS 12/18/03 12/18/03

Evergreen Resources Inc.

Well History Record

Little Su #1

Image Project Well History File Cover Page

XHVZE

This page identifies those items that were not scanned during the initial production scanning phase. They are available in the original file, may be scanned during a special rescan activity or are viewable by direct inspection of the file.

203-205 **Well History File Identifier**

Organizing (done) ☐ Two-sided ☐ Rescan Needed

RESCAN

☐ Color Items:

☐ Greyscale Items:

☐ Poor Quality Originals:

☐ Other:

DIGITAL DATA

☐ Diskettes, No.

☐ Other, No/Type:

OVERSIZED (Scannable)

☐ Maps:

☐ Other Items Scannable by a Large Scanner

OVERSIZED (Non-Scannable)

☐ Logs of various kinds:

☑ Other:: MAP

NOTES:

BY: Maria Date: 5/10/06 /s/ MP

Project Proofing

BY: Maria Date: 5/10/06 /s/ MP

Scanning Preparation 1 x 30 = 30 + 19 = TOTAL PAGES 49

(Count does **not** include cover sheet)

BY: Maria Date: 5/10/06 /s/ MP

Production Scanning

Stage 1 Page Count from Scanned File: 50 (Count **does** include cover sheet)

Page Count Matches Number in Scanning Preparation: ✓ YES _____ NO

BY: Maria Date: 5/10/06 /s/ MP

Stage 1 If *NO* in stage 1, page(s) discrepancies were found: _____ YES _____ NO

BY: Maria Date: /s/

Scanning is complete at this point unless rescanning is required.

ReScanned

BY: Maria Date: /s/

Comments about this file: Quality Checked

MICROFILMED
03/01/2008
DO NOT PLACE
ANY NEW MATERIAL
UNDER THIS PAGE

MEMORANDUM

State of Alaska

Alaska Oil and Gas Conservation Commission

TO: Jim Regg, P.I. Supervisor — Regg 6/21/07 — **DATE:** June 12, 2007

FROM: Chuck Scheve, Petroleum Inspector

SUBJECT: Location Inspection
Pioneer (Evergreen)
Little Su #1 PTD 203-205

Tuesday, June 12, 2007; I traveled to the Pioneer (Evergreen) coal bed methane exploration wells Little Su #1,Houston Pit #1, Sheep Creek #1, Kashwitna Lake #1 and Slats #1 to verify location clearance. The exploratory locations were clean with no evidence of past drilling activity.

SUMMARY: I recommend the above mentioned 5 locations be given final clearance approval

Attachments: Little Su #1.JPG

SCANNED JUL 2 0 2007

Location Clearance Inspection – Little Su #1
Photos by AOGCC Inspector Chuck Scheve
June 12, 2007

6 May 2006

DATA SUBMITTAL COMPLIANCE REPORT

4/24/2006

Spud 19 Dec 2003

Permit to Drill 2032050 **Well Name/No.** LITTLE SU NO. 1 **Operator** EVERGREEN RESOURCES (ALASKA) **API No.** 50-009-20027-00-00

MD 2125 ✓ TVD 2125 ✓ Completion Date 4/6/2004 ✓ Completion Status P&A Current Status P&A UIC N

REQUIRED INFORMATION

Mud Log Yes Samples No Directional Survey No

DATA INFORMATION

Types Electric or Other Logs Run: Gamma Ray, Spontaneous Potential, Caliper, Array Induction, Compe (data taken from Logs Portion of Master Well Data Maint

Well Log Information:

Log/ Data Type	Digital Med/Frmt	Electr Dataset Number	Name	Log Scale	Log Media	Run No	Interval Start	Interval Stop	OH / CH	Received	Comments
ED	C Las	12509	Induction/Resistivity In Cabinet				80	2126	Open		Sonic/Neutron/Density/Por/ GR
Log			Induction/Resistivity	25	Blu	1	80	2103	Open	6/21/2004	PHOTO DENSITY, DUAL SPACED NEUTRON, COMPENSATED SONIC
Log			Sonic	25	Blu	1	80	2125	Open	6/21/2004	PHOTO DENSITY, DUAL SPACED NEUTRON
Log			Density	25	Blu	1	80	2122	Open	6/21/2004	DUAL SPACED NEUTRON, COMPENSATED SONIC
Log			Lithology		Col	1	0	2125	Open	6/21/2004	5":20'

Well Cores/Samples Information:

Name	Interval Start	Interval Stop	Sent	Received	Sample Set Number	Comments
						Cores and/or Samples are required to be submitted. This record automatically created from Permit to Drill Module on: 12/12/2003.

ADDITIONAL INFORMATION

Well Cored? (Y) / N

Daily History Received? (Y) N

Chips Received? Y / N white trash

Formation Tops (Y) / N

Analysis Received? Y / (N)

Comments:

DATA SUBMITTAL COMPLIANCE REPORT

4/24/2006

Permit to Drill **2032050** **Well Name/No.** **LITTLE SU NO. 1** **Operator** **EVERGREEN RESOURCES (ALASKA)** **API No.** **50-009-20027-00-00**

MD 2125 TVD 2125 Completion Date 4/6/2004 Completion Status P&A Current Status P&A UIC N

Compliance Reviewed By: _____ **Date:** 3 May 2006

January 13, 2005

PIONEER
NATURAL RESOURCES ALASKA, INC.

Howard Okland
Petroleum Geologist Assistant
Alaska Oil & Gas Conservation Commission
333 W. 7th Ave., Suite 100
Anchorage, Alaska 99501

Re: Letter of Transmittal

Subj: Evergreen Resources Alaska Corp's 2004 Five-Hole Core Program

Dear Mr. Okland,

I am enclosing with this correspondence, both an inventory of the continuously cored exploratory wells that were drilled in early 2004 by Evergreen Resources Alaska Corporation (Evergreen) and a data CD, per your request. The wells drilled include the Sheep Creek #1, Kashwitna Lake #1, Houston Pit #1, Little Su #1, and the Slats #1. Total well depths and cored footage (in parentheses) of these exploratory wells are as follows: Sheep Creek #1 – 1,369' (1,034'); Kashwitna Lake #1 – 1,750' (878.5'); Houston Pit #1 – 1,604' (1,548'); Little Su #1 – 2,125' (2,010'); and Slats #1 – 3,095' (2,685'). Total cored footage equates to 8,155.5 feet.

Core from the five Evergreen exploratory wells is presently in a container at the Alaska Geologic Materials Center in Eagle River. If you have any additional questions or requests, please feel free to contact me.

Sincerely,

Michael A. Belowich

Michael A Belowich
Coal Geologist
Pioneer Natural Resources

Cc: Robert Crandall – Alaska Oil & Gas Conservation Commission
Matt Rader – Alaska Division of Oil and Gas
John Reeder – Alaska Geologic Materials Center

1075 CHECK STREET, STE. 202 · WASILLA, ALASKA 99654 · MAIN: (907) 357-8130 · FAX: (907) 357-8340

Well Name: **Little Su #1** 203-205

Box Numbers	Column	Shelf	Depth Top (ft)	Depth Bottom (ft)	Box Numbers	Column	Shelf	Depth Top (ft)	Depth Bottom (ft)
1	10	D	115.0	123.5	51	10	A	580.0	589.0
2	10	D	123.5	133.6	52	10	A	589.0	598.0
3	10	D	133.6	142.7	53	10	A	597.0	607.0
4	10	D	142.7	152.0	54	10	A	607.0	616.0
5	10	D	152.0	161.0	55	11	D	616.0	626.0
6	10	D	161.0	170.6	56	11	D	626.0	635.0
7	10	D	170.6	179.8	57	11	D	635.0	644.0
8	10	D	179.8	189.0	58	11	D	644.0	654.0
9	10	D	189.0	198.0	59	11	D	654.0	663.0
10	10	C	198.0	207.0	60	11	D	663.0	673.0
11	10	C	207.0	216.0	61	11	D	673.0	682.0
12	10	C	216.0	226.0	62	11	D	682.0	691.0
13	10	C	226.0	235.0	63	11	D	691.0	700.0
14	10	C	235.0	244.0	64	11	C	700.0	708.7
15	10	C	244.0	254.0	65	11	C	708.7	717.8
16	10	C	254.0	265.0	66	11	C	717.8	727.2
17	10	C	265.0	274.0	67	11	C	727.2	736.4
18	10	C	274.0	283.0	68	11	C	736.4	745.5
19	10	C	283.0	291.0	69	11	C	745.5	764.3
20	10	C	291.0	300.0	70	11	C	764.3	774.0
21	10	C	300.0	310.0	71	11	C	774.0	783.0
22	10	C	310.0	318.0	72	11	C	783.0	792.0
23	10	C	318.0	327.0	73	11	C	782.1	801.4
24	10	C	327.0	338.0	74	11	C	801.4	810.8
25	10	B	338.0	347.0	75	11	C	810.8	821.0
26	10	B	347.0	355.0	76	11	C	821.0	830.0
27	10	B	355.0	365.1	77	11	C	830.0	839.0
28	10	B	365.1	375.0	78	11	C	839.0	848.0
29	10	B	375.0	384.0	79	11	B	848.0	857.0
30	10	B	384.0	393.3	80	11	B	857.0	867.0
31	10	B	393.3	402.8	81	11	B	867.0	876.0
32	10	B	402.8	412.0	82	11	B	876.0	885.0
33	10	B	412.0	421.4	83	11	B	885.0	894.0
34	10	B	421.4	430.8	84	11	B	894.0	904.0
35	10	B	430.8	439.4	85	11	B	904.0	913.0
36	10	B	439.4	448.8	86	11	B	913.0	922.0
37	10	B	448.8	458.5	87	11	B	922.0	931.0
38	10	B	458.5	468.0	88	11	B	931.0	940.0
39	10	B	468.0	471.5	89	11	B	940.0	950.0
40	10	A	477.5	487.5	90	11	B	950.0	959.0
41	10	A	487.5	497.4	91	11	B	959.0	968.0
42	10	A	497.4	506.0	92	11	B	968.0	976.0
43	10	A	506.0	515.6	93	11	B	976.0	986.0
44	10	A	515.6	524.2	94	11	A	986.0	995.0
45	10	A	524.2	534.0	95	11	A	995.0	1004.6
46	10	A	534.0	543.1	96	11	A	1004.6	1014.0
47	10	A	543.1	551.6	97	11	A	1014.0	1023.0
48	10	A	551.6	561.6	98	11	A	1023.0	1032.9
49	10	A	561.6	571.0	99	11	A	1032.9	1042.0
50	10	A	571.0	580.0	100	11	A	1042.0	1052.0

14 Jan 2015

Box Numbers	Column	Shelf	Top (ft)	Bottom (ft)
101	11	A	1052.0	1061.0
102	11	A	1061.0	1070.9
103	11	A	1070.9	1080.7
104	11	A	1080.7	1090.4
105	11	A	1090.4	1099.5
106	11	A	1099.5	1109.0
107	11	A	1109.0	1118.7
108	11	A	1118.7	1128.2
109	12	D	1128.2	1137.5
110	12	D	1137.5	1147.4
111	12	D	1147.4	1157.0
112	12	D	1157.0	1166.0
113	12	D	1166.0	1175.0
114	12	D	1175.0	1185.0
115	12	D	1185.0	1195.0
116	12	D	1195.0	1204.0
117	12	D	1204.0	1213.0
118	12	C	1213.0	1222.0
119	12	C	1222.0	1231.0
120	12	C	1231.0	1241.0
121	12	C	1241.0	1253.0
122	12	C	1253.0	1262.0
123	12	C	1262.0	1270.0
124	12	C	1270.0	1279.0
125	12	C	1279.0	1289.0
126	12	C	1289.0	1298.0
127	12	C	1298.0	1308.7
128	12	C	1308.7	1316.8
129	12	C	1316.8	1327.0
130	12	C	1327.0	1336.3
131	12	C	1336.3	1345.2
132	12	C	1345.2	1354.3
133	12	B	1354.3	1364.6
134	12	B	1364.6	1374.0
135	12	B	1374.0	1383.0
136	12	B	1383.0	1392.3
137	12	B	1392.3	1402.9
138	12	B	1402.9	1411.8
139	12	B	1411.8	1420.6
140	12	B	1420.6	1430.0
141	12	B	1430.0	1439.0
142	12	B	1439.0	1449.0
143	12	B	1449.0	1459.0
144	12	B	1459.0	1468.0
145	12	B	1468.0	1478.4
146	12	B	1478.4	1487.0
147	12	B	1487.0	1496.0
148	12	A	1496.0	1505.0
149	12	A	1505.0	1515.0
150	12	A	1515.0	1524.0

Box Numbers	Column	Shelf	Top (ft)	Bottom (ft)
151	12	A	1524.0	1533.0
152	12	A	1533.0	1542.0
153	12	A	1542.0	1551.0
154	12	A	1551.0	1560.0
155	12	A	1560.0	1569.0
156	12	A	1569.0	1578.0
157	12	A	1578.0	1588.0
158	12	A	1588.0	1597.0
159	12	A	1597.0	1606.0
160	12	A	1606.0	1615.4
161	12	A	1615.4	1625.0
162	12	A	1625.0	1634.8
163	13	D	1634.8	1644.0
164	13	D	1644.0	1653.6
165	13	D	1653.6	1663.2
166	13	D	1663.2	1672.5
167	13	D	1672.5	1681.7
168	13	D	1681.7	1690.6
169	13	D	1690.6	1700.0
170	13	D	1700.0	1709.2
171	13	D	1709.2	1718.9
172	13	C	1718.9	1728.0
173	13	C	1728.0	1738.0
174	13	C	1738.0	1747.0
175	13	C	1747.0	1758.0
176	13	C	1758.0	1768.0
177	13	C	1768.0	1777.0
178	13	C	1777.0	1786.0
179	13	C	1786.0	1796.0
180	13	C	1796.0	1805.0
181	12	C	1805.0	1814.0
182	13	C	1814.0	1823.0
183	13	C	1823.0	1832.0
184	13	C	1832.0	1842.3
185	13	C	1842.3	1851.5
186	13	C	1851.5	1860.7
187	13	B	1860.7	1870.5
188	13	B	1870.5	1879.5
189	13	B	1879.5	1889.3
190	13	B	1889.3	1898.4
191	13	B	1898.4	1907.7
192	13	B	1907.7	1919.2
193	13	B	1919.2	1928.9
194	13	B	1928.9	1937.6
195	13	B	1937.6	1947.2
196	13	B	1947.2	1956.5
197	13	B	1956.5	1966.0
198	13	A	1966.0	1976.0
199	13	A	1976.0	1986.0
200	13	A	1986.0	1996.0

Box Numbers	Column	Shelf	Top (ft)	Bottom (ft)
201	13	B	1996.0	2005.0
202	13	A	2005.0	2015.0
203	13	A	2015.0	2024.0
204	13	A	2024.0	2033.2
205	13	A	2033.2	2044.7
206	13	A	2044.7	2054.0
207	13	A	2054.0	2063.2
208	13	A	2063.2	2072.5
209	13	A	2072.5	2082.0
210	13	A	2082.0	2091.1
211	13	A	2091.0	2101.2
212	13	A	2102.2	2110.4
213	13	A	2110.4	2120.2
214	13	A	2120.2	2125.0

EVERGREEN
RESOURCES (ALASKA) CORP.
A Subsidiary of Evergreen Resources, Inc.

203-205
204-057
203-209
203-208

June 17, 2004

Mr. Bob Crandall
Alaska Oil and Gas Conservation Commission
333 W. 7th Ave #100
Anchorage, Alaska, 99501-3539

RE: Evergreen Resources (Alaska) Corp.'s 2004 Core Program

Dear Mr. Crandall:

The purpose of this letter is to fulfill the reporting requirements of Evergreen Resources (Alaska) Corp. as stipulated by 20AAC25.070 and 20AAC25.071 for the completed core drilling project. Attached are the drilling summaries, logs and other pertinent information for the Houston Pit #1, Little Su #1, Sheep Creek #1 and Slats #1.

The acquired core is currently being slabbed and photographed. The desorption analysis is also ongoing. Hard and soft copies of these studies will be made available upon their completion. Wireline logs were not run on the Sheep Creek prior to abandonment of the hole; consequently, a gamma ray log will be generated from the core and provided when available. Once the studies are complete the core will be donated to the Alaska Oil and Gas Conservation Commission and housed in a State facility.

The Willow Fishhook is currently suspended; drilling operations may resume at a later date. The six foot cellar has been constructed and six inch surface casing has been set at 335'. A plate has been welded over the casing to prevent vandalism.

All information submitted concerning the above listed wells are subject to the two year confidentiality stipulation.

If you have any questions, please feel free to contact me at 907-357-8130 or shaneg@evergreengas.com.

Sincerely,

Shane Gagliardi
Petroleum Engineer

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JUN 21 2004
Alaska Oil & Gas Cons. Commission
Anchorage

ORIGINAL

1075 Check Street, Suite 202 • Wasilla AK 99654
P.O. Box 871845 • Wasilla, AK 99687 • TEL 907.357.8130 • FAX 907.357.8340

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STATE OF ALASKA

ALASKA OIL AND GAS CONSERVATION COMMISSION

WELL COMPLETION OR RECOMPLETION REPORT AND LOG

1a. Well Status: Oil☐ Gas☐ Plugged☐ Abandoned☒ Suspended☐ 20AAC 25.105 WAG☐ 20AAC 25.110

GINJ☐ WINJ☐ WDSPL☐ No. of completions _____ Other _____

1b. Well Class:
Development ☐ Exploratory ☐
Service ☐ Stratigraphic Test ☒

2. Operator Name: **Evergreen Resources Alaska Corp.**

3. Address: **P.O. Box 871845, Wasilla, AK 99687**

4a. Location of Well (Governmental Section): **Sec 35, TWN 19N, RNG 1E**
Surface: **1191' FNL and 605' FWL**
Top of Productive Horizon: **Same as Above**
Total Depth: **Same as Above**

4b. Location of Well (State Base Plane Coordinates): **(NAD 27)**

Surface:	x- **633118.22**	y- **2813373.15**	Zone- **4**
TPI:	x- **633118.22**	y- **2813373.15**	Zone- **4**
TotalDepth:	x- **633118.22**	y- **2813373.15**	Zone- **4**

18. Directional Survey: Yes☒ No☐

5. Date Comp., Susp., or Aband.: **4/6/04**

6. Date Spudded: **12/19/03**

7. Date TD Reached: **4/4/04**

8. KB Elevation (ft): **810.1'**

9. Plug Back Depth (MD + TVD): **100 FFS (abd)**

10. Total Depth (MD + TVD): **2125'**

11. Depth where SSSV Set: **N/A** feet MD

19. Water Depth, if Offshore: **N/A** feet MSL

12. Permit to Drill Number: **203-205**

13. API Number: 50- **009-20027-00**

14. Well Name and Number: **Little Su #1**

15. Field/Pool(s): **Wildcat**

16. Property Designation: **Private**

17. Land Use Permit: **Private**

20. Thickness of Permafrost: **N/A**

21. Logs Run: **Gamma Ray, Spontaneous Potential, Caliper, Array Induction, Compensated Neutron Density, Sonic, Inclination Survey**

22. CASING, LINER AND CEMENTING RECORD

CASING SIZE	WT. PER FT.	GRADE	SETTING DEPTH MD TOP	SETTING DEPTH MD BOTTOM	SETTING DEPTH TVD TOP	SETTING DEPTH TVD BOTTOM	HOLE SIZE	CEMENTING RECORD	AMOUNT PULLED
4.5"	**14.4**	**X42**	**0**	**117**	**0**	**117**	**6**	**13 sx 12.7 ppg Class G**	

23. Perforations Open to Production (MD + TVD of Top and Bottom Interval, Size, and Number; if none, state "none"):
None

24. TUBING RECORD

SIZE	DEPTH SET (MD)	PACKER SET (MD)
N/A	**N/A**	**N/A**
N/A	**N/A**	**N/A**

25. ACID, FRACTURE, CEMENT SQUEEZE, ETC.

DEPTH INTERVAL (MD)	AMOUNT AND KIND OF MATERIAL USED
None	**None**

26. PRODUCTION TEST

Date of First Production: **Abandoned**

Method of Operation (Flowing, Gas Lift, etc.): **Abandoned**

Date of Test:	Hours Tested:	Production for Test Period →	Oil-Bbl:	Gas-MCF:	Water-Bbl:	Choke Size:	Gas-Oil Ratio:
N/A							
Flow. Tubing Press:	Casing Pressure:	Calulated 24-Hour Rate →	Oil-Bbl:	Gas-MCF:	Water-Bbl:	Oil Gravity-API (corr):	

27. CORE DATA

Brief description of lithology, porosity, fractures, apparent dips and presence of oil, gas, or water (attach separate sheet, if necessary). Submit core chips; if none, state "none".

Separate core analysis will be submitted.

COMPLETION DATE 4/6/04 VERIFIED

Form 10-407 Revised 4/2003

CONTINUED ON REVERSE SIDE

ORIGINAL

GMC Data Report #400

RBDMS BFL JUN 22 2004

6F .6

28. GEOLOGIC MARKERS			29. FORMATION TESTS
NAME	MD	TVD	Include and briefly summarize test results. List intervals tested, and attach detailed supporting data as necessary. If no tests were conducted, state "None".
Quaternary Gravel	**0' – 53'**	**0' – 53'**	**None**
Tyonek	**53' – 510'**	**53' – 510'**	
Wishbone	**510' – 896'**	**510' – 896'**	
Chickaloon	**896' – 1204'**	**896' – 1204'**	
Wishbone (Repeat)	**1204' – 1625'**	**1204' – 1625'**	
Chickaloon	**1625' – 2125'**	**1625' – 2125'**	

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Alaska Oil & Gas Cons. Commission
Anchorage

30. List of Attachments: **Daily reports, wireline logs, mud logs, inclination survey (included in daily reports)**

31. I hereby certify that the foregoing is true and correct to the best of my knowledge. Contact **Shane Gagliardi**

Printed Name **Shane Gagliardi** Title **Petroleum Engineer**

Signature _____ Phone **907-355-8569** Date **4/19/04**

INSTRUCTIONS

General: This form is designed for submitting a complete and correct well completion report and log on all types of lands and leases in Alaska. Submit a well schematic diagram with each 10-407 well completion report and 10-404 well sundry report when the downhole well design is changed.

Item 1a: Classification of Service Wells: Gas Injection, Water Injection, Water-Alternating-Gas Injection, Salt Water Disposal, Water Supply for Injection, Observation, or Other. Multiple completion is defined as a well producing from more than one pool with production from each pool completely segregated. Each segregated pool is a completion.

Item 4b: TPI (Top of Producing Interval).

Item 8: The Kelly Bushing elevation in feet above mean low low water. Use same as reference for depth measurements given in other spaces on this form and in any attachments.

Item 13: The API number reported to AOGCC must be 14 digits (ex: 50-029-20123-00-00).

Item 20: True vertical thickness.

Item 22: Attached supplemental records for this well should show the details of any multiple stage cementing and the location of the cementing tool.

Item 23: If this well is completed for separate production from more than one interval (multiple completion), so state in item 1, and in item 23 show the producing intervals for only the interval reported in item 26. (Submit a separate form for each additional interval to be separately produced, showing the data pertinent to such interval).

Item 26: Method of Operation: Flowing, Gas Lift, Rod Pump, Hydraulic Pump, Submersible, Water Injection, Gas Injection, Shut-In, or Other (explain).

Item 27: If no cores taken, indicate "none".

Item 29: List all test information. If none, state "None".

EVERGREEN
RESOURCES (ALASKA) CORP.
A Subsidiary of Evergreen Resources, Inc.

Daily Drilling Summary

Well Name	Location				API Number	Permit to Drill	Spud Date	Total Depth
	QTR	Sec	Twn	Rng				
Little Su #1	NW NW	35	19N	1E	50-009-20024	203-205	12/19/2004	2125'

12/03/03	Clear snow from MEA ROW.Clear snow from location and begin dirt work. No trees were knocked/cut down for cleaning
12/04/03	Dig cellar
12/05/03	Place culvert
12/19/03	MIRU water well rig.
	First jt was 12.5
	Make first connection, weld 4.5" jts together
	Drill second rod, current depth 22.5
	Make second connection, weld 4.5" jts together
	Drill third rod, current depth 32.5'
	SDON
12/20/03	Make connection, weld 4.5" jts together.
	Drill 10' rod down, current depth is 41'
	Make connection, weld 4.5" jts together.
	Drill 10' rod down, current depth is 50'
	POOH
	Drill 10' rod down, current depth is 51'
	Make connection, weld 8" pipe nipple and 9.67' csg jt
	Drill 10' rod down, current depth is 61'
	Make connection, weld 4.5" jts together.
	Drill 6', current depth is 66'
	SDON
12/21/03	Drill rod down, current depth is 71'
	Make connection, weld 4.5" jts together.
	Drill rod down, current depth is 81'
	Make connection, weld 4.5" jts together.
	Drill rod down, current depth is 90'
	Make connection, weld 8" pipe nipple and 9.67' csg jt
	Drill rod down, current depth 100'
	Make connection, weld 4.5" jts together.
	Drill rod down, current depth 111'
12/23/03	Drill 8" to put top of csg at convienient spot to weld, weld 4.5" jts together
	Drill 6' current depth is 117'
	POOH
	Clean and secure location for Holiday Break
12/26/03	RDMO water well rig.
	Wait on Layne Christiansen Rig
03/19/04	MIRU Layne Christiansen Rig
03/22/04	Finish MIRU Layne Christiansen Rig
	Pressure test csg and BOP to 1500 PSI. Replace nipple below annular BOP, test witnessed by John Spaulding
	TIH w/HQ DP, Core bbl and bit
	Core from 117' to 200', recover 84', recovery 99%
03/23/04	Core from 200' to 519', recover 311.3', recovery 98%
03/24/04	Core from 519' to 610', recover 87.8', recovery 96%
	Core from 610' to 795', recover 183.1', recovery 99%
	POOH
03/25/04	TIH w/10' tools
	Core from 795' to 845', recover 50', recovery 100%
	Core from 845' to 1125', recover 280.1', recovery 100%
03/26/04	Core from 1125' to 1405', recover 285.9', recovery 99%
03/27/04	Core from 1405' to 1465', recover 60', recovery 100%
03/30/04	Core from 1465' to 1475, recover 10', recovery 100%
03/31/04	Core from 1475' to 1695', recover 219.5', recovery 100%
04/01/04	Core from 1695' to 1823', recover 125.8', recovery 98%
	Core from 1823' to 1904', recover 80', recovery 99%
04/02/04	Core from 1904' to 1915', recover 9', recovery 82%. Make bit trip. Repair BOPE, nipple above mud cross failed.
	Core from 1915' to 1945', recover 30', recovery 100%
04/03/04	Core from 1945' to 1995', recover 48.9', recovery 98%. Can coal from 1970 - 1971.
	Core from 1995' to 2074', recover 79', recovery 100%. Can coal from 2000 to 2001 and 2039 to 2040.
	Core from 2074' to 2105', recover 30', recovery 97%
04/04/04	Core from 2105' to 2125', recover 20', recovery 100%. POOH.
	MIRU Reeves wireline. Log hole w/ gamma, SP, sonic, dual induction, caliper and Comp ND. Loggers TD - 2124'. SDON.
04/05/04	Cmt bottom 200' w/ 2.86 bbls class G cmt. Cmt from 1000' to 100' w/ 12.9 bbls class G cmt. Reverse out from 100'.
	Take inclination surveys @ 500' - 1 degree, 1000' - 1.5 degrees, 1500' - 2 degrees and 2000' - 2 degrees.
04/06/04	TIH. Tag cmt @ 112'. RDMO Layne Christiansen and Swaco. Will begin reclamation in the AM.

JUN 22 2004

EVERGREEN
RESOURCES (ALASKA) CORP.
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Daily Drilling Summary

Well Name	Location QTR	Sec	Twn	Rng	API Number	Permit to Drill	Spud Date	Total Depth
Little Su #1	**NW NW**	**35**	**19N**	**1E**	**50-009-20024**	**203-205**	**12/19/2004**	**2125'**

12/03/03	Clear snow from MEA ROW.Clear snow from location and begin dirt work. No trees were knocked/cut down for cleaning
12/04/03	Dig cellar
12/05/03	Place culvert
12/19/03	MIRU water well rig.
	First jt was 12.5
	Make first connection, weld 4.5" jts together
	Drill second rod, current depth 22.5
	Make second connection, weld 4.5" jts together
	Drill third rod, current depth 32.5'
	SDON
12/20/03	Make connection, weld 4.5" jts together.
	Drill 10' rod down, current depth is 41'
	Make connection, weld 4.5" jts together.
	Drill 10' rod down, current depth is 50'
	POOH
	Drill 10' rod down, current depth is 51'
	Make connection, weld 8" pipe nipple and 9.67' csg jt
	Drill 10' rod down, current depth is 61'
	Make connection, weld 4.5" jts together.
	Drill 6', current depth is 66'
	SDON
12/21/03	Drill rod down, current depth is 71'
	Make connection, weld 4.5" jts together.
	Drill rod down, current depth is 81'
	Make connection, weld 4.5" jts together.
	Drill rod down, current depth is 90'
	Make connection, weld 8" pipe nipple and 9.67' csg jt
	Drill rod down, current depth 100'
	Make connection, weld 4.5" jts together.
	Drill rod down, current depth 111'
12/23/03	Drill 8" to put top of csg at convienient spot to weld, weld 4.5" jts together
	Drill 6' current depth is 117'
	POOH
	Clean and secure location for Holiday Break
12/26/03	RDMO water well rig.
	Wait on Layne Christiansen Rig
03/19/04	MIRU Layne Christiansen Rig
03/22/04	Finish MIRU Layne Christiansen Rig
	Pressure test csg and BOP to 1500 PSI. Replace nipple below annular BOP, test witnessed by John Spaulding
	TIH w/HQ DP, Core bbl and bit
	Core from 117' to 200', recover 84', recovery 99%
03/23/04	Core from 200' to 519', recover 311.3', recovery 98%
03/24/04	Core from 519' to 610', recover 87.8', recovery 96%
	Core from 610' to 795', recover 183.1', recovery 99%
	POOH
03/25/04	TIH w/10' tools
	Core from 795' to 845', recover 50', recovery 100%
	Core from 845' to 1125', recover 280.1', recovery 100%
03/26/04	Core from 1125' to 1405', recover 285.9', recovery 99%
03/27/04	Core from 1405' to 1465', recover 60', recovery 100%
03/30/04	Core from 1465' to 1475, recover 10', recovery 100%
03/31/04	Core from 1475' to 1695', recover 219.5', recovery 100%
04/01/04	Core from 1695' to 1823', recover 125.8', recovery 98%
	Core from 1823' to 1904', recover 80', recovery 99%
04/02/04	Core from 1904' to 1915', recover 9', recovery 82%. Make bit trip. Repair BOPE, nipple above mud cross failed.
	Core from 1915' to 1945', recover 30', recovery 100%
04/03/04	Core from 1945' to 1995', recover 48.9', recovery 98%. Can coal from 1970 - 1971.
	Core from 1995' to 2074', recover 79', recovery 100%. Can coal from 2000 to 2001 and 2039 to 2040.
	Core from 2074' to 2105', recover 30', recovery 97%
04/04/04	Core from 2105' to 2125', recover 20', recovery 100%. POOH.
	MIRU Reeves wireline. Log hole w/ gamma, SP, sonic, dual induction, caliper and Comp ND. Loggers TD - 2124'. SDON.
04/05/04	Cmt bottom 200' w/ 2.86 bbls class G cmt. Cmt from 1000' to 100' w/ 12.9 bbls class G cmt. Reverse out from 100'.
04/06/04	TIH. Tag cmt @ 112'. RDMO Layne Christiansen and Swaco. Will begin reclamation in the AM.

Superseded 6.22.04 AD

203-205

Subject: Slats #1 Core Disposition
From: Shane Gagliardi <shaneg@evergreengas.com>
Date: Thu, 20 May 2004 09:33:35 -0800
To: bob_crandall@admin.state.ak.us
CC: Corri Feige <CorriF@EvergreenGas.com>, Scott Zimmerman <ScottZ@EvergreenGas.com>, Chris Cornelius <ChrisC@EvergreenGas.com>

Bob,

>From this year's core program, we have extracted approximately 8,000' of core. Of this core about 3,000' will be slabbed. Evergreen Alaska will donate all of the core to the state to fulfill the AOGCC requirements of 20 AAC 25.071 (b)(4). We understand that the donated core will be kept confidential for a minimum of two years. The slabbing and photographing process is lengthy; the anticipated approximate date for completion of the process and transferring the core to the state is March 05.

If you have any further questions, please contact me @ 907-355-8569.

Thanks,
Shane

EVERGREEN
ALASKA

To:	Winton Aubert	**From:**	Shane Gagliardi
Fax:	907-276-7542	**Date:**	3-24-04
Phone:	907-279-1433	**Pages:**	3 including cover
Re:	403 for Little Su #1	**CC:**	

☐ **Urgent** ☐ **For Review** ☐ **Please Comment** ☐ **Please Recycle**

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MAR 2 4 2004
Alaska Oil & Gas Cons. Commission
Anchorage

ORIGINAL

Mailing
PO Box 871845
Wasilla, AK 99687

Office
1075 Check Street, Suite 202
Wasilla, AK 99654

Yard
1900 Cottle Loop Drive
Wasilla, AK 99654

WWW.EvergreenGas.com
NYSE: EVG

EVERGREEN
RESOURCES (ALASKA) CORP.
A Subsidiary of Evergreen Resources, Inc

March 22, 2004

Winton Aubert
Petroleum Engineer
Alaska Oil and Gas Conservation Commission (AOGCC)
333 West 7th Ave. #100
Anchorage, AK 99501-3539

RE: Request for Resuming Operations for the Little Su #1

Dear Mr. Aubert:

Attached is a 10-403 application for sundry approval requesting that operations be allowed to resume on the Little Su #1. The operational shut down was requested 12/30/03 while waiting on the mineral coring rig.

The well has 4.5 inch casing set to 117' and has a full column of cement and hammer shoe that needs to be drilled prior to core drilling.

If you have any questions, please feel free to contact me at 907-355-8569 or shaneg@evergreengas.com.

Sincerely,

Shane Gagliardi
Petroleum Engineer

ORIGINAL

1075 Check Street, Suite 202 • Wasilla AK 99654
P.O. Box 871845 • Wasilla, AK 99687 • TEL 907.357.8130 • FAX 907.357.8340

WGA 3/24/2004
DDS 3/24/4

STATE OF ALASKA
ALASKA OIL AND GAS CONSERVATION COMMISSION

APPLICATION FOR SUNDRY APPROVAL

20 AAC 25.280

1. Type of Request: Abandon ☐ Suspend ☐ Operation Shutdown ☐ Perforate ☐ Variance ☐ Annular Disposal ☐
Alter Casing ☐ Repair Well ☐ Plug Perforations ☐ Stimulate ☐ Time Extension ☐ Other ☒
Change Approved Program ☐ Pull Tubing ☐ Perforate New Pool ☐ Re-enter Suspended Well ☐

2. Operator Name: **Evergreen Resources Alaska Corp.**

3. Address: **P.O. Box 871845, Wasilla, AK 99687**

4. Current Well Class: Development ☐ Exploratory ☐ Stratigraphic ☒ Service ☐

5. Permit to Drill Number: **203-205** ✓

6. API Number: **50- 009-20027** ✓

7. KB Elevation (ft): **810.1'**

9. Well Name and Number: **Little Su #1** ✓

8. Property Designation: **Private**

10. Field/Pool(s): **Wild Cat**

11. **PRESENT WELL CONDITION SUMMARY**

Total Depth MD (ft):	Total Depth TVD (ft):	Effective Depth MD (ft):	Effective Depth TVD(ft):	Plugs (measured):	Junk (measured):
117'	117'	0'	0'	None	None

Casing	Length	Size	MD	TVD	Burst	Collapse
Structural						
Conductor						
Surface	117'	4.5"	117'	117'	3320	2650
Intermediate						
Production						
Liner						

Perforation Depth MD (ft):	Perforation Depth TVD (ft):	Tubing Size:	Tubing Grade:	Tubing MD (ft):
None	None	None	None	None

Packers and SSSV MD (ft): **None**

Packers and SSSV Type: **None**

12. Attachments: Description Summary of Proposal ☒
Detailed Operations Program ☐ BOP Sketch ☐

13. Well Class after proposed work:
Exploratory ☒ Development ☐ Service ☐

14. Estimated Date for Commencing Operations: **22 Mar 2004**

15. Well Status after proposed work:
Oil ☐ Gas ☐ Plugged ☐ Abandoned ☒
WAG ☐ GINJ ☐ WINJ ☐ WDSPL ☐

16. Verbal Approval: Date:
Commission Representative:

17. I hereby certify that the foregoing is true and correct to the best of my knowledge. Contact **Shane Gagliardi**

Printed Name **Shane Gagliardi** Title **Petroleum Engineer**

Signature _____ Phone **907-355-8569** Date **03/22/04**

Commission Use Only

Sundry Number: 304-091

Conditions of approval: Notify Commission so that a representative may witness

Plug Integrity ☐ BOP Test ☑ Mechanical Integrity Test ☐ Location Clearance ☐

Other:

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MAR 24 200
Alaska Oil & Gas Cons. Commission
Anchorage

Subsequent Form Required: 10-407

Approved by: _____ COMMISSIONER BY ORDER OF THE COMMISSION Date: 3-24-04

Form 10-403 Revised 2/2003 Submit in duplicate

ORIGINAL

RBDMS BFL MAR 2 2004

MAR 2 2004

MEMORANDUM

State of Alaska

Alaska Oil and Gas Conservation Commission

TO: **Jim Regg**
P.I. Supervisor

Regg 4/14/04

DATE: March 22, 2004

SUBJECT: Mechanical Integrity Tests
Evergreen Resources Alaska
Wildcat
Little Su 1
PTD 203-205

From: **John Spaulidng**
Petroleum Inspector

NON- CONFIDENTIAL

				Packer	Depth		Pretest	Initial	15 Min.	30 Min.		
Well	**Little Su 1**	Type Inj.	NA	T.V.D.	512	Tubing					Interval	
P.T.D.	**203-205**	Type test	P	Test psi	128	Casing	+	1500	1500	1400	P/F	**P**
Notes:												
Well		Type Inj.		T.V.D.		Tubing					Interval	
P.T.D.		Type test		Test psi		Casing					P/F	
Notes:												
Well		Type Inj.		T.V.D.		Tubing					Interval	
P.T.D.		Type test		Test psi		Casing					P/F	
Notes:												
Well		Type Inj.		T.V.D.		Tubing					Interval	
P.T.D.		Type test		Test psi		Casing					P/F	
Notes:												
Well		Type Inj.		T.V.D.		Tubing					Interval	
P.T.D.		Type test		Test psi		Casing					P/F	
Notes:												

Type INJ. Fluid Codes	Type Test	Interval
F = FRESH WATER INJ.	M= Annulus Monitoring	I= Initial Test
G = GAS INJ.	P= Standard Pressure Test	4= Four Year Cycle
S = SALT WATER INJ.	R= Internal Radioactive Tracer Survey	V= Required by Variance
N = NOT INJECTING	A= Temperature Anomaly Survey	W= Test during Workover
	D= Differential Temperature Test	O= Other (describe in notes)

Test's Details

4.5" casing set at 115' md' md. Tested casing to 1500 psi for 30 minutes prior to drilling out.

M.I.T.'s performed: **1** Number of Failures: **0** Total Time during tests: **2 hrs.**
Attachments: **none** cc: **none**

203-205

MEMORANDUM

State of Alaska

Alaska Oil and Gas Conservation Commission

TO: Jim Regg, P.I. Supervisor — Regg 2/20/04 — **DATE:** **January 28, 2004**

FROM: John Spaulding, Petroleum Inspector

SUBJECT: Location Inspections Evergreen Resources Coal Bed Methane

January 2004: I traveled to Evergreen Resources locations in the Mat-Su Borough. **Susitna** 1, Kashwitna 1 and Sheep Creek 1 are noted in this report. At present all wells are being drilled for core sampling purposes of the formations.

I was notified of the Susitna 1 well after the rig had encountered some problems cementing surface casing. The well was suspended and the rig had moved off location when I arrived. There was probably a foot of new snow when I visited the location and and the casing and the location was pretty well covered over. I intend to revisit at a later date when the rig has returned or the well is P&Aed.

Kashwitna 1 located North and West of Willow, AK: I observed a BOPE test and inspected the rig and location. Pictures were taken of the BOPE, rig and surrounding location. I observed the technique for water sampling, and to my estimations found it adequate.

Sheep Cr. 1 located farther North and West from the Kashwitna location near the Parks Highway: I was only able to look at the location, as the rig had not moved in yet.

I am questioning the requirements for a manual annular device and a manual valve for a blind ram. These are located under the rig floor as with all drilling rigs, but are not hydraulically operated from a remote location. If in the event of an influx of gas a person would have to lay on their stomach and have their face next to the top of the casing in order to close either portion of BOPE.

Should we be requiring hydraulically operated BOPE? Should we relax the requirements for the manual BOPE?

Hopefully the accompanying photos will help explain.

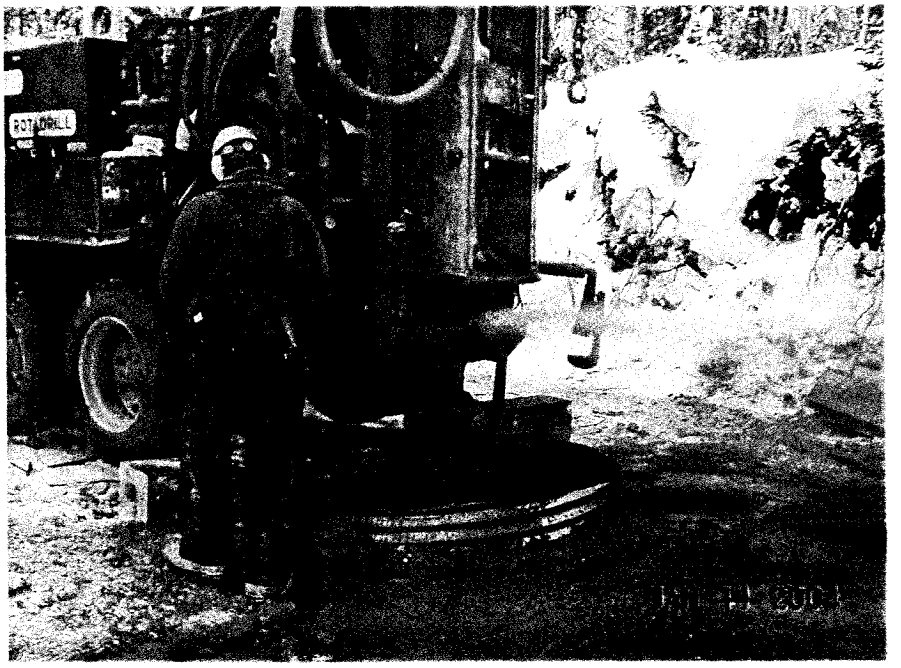
SUMMARY: I inspected the above-mentioned locations and found all to be quite clean and orderly. A BOP test was witnessed, with no failures.

Attachments: Photo's

CONFIDENTIAL

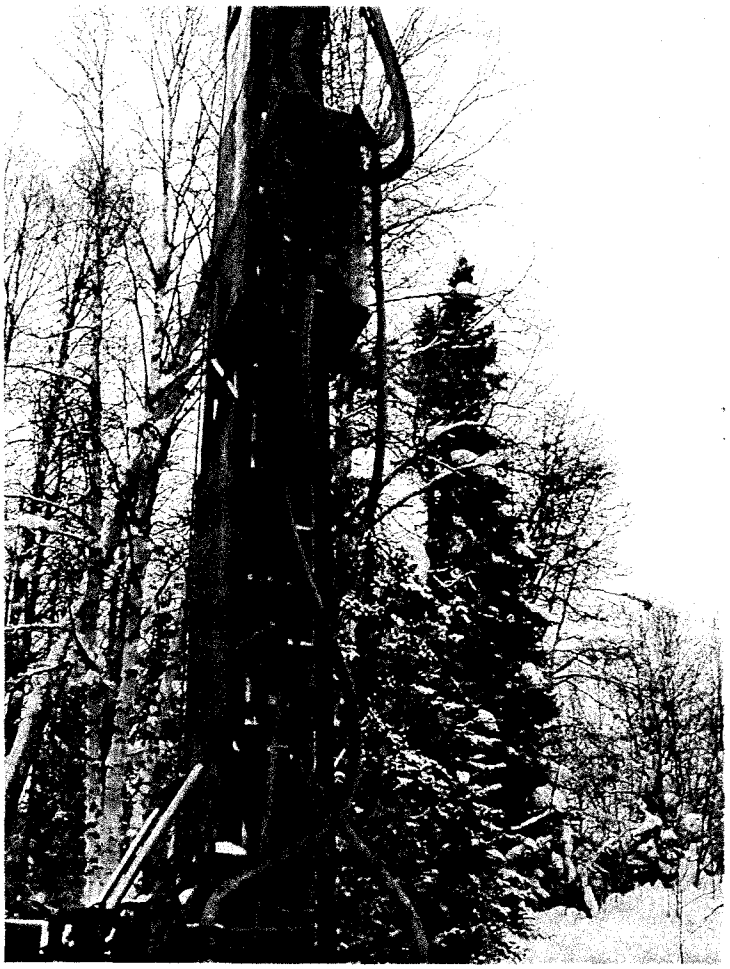
Evergreen Resources - Pioneer CBM Project

Inspections from January 11 and January 22, 2004
Photos from AOGCC Inspector John Spaulding

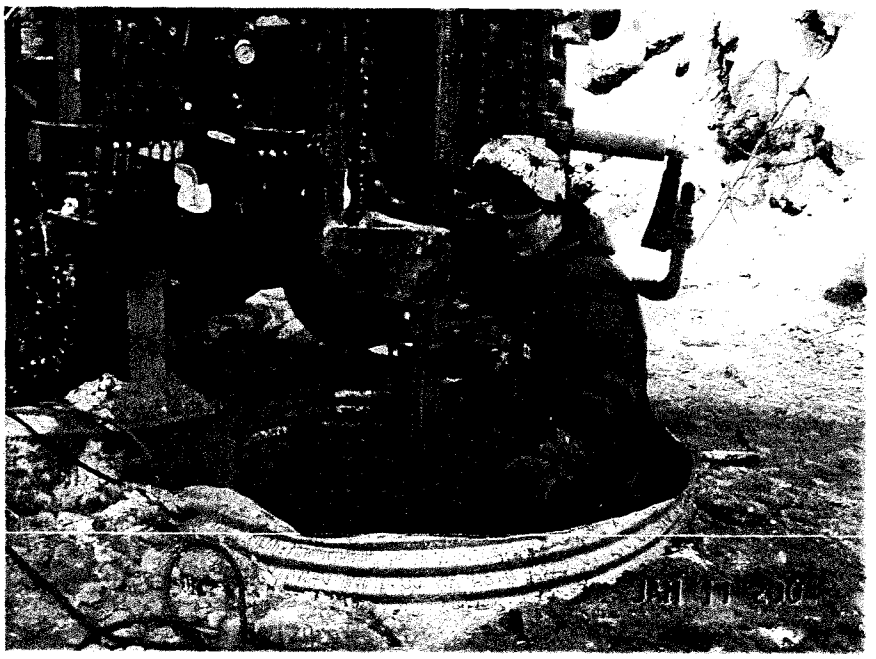


Blowing casing dry

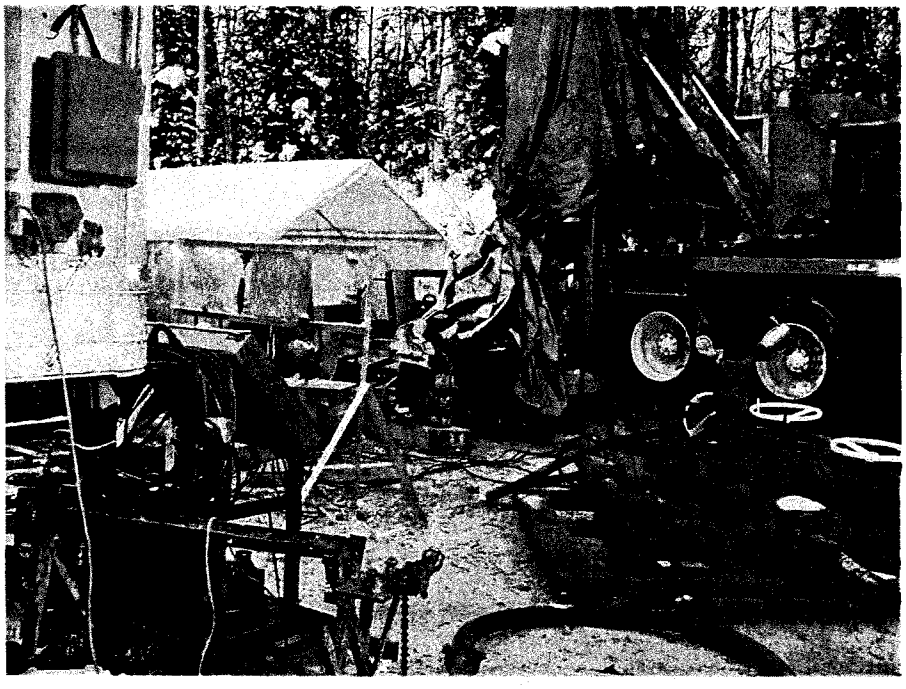
Cuttings catcher



Cuttings and water return lines

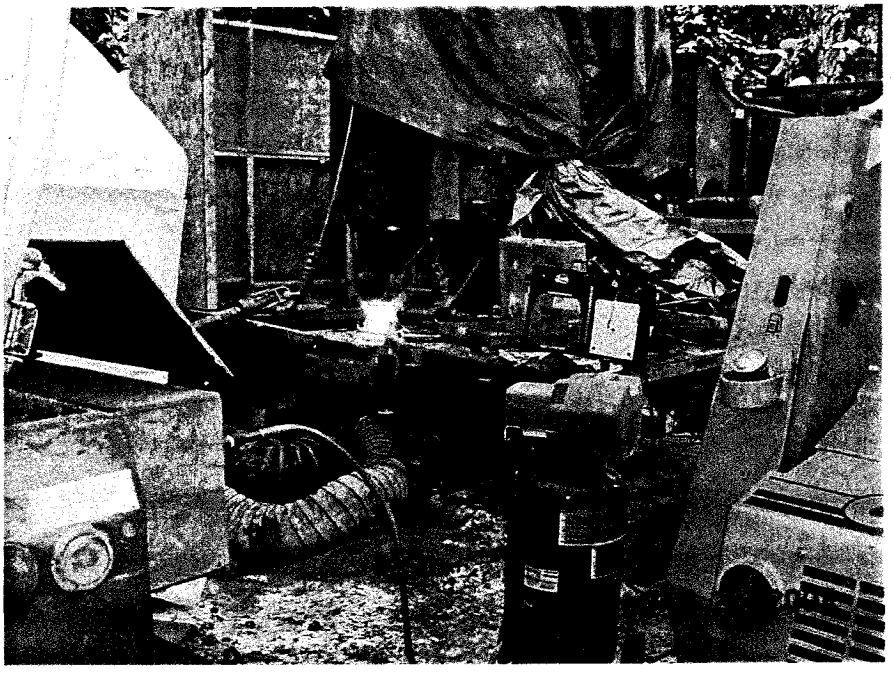


Welding casing

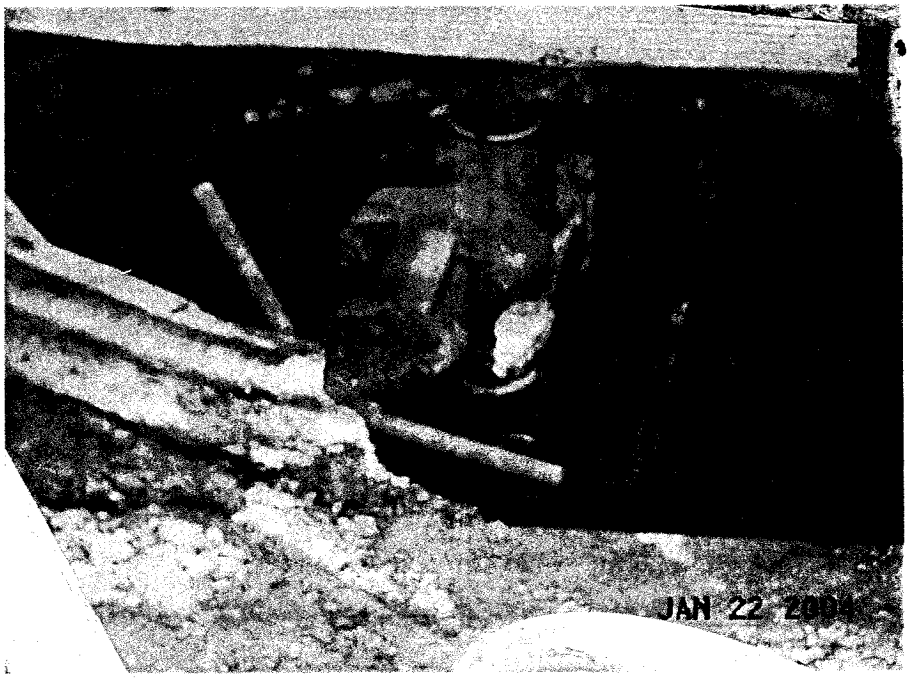


Location –
Kashwitna #1

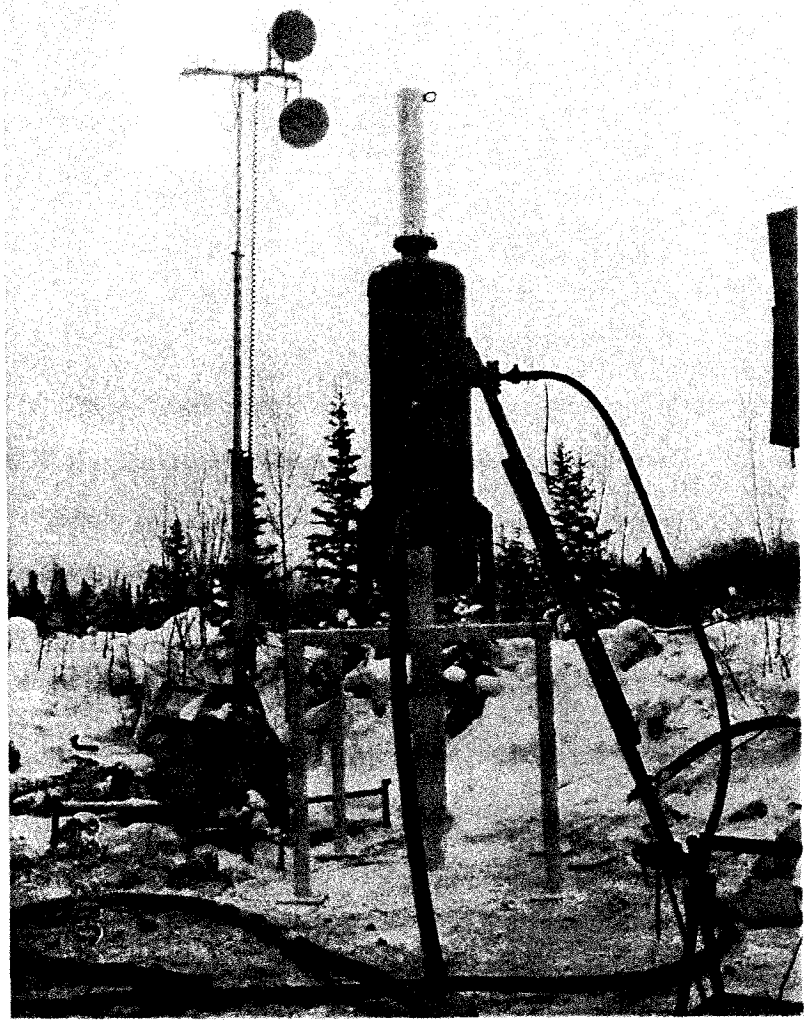
Rig and choke
manifold



BOP



Manual BOP valve



Gas buster

EVERGREEN
RESOURCES (ALASKA) CORP.
A Subsidiary of Evergreen Resources, Inc.

December 30, 2003

Winton Aubert
Petroleum Engineer
Alaska Oil and Gas Conservation Commission (AOGCC)
333 West 7th Ave. #100
Anchorage, AK 99501-3539

RE: Request for Operational Shutdown for the Little Su #1

Dear Mr. Aubert:

Attached is a 10-403 application for sundry approval requesting that an operational shut down be granted for the Little Su #1. The anticipated date for resuming operations is 15 Feb 2004.

Rig availability is the reason for requesting the operational shutdown. A water well contractor was used for setting surface casing and the core drilling rig is currently committed on another well.

The well has 4.5 inch casing set to 117' and has a full column of cement and hammer shoe that needs to be drilled prior to core drilling.

If you have any questions, please feel free to contact me at 907-355-8569 or shaneg@evergreengas.com.

Sincerely,

Shane Gagliardi
Petroleum Engineer

RECEIVED
JAN 07 2004
Alaska Oil & Gas Cons. Commission
Anchorage

ORIGINAL

1075 Check Street, Suite 202 • Wasilla AK 99654
P.O. Box 871845 • Wasilla, AK 99687 • TEL 907.357.8130 • FAX 907.357.8340

WGA 1/7/2004
DTS 1/7/4
SP 1/7/04

STATE OF ALASKA
ALASKA OIL AND GAS CONSERVATION COMMISSION

APPLICATION FOR SUNDRY APPROVAL

20 AAC 25.280

1. Type of Request: Abandon ☐ Suspend ☐ Operation Shutdown ☒ Perforate ☐ Variance ☐ Annular Disposal ☐
Alter Casing ☐ Repair Well ☐ Plug Perforations ☐ Stimulate ☐ Time Extension ☐ Other ☐
Change Approved Program ☐ Pull Tubing ☐ Perforate New Pool ☐ Re-enter Suspended Well ☐

2. Operator Name: **Evergreen Resources Alaska Corp.**

3. Address: **P.O. Box 871845, Wasilla, AK 99687**

4. Current Well Class: Development ☐ Exploratory ☐ Stratigraphic ☒ Service ☐

5. Permit to Drill Number: **203-205**

6. API Number: **50- 009-20027**

7. KB Elevation (ft): **810.1'**

9. Well Name and Number: **Little Su #1**

8. Property Designation: **Private**

10. Field/Pool(s): **Wild Cat**

11. PRESENT WELL CONDITION SUMMARY

Total Depth MD (ft):	Total Depth TVD (ft):	Effective Depth MD (ft):	Effective Depth TVD(ft):	Plugs (measured):	Junk (measured):
117'	117'	0'	0'	None	None

Casing	Length	Size	MD	TVD	Burst	Collapse
Structural						
Conductor						
Surface	117'	4.5"	117'	117'	3320	2650
Intermediate						
Production						
Liner						

Perforation Depth MD (ft):	Perforation Depth TVD (ft):	Tubing Size:	Tubing Grade:	Tubing MD (ft):
None	None	None	None	None

Packers and SSSV MD (ft): **None**

Packers and SSSV Type: **None**

12. Attachments: Description Summary of Proposal ☒
Detailed Operations Program ☐ BOP Sketch ☐

13. Well Class after proposed work:
Exploratory ☒ Development ☐ Service ☐

14. Estimated Date for Commencing Operations: **15 Feb 2004**

15. Well Status after proposed work:
Oil ☐ Gas ☐ Plugged ☐ Abandoned ☒
WAG ☐ GINJ ☐ WINJ ☐ WDSPL ☐

16. Verbal Approval: Date:
Commission Representative:

17. I hereby certify that the foregoing is true and correct to the best of my knowledge. Contact **Shane Gagliardi**

Printed Name **Shane Gagliardi** Title **Petroleum Engineer**

Signature _____ Phone **907-355-8569** Date **12/30/03**

Commission Use Only

Sundry Number: 304-003

Conditions of approval: Notify Commission so that a representative may witness

Plug Integrity ☐ BOP Test ☐ Mechanical Integrity Test ☐ Location Clearance ☐

Other:

Subsequent Form Required: 10-403 to restart operations.

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JAN 07 2004
Alaska Oil & Gas Cons. Commission
Anchorage

Approved by: Original Signed By Sarah Palin COMMISSIONER BY ORDER OF THE COMMISSION Date: 1/7/04

Form 10-403 Revised 2/2003 Submit in duplicate

ORIGINAL

RBDMS BFL JAN 09 2004

STATE OF ALASKA

FRANK H. MURKOWSKI, GOVERNOR

ALASKA OIL AND GAS CONSERVATION COMMISSION

333 W. 7TH AVENUE, SUITE 100
ANCHORAGE, ALASKA 99501-3539
PHONE (907) 279-1433
FAX (907) 276-7542

Shane Gagliardi
Petroleum Engineer
Evergreen Resources (Alaska) Corp.
PO Box 871845
Wasilla AK 99687

Re: Little Su #1
Evergreen Resources (Alaska) Corp.
Permit No: 203-205
Surface Location: 1191' FNL and 604' FWL, Sec. 35, T19N, R1E, SM
Bottomhole Location: 1191' FNL and 604' FWL, Sec. 35, T19N, R1E, SM

Dear Mr. Gagliardi:

Enclosed is the approved application for permit to drill the above referenced development well.

This permit to drill does not exempt you from obtaining additional permits or approvals required by law from other governmental agencies, and does not authorize conducting drilling operations until all other required permits and approvals have been issued. In addition, the Commission reserves the right to withdraw the permit in the event it was erroneously issued.

Operations must be conducted in accordance with AS 31.05 and Title 20, Chapter 25 of the Alaska Administrative Code unless the Commission specifically authorizes a variance. Failure to comply with an applicable provision of AS 31.05, Title 20, Chapter 25 of the Alaska Administrative Code, or a Commission order, or the terms and conditions of this permit may result in the revocation or suspension of the permit. Please provide at least twenty-four (24) hours notice for a representative of the Commission to witness any required test. Contact the Commission's North Slope petroleum field inspector at 659-3607 (pager).

Sincerely,

Daniel T. Seamount, Jr.
Commissioner

BY ORDER OF THE COMMISSION
DATED this 11 day of December, 2003

Department of Fish & Game, Habitat Section w/o encl.
Department of Environmental Conservation w/o encl.

WGA 12/9/2003

STATE OF ALASKA
ALASKA OIL AND GAS CONSERVATION COMMISSION

PERMIT TO DRILL

20 AAC 25.005

1a. Type of Work: Drill ☒ Redrill ☐ Re-entry ☐	1b. Current Well Class: Exploratory ☐ Development Oil ☐ Multiple Zone ☐ Stratigraphic Test ☒ Service ☐ Development Gas ☐ Single Zone ☐	
2. Operator Name: **Evergreen Resources (Alaska) Corp.**	5. Bond: ☒ Blanket ☐ Single Well Bond No. **RLB0003430**	11. Well Name and Number: **Little Su #1**
3. Address: **P.O. Box 871845, Wasilla, AK 99687**	6. Proposed Depth: MD: **3000 ft** TVD: **3000 ft**	12. Field/Pool(s): **Wildcat**
4a. Location of Well (Governmental Section): **Sec 35, TWN 19N, Rng 1E** Surface: **1191' FNL and 604' FWL** Top of Productive Horizon: **Same as above** Total Depth: **Same as above**	7. Property Designation: **Private**	
	8. Land Use Permit: **N/A**	13. Approximate Spud Date: **10 Dec 03**
	9. Acres in Property: **110 acres**	14. Distance to Nearest Property: **450 feet**
4b. Location of Well (State Base Plane Coordinates): **NAD 83** Surface: x- **1773146.94** (SPU 633718.22) y- **2813127.17** (2813373.15 NAD27) Zone- **4**	10. KB Elevation (Height above GL): **810.1'** feet	15. Distance to Nearest Well within Pool: **10,000 feet**
16. Deviated Wells: **N/A** Kickoff Depth: **N/A** ft. Maximum Hole Angle: **N/A**	17. Anticipated Pressure (see 20 AAC 25.035) Max. Downhole Pressure: ~~1080~~ 1167 psig. Max. Surface Pressure: ~~1167~~ 1080 psig.	WGA

18. Casing Program: Size		Specifications				Setting Depth Top		Setting Depth Bottom		Quantity of Cement c.f. or sacks.
Hole	Casing	Weight	Grade	Coupling	Length	MD	TVD	MD	TVD	(Including Stage Data)
6	4.5	10.8	LP	LP	150	0	0	154	154	12.9 cu. Ft.

19. **PRESENT WELL CONDITION SUMMARY** (To be completed for Redrill and Re-Entry Operations)

Total Depth MD (ft):	Total Depth TVD (ft):	Effective Depth MD (ft):	Effective Depth TVD(ft):	Plugs (measured):	Junk (measured):

Casing	Length	Size	Cement Volume	MD	TVD
Structural					
Conductor					
Surface					
Intermediate					
Production					
Liner					

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Alaska Oil & Gas Cons. Commission
Anchorage

Perforation Depth MD (ft): **None** Perforation Depth TVD (ft): **None**

20. Attachments: Filing Fee ☒ BOP Sketch ☒ Drilling Program ☒ Time v. Depth Plot ☐ Shallow Hazard Analysis ☐
Property Plat ☒ Diverter Sketch ☐ Seabed Report ☐ Drilling Fluid Program ☒ 20 AAC 25.050 Requirements ☐

21. Verbal Approval: Commission Representative: Date:

22. I hereby certify that the foregoing is true and correct to the best of my knowledge. Contact Shane Gagliardi

Printed Name Shane Gagliardi Title Petroleum Engineer

Signature _____ Phone 907-355-8569 Date 12/5/03

Commission Use Only

Permit to Drill Number:	API Number:	Permit Approval Date:	See cover letter for other requirements.
203-205	50-009-20027		

Conditions of approval: Samples required ☒ Yes ☐ No Mud log required. ☒ Yes ☐ No

Hydrogen sulfide measures ☐ Yes ☒ No Directional survey required ☐ Yes ☒ No

Other: Refer to attached Conditions of Approval.

Approved by: Original Signed By Sarah Palin COMMISSIONER BY ORDER OF THE COMMISSION Date: 12/11/03

Form 10-401 Revised 3/2003 Submit in duplicate

Subject: Nad 27 Coords for Core Wells
From: Shane Gagliardi <ShaneG@EvergreenGas.com>
Date: Mon, 15 Dec 2003 15:12:46 -0900
To: Bob Fleckenstein <bob_fleckenstein@admin.state.ak.us>

Bob,

Here are the coords (in NAD 27) for the core wells.

Little Su - N = 2813373.15 E = 633118.22
Houston Pit - N = 2791671.87 E = 526782.80 Source: Surveyor
Willow Fishhook - N = 2838106.12 E = 504445.60
Kashwitna Lake - N = 2866054.57 E = 487747.09
Sheep Creek - N = 2918957.46 E = 489689.87

I think that most internet converters can convert Lat Long coords to NAD 27
without a problem. I have found several free programs that can do this. At
this point, the standard has become NAD 83 due to the increasing number of
handheld GPS tools.

Thanks,
Shane

Proposed Drilling Procedure
Core Program 2003
Matanuska-Susitna Borough, Alaska

Objective
The objective of this operation is to core the intended wells for geologic study to determine coal bed methane exploration potential and begin to describe the Mat Su Basin

Casing Program
Surface casing will be run from surface through the glacial gravels to protect fresh water. The surface hole will be 6 inch diameter and the surface casing will be X-42 4 inch nominal schedule 40 line pipe.

	Hole Size (in)	Casing Size OD (in)	Casing Weight (lbs/ft)	Casing Grade	Casing Connection	Approx Casing Depth (ft)	Cement Interval
Surface	6	4.5	10.8	LP	LP	200	to surface

Mud Program
Water will be the primary drilling fluid used. Bentonite and EZ-Mud DP or other fresh water polymer may be used if hole conditions warrant. After the well has reached TD, this mud will be conditioned and transported to the next site. The cuttings will be tested and either spread on location, sent to an off site disposal facility or placed back in the hole as part of the abandoning process.

Open Hole Logging Program
Memory tools will be latched into the landing sub above the core barrel. The hole will be logged as the drill pipe is being pulled out of the hole.

Log	Interval
Single Induction	TD to ± 20 ft in Surface Casing
Sonic Porosity	TD to ± 20 ft in Surface Casing
Gamma Ray	TD to ± 20 ft in Surface Casing
Caliper	TD to ± 20 ft in Surface Casing
Compensated Density	TD to ± 20 ft in Surface Casing
Neutron Porosity	TD to ± 20 ft in Surface Casing

Formation Tops

Formation	Estimated Tops (ft KB)
Quarternary Gravel	Surface
Tertiary Tyonek	50-200

General Information
All information not publicly available is considered Tight Hole and confidential.

Spill Prevention Plan and Bear Mitigation measures must be adhered to at all times.

Proposed Drilling Procedure
Core Program 2003
Matanuska-Susitna Borough, Alaska

SURFACE AND CORE HOLE

1. MIRU DJ excavation. Make any necessary changes to location to accommodate core drilling rig.
   a. Dig 6' cellar w/ 6' diameter and place culverts.
2. MIRU Discovery Drilling.
3. Drill 6" hole through base of gravel (50'-200' anticipated) and set 4" casing to bottom. 4.5" OD
   a. Evergreen personnel will call TD on surface hole.
4. Cement casing in place w/ 1-3 bbl cmt w/ cmt wt @ 15.6 ppg
   a. Water requirements – 5.2 gal/sk
   b. Slurry volume – 1.18 cu ft/sk
   c. Leave 1" to 2" of cement in cellar for seal
5. RDMO Discovery drilling to next well.
6. MIRU Layne Christiansen CS 4000 core drilling rig.
7. Fill mud tanks w/ city water. Make sure there is enough mud on site to mix kill wt mud if necessary.
8. WOC for 6 hours.
9. NU and test BOP.
10. Pressure test casing to 1500 psi.
11. Drill cmt and csg shoe. Drill 20 feet into new formation and POOH.
12. RIH with HQ core bit and barrel.
13. Core to Arkose Ridge formation. The well will be TD'd above this level if significant hole problems occur.
    a. Arkose Ridge formation: Fluvitile and alluvial feldsparic sandstone, conglomerate, siltsone and shale containing abundant plant fragments.
    b. The core will be described on site by Evergreen personnel or contractors in the following manner:
       i. Apparent texture variations
          1. Fractures
          2. Bedding plane attitudes
       ii. Apparent fluid variations
          1. Presence of hydrocarbons
       iii. Apparent lithologic variations
          1. Rock type
          2. Porosity
          3. Sedimentary structure
          4. Grain size
14. Evergreen personnel will call final TD. POOH w/ last core inner tube.
15. Condition hole.
16. PU 30 ft off of bottom to make room for logging tools.
17. MIRU Reeves Wireline. Drop memory tools consisting of Gamma Ray, Sonic Porosity, Array Induction, Compensated Neutron Density and Caliper.
18. POOH and LD drill pipe, rods, core barrel and core bit and logging tools.
19. TIH w/ "B" rods to TD. (Cmt calculations are based on TD=2500' and surface csg @ 200')
    a. Surface casing – (0.01574bbls/ft)(200') = 3.14 bbls
    b. HQ Hole – (0.01440 bbls/ft)(2300') = 33.12 bbls
    c. Total fluid required to fill hole - 36.26 bbls
20. Pump 3 bbls cmt and POOH 210 ft.
21. Pump 18 bbls (1250ft) of mud and cuttings and POOH to 1000 ft.
22. Pump 15.1 bbls cmt
23. POOH w/ "B" rods.
24. Clean-up well site.
25. RDMO Layne Christianson to next hole.
26. WOC 24 hours.
27. MIRU DJ Excavation.
    a. Cut 4" casing 3' below original ground level.
    b. Weld ¼" thick plate w/ 8" diameter onto 4" casing. 18" diameter WGA
    c. Plate must have the following bead welded information:
       i. Evergreen Resources
       ii. Permit to drill number (Number will be provided as soon as it is issued by AOGCC)

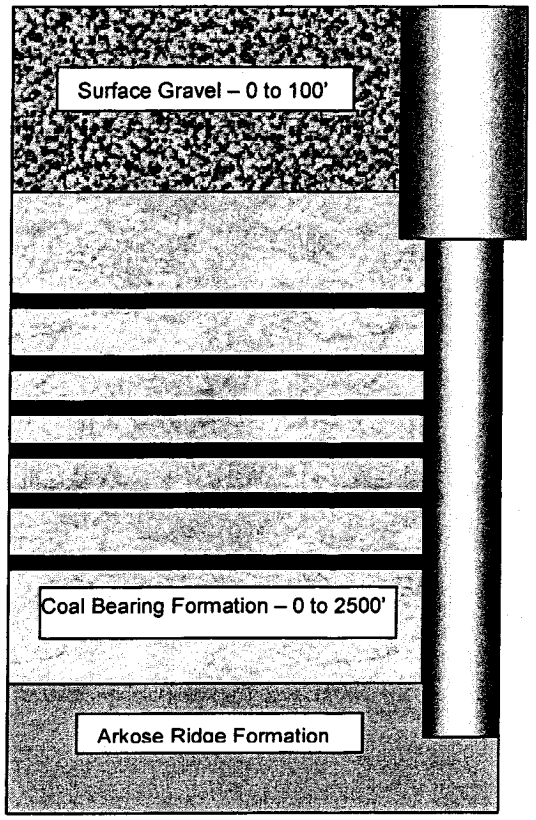
iii. Well number
iv. API number (Number will be provided as soon as it is issued by AOGCC)

d. Remove culvert and back fill cellar.

28. RDMO DJ Excavation.

Proposed Drilling Procedure
Core Program 2003
Matanuska-Susitna Borough, Alaska

Core Hole Diagram



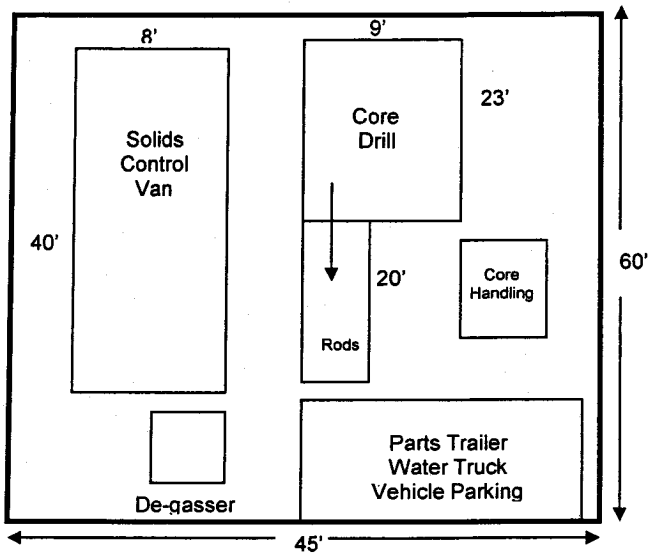
6" Hole to ± 100'

4" LP (4.5" OD, 4.026" ID, 3320 psi) @ ± 200'
Cemented w/ 25 sx Portland cmt

Tyonek Formation

HQ Diameter Hole (3.850") to 1800'
2.5" core. Log hole using memory tools latched into landing sub while pulling drill pipe.

Rig Layout Diagram

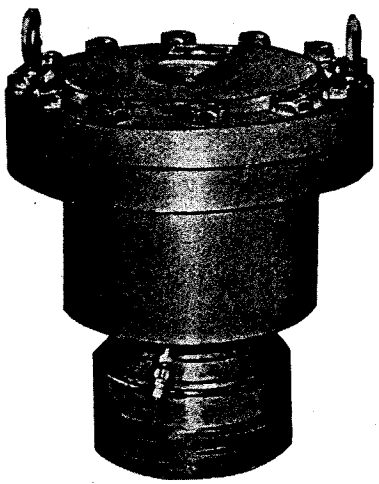


Proposed Telephone Contact List
Core Program 2003
Matanuska-Susitna Borough, Alaska

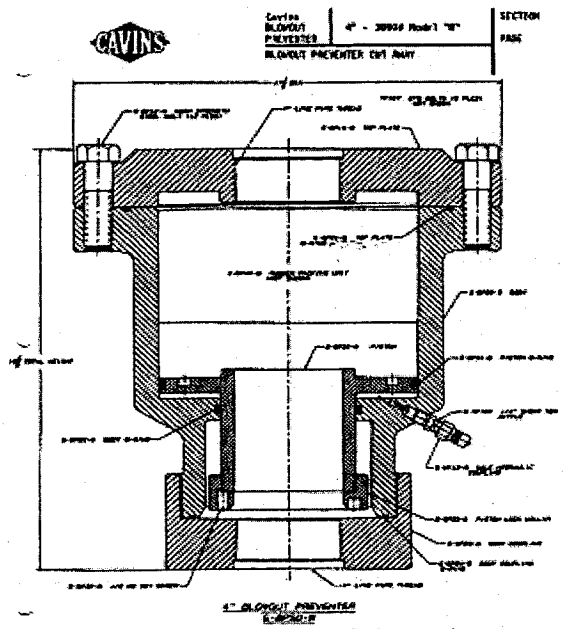
Company	Address	Name	Telephone
Evergreen Resources Inc.	Suite 1200 1401 Seventeenth Street Denver, Colorado 80202	Dennis Carlton Senior Vice President of Operations	Office: 303-298-8100 Fax: 303-298-7800
Evergreen Resources Inc.	Suite 1200 1401 Seventeenth Street Denver, Colorado 80202	Scott Zimmerman Vice President of Operations and Engineering	Office: 303-298-8100 Cell: 303-981-3314 Fax: 303-298-7800
Evergreen Resources Alaska	P.O. Box 871845 Wasilla, AK 99687	Shane Gagliardi AK Project Engineer	Office: 907-357-8130 Cell: 907-355-8569 Fax: 907-357-8340
Evergreen Resources Alaska	P.O. Box 871845 Wasilla, AK 99687	Mike Bellowich AK Project Geologist	Office: 907-357-8130 Cell: 907-232-9538 Fax: 907-357-8340
Evergreen Resources Inc.	Suite 1200 1401 Seventeenth Street Denver, Colorado 80202	Jerry Jacobs Environmental Manager	Office: 303-298-8100 Fax: 303-298-7800
Hampton & Waechter	Suite 300 1645 Court Pl. Denver, Colorado 80202	Noel Waechter	Office: 303-825-7140
Layne Christiansen	2370 Steese Hwy. Fairbanks, AK 99712	Shane Crum	Office:918-322-3095 Mobil 918-625-1668 Fax: 918-322-3829
MI Swaco	721 West 1st Ave. Anchorage, AK 99501	Dennis Jackson	Office: 907-274-5501
Reeves Wireline	121 South Country Estates Road, Liberal, KS 67901	Bob Gales	Office: 785-331-2933

Well Control Diagrams
Core Program 2003
Matanuska-Susitna Borough, Alaska

Manufacturer: Cavins Oil Well Tools
Size: 4"
Rating: 3000 psi
Usage: Used for mineral exploration core drilling in Nevada.



Cavins Annular BOP

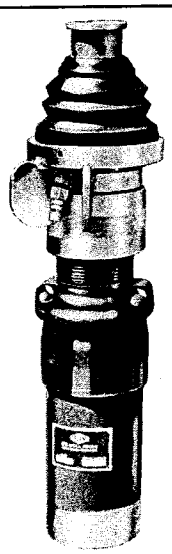


Cavins Annular BOP Schematic

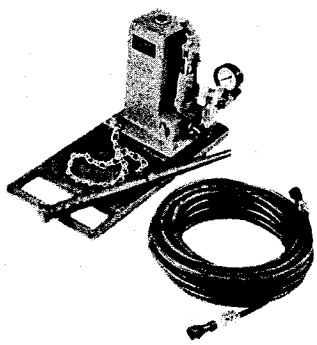
The combination Blowout Preventer and Sucker Rod Stripper combines safety and economy in a tool designed to perform the necessary function of line wiping. It can be operated from anywhere on the derrick floor utilizing pressure from bottled nitrogen, an optional hand operated hydraulic pump, or the optional BOP control system. When swabbing, a short lubricator the length of the swab between the master gate and the Blowout Preventer is all that is required. Pressure connection is for 1/4" A.P.I. pipe. The units are tested to give full closure up to 3000 psi well pressure with no leakage. The full closure feature of the Blowout Preventer will give a temporary seal, allowing ample time to close the master gate should a well blowout occur.

BALL LOCK OIL SAVER

The use of the Ball Lock Oil Savers by drilling and production departments has earned this service proven tool a reputation for trouble-free operation with simplicity. The CAVINS Ball Lock Oil Savers are made of high carbon steel and precision machined for demanding dependability and safety in a wide range of service applications. Exhaustive testing in the excess of 3000 psi is further assurance against failure or leakage. Incorporated in its design, which affords a cleanly wiped wire line, is its safeguard against blow out. One important feature of the Oil Saver is its automatic ball release design. Hardened Steel Balls hold the traveling assembly securely in the body until released by the upward travel of the Rope Socket. The Rubber Packing unit with its internal fins provide the ultimate in wire characteristics with only a normal pressure, or drag, on the line. The Packing Rubber is compounded of special abrasive and oil resistant properties to give the rubber longer wear. A tough spark-proof die cast alloy is utilized in the top and bottom line guides and enhances reduced wear in the rubber packing unit. A high quality leather hydraulic packing ring wards against leakage in the area between the body and the traveling assembly. The Hydraulic Bonnets provide an even greater degree of wiping efficiency. The wire line can be completely stripped of all oil, or water and an Oil Saver outfitted with a Hydraulic Bonnet foregoes the necessity of tools for "taking up" wear in the packing element. The one hand operation requires only a few strokes of the pump handle to give complete wiping action or turn the release valve when no wiping is required. The Hydraulic action affords a greater rubber contact surface as the packing rubber is compressed around the line. The line is completely surrounded and sealed from blow-out leakage by the action of the Hydraulic unit. There is no danger of packing rubber or other elements falling into the well.

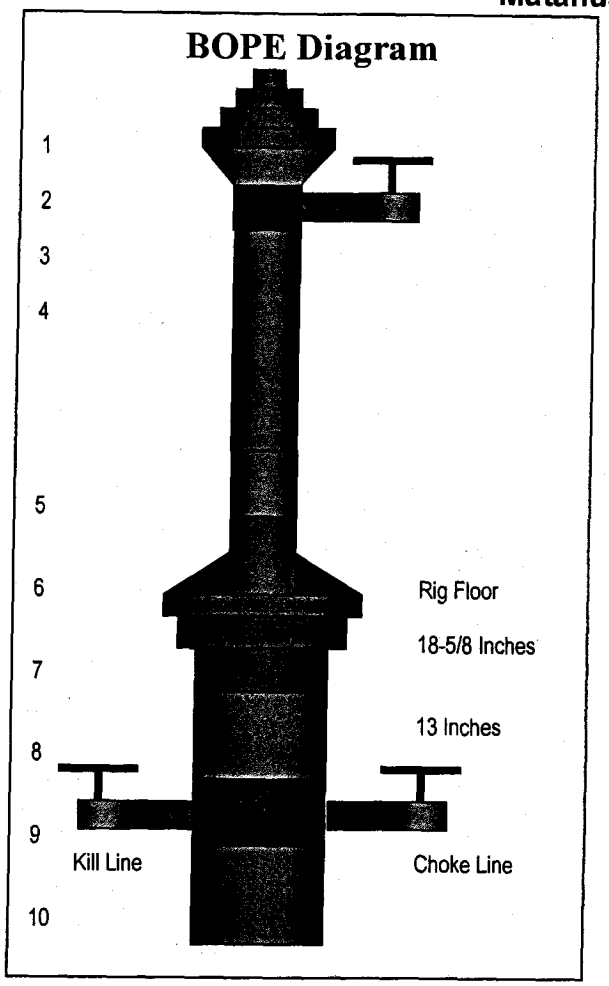


Ball Lock Oil Saver



Hydraulic Pump and Hose

Well Control Diagrams
Core Program 2003
Matanuska-Susitna Borough, Alaska



1. Oil saver fitted with stripping rubbers to fit 3/16" slick line. Can be operated manually and/or hydraulically.
2. Cross over from drill pipe thread to 4" API LP thread.
3. Relief valve for lubricator.
4. Lubricator made of HQ drill pipe. Rated to 4600 psi.
5. TIW (stabbing valve). Rated for 3000 psi. Used for shutting in drill pipe ID to rig up for pulling core.
6. Drill pipe sitting in foot clamps during coring operation.
7. Cavins 4" 3000 psi Annular BOP. BOP can be operated manually or hydraulically. Will be fit with rubbers to provide pressure control on the outer tube of the coring assembly.
8. 4" Full port 3000 psi valve.
9. Standard spool threaded to fit 4" line pipe connections w/ two 2" ports that will be fitted w/ 3000 psi full port ball valves.
10. 4" API line pipe surface casing.

NOTE: ALL CONNECTIONS ARE THREADED

Tubular Information
Core Program 2003
Matanuska-Susitna Borough, Alaska

Drill Pipe (HQ)

Size (in)	Pipe Grade	Weight (ppf)	ID (in)	Drift (in)	Collapse (psi)	Burst (psi)	Tensile (k-lbs)	Capacity (bbl/ft)	Capacity (ft/bbl)	6" Hole Annulus (bbl/ft)	6" Hole Annulus (ft/bbl)
3.5	HMQ	4.5	3.188	3.188	3910	4600	88.46	0.00911	109.7	0.02307	43.35

Surface Casing

Size (in)	Pipe Grade	Weight (ppf)	ID (in)	Drift (in)	Collapse (psi)	Burst (psi)	Tensile (k-lbs)	Capacity (bbls/ft)	Capacity (ft/bbl)	6" Hole Annulus (bbl/ft)	6" Hole Annulus (ft/bbl)
4.5"	LP X42 Sch 40	10.8	4.026	4.026	2650	3320		0.01574	63.51	0.0153	65.36

Core Program 2003
Matanuska-Susitna Borough, Alaska

List of Exceptions For Drilling

Exception #1

Regulation

20 AAC 25.030 - CASING AND CEMENTING.

(f) Except for through-tubing drilling, a formation integrity test must be performed if BOPE is installed on a casing. The test must be performed to a predetermined equivalent mud weight, leak-off, or fracture pressure as specified in the application for the Permit to Drill. The test must be conducted after drilling out of the casing shoe into at least 20 feet but not more than 50 feet of new formation. The test results must demonstrate that the integrity of the casing shoe is sufficient to contain anticipated wellbore pressures identified in the application for the Permit to Drill. The test procedure followed and the data from the test and any subsequent tests of the formation must be recorded as required by 20 AAC 25.070 (1).

Authority

20 AAC 25.030 - CASING AND CEMENTING.

(g) Upon request of the operator, the commission will, in its discretion, approve variances from the requirements of (b) - (f) of this section to allow for special or unusual conditions if the design requirements of (a) of this section are satisfied.

Justification

No intermediate casing will be set and surface casing will be set relatively close to surface; therefore, a formation integrity test is not valid.

Exception #2

Regulation

20 AAC 25.033 - PRIMARY WELL CONTROL FOR DRILLING: DRILLING FLUID PROGRAM AND DRILLING FLUID SYSTEM.

c) A drilling fluid system intended to maintain the wellbore in overbalanced condition must include

(1) a recording drilling fluid pit level indicator with both visual and audible warning devices located in the immediate area of the driller's station;

(2) a drilling fluid measuring system or trip tank for accurately determining drilling fluid volumes required to fill the wellbore on trips;

(3) a drilling fluid flow sensor with a readout convenient to the driller's station to enable the operator to determine whether drilling fluid returns equal drilling fluid pump discharge rates;

Authority

20 AAC 25.033 - PRIMARY WELL CONTROL FOR DRILLING: DRILLING FLUID PROGRAM AND DRILLING FLUID SYSTEM.

(j) Upon request by the operator, the commission will, in its discretion, approve a waiver of the requirements of (c) - (g) of this section if the alternative drilling fluid program and drilling fluid system meet the design criteria of (b) of this section and the corresponding equipment and procedures are at least equally effective in preventing the loss of primary well control.

Justification

The steel mud tank will be placed next to the drillers console in plain sight. There will be constant circulation of drilling fluids taking returns into the cellar. The mud system will have adequate volumes for maintaining the fluid level in the hole while tripping. For this process a couple of bit trips are anticipated per hole. Lost circulation is not anticipated as indicated by the previous drilling in the area. Other wells drilled in the area were drilled using air; during that drilling operation, gas influx was not an issue. There is no indication from past drilling that hydrogen sulfide gas will be encountered.

Exception #3

Regulation

20 AAC 25.035 - SECONDARY WELL CONTROL FOR PRIMARY DRILLING AND COMPLETION: BLOWOUT PREVENTION EQUIPMENT AND DIVERTER REQUIREMENTS.

(c) (1) (A) of at least 16 inches, unless a smaller diameter is approved by the commission to account for smaller hole size, geological conditions, rig layout, or surface facility constraints.

(B) the actuating mechanism for the vent line valve must be integrated with the actuating mechanism for the annular pack-off device in a fail-safe manner so that the vent line valve automatically opens before full closure of the annular pack-off;

(C) the vent line must extend to a point at least 75 feet

Authority

20 AAC 25.035 - SECONDARY WELL CONTROL FOR PRIMARY DRILLING AND COMPLETION: BLOWOUT PREVENTION EQUIPMENT AND DIVERTER REQUIREMENTS.

(h) Upon request of the operator, the commission will, in its discretion, approve a variance
(1) from the BOPE requirements in (e) of this section if the variance provides at least an equally effective means of well control; and
(2) from the diverter system requirements in (c) of this section if the variance provides at least equally effective means of diverting flow away from the drill rig or if drilling experience in the near vicinity indicates that a diverter system is not necessary.

Justification

The largest hole size being cored is only 3.85 inches. A 16 inch diverter vent line is not necessary. Due to the size of the location, manual valves and adjustable chokes would be sufficient to provide pressure control. The DNR states that the locations should be placed such that minimal surface damage is caused; therefore, the proposed location sizes are 45' x 65'. The location size is smaller than the required length of the vent line.

Exception #4

Regulation

20 AAC 25.035 - SECONDARY WELL CONTROL FOR PRIMARY DRILLING AND COMPLETION: BLOWOUT PREVENTION EQUIPMENT AND DIVERTER REQUIREMENTS.

(e) (1) (A) for an operation requiring a BOP stack equal to or less than API 5K, BOPE must have at least three preventers, including
(i) one equipped with pipe rams that fit the size of drill pipe, tubing, or casing being used, except that pipe rams need not be sized to bottom-hole assemblies (BHAs) and drill collars;
(ii) one with blind rams, except that a subsea BOPE assembly must have blind/shear rams in place of blind rams; and
(iii) one annular type

Authority

20 AAC 25.035 - SECONDARY WELL CONTROL FOR PRIMARY DRILLING AND COMPLETION: BLOWOUT PREVENTION EQUIPMENT AND DIVERTER REQUIREMENTS.

(h) Upon request of the operator, the commission will, in its discretion, approve a variance
(1) from the BOPE requirements in (e) of this section if the variance provides at least an equally effective means of well control; and
(2) from the diverter system requirements in (c) of this section if the variance provides at least equally effective means of diverting flow away from the drill rig or if drilling experience in the near vicinity indicates that a diverter system is not necessary

Justification

Being a mineral exploration rig, this equipment is not set up to easily accommodate blow out prevention equipment. The size of the rig and the size of the surface casing indicate that a small bore BOP is required. A Cavins 3000 psi annular BOP is requested to satisfy this portion of the secondary well control requirements. There will be no pipe rams and the blind rams will consist of a full port valve placed below the annular preventer. The annular can be closed either manually using a hand pump or by using rig hydraulics.

Exception #5

Regulation

20 AAC 25.035 - SECONDARY WELL CONTROL FOR PRIMARY DRILLING AND COMPLETION: BLOWOUT PREVENTION EQUIPMENT AND DIVERTER REQUIREMENTS.

(e) (4) (A) a hydraulic actuating system with
(B) locking devices on the ram-type preventers;
(D) in rotary drilling rig operations, one complete set of operable remote BOPE controls on or near the driller's station, in addition to controls on the accumulator system
(F) a kill line and a choke line each connected to a flanged or hubbed outlet on a drilling spool, the BOP body, or the tree, with two full-opening valves on each outlet, conforming to the following specifications:
ii) the outer valve on the choke side must be a remotely controlled hydraulic valve;
(H) a choke manifold equipped with
(i) two or more adjustable chokes, one of which must be hydraulic and remotely controlled from near the driller's station if the operation requires a BOP stack equal to or greater than API 5K;

Authority

20 AAC 25.035 - SECONDARY WELL CONTROL FOR PRIMARY DRILLING AND COMPLETION: BLOWOUT PREVENTION EQUIPMENT AND DIVERTER REQUIREMENTS.

(h) Upon request of the operator, the commission will, in its discretion, approve a variance
(1) from the BOPE requirements in (e) of this section if the variance provides at least an equally effective means of well control; and
(2) from the diverter system requirements in (c) of this section if the variance provides at least equally effective means of diverting flow away from the drill rig or if drilling experience in the near vicinity indicates that a diverter system is not necessary.

Justification

The proposed BOP does not have rams. This rig is not configured to have an additional set of BOP controls near the driller's console, this rig does not use BOPE on a regular basis when conducting mineral exploration. This rig is not equipped to run hydraulically operated chokes; therefore, manual adjustable chokes are requested. Due to anticipated low pressure, threaded connections are requested for the entire operation.

Exception #6

Regulation

20 AAC 25.035 - SECONDARY WELL CONTROL FOR PRIMARY DRILLING AND COMPLETION: BLOWOUT PREVENTION EQUIPMENT AND DIVERTER REQUIREMENTS.

(e) (10) (F) be assembled without hammer unions or internally clamped swivel joints, except that hammer unions and internally clamped swivel joints may be used on the kill line upstream of the valves that are flanged to the wellhead or tree.

(e) (9) connections directly to the BOPE, other than connections described in (8) of this subsection, must be flanged or hubbed, except that suitably pressurerated quick connects may be used if a positive seal manual valve, hydraulic valve, or BOPE blind ram and an annular type preventer or sealing ram are flanged to the wellhead or tree below the quick connection;

Authority

20 AAC 25.035 - SECONDARY WELL CONTROL FOR PRIMARY DRILLING AND COMPLETION: BLOWOUT PREVENTION EQUIPMENT AND DIVERTER REQUIREMENTS.

(h) Upon request of the operator, the commission will, in its discretion, approve a variance

(1) from the BOPE requirements in (e) of this section if the variance provides at least an equally effective means of well control; and

(2) from the diverter system requirements in (c) of this section if the variance provides at least equally effective means of diverting flow away from the drill rig or if drilling experience in the near vicinity indicates that a diverter system is not necessary.

Justification

The proposed BOP does not have rams. Request that all connections be threaded and hammer unions be approved. Anticipated surface pressure will be well within the pressures ratings of all BOPE. This well head is not intended to be a permanent fixture for production.

Exception #7

Regulation

20 AAC 25.035 - SECONDARY WELL CONTROL FOR PRIMARY DRILLING AND COMPLETION: BLOWOUT PREVENTION EQUIPMENT AND DIVERTER REQUIREMENTS.

(e) (6) (F) be assembled without hammer unions or internally clamped swivel joints, unless the commission determines that those joints do not compromise maintenance of well control;

(e) (8) connections attached directly to the wellhead, tree, or BOPE must be flanged or hubbed;

Authority

20 AAC 25.035 - SECONDARY WELL CONTROL FOR PRIMARY DRILLING AND COMPLETION: BLOWOUT PREVENTION EQUIPMENT AND DIVERTER REQUIREMENTS.

(h) Upon request of the operator, the commission will, in its discretion, approve a variance

(1) from the BOPE requirements in (e) of this section if the variance provides at least an equally effective means of well control; and

(2) from the diverter system requirements in (c) of this section if the variance provides at least equally effective means of diverting flow away from the drill rig or if drilling experience in the near vicinity indicates that a diverter system is not necessary.

Justification

Request that all connections be threaded and hammer unions be approved. Hammer unions to be used are rated for 5,000 psi. Anticipated surface pressure will be well within the pressures ratings of all BOPE. This well head is not intended to be a permanent fixture; and intended annular BOP is threaded.

Exception #8

Regulation

20 AAC 25.035 - SECONDARY WELL CONTROL FOR PRIMARY DRILLING AND COMPLETION: BLOWOUT PREVENTION EQUIPMENT AND DIVERTER REQUIREMENTS.

(e) (9) (A) an inside BOP and a full-opening drilling assembly safety valve in the open position on the drill rig floor to fit all connections that are in the drilling assembly;

Authority

20 AAC 25.035 - SECONDARY WELL CONTROL FOR PRIMARY DRILLING AND COMPLETION: BLOWOUT PREVENTION EQUIPMENT AND DIVERTER REQUIREMENTS.

(h) Upon request of the operator, the commission will, in its discretion, approve a variance

(1) from the BOPE requirements in (e) of this section if the variance provides at least an equally effective means of well control; and

(2) from the diverter system requirements in (c) of this section if the variance provides at least equally effective means of diverting flow away from the drill rig or if drilling experience in the near vicinity indicates that a diverter system is not necessary.

Justification

The use of a continuous core system prevents the use of internal check valves. A lubricator system will be employed when the core is to be retrieved.

Exception #9

Regulation

20 AAC 25.050 WELLBORE SURVEYS.

(a)(3) surveyed by a complete continuous directional survey if a portion of the well path is less than 500 feet from a property line where the ownership by owner or landowner is not identical on both sides of the line, or if a portion of the well path is less than 200 feet from any other vertical or deviated well; the survey must be taken at intervals not more than 100 feet apart, beginning within 100 feet of the surface.

Authority

20 AAC 25.050 WELLBORE SURVEYS.

(h) Upon application, the commission will, in its discretion, waive all or part of the directional survey requirements of this section or approve alternate means for determining the location of a wellbore if the variance at least equally ensures accurate surveying of the wellbore to prevent well intersection, to comply with spacing requirements, and to ensure protection of correlative rights.

Justification

Request that inclination surveys every 500 feet as stipulated in 20 AAC 25.050 (a) (2) be adequate for this operation. There will be no production from these wells; therefore, spacing requirements and correlative rights should not be an issue.

Exception #10

Regulation

20 AAC 25.055 - DRILLING UNITS AND WELL SPACING.

(a)(2) for a well drilling for gas, a wellbore may be open to test or regular production within 1,500 feet of a property line only if the owner is the same and the landowner is the same on both sides of the line

Authority

20 AAC 25.055 - DRILLING UNITS AND WELL SPACING.

(d) The commission will review an application for an exception to the provisions of this section in accordance with 20 AAC 25.540. The applicant for an exception shall send notice of the application by certified mail to the owners, landowners, and operators described in (1) of this subsection and shall furnish the commission with a copy of the notice, the date of mailing, and the addresses to which the notice was sent. The application must include

(1) The names of all owners, landowners, and operators of all properties within 1,000 feet of a well drilling for oil or within 3,000 feet of a well drilling for gas for which an exception is sought;

(2) A plat drawn to a scale of one inch equaling 2,640 feet or larger, showing the location of the well for which the exception is sought, all other completed and drilling wells on the property, and all adjoining properties and wells; and

(3) An affidavit by a person acquainted with the facts, verifying that all facts are true and that the plat correctly portrays pertinent and required data.

Justification

These wells are intended for stratigraphic testing only; therefore, no gas production or sales will result from any of these wells. The above listed requirements will be met.

Exception #11

Regulation

20 AAC 25.061 (a) – Well Site Surveys

For an exploratory or stratigraphic test well, near surface strata to a depth of 2,000 feet in the vicinity of the well must be evaluated seismically by common depth point refraction or reflection profile analysis, or by another method approved by the commission, to identify anomalous velocity variations indicative of potential shallow gas sources. Analysis results must be included with the application for the Permit to Drill (Form 10-401).

Authority

20 AAC 25.061 (c) – Well Site Surveys

Upon request by the operator, the commission will, in its discretion, waive the requirements of this section if the operator can identify, by other equally effective means, the likelihood of encountering potential shallow gas or seabed hazards or if the commission already has information that substantiates the presence or absence of shallow gas or seabed hazards.

Justification

Several wells have been drilled in the area through the intended formations without incident. Drilling history in the area indicates that over pressured shallow gas is not going to be a problem; therefore, seismic data collection and interpretation would be an unnecessary expense.

Conditions of Approval

Evergreen Resources (Alaska) Corp.
Little Su #1 (PTD 203-205)

1. Per 20 AAC 25.030 (g), the formation integrity test requirement is waived.
2. Per 20 AAC 25.033 (j), the drilling fluid system requirements are waived.
3. Per 20 AAC 25.035 (h) (1) and (2), the BOPE and diverter requirements are waived.
4. Per 20 AAC 25.050 (h), alternate well bore directional survey intervals are approved.
5. Per 20 AAC 25.061 (c), the near surface survey requirement is waived.
6. Test BOPE to 1500 psi.
7. Abandonment plug cement volumes may be adjusted dependent upon actual subsurface conditions.

EVERGREEN

Landowner Letter of Non-Objection for Proposed Activities

October 10, 2003

LANDOWNER LETTER OF NON-OBJECTION FOR PROPOSED ACTIVITIES

TO WHOM IT MAY CONCERN:

I hereby grant permission to Evergreen Resources (Alaska) Corporation to have access to my land as described below, for purposes of drilling a stratigraphic core hole test well on my property. This will include traveling on or through including possible improvements to be made on the Matanuska Electric Association utility easement on my land as reflected on Appendix A, Figure 4 of the attached Plan of Operations – 2003, Project Addendum

Legal Description

The Northwest one-quarter (NW¼) of Section 35, Township 19 North, Range 1 East, Seward Meridian, located in the Palmer Recording District, Third Judicial District, State of Alaska, EXCEPTING THEREFROM the Northeast one-quarter of the Northwest one-quarter (NE¼ NW¼) of said Section 35 and FURTHER EXCEPTING THEREFROM that portion of said Section 35 lying Westerly of the Palmer-Fishhook Road right of way.

It is understood that some additional work may be required to build the access road and clear a well site location; that having reviewed the project with Mike Belowich, Geologist for Evergreen Resources (Alaska) Corporation, I hereby approve of same.

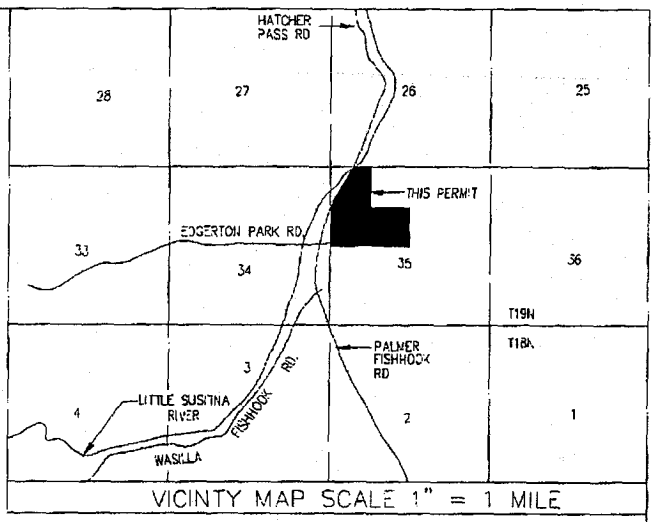
Robert M. Retherford
3268 Sleeping Lady Lane
Anchorage, AK 99515
(907) 522-4664

NOTES:

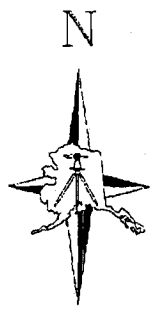
1. COORDINATES SHOWN ARE NAD83 ALASKA STATE PLANE ZONE 4 BASED ON PROTRACTED VALUES.
2. GEOGRAPHIC COORDINATES ARE NAD 83 BASED ON PROTRACTED VALUES.
3. ALL DISTANCES ARE GROUND IN U.S. SURVEY FEET.
4. VERTICAL DATUM IS BASED ON ADOT BENCHMARK EL = 820.84'

Little Su #1

LOCATED 119' FROM THE NORTH LINE OF SECTION 35
AND 605' FROM THE WEST LINE OF SECTION 35
T 19 N, R 1 E, SEWARD MERIDIAN
AT LAT. 61°41'52.525"N LONG. 149°14'07.408"W
ASP ZONE 4 N=2813127.17 E=1773146.94 (NAD 83)
GROUND ELEVATION = 810.1'

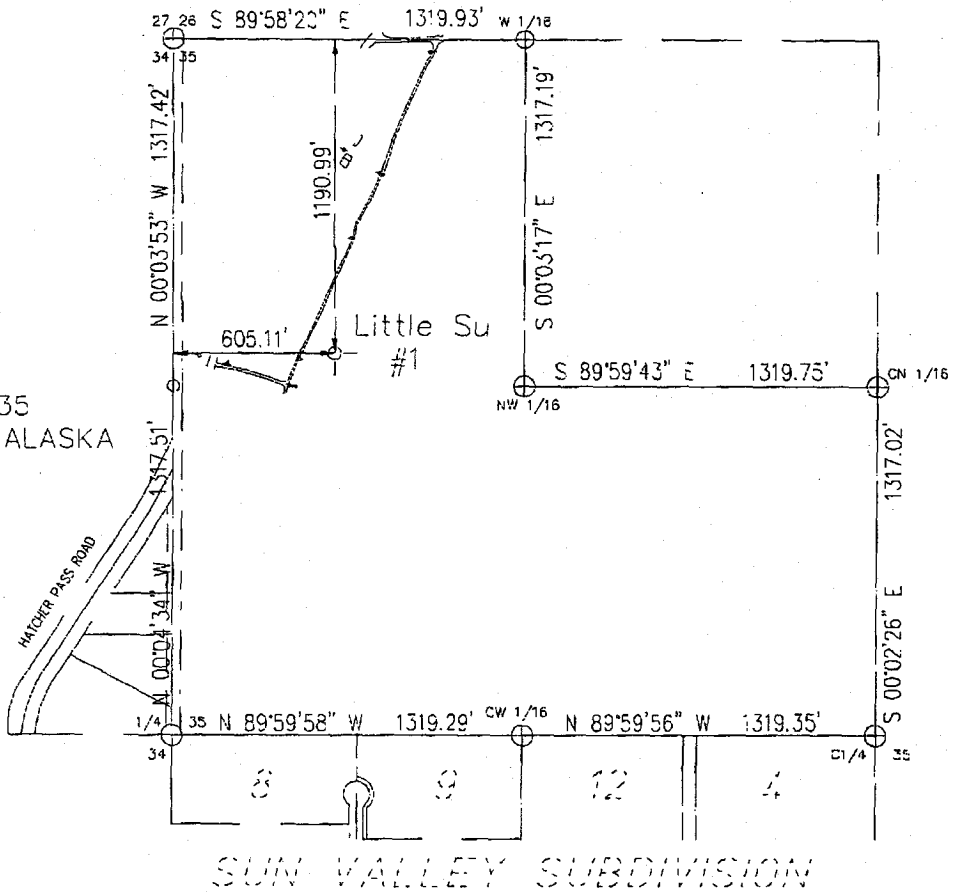


VICINTY MAP SCALE 1" = 1 MILE



SCALE 1" = 600'

SECTION 35
T19N, R1E, S.M., ALASKA



Little Su #1 PERMIT DRAWING	LOUNSBURY & ASSOCIATES, INC. ENGINEERS–PLANNERS–SURVEYORS 723 W. 6th AVE. ANCHORAGE, ALASKA 99501 (907) 272-5451 FAX (907) 272-9065			
DRAWN KWA	CHECKED KWA	SCALE 1" = 600'	November 13, 2003	DWG NAME 03-031-3.DWG

EVERGREEN
RESOURCES (ALASKA) CORP.
A Subsidiary of Evergreen Resources, Inc.

December 10, 2003

Mr. Bob Crandall
Alaska Oil and Gas Conservation Commission
333 W. 7th Ave #100
Anchorage, Alaska, 99501-3539

RE: Additional Information for Evergreen Resources Alaska's Core Program 2003

Dear Mr. Crandall:

The surface casing set depths were chosen based on anticipated contact depths between the Quaternary gravel and the Tyonek Formation. Evergreen Resources (Alaska) personnel will be on site to ensure that the surface hole for each well is drilled at least twenty feet into the Tyonek Formation.

Once the entire core has been extracted from each well, they will be shipped to an independent lab to be slabbed, photographed and analyzed. Evergreen Resources (Alaska) personnel will ensure that two ounces of chips representative of each foot of recovered core is submitted within thirty days of analysis to the Alaska Oil and Gas Conservation Commission.

If you have any questions, please feel free to contact me at 907-355-8569 or shaneg@evergreengas.com.

Sincerely,

Shane Gagliardi
Petroleum Engineer

1075 Check Street, Suite 202 • Wasilla AK 99654
P.O. Box 871845 • Wasilla, AK 99687 • TEL 907.357.8130 • FAX 907.357.8340

EVERGREEN
RESOURCES (ALASKA) CORP
A Subsidiary of Evergreen Resources, Inc.

December 5, 2003

Ms. Sara Palin, Chair
Alaska Oil and Gas Conservation Commission
333 West Ave., Suite 100
Anchorage, Alaska 99501

RE: Application for Permit to Drill: Core Program 2003
Target: Tertiary Tyonek
Proposed TD: 3000 Feet
Proposed Spud Date: 10-December-2003

Dear Ms. Palin,

Evergreen Resources Alaska Corporation hereby applies for a Permit to Drill for the subject core wells located approximately 30 miles north of Anchorage. The wells are planned as a shallow, straight holes drilled to evaluate the producibility of the Tyonek Coals.

A core drilling company currently operating in the Fort Knox gold mine will be used to provide a continuous wireline coring operation. The rig to be used is a CS-4000 that is typical for mineral exploration. A six inch hole will be drilled through the glacial gravel section and a string of 4.5 inch line pipe will be cemented in place. Once the cement has hardened and the appropriate test has been conducted for casing integrity, an HQ hole (3.875" diameter) will be drilled to TD. A logging suite consisting of gamma ray, array induction, compensated neutron density, caliper and sonic porosity tools will be run. After all cores have been retrieved and logs run, the hole will be permanently abandoned.

Attached is information required by 20 AAC 25.005 (a) and (c) for your review. Due to the differences in equipment and methods used for mineral core drilling, Evergreen requires several variances from current AOGCC regulations.

The designated contact for reporting responsibilities to the Commission is Shane Gagliardi, Alaska Projects Engineer, office: 907-357-8130 or cell: 907-355-8569.

Sincerely,

Evergreen Resources (Alaska) Corporation

Shane Gagliardi
Alaska Projects Engineer

enclosures

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DEC - 5 2003
Alaska Oil & Gas Cons. Commission
Anchorage

ORIGINAL

1075 Check Street, Suite 202 • Wasilla AK 99654
P.O. Box 871845 • Wasilla, AK 99687 • TEL 907.357.8130 • FAX 907.357.8340

Controlled Disbursement Account

Evergreen Resources (Alaska) Corp
1401 17th Street Suite 1200
Denver CO 80202
303-298-8100

Hibernia National Bank

Check No	Check Date	Check Amount
0077000728	12/08/2003	**********$100.00

PAY *One Hundred Dollars and Zero Cents*

TO THE ORDER OF
Alaska Oil and Gas
Conservation Commission
333 West 7th Avenue #100
Anchorage AK 99501

Void After 90 Days

Laura R. Collins

⑈0077000728⑈ ⑆111104879⑆ 54202470⑈

^PLEASE DETACH AT PERFORATION ABOVE^

^PLEASE DETACH AT PERFORATION ABOVE^

EVERGREEN
EVERGREEN RESOURCES, INC.

Evergreen Resources (Alaska) Corp
1401 17th Street Suite 1200
Denver CO 80202
303-298-8100

Check Number 0077000728

Invoice #	Inv. Date	Description	Amount	Discount	Net Amount
112403SG4	11/24/2003	12 month permit fee Little Su 1	100.00	0.00	100.00

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DEC - 9 2003
Alaska Oil & Gas Cons. Commission
Anchorage

009195 ⇐ Vendor | Check Date: 12/08/2003 | Check Amount ⇒ | 100.00

TRANSMITAL LETTER CHECK LIST
CIRCLE APPROPRIATE LETTER/PARAGRAPHS TO BE INCLUDED IN TRANSMITTAL LETTER

WELL NAME _____

PTD# _____

CHECK WHAT APPLIES	ADD-ONS (OPTIONS)	"CLUE"
	MULTI LATERAL (If API number last two (2) digits are between 60-69)	The permit is for a new wellbore segment of existing well _____, Permit No, _____ API No. _____. Production should continue to be reported as a function of the original API number stated above.
	PILOT HOLE (PH)	In accordance with 20 AAC 25.005(f), all records, data and logs acquired for the pilot hole must be clearly differentiated in both name (name on permit plus PH) _____and API number (50_____-70/80) from records, data and logs acquired for well (name on permit).
	SPACING EXCEPTION	The permit is approved subject to full compliance with 20 AAC 25.055. Approval to perforate and produce is contingent upon issuance of a conservation order approving a spacing exception. _____ (Company Name) assumes the liability of any protest to the spacing exception that may occur.
	DRY DITCH SAMPLE	All dry ditch sample sets submitted to the Commission must be in no greater than 30' sample intervals from below the permafrost or from where samples are first caught and 10' sample intervals through target zones.

WELL PERMIT CHECKLIST Field & Pool | Well Name: Little Su No. 1 | Program STR | Well bore seg ☐

PTD#: 2032050 | Company EVERGREEN RESOURCES (ALASKA) CORPORATION | Initial Class/Type | STR / INFO | GeoArea | Unit | On/Off Shore On | Annular Disposal ☐

Administration	1	Permit fee attached	No	
	2	Lease number appropriate	Yes	
	3	Unique well name and number	Yes	
	4	Well located in a defined pool	No	
	5	Well located proper distance from drilling unit boundary	Yes	
	6	Well located proper distance from other wells	Yes	
	7	Sufficient acreage available in drilling unit	Yes	
	8	If deviated, is wellbore plat included	NA	
	9	Operator only affected party	Yes	
	10	Operator has appropriate bond in force	Yes	
	11	Permit can be issued without conservation order	Yes	
Appr Date	12	Permit can be issued without administrative approval	Yes	
RPC 12/8/2003	13	Can permit be approved before 15-day wait	Yes	
	14	Well located within area and strata authorized by Injection Order # (put IO# in comments) (For	NA	
	15	All wells within 1/4 mile area of review identified (For service well only)	NA	
	16	Pre-produced injector: duration of pre-production less than 3 months (For service well only)	NA	
	17	ACMP Finding of Consistency has been issued for this project	NA	
Engineering	18	Conductor string provided	NA	
	19	Surface casing protects all known USDWs	Yes	Set @ 150 ft.
	20	CMT vol adequate to circulate on conductor & surf csg	Yes	
	21	CMT vol adequate to tie-in long string to surf csg	NA	No casing below surface.
	22	CMT will cover all known productive horizons	No	Stratigraphic test.
	23	Casing designs adequate for C, T, B & permafrost	Yes	
	24	Adequate tankage or reserve pit	Yes	Core rig tanks.
	25	If a re-drill, has a 10-403 for abandonment been approved	NA	
	26	Adequate wellbore separation proposed	Yes	
	27	If diverter required, does it meet regulations	NA	Requirement waived.
Appr Date	28	Drilling fluid program schematic & equip list adequate	Yes	Water.
WGA 12/8/2003	29	BOPEs, do they meet regulation	NA	Annular only.
	30	BOPE press rating appropriate; test to (put psig in comments)	Yes	Test to 1500 psi. MSP 1080 psi.
	31	Choke manifold complies w/API RP-53 (May 84)	NA	
	32	Work will occur without operation shutdown	Yes	
	33	Is presence of H2S gas probable	No	
	34	Mechanical condition of wells within AOR verified (For service well only)	NA	
Geology	35	Permit can be issued w/o hydrogen sulfide measures	Yes	
	36	Data presented on potential overpressure zones	No	Drilling history of adjacent wells have no evidence of overpressure.
Appr Date	37	Seismic analysis of shallow gas zones	No	The operator will be equipped to weight up in case of a kick.
RPC 12/8/2003	38	Seabed condition survey (if off-shore)	NA	
	39	Contact name/phone for weekly progress reports [exploratory only]	NA	

Geologic Commissioner: DTS Date: 12/10/3

Engineering Commissioner: Date

Public Commissioner: Date 12/10/03

GMC Data Report #400

Well History File

APPENDIX

Information of detailed nature that is not particularly germane to the Well Permitting Process but is part of the history file.

To improve the readability of the Well History file and to simplify finding information, information of this nature is accumulated at the end of the file under APPENDIX.

No special effort has been made to chronologically organize this category of information.

Evergreen Resources Inc.

Well History Record

Sheep Creek #1

Image Project Well History File Cover Page

XHVZE

This page identifies those items that were not scanned during the initial production scanning phase. They are available in the original file, may be scanned during a special rescan activity or are viewable by direct inspection of the file.

203 - 208 **Well History File Identifier**

Organizing (done) ☐ Two-sided ☐ Rescan Needed

RESCAN

☐ Color Items:

☐ Greyscale Items:

☐ Poor Quality Originals:

☐ Other:

DIGITAL DATA

☐ Diskettes, No.

☐ Other, No/Type:

OVERSIZED (Scannable)

☐ Maps:

☐ Other Items Scannable by a Large Scanner

OVERSIZED (Non-Scannable)

☑ Logs of various kinds:

☑ Other:: MAP

NOTES:

BY: Maria Date: 4/4/06 /s/ MP

Project Proofing

BY: Maria Date: 4/4/06 /s/ MP

Scanning Preparation 1 x 30 = 30 + 18 = TOTAL PAGES 48 (Count does **not** include cover sheet)

BY: Maria Date: 4/4/06 /s/ MP

Production Scanning

Stage 1 Page Count from Scanned File: 49 (Count **does** include cover sheet)

Page Count Matches Number in Scanning Preparation: ✓ YES _____ NO

BY: Maria Date: 4/4/06 /s/ MP

Stage 1 If *NO* in stage 1, page(s) discrepancies were found: _____ YES _____ NO

BY: Maria Date: /s/

Scanning is complete at this point unless rescanning is required.

ReScanned

BY: Maria Date: /s/

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MEMORANDUM

State of Alaska

Alaska Oil and Gas Conservation Commission

TO: Jim Regg, P.I. Supervisor Regg 6/21/07

DATE: June 12, 2007

FROM: Chuck Scheve, Petroleum Inspector

SUBJECT: Location Inspection
Pioneer (Evergreen)
Sheep Creek #1 PTD 203-208

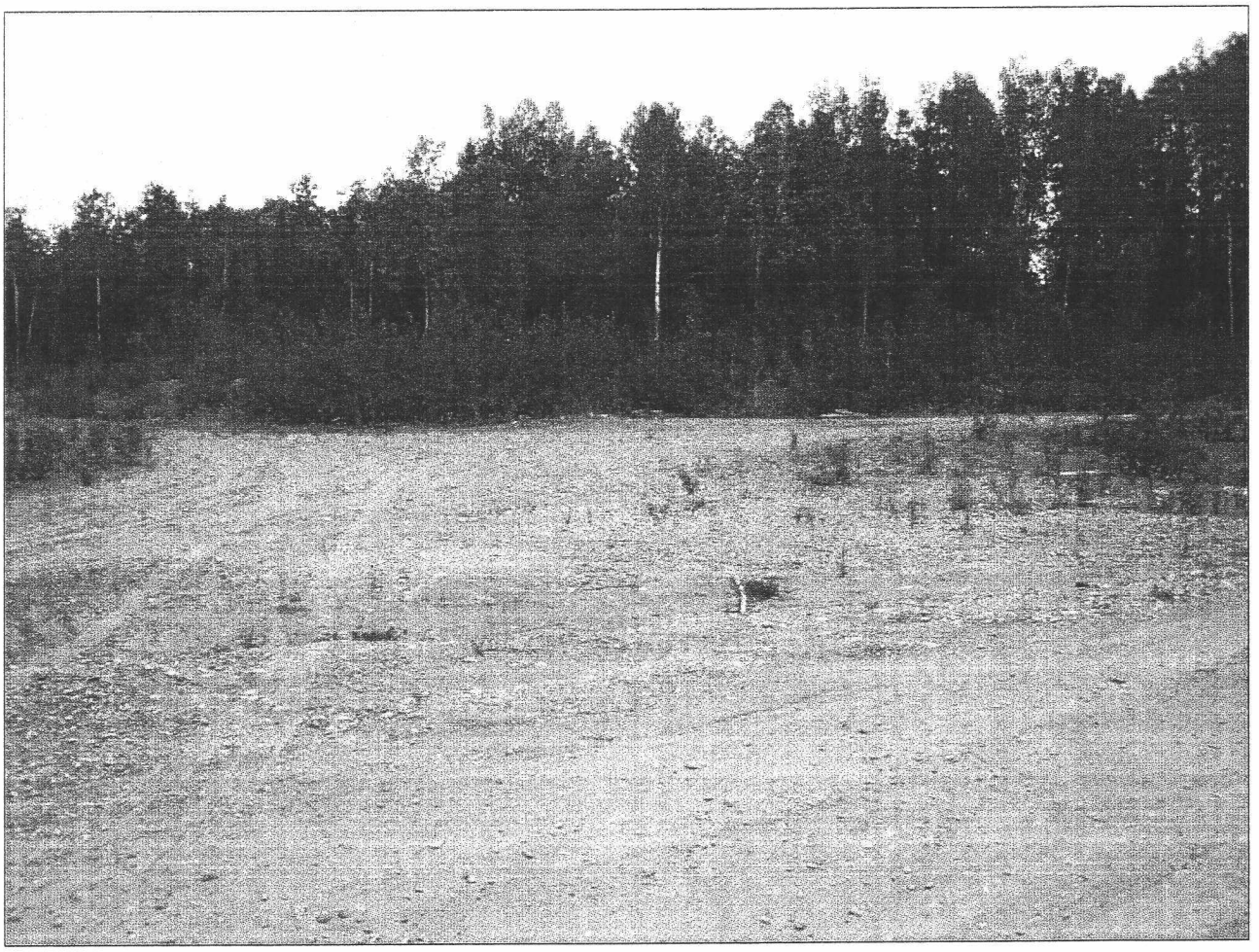
Tuesday, June 12, 2007; I traveled to the Pioneer (Evergreen) coal bed methane exploration wells Little Su #1,Houston Pit #1, Sheep Creek #1, Kashwitna Lake #1 and Slats #1 to verify location clearance. The exploratory locations were clean with no evidence of past drilling activity.

SUMMARY: I recommend the above mentioned 5 locations be given final clearance approval

Attachments: Sheep Creek #1.JPG

SCANNED JUL 20 2007

Location Clearance Inspection – Sheep Creek #1
Photos by AOGCC Inspector Chuck Scheve
June 12, 2007



RECEIVED

JUL 26 2006

Alaska Oil & Gas Cons. Commission
Anchorage

STATE OF ALASKA
ALASKA OIL AND GAS CONSERVATION COMMISSION

WELL COMPLETION OR RECOMPLETION REPORT AND LOG

1a. Well Status: Oil☐ Gas☐ Plugged☐ Abandoned☒ Suspended☐ 20AAC 25.105 WAG☐ 20AAC 25.110 GINJ☐ WINJ☐ WDSPL☐ No. of completions ____ Other ____		1b. Well Class: Development ☐ Exploratory ☐ Service ☐ Stratigraphic Test ☒
2. Operator Name: **Evergreen Resources Alaska Corp.**	5. Date Comp., Susp., or Aband.: **3/3/04**	12. Permit to Drill Number: **203-208**
3. Address: **P.O. Box 871845 Wasilla, AK 99687**	6. Date Spudded: **1/14/04**	13. API Number: 50- **283-20105**
4a. Location of Well (Governmental Section): **Sec 20, TWN 22N, RNG 4W** Surface: **417' FNL and 1505' FWL** Top of Productive Horizon: **Same as Above** Total Depth: **1371' MD**	7. Date TD Reached: **2/8/04** 8. KB Elevation (ft): **231'** 9. Plug Back Depth (MD + TVD): **Surface (abd)**	14. Well Name and Number: **Sheep Creek #1** 15. Field/Pool(s): **Wildcat**
4b. Location of Well (State Base Plane Coordinates): **(NAD 27)** Surface: x- **489689.87** y- **2918957.46** Zone- **4** TPI: x- **489689.87** y- **2918957.46** Zone- **4** TotalDepth: x- **489689.87** y- **2918957.46** Zone- **4** 18. Directional Survey: Yes☒ No☐	10. Total Depth (MD + TVD): **1371'** 11. Depth where SSSV Set: **N/A** feet MD 19. Water Depth, if Offshore: **N/A** feet MSL	16. Property Designation: **State of Alaska** 17. Land Use Permit: **ADL 389302** 20. Thickness of Permafrost: **N/A**

21. Logs Run: **Gamma Ray, Spontaneous Potential, Caliper, Array Induction, Compensated Neutron Density, Sonic, Inclination Survey**

22. CASING, LINER AND CEMENTING RECORD

CASING SIZE	WT. PER FT.	GRADE	SETTING DEPTH MD TOP	SETTING DEPTH MD BOTTOM	SETTING DEPTH TVD TOP	SETTING DEPTH TVD BOTTOM	HOLE SIZE	CEMENTING RECORD	AMOUNT PULLED
6"	**17**	**LP**	**0**	**307**	**0**	**307**	**6.125**	**16 sx Portland cmt**	
4.5"	**14.4**	**X42**	**0**	**320**	**0**	**320**	**5.5**	**16 sx Portland cmt**	

23. Perforations Open to Production (MD + TVD of Top and Bottom Interval, Size, and Number; if none, state "none"):
None

SCANNED JUL 26 2006

24. TUBING RECORD

SIZE	DEPTH SET (MD)	PACKER SET (MD)
N/A	**N/A**	**N/A**
N/A	**N/A**	**N/A**

25. ACID, FRACTURE, CEMENT SQUEEZE, ETC.

DEPTH INTERVAL (MD)	AMOUNT AND KIND OF MATERIAL USED
None	**None**

26. PRODUCTION TEST

Date of First Production: **Abandoned**

Method of Operation (Flowing, Gas Lift, etc.): **Abandoned**

Date of Test: **N/A**	Hours Tested:	Production for Test Period →	Oil-Bbl:	Gas-MCF:	Water-Bbl:	Choke Size:	Gas-Oil Ratio:
Flow. Tubing Press:	Casing Pressure:	Calulated 24-Hour Rate →	Oil-Bbl:	Gas-MCF:	Water-Bbl:	Oil Gravity-API (corr):	

27. CORE DATA

Brief description of lithology, porosity, fractures, apparent dips and presence of oil, gas, or water (attach separate sheet, if necessary). Submit core chips; if none, state "none".

Separate core analysis will be submitted.

28. GEOLOGIC MARKERS			29. FORMATION TESTS
NAME	MD	TVD	Include and briefly summarize test results. List intervals tested, and attach detailed supporting data as necessary. If no tests were conducted, state "None".
Quaternary Gravel	**0 – 302'**	**0 – 302'**	**None**
Sterling Formation	**302' – 794'**	**302' – 794'**	
Tyonek	**794' – 1220'**	**794' – 1220'**	
Volcanics (Andecite)	**1220' – TD**	**1220' – TD**	

30. List of Attachments: **Daily reports, wireline logs, mud logs, inclination survey**

31. I hereby certify that the foregoing is true and correct to the best of my knowledge. Contact **Shane Gagliardi**
Printed Name **Shane Gagliardi** Title **Petroleum Engineer**

Signature _____ Phone **907-355-8569** Date **3/1/04**

INSTRUCTIONS

General: This form is designed for submitting a complete and correct well completion report and log on all types of lands and leases in Alaska. Submit a well schematic diagram with each 10-407 well completion report and 10-404 well sundry report when the downhole well design is changed.

Item 1a: Classification of Service Wells: Gas Injection, Water Injection, Water-Alternating-Gas Injection, Salt Water Disposal, Water Supply for Injection, Observation, or Other. Multiple completion is defined as a well producing from more than one pool with production from each pool completely segregated. Each segregated pool is a completion.

Item 4b: TPI (Top of Producing Interval).

Item 8: The Kelly Bushing elevation in feet above mean low low water. Use same as reference for depth measurements given in other spaces on this form and in any attachments.

Item 13: The API number reported to AOGCC must be 14 digits (ex: 50-029-20123-00-00).

Item 20: True vertical thickness.

Item 22: Attached supplemental records for this well should show the details of any multiple stage cementing and the location of the cementing tool.

Item 23: If this well is completed for separate production from more than one interval (multiple completion), so state in item 1, and in item 23 show the producing intervals for only the interval reported in item 26. (Submit a separate form for each additional interval to be separately produced, showing the data pertinent to such interval).

Item 26: Method of Operation: Flowing, Gas Lift, Rod Pump, Hydraulic Pump, Submersible, Water Injection, Gas Injection, Shut-In, or Other (explain).

Item 27: If no cores taken, indicate "none".

Item 29: List all test information. If none, state "None".

EVERGREEN
RESOURCES (ALASKA) CORP.
A Subsidiary of Evergreen Resources, Inc.

Daily Drilling Summary

Well Name	Location				API Number	Permit to Drill	Spud Date	Total Depth
	QTR	Sec	Twn	Rng				
Sheep Creek #1	NE NW	20	22N	4W	50-283-20105	203-208	1/14/2004	1371'

01/05/04	Dig cellar and install culvert. Make cellar covers and plow snow.
01/14/04	Spud at 9:10am.
	Drill 28', make connection weld 6" csg
	Drill 20',current depth 48' make connection weld 6" csg
	Drill 20',current depth 68' make connection weld 6" csg
	Drill 20', current depth 88' make connection weld 6" csg
	Drill 20', current depth 108' make connection weld 6" csg
	Drill 20', current depth 128' make connection weld 6" csg
	Drill 20', current depth 148' make connection weld 6" csg
01/15/04	Drill 20', current depth 168', make connection weld 6" csg
	Drill 20', current depth 188', make connection weld 6" csg
	Drill 20', current depth 208', make connectin weld 6" csg
	Drill 20', current depth 218, SDON. Wait on weather (-40 degree F)
01/20/04	Drill 10', current depth 228, make connection weld 6" csg
	Drill 20' current depth 248', make connection weld 6' csg
	Drill 20' current depth 268', make connection weld 6' csg
	SDON
01/21/04	Rig maintenance
01/22/04	Drill and drive casing from 268' to 272'
	Drill and drive casing from 272' to 292'
	Drill and drive casing from 292' to 307'
	RU cement equip
	Fill in from top after surface casing cement job per AOGCC
01/23/04	Drill from 307' to 320'. TIH, land csg @ 320'
	RU cement equip
	Pump 16sx, 4.9 bbls, portland cement
	SDON, RD move to Willow Fishhook.
02/24/04	MIRU Layne Christiansen
	Core from 325' to 354
	Core from 354' to 401'
02/25/04	Core from 401' to 492', recover 14.5, recovery 16%
	Core from 492' to 578', recover 35.5', recovery 41%
02/26/04	Core from 578' to 609', recover 9.2', recovery 30%
	Core from 609' to 750', recover 52', recovery 37%
02/27/04	Core from 743' to 759', recover 0.3', recovery 2%. Make bit trip.
	Core from 759' to 881', recover 68.3', recovery 55%
02/28/04	Core from 881' to 891', recover 0.1', recovery 1%; make another bit trip.
	Core from 883' to 1003', recover 68.4', recovery 57%
02/29/04	Core from 1003' to 1065', recover 61.1', recovery 99%; cans coal from 1021-1022
	Core from 1065' to 1183' recover 111.5', recovery 95%
03/01/04	Core from 1183' to 1343', recover 156.5', recovery 98%. Volcanics @ 1220'.
03/02/03	Core from 1343' to 1371', recover 27', recovery 97%. TD well @ 1371'.
	Survey well @ 500' - 1.5 degrees, 1000' - 3 degrees and TD - 2 degrees.
03/03/04	Cmt well from top w/24.6 bbl of neat cement, pressure to 900 psi.
	RDMO Layne Christiansen and Swaco. Will begin reclamationin the AM.

Sheep Creek

Run number	Date	From	To	Cut	Rec	Percent Recovery	Time Start out	Time at Surface	Retrieval Time (min)
1	02/24/04	325.0	328.0	3.0	3.0	100%	1823	1825	2.0
2	02/24/04	328.0	333.5	5.5	5.0	91%	1915	1916	1.0
3	02/24/04	333.5	338.5	5.0	5.0	100%	1936	1937	1.0
4	02/24/04	338.5	344.0	5.5	4.0	73%	2000	2001	1.0
5	02/24/04	344.0	349.0	5.0	2.0	40%	2239	2240	1.0
6	02/24/04	349.0	355.0	6.0	0.0	0%	2304	2305	1.0
7	02/24/04	355.0	361.0	6.0	0.0	0%	2320	2321	1.0
8	02/24/04	361.0	366.0	5.0	1.0	20%	2343	2344	1.0
9	02/25/04	366.0	369.0	3.0	2.4	80%	25	26	1.0
10	02/25/04	369.0	374.0	5.0	5.5	110%	47	48	1.0
11	02/25/04	374.0	380.0	6.0	6.0	100%	114	116	2.0
12	02/25/04	380.0	385.0	5.0	5.0	100%	141	142	1.0
13	02/25/04	385.0	391.0	6.0	6.0	100%	215	216	1.0
14	02/25/04	391.0	396.0	5.0	5.0	100%	241	242	1.0
15	02/25/04	396.0	401.0	5.0	5.0	100%	301	303	2.0
16	02/25/04	401.0	406.0	5.0	0.0	0%	319	320	1.0
17	02/25/04	406.0	411.0	5.0	0.0	0%	402	403	1.0
18	02/25/04	411.0	416.0	5.0	0.0	0%	1305	1307	2.0
19	02/25/04	416.0	420.0	4.0	0.0	0%	1359	1407	8.0
20	02/25/04	420.0	426.0	6.0	1.0	17%	1423	1425	2.0
21	02/25/04	426.0	431.0	5.0	0.0	0%	1452	1454	2.0
22	02/25/04	431.0	441.0	10.0	0.0	0%	1512	1516	4.0
23	02/25/04	441.0	451.0	10.0	5.0	50%	1543	1549	6.0
24	02/25/04	451.0	456.0	5.0	5.0	100%	1604	1607	3.0
25	02/25/04	456.0	461.0	5.0	0.5	10%	1623	1625	2.0
26	02/25/04	461.0	467.0	6.0	0.0	0%	1646	1650	4.0
27	02/25/04	467.0	481.0	14.0	0.0	0%	1721	1724	3.0
28	02/25/04	481.0	491.0	10.0	2.0	20%	1758	1801	3.0
29	02/25/04	491.0	492.0	1.0	1.0	100%	1823	1825	2.0
30	02/25/04	492.0	501.0	9.0	0.5	6%	1908	1911	3.0
31	02/25/04	501.0	511.0	10.0	0.0	0%	2023	2028	5.0
32	02/25/04	511.0	521.0	10.0	0.0	0%	2123	2128	5.0
33	02/25/04	521.0	531.0	10.0	1.0	10%	2202	2204	2.0
34	02/25/04	531.0	541.0	10.0	6.0	60%	2247	2249	2.0
35	02/25/04	541.0	547.0	6.0	0.0	0%	2332	2334	2.0
36	02/26/04	547.0	554.0	7.0	1.0	14%	9	11	2.0
37	02/26/04	554.0	558.0	4.0	0.4	10%	38	40	2.0
38	02/26/04	548.0	554.0	6.0	5.0	83%	336	338	2.0
39	02/26/04	554.0	560.0	6.0	5.0	83%	413	415	2.0

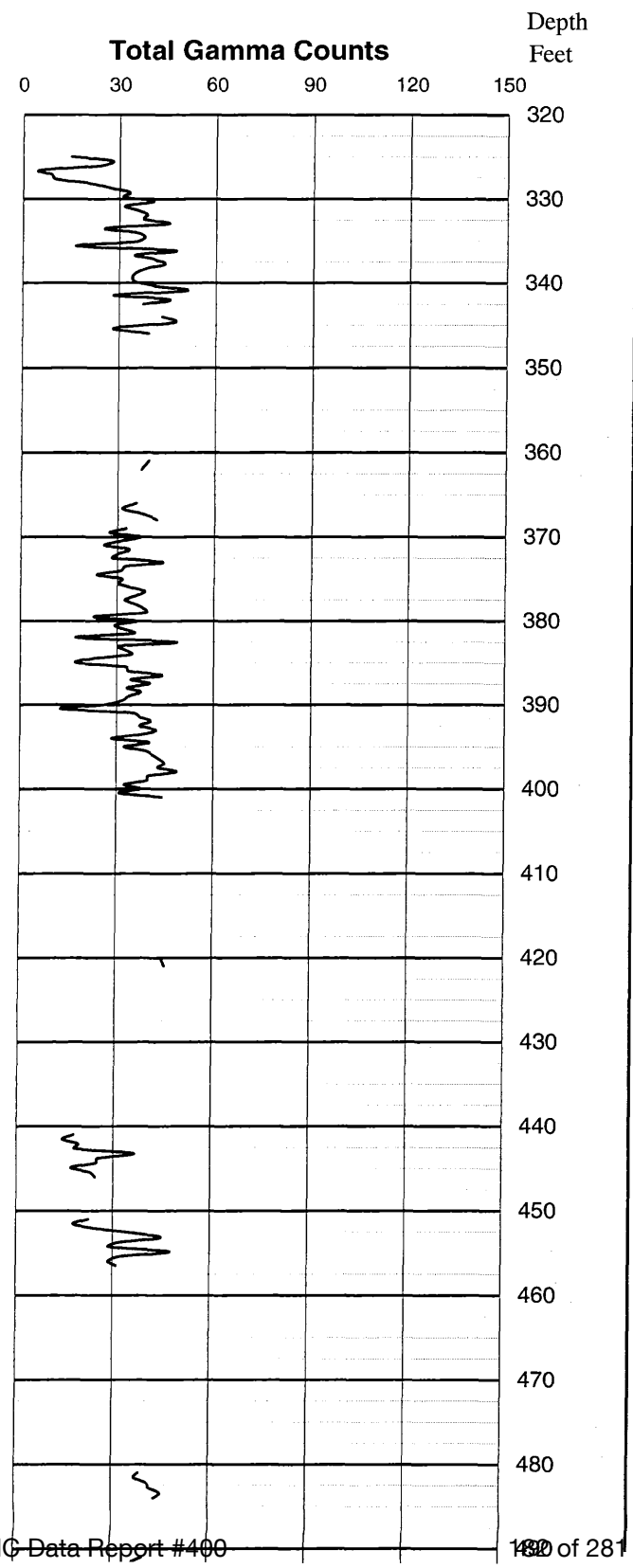
OMNI Laboratories, Inc.

Company: Evergreen Resources (Alaska) Corp.
Well: Sheep Creek No.1
Field: Unknown
Location: Alaska

File No.: A87006
Analyst: Ronald L. Brown
Date: 9/30/04
Cores: 1 - 205

PORTABLE GAMMA RAY LOG PLOT

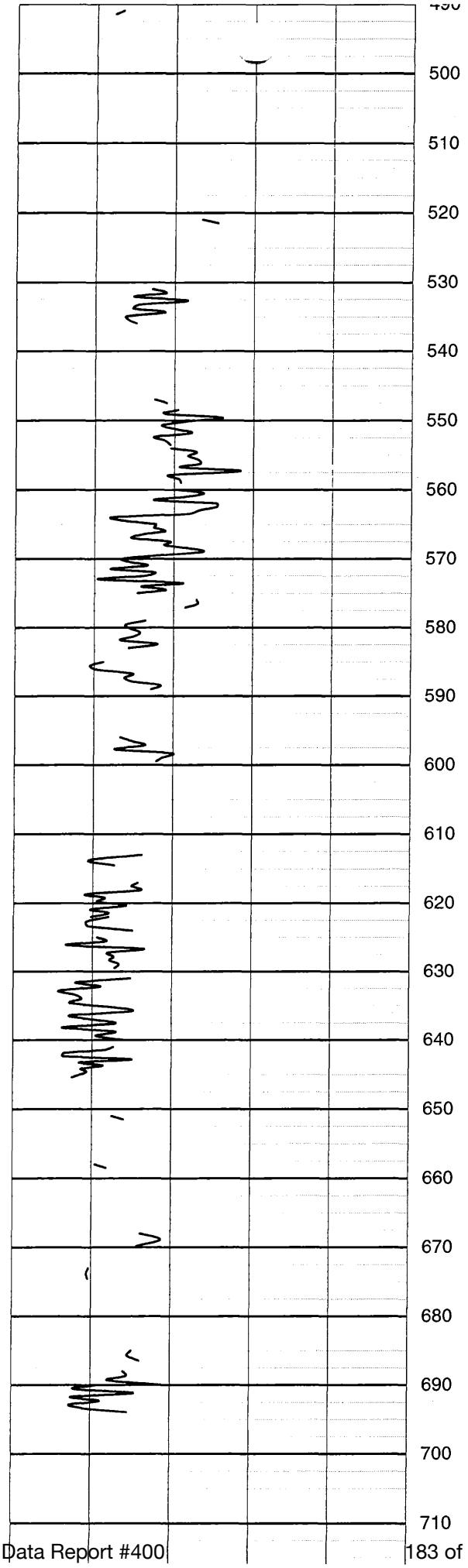
VERTICAL SCALE 5":100'



Core # | Total interval

Core 325' - 1368.5'

FINAL CORE LOG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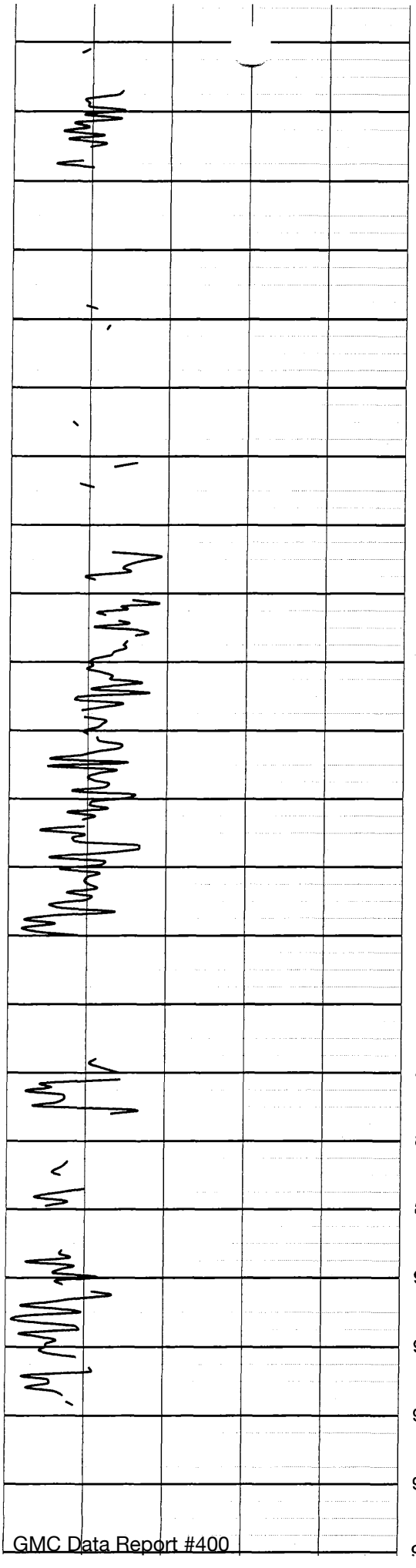
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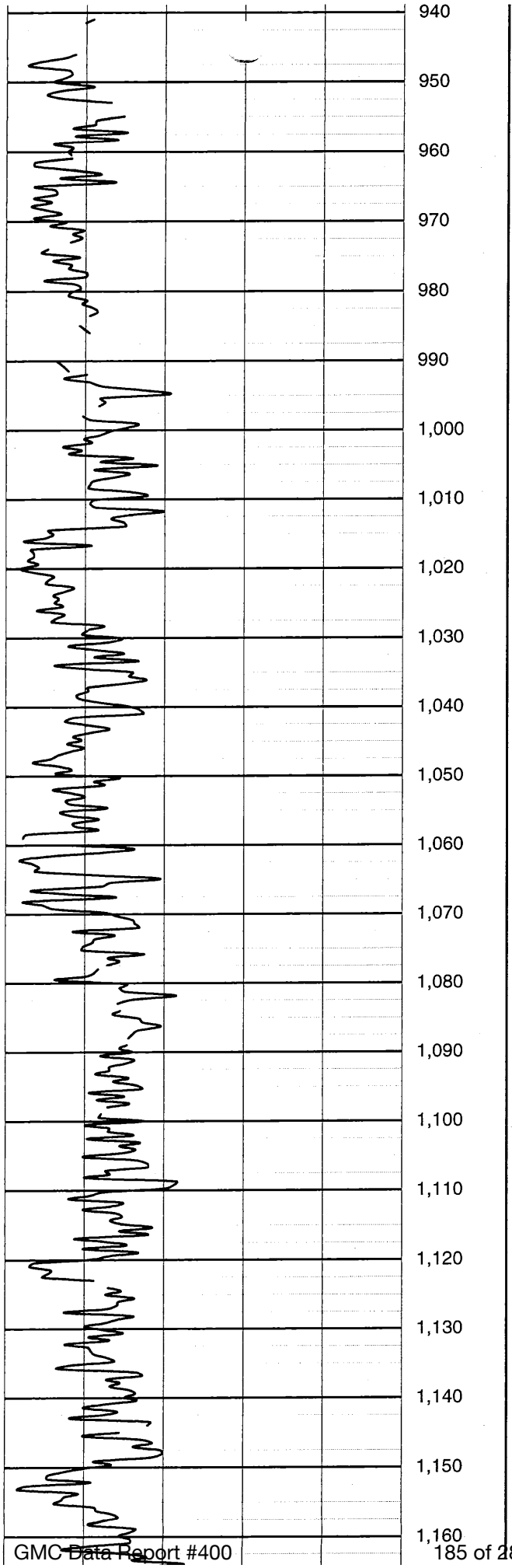
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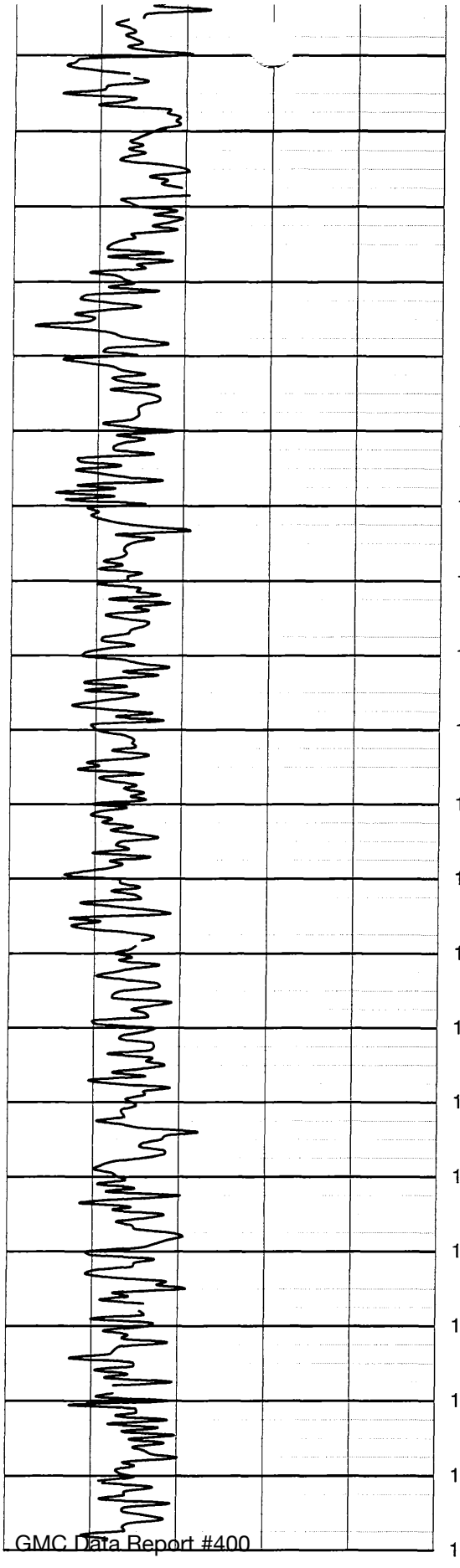
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1,320
1,330
1,340
1,350
1,360
1,370

3 April 2006

DATA SUBMITTAL COMPLIANCE REPORT

3/2/2006

Permit to Drill 2032080 **Well Name/No.** SHEEP CREEK 1 **Operator** EVERGREEN RESOURCES (ALASKA) **API No.** 50-283-20105-00-00

MD 1371 TVD 1371 Completion Date 3/3/2004 Completion Status P&A Current Status P&A UIC N

REQUIRED INFORMATION

Mud Log Yes Samples No Directional Survey No

DATA INFORMATION

Types Electric or Other Logs Run: Gamma Ray, Spontaneous Potential, Caliper, Array Induction, Compe (data taken from Logs Portion of Master Well Data Maint

Well Log Information:

Log/ Data Type	Digital Med/Frmt	Electr Dataset Number	Name	Log Scale	Log Media	Run No	Interval Start	Interval Stop	OH / CH	Received	Comments
Log			Lithology	OTH	Col		0	1371	Open	6/21/2004	5":20'

Well Cores/Samples Information:

Name	Interval Start	Interval Stop	Sent	Received	Sample Set Number	Comments
						Cores and/or Samples are required to be submitted. This record automatically created from Permit to Drill Module on: 12/22/2003.

ADDITIONAL INFORMATION

Well Cored? Y / N

Chips Received? Y / N

Analysis Received? Y / N

Daily History Received? Y / N

Formation Tops Y / N

Comments: No 407. No Daily Drilling Summary.

Compliance Reviewed By: HO **Date:** 2 Mar 2016

January 13, 2005

PIONEER
NATURAL RESOURCES ALASKA, INC.

Howard Okland
Petroleum Geologist Assistant
Alaska Oil & Gas Conservation Commission
333 W. 7th Ave., Suite 100
Anchorage, Alaska 99501

Re: Letter of Transmittal

Subj: Evergreen Resources Alaska Corp's 2004 Five-Hole Core Program

Dear Mr. Okland,

I am enclosing with this correspondence, both an inventory of the continuously cored exploratory wells that were drilled in early 2004 by Evergreen Resources Alaska Corporation (Evergreen) and a data CD, per your request. The wells drilled include the Sheep Creek #1, Kashwitna Lake #1, Houston Pit #1, Little Su #1, and the Slats #1. Total well depths and cored footage (in parentheses) of these exploratory wells are as follows: Sheep Creek #1 – 1,369' (1,034'); Kashwitna Lake #1 – 1,750' (878.5'); Houston Pit #1 – 1,604' (1,548'); Little Su #1 – 2,125' (2,010'); and Slats #1 – 3,095' (2,685'). Total cored footage equates to 8,155.5 feet.

Core from the five Evergreen exploratory wells is presently in a container at the Alaska Geologic Materials Center in Eagle River. If you have any additional questions or requests, please feel free to contact me.

Sincerely,

Michael A. Belowich

Michael A Belowich
Coal Geologist
Pioneer Natural Resources

Cc: Robert Crandall – Alaska Oil & Gas Conservation Commission
Matt Rader – Alaska Division of Oil and Gas
John Reeder – Alaska Geologic Materials Center

1075 CHECK STREET, STE. 202 · WASILLA, ALASKA 99654 · MAIN: (907) 357-8130 · FAX: (907) 357-8340

Well Name: **Sheep Creek #1**

203 - 208

Box Numbers	Column	Shelf	Depth		Box Numbers	Column	Shelf	Depth	
			Top (ft)	Bottom (ft)				Top (ft)	Bottom (ft)
1	16	B	325.0	335.0	51	17	C	1173.0	1182.0
2	16	B	335.0	366.2	52	17	C	1182.0	1192.0
3	16	B	366.2	376.4	53	17	C	1192.0	1203.0
4	16	B	376.4	386.5	54	17	C	1203.0	1212.0
5	16	B	386.5	397.2	55	17	C	1212.0	1226.0
6	16	B	397.2	445.0	56	17	C	1226.0	1231.0
7	16	B	445.0	492.0	57	17	C	1231.0	1240.0
8	16	B	492.0	548.3	58	17	B	1240.0	1250.0
9	16	B	548.3	558.2	59	17	B	1250.0	1259.0
10	16	B	558.2	568.2	60	17	B	1259.0	1270.0
11	16	B	568.2	579.3	61	17	B	1270.0	1278.0
12	16	B	579.3	597.0	62	17	B	1278.0	1287.7
13	16	A	597.0	622.0	63	17	B	1287.7	1297.0
14	16	A	622.0	634.0	64	17	B	1297.0	1305.9
15	16	A	634.0	645.0	65	17	B	1305.9	1314.0
16	16	A	645.0	685.3	66	17	B	1314.0	1322.5
17	16	A	685.3	727.0	67	17	B	1322.5	1331.4
18	16	A	727.0	761.0	68	17	B	1331.4	1341.2
19	16	A	761.0	797.0	69	17	B	1341.2	1350.2
20	16	A	797.0	806.0	70	17	B	1350.2	1360.0
21	16	A	806.0	816.9	71	17	B	1360.0	1369.0
22	16	A	816.9	825.8	72				
23	16	A	825.8	836.0	73				
24	16	A	836.0	846.0	74				
25	16	A	846.0	874.0	75				
26	16	A	874.0	899.0					
27	16	A	899.0	913.0					
28	16	A	913.0	952.0					
29	16	A	952.0	964.4					
30	16	A	964.4	976.0					
31	17	D	976.0	991.0					
32	17	D	991.0	1002.4					
33	17	D	1002.4	1012.0					
34	17	D	1012.0	1020.8					
35	17	D	1020.8	1029.4					
36	17	D	1029.4	1040.0					
37	17	D	1040.0	1048.0					
38	17	D	1048.0	1058.0					
39	17	D	1058.0	1069.0					
40	17	C	1069.0	1079.0					
41	17	C	1079.0	1088.0					
42	17	C	1088.0	1099.0					
43	17	C	1099.0	1107.5					
44	17	C	1107.5	1117.0					
45	17	C	1117.0	1127.5					
46	17	C	1127.5	1136.4					
47	17	C	1136.4	1145.8					
48	17	C	1145.8	1155.0					
49	17	C	1155.0	1164.0					
50	17	C	1164.0	1173.0					

14 Jun 2005

EVERGREEN
RESOURCES (ALASKA) CORP.
A Subsidiary of Evergreen Resources, Inc.

203-205
204-057
203-209
203-208

June 17, 2004

Mr. Bob Crandall
Alaska Oil and Gas Conservation Commission
333 W. 7th Ave #100
Anchorage, Alaska, 99501-3539

RE: Evergreen Resources (Alaska) Corp.'s 2004 Core Program

Dear Mr. Crandall:

The purpose of this letter is to fulfill the reporting requirements of Evergreen Resources (Alaska) Corp. as stipulated by 20AAC25.070 and 20AAC25.071 for the completed core drilling project. Attached are the drilling summaries, logs and other pertinent information for the Houston Pit #1, Little Su #1, Sheep Creek #1 and Slats #1.

The acquired core is currently being slabbed and photographed. The desorption analysis is also ongoing. Hard and soft copies of these studies will be made available upon their completion. Wireline logs were not run on the Sheep Creek prior to abandonment of the hole; consequently, a gamma ray log will be generated from the core and provided when available. Once the studies are complete the core will be donated to the Alaska Oil and Gas Conservation Commission and housed in a State facility.

The Willow Fishhook is currently suspended; drilling operations may resume at a later date. The six foot cellar has been constructed and six inch surface casing has been set at 335'. A plate has been welded over the casing to prevent vandalism.

All information submitted concerning the above listed wells are subject to the two year confidentiality stipulation.

If you have any questions, please feel free to contact me at 907-357-8130 or shaneg@evergreengas.com.

Sincerely,

Shane Gagliardi
Petroleum Engineer

RECEIVED
JUN 21 2004
Alaska Oil & Gas Cons. Commission
Anchorage

ORIGINAL

1075 Check Street, Suite 202 • Wasilla AK 99654
P.O. Box 871845 • Wasilla, AK 99687 • TEL 907.357.8130 • FAX 907.357.8340

203-208

Subject: Slats #1 Core Disposition
From: Shane Gagliardi <shaneg@evergreengas.com>
Date: Thu, 20 May 2004 09:33:35 -0800
To: bob_crandall@admin.state.ak.us
CC: Corri Feige <CorriF@EvergreenGas.com>, Scott Zimmerman <ScottZ@EvergreenGas.com>, Chris Cornelius <ChrisC@EvergreenGas.com>

Bob,

>From this year's core program, we have extracted approximately 8,000' of core. Of this core about 3,000' will be slabbed. Evergreen Alaska will donate all of the core to the state to fulfill the AOGCC requirements of 20 AAC 25.071 (b)(4). We understand that the donated core will be kept confidential for a minimum of two years. The slabbing and photographing process is lengthy; the anticipated approximate date for completion of the process and transferring the core to the state is March 05.

If you have any further questions, please contact me @ 907-355-8569.

Thanks,
Shane

203-208

MEMORANDUM

State of Alaska

Alaska Oil and Gas Conservation Commission

TO: Jim Regg, P.I. Supervisor — Regg 2/20/04 — **DATE:** **January 28, 2004**

FROM: John Spaulding, Petroleum Inspector

SUBJECT: Location Inspections Evergreen Resources Coal Bed Methane

January 2004: I traveled to Evergreen Resources locations in the Mat-Su Borough. Susitna 1, Kashwitna 1 and Sheep Creek 1 are noted in this report. At present all wells are being drilled for core sampling purposes of the formations.

I was notified of the Susitna 1 well after the rig had encountered some problems cementing surface casing. The well was suspended and the rig had moved off location when I arrived. There was probably a foot of new snow when I visited the location and and the casing and the location was pretty well covered over. I intend to revisit at a later date when the rig has returned or the well is P&Aed.

Kashwitna 1 located North and West of Willow, AK: I observed a BOPE test and inspected the rig and location. Pictures were taken of the BOPE, rig and surrounding location. I observed the technique for water sampling, and to my estimations found it adequate.

Sheep Cr. 1 located farther North and West from the Kashwitna location near the Parks Highway: I was only able to look at the location, as the rig had not moved in yet.

I am questioning the requirements for a manual annular device and a manual valve for a blind ram. These are located under the rig floor as with all drilling rigs, but are not hydraulically operated from a remote location. If in the event of an influx of gas a person would have to lay on their stomach and have their face next to the top of the casing in order to close either portion of BOPE.

Should we be requiring hydraulically operated BOPE? Should we relax the requirements for the manual BOPE?

Hopefully the accompanying photos will help explain.

SUMMARY; I inspected the above-mentioned locations and found all to be quite clean and orderly. A BOP test was witnessed, with no failures.

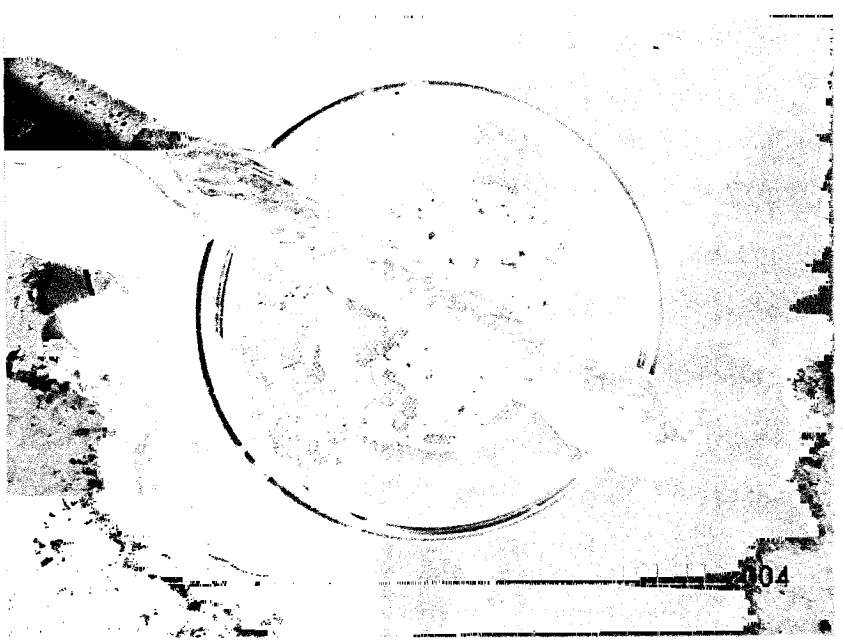
Attachments: Photo's

CONFIDENTIAL

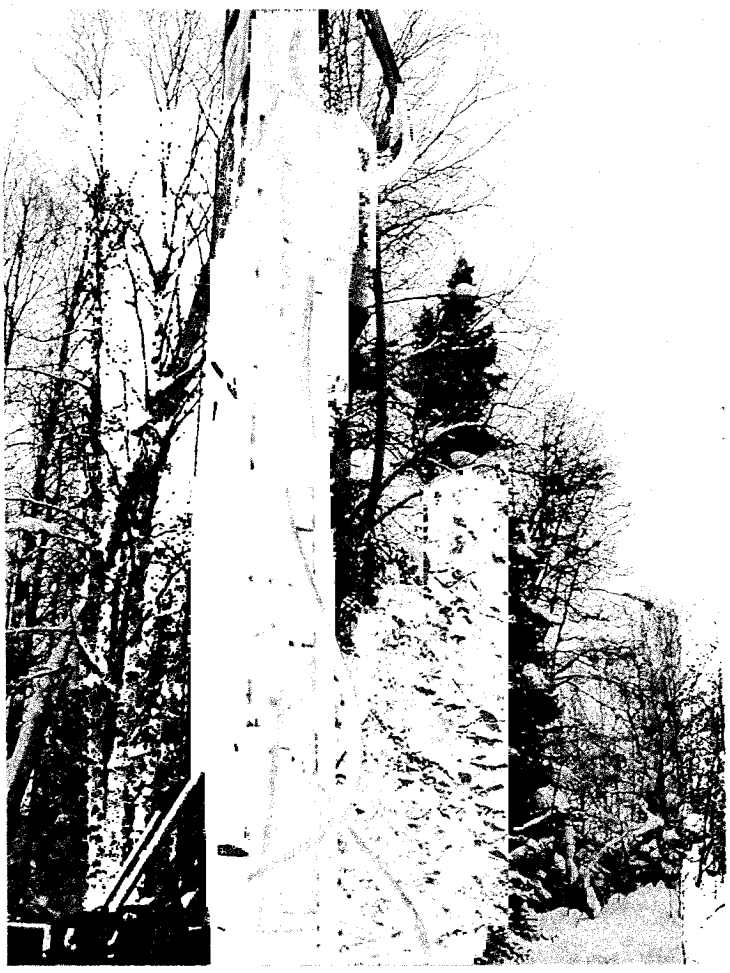
Evergreen Resources - Pioneer CBM Project

Inspections from January 11 and January 22, 2004
Photos from AOGCC Inspector John Spaulding

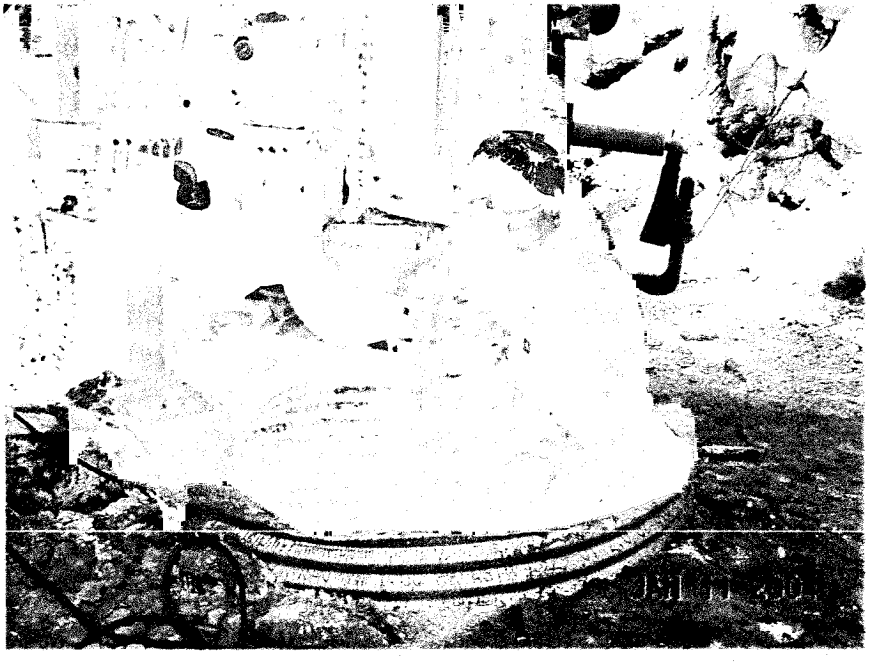
Blowing casing dry



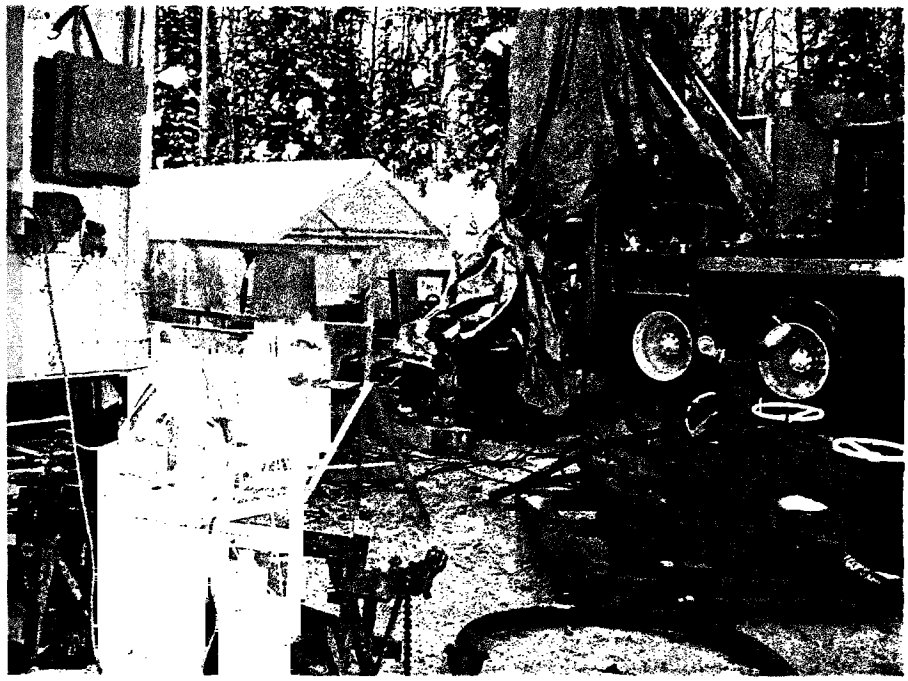
Cuttings catcher



Cuttings and water return lines



Welding casing

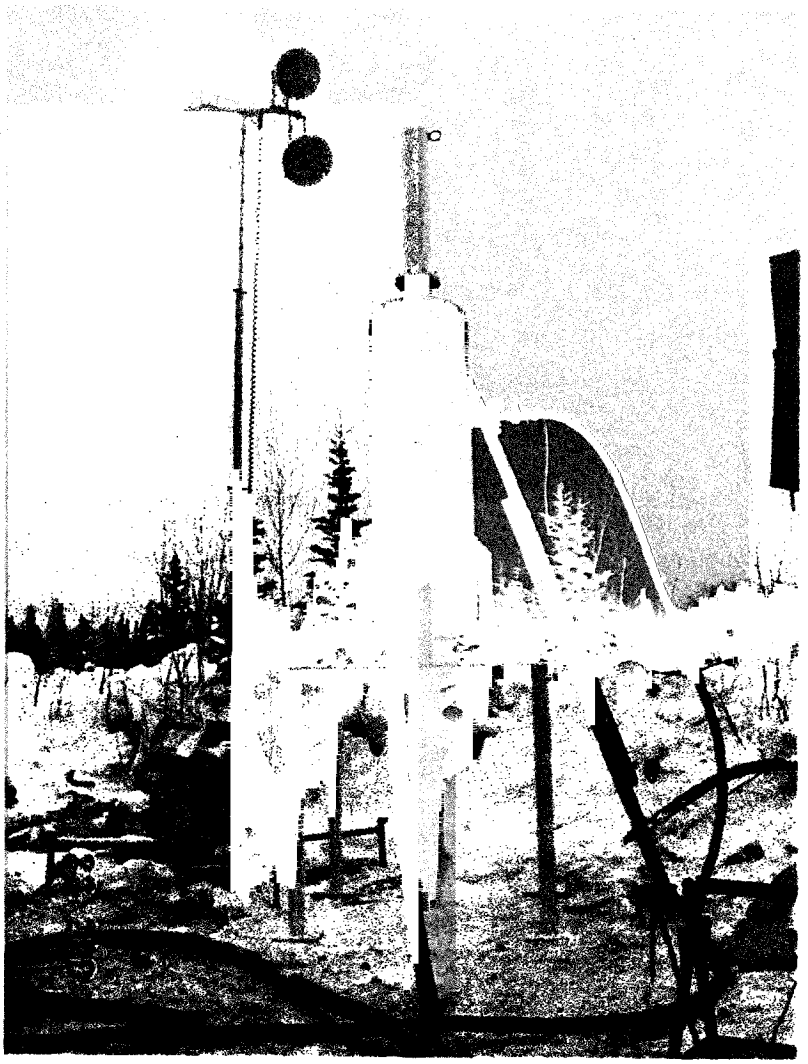


Location –
Kashwitna #1

Rig and choke
manifold

BOP

Manual BOP valve



Gas buster

STATE OF ALASKA

FRANK H. MURKOWSKI, GOVERNOR

ALASKA OIL AND GAS CONSERVATION COMMISSION

333 W. 7TH AVENUE, SUITE 100
ANCHORAGE, ALASKA 99501-3539
PHONE (907) 279-1433
FAX (907) 276-7542

Shane Gagliardi
Petroleum Engineer
Evergreen Resources (Alaska), Corp.
PO Box 871845
Wasilla, AK 99687

Re: Sheep Creek #1
Evergreen Resources (Alaska), Corp.
Permit No: 203-208
Surface Location: 417' FNL and 1505' FEL, Sec. 20, T22N, R4W, SM
Bottomhole Location: 417' FNL and 1505' FEL, Sec. 20, T22N, R4W, SM

Dear Mr. Gagliardi:

Enclosed is the approved application for permit to drill the above referenced development well.

This permit to drill does not exempt you from obtaining additional permits or approvals required by law from other governmental agencies, and does not authorize conducting drilling operations until all other required permits and approvals have been issued. In addition, the Commission reserves the right to withdraw the permit in the event it was erroneously issued.

Operations must be conducted in accordance with AS 31.05 and Title 20, Chapter 25 of the Alaska Administrative Code unless the Commission specifically authorizes a variance. Failure to comply with an applicable provision of AS 31.05, Title 20, Chapter 25 of the Alaska Administrative Code, or a Commission order, or the terms and conditions of this permit may result in the revocation or suspension of the permit. Please provide at least twenty-four (24) hours notice for a representative of the Commission to witness any required test. Contact the Commission's North Slope petroleum field inspector at 659-3607 (pager).

Sincerely,

Sarah Palin
Chair

BY ORDER OF THE COMMISSION
DATED this 19 day of December, 2003

cc: Department of Fish & Game, Habitat Section w/o encl.
Department of Environmental Conservation w/o encl.

WGA 12/18/2003
SB 12/18

STATE OF ALASKA
ALASKA OIL AND GAS CONSERVATION COMMISSION

PERMIT TO DRILL

20 AAC 25.005

1a. Type of Work: Drill ☒ Redrill ☐ Re-entry ☐	1b. Current Well Class: Exploratory ☐ Development Oil ☐ Multiple Zone ☐ Stratigraphic Test ☒ Service ☐ Development Gas ☐ Single Zone ☐	
2. Operator Name: **Evergreen Resources (Alaska) Corp.**	5. Bond: ☒ Blanket ☐ Single Well Bond No. **RLB0003430**	11. Well Name and Number: **Sheep Creek #1**
3. Address: **P.O. Box 871845, Wasilla, AK 99687**	6. Proposed Depth: MD: **3000 ft** TVD: **3000 ft**	12. Field/Pool(s): **Wildcat**
4a. Location of Well (Governmental Section): **Sec 20, TWN 22N, Rng 4W** Surface: **417' FNL and 1505' FWL** Top of Productive Horizon: **Same as above** Total Depth: **Same as above**	7. Property Designation: **State of Alaska** 8. Land Use Permit: **ADL 389302** 9. Acres in Property: **90 acres**	13. Approximate Spud Date: **10 Dec 03** 14. Distance to Nearest Property: **535 feet**
4b. Location of Well (State Base Plane Coordinates): **NAD 83** Surface: x- **1629720.94** y- **2918718.89** Zone- **4**	10. KB Elevation (Height above GL): **230.6** feet	15. Distance to Nearest Well within Pool: **128,304 feet**
16. Deviated Wells: **N/A** Kickoff Depth: **N/A** ft. Maximum Hole Angle: **N/A**	17. Anticipated Pressure (see 20 AAC 25.035) Max. Downhole Pressure: ~~1080~~ 1167 psig. Max. Surface Pressure: ~~1167~~ 1080 psig.	WGA

18. Casing Program: Size		Specifications				Setting Depth Top		Setting Depth Bottom		Quantity of Cement c.f. or sacks.
Hole	Casing	Weight	Grade	Coupling	Length	MD	TVD	MD	TVD	(Including Stage Data)
6	**4.5**	**9.18**	**LP**	**LP**	**200**	**0**	**0**	**204**	**204**	**17.1 cu. Ft.**

19. **PRESENT WELL CONDITION SUMMARY** (To be completed for Redrill and Re-Entry Operations)

Total Depth MD (ft):	Total Depth TVD (ft):	Effective Depth MD (ft):	Effective Depth TVD(ft):	Plugs (measured):	Junk (measured):

Casing	Length	Size	Cement Volume	MD	TVD
Structural					
Conductor					
Surface					
Intermediate					
Production					
Liner					

Perforation Depth MD (ft): **None** Perforation Depth TVD (ft): **None**

20. Attachments: Filing Fee ☒ BOP Sketch ☒ Drilling Program ☒ Time v. Depth Plot ☐ Shallow Hazard Analysis ☐
Property Plat ☒ Diverter Sketch ☐ Seabed Report ☐ Drilling Fluid Program ☒ 20 AAC 25.050 Requirements ☐

21. Verbal Approval: Commission Representative: Date:

22. I hereby certify that the foregoing is true and correct to the best of my knowledge. Contact Shane Gagliardi

Printed Name Shane Gagliardi Title Petroleum Engineer

Signature [signature] Phone 907-355-8569 Date 12/5/03

Commission Use Only

Permit to Drill Number: 203-208	API Number: 50-283-20105	Permit Approval Date: 12/19/03	See cover letter for other requirements.

Conditions of approval: Samples required ☒ Yes ☐ No Mud log required. ☒ Yes ☐ No

Hydrogen sulfide measures ☐ Yes ☒ No Directional survey required ☐ Yes ☒ No

Other: Refer to attached Conditions of Approval.

Approved by: [signature] COMMISSIONER BY ORDER OF THE COMMISSION Date: DEC 19 2003

RECEIVED
DEC 19 2003
Alaska Oil & Gas Cons. Commission
Anchorage

Form 10-401 Revised 3/2003 Submit in duplicate

ORIGINAL

STATE OF ALASKA

DEPARTMENT OF NATURAL RESOURCES

DIVISION OF OIL AND GAS

FRANK H. MURKOWSKI, GOVERNOR

550 WEST 7TH AVENUE, SUITE 800
ANCHORAGE, ALASKA 99501-3650
PHONE: (907) 269-8800
FAX: (907) 269-8938

December 16, 2003

Evergreen Resources Alaska Corp.
Attn. Scott Zimmerman
PO Box 871845
Wasilla, AK 99687

Re: **Plan of Operation** **LO/CI 03-17**
Mat-Su Core Holes 2003

Activity	Subsurface	Surface
Kashwitna Lake #1	ADL 389316	DNR
Willow Fishhook #1	ADL 389238	DNR
Access Road	ADL 389238	ADL 25334 to Burrow
Material Site	ADL 389238	ADL 25125 to DOT
Sheep Creek #1	ADL 389302	DNR
Material Site	ADL 389302	ADL 43689 to DOT

Dear Mr. Zimmerman:

Evergreen Resources Alaska Corp. (Evergreen) applied for a Plan of Operations approval to drill three core holes on shallow gas leases in the Mat-Su Valley. The three core holes are part of a larger plan to drill mineral core holes at seven possible locations to gather information on coal seams. The holes are being drilled for geological information only and do not involve dewatering the coal seams, or gas production. Core holes are drilled from small pads over a two-week period. The core is removed, the hole is plugged, and the site abandoned.

The program will last approximately 8 weeks beginning in December 2003. Initial plans call for drilling 5 core holes this winter. A DNR plan of operations is required for activities at the following three sites.

Kashwitna Lake #1	T20N,R4W Sec. 7: NW1/4
Willow Fishhook #1	T19N,R4W Sec. 3: SW1/4NE1/4
Sheep Creek #1	T22N,R4W Sec. 20: N1/2N1/2

These sites are on state owned surface and subsurface. Site preparation may require a few days at each drill site to clear the access route and construct the pads. The drill pads will be approximately 45 ft. x 60 ft. Drilling will be conducted 24 hours per day for about two weeks at each site utilizing a compact truck-mounted unit. Drilling fluids will be plain water and additives such as soda ash, cellulose fiber, bentonite, and barite. The proposed additives are widely used for water well drilling and mineral

coring in Alaska. Approximately 100 barrels of water per core hole will be utilized from existing permitted off-site sources. Each core hole will result in approximately 7 cubic yards of cuttings. Cuttings from coring will be permanently disposed of in the core hole or buried in the cellar when the core hole is abandoned. Cuttings from unconsolidated materials such as surface gravels may be disposed of to the surface of the pad in a manner similar to the disposal of cuttings from a water well. Muds and drilling fluids will remain in the portable, above ground tanks and will be removed from the site. Drilling fluids will be re-injected into an approved Class II disposal well. The core holes will be abandoned with cement plugs in accordance with AOGCC regulations immediately after operations are completed. All man-made materials will be removed and the sites left in a clean and graded condition.

Public Outreach

Public Notice was published in the Frontiersman and the Anchorage Daily News on November 7, 2003. Landowners of record with the Mat-Su Borough within ½ mile of each site were sent direct mail notifying them of the proposed activity. Surface interest holders were also notified. Information was included in a direct mailout to individuals who had expressed an interest in shallow gas leasing at a previous public meeting. The full application, including maps and other exhibits, was available on DNR's website.

Public Comment Summary

Public comments have been overwhelmingly against approving the plan of operations for the core holes. The primary concern is not with drilling the core holes themselves. The concern is with the existence of the leases and uncertainty over impacts to drinking water aquifers, surface property rights, lifestyles, existing land use, and the quality of life that might result if the leases are developed for coal bed methane (CBM). A large majority of the public comments request a moratorium on all shallow gas permitting and activity until a buyback of the leases can be explored. Also, the public comments requested comprehensive methane seep, aquifer recharge, social, and environmental studies before any core holes are approved. Public and agency comments also discussed the applicant's stated request for an exception to lease mitigation measures concerning solid waste.

DNR Jurisdiction

Many of the comments addressed all the core locations. Of the seven core locations, three are on shallow natural gas leases managed by DNR, three are on Mental Health Trust subsurface, and one is on private subsurface. DNR's management authority over the proposed activities is limited to surface and sub-surface state lands. A number of approval conditions have been developed in response to the public and agency concerns and will be applied to the three core holes under DNR jurisdiction.

Lease Buyback

Whether these shallow gas leases should be bought back by the state is a question that is generating a great deal of public attention. The Governor recently clarified his position on this matter by stating that buying back the leases is a last resort. Ultimately, the question of whether to buy back these leases is a political one that would require a legislative grant of authority to DNR to negotiate and execute any such buy back. Without any authority to consider buying back these leases, it is inappropriate for DNR to deny this application based on the possibility that these leases may be considered for buy back.

These leases are valid. In approving a Plan of Operations the commissioner can require amendments he determines necessary to protect the state's interest, but cannot require an amendment that deprives

the lessee of reasonable use of the leasehold interest (11 AAC 83.158(e)). These core holes, subject to the conditions contained in this decision, are a reasonable use of the leasehold interest.

Exploration v. Development

Core hole drilling does not present the same issues and concerns as CBM development. Core holes are drilled from small pads over a two-week period. The core is removed, the hole is plugged, and the site abandoned. The coal seams are not fractured or dewatered and there is no residual activity required at the site. If laboratory tests reveal gas content and geological conditions that justify further testing, a pilot project could be proposed in the future at or near the site. A future pilot project will require a new public notice, review, and plan of operations approval. Alternatively, the information acquired might exclude the area from further consideration by the company.

Most of the concerns center on development issues being considered in the Mat-Su CBM project. As things progress over the next several months, the issues associated with CBM development will be thoroughly examined. Copies of the comments received during this review have been provided to the CBM project team for consideration in their process.

Environmental Studies

Performing comprehensive methane seep, aquifer recharge, social, and environmental studies at this time is premature. The potential effects of exploration activities such as those proposed here are too small to justify the types of studies requested. If exploration is successful, the impacts of field development will be examined and the suggested information needs can be addressed prior to making a decision on whether to approve development. If exploration is unsuccessful (as a majority of oil and gas exploration projects turn out to be), any studies concerning the impacts of development become moot. Requiring such comprehensive studies now would require expenditures of time and resources to generate information for a decision that may never need to be made. There may be a time when conducting such studies is appropriate, however that time has not yet come.

Confidentiality

The state (DNR and AOGCC) will obtain confidential data from the core holes that will offer insights into the character and extent of the methane resource and an opportunity to review other geological and hydrological information at these locations. This information will allow wiser management of the surface and subsurface resources by DNR and AOGCC for the benefit of all the citizens of the state.

It has been suggested that the lessee or the state share information from the core holes with the public. AS 38.05.035(a)(9)(C) provides that upon the request of the person supplying the information to DNR, all geological, geophysical, and engineering data supplied must be kept confidential. The lessee is free to share the data if they so choose. Information acquired, sometimes at great expense, is proprietary and provides a business advantage over others who are not as well informed. Until a company's land position is assembled or prospect is explored it is common to not release much information. Well data and information collected by AOGCC is routinely held confidential for two years and that data will then be available for public consumption if it does not qualify for extended confidentiality.

Disposal of Drilling Wastes

Evergreen proposes to discharge cuttings and well bore solids to the pad surface as explained on page 11 and 12 of the plan of operations. Evergreen requests an exemption from the lease mitigation measures concerning solid waste disposal. However, DNR finds that the exemption request is based on an erroneous interpretation of the lease mitigation measures, and that Evergreen's plan of operations meets the requirements of the mitigation measures as proposed. Shallow natural gas mitigation measure 26 and 27 discuss these discharges:

26. New solid waste disposal sites, other than for drilling waste, will not be approved or located on state property during the exploration phase of leasehold activities. Disposal sites may be provided for drilling waste if the facility complies with 18 AAC 60.

27. Drilling mud and cuttings cannot be discharged into lakes, streams, rivers, or important wetlands. On pad temporary cuttings storage will be allowed. Injection of non-hazardous oilfield wastes is regulated by AOGCC through its Underground Injection Control (UIC) Program for oil and gas wells.

Mitigation measure 26 allows onsite drilling waste disposal if it complies with the DEC Solid Waste Management Regulations (18 AAC 60). These regulations are promulgated and administered by DEC to implement state statutes. DNR consulted ADEC regarding this issue, and ADEC concluded that Evergreen's proposed activity should be regulated as mineral drilling which is exempt from ADEC solid waste permitting requirements by statutory exemption (AS 46.03.100(f)(1)). From a physical operations and impact perspective, this activity is no different than mineral coring activity. Since ADEC has concluded that the activity complies with 18 AAC 60, the activity meets mitigation measure 26.

Mitigation measure 27 allows temporary cuttings storage on the pad. There are instances where cuttings are temporarily stored on the pad pending final disposition in compliance with 18 AAC 60, and by extension mitigation measure 26. Mitigation measure 27 does not preclude permanent disposal on pad when such disposal is in compliance with 18 AAC 60.

The Office of Habitat Management and Permitting (OHMP) requested containment and testing of the well bore solids and cuttings prior to disposal on site. OHMP reasons that Evergreen has not provided any evidence to support their claim that disposal on the pad would not harm fish or wildlife. The proposed measure does not list the substances to be tested or justify thresholds that might be appropriate. ADEC is the state agency with expertise in the proper disposal of solid waste. ADEC has determined that solid waste associated with mineral core hole drilling in Alaska does not pose a significant risk to humans, fish, or wildlife. Imposing a testing requirement on these core holes is not consistent with the ADEC requirements for the same activity elsewhere in Alaska.

Drilling wastes remain subject to the commissioner's ability to amend the plan of operation as necessary to protect the state's interest. To assure that state lands are left in a condition that is compatible with present and future uses, DNR is requiring additional mitigation as set out later in Attachment (1) to this approval.

Plan of Operation Approval

The Plan of Operation has been reviewed and found in compliance with the mitigation measures and advisories contained in the shallow gas lease. The Plan of Operation is approved for the Kashwitna Lake #1, Willow Fishhook #1, and the Sheep Creek #1 subject to the approval conditions found in Attachment (1) Operation Conditions; Attachment (2) DOT Requirements; Attachment (3) Well Data Submittal Requirements; and the following:

1. Where the state does not own the subsurface, surface entry is not an exercise of the rights granted in the state lease and such entry is governed by the operator's subsurface and surface agreements with the respective owners of those estates.
2. Lessee will notify this office at 269-8776 when drilling commences at each well site.
3. A Status Report for the activities conducted under this approval must be filed with this office on May 1 and November 1 each year, from the date this approval is issued and until a Completion Report is filed with the Division. Failure to file in a timely manner may result in revocation of this approval. The report shall contain a statement describing clean-up activities conducted, the method of debris disposal, and a narrative description of known incidents of surface damage.
4. The applicant shall defend, indemnify and hold the State of Alaska harmless from and against any and all claims, damages, suits, losses, liabilities and expenses for injury to or death of persons and damage to or loss of property arising out of or in connection with the entry on and use of State lands authorized under this approval by the applicant, its contractors, subcontractors and their employees.
5. The applicant shall inform and insure compliance with any and all conditions of this approval by its employees, agents and contractors, including subcontractors at any level.
6. The Commissioner of the Department of Natural Resources may require that an authorized representative be on-site during any operations conducted under this approval.
7. Rehabilitation shall be completed to the satisfaction of the Commissioner.
8. The Alaska Historic Preservation Act (AS 41.35.200) prohibits the appropriation, excavation, removal, injury, or destruction of any state-owned historic, prehistoric (paleontological) or archaeological site without a permit from the commissioner. Should any sites be discovered during the course of field operations, activities that may damage the site will cease and the Office of History and Archaeology in the Division of Parks and Outdoor Recreation ((907) 762-2622).
9. This approval does not authorize activity on Mental Health Trust lands, school land, or lands owned by the University of Alaska.

Legal Basis for Decision and Appeal

This Plan of Operation Approval is approval is issued in accordance with Alaska Statute 38.05, 46.40.205, and Alaska Administrative Code 11 AAC 83.158 or 11 AAC 83.343. A person affected by this decision may appeal it, in accordance with 11 AAC 02. Any appeal must be received by **January 6, 2004** and may be mailed or delivered to Thomas E. Irwin, Commissioner, Department of Natural Resources, 550 W. 7th Avenue, Suite 1400, Anchorage, Alaska 99501; faxed to 1-907-269-8918, or sent by electronic mail to dnr_appeals@dnr.state.ak.us. This decision takes effect

immediately. If no appeal is filed by the appeal deadline, this decision becomes a final administrative order and decision of the department on the 31st day after issuance. An eligible person must first appeal this decision in accordance with 11 AAC 02 before appealing this decision to Superior Court. A copy of 11 AAC 02 may be obtained from this office or any regional information office of the Department of Natural Resources.

This approval does not constitute certification of any property right or land status claimed by the applicant nor does it relieve the applicant of responsibility to obtain approvals or permits from other persons or governmental agencies that may also be required. All stipulations contained in the original lease and subsequent approvals remain in effect.

If activities have not commenced, **this approval expires at midnight, December 16, 2006**. Failure to comply with the terms and conditions outlined in the lease, the attached stipulations, and this authorization may result in revocation of this plan of operations approval.

If you have any questions please contact Matt Rader at the Division of Oil and Gas in Anchorage, at 269-8776, fax 269-8943, or e-mail mwr@dnr.state.ak.us.

Sincerely,

/S/

Matt Rader
Natural Resources Specialist

Attachments: (1) Operation Conditions
(2) DOT Requirements
(3) Well Data Submittal Requirement

Proposed Drilling Procedure
Core Program 2003
Matanuska-Susitna Borough, Alaska

Objective
The objective of this operation is to core the intended wells for geologic study to determine coal bed methane exploration potential and begin to describe the Mat Su Basin

Casing Program
Surface casing will be run from surface through the glacial gravels to protect fresh water. The surface hole will be 6 inch diameter and the surface casing will be X-42 4 inch nominal schedule 40 line pipe.

	Hole Size (in)	Casing Size OD (in)	Casing Weight (lbs/ft)	Casing Grade	Casing Connection	Approx Casing Depth (ft)	Cement Interval
Surface	6	4.5	10.8	LP	LP	200	to surface

Mud Program
Water will be the primary drilling fluid used. Bentonite and EZ-Mud DP or other fresh water polymer may be used if hole conditions warrant. After the well has reached TD, this mud will be conditioned and transported to the next site. The cuttings will be tested and either spread on location, sent to an off site disposal facility or placed back in the hole as part of the abandoning process.

Open Hole Logging Program
Memory tools will be latched into the landing sub above the core barrel. The hole will be logged as the drill pipe is being pulled out of the hole.

Log	Interval
Single Induction	TD to ± 20 ft in Surface Casing
Sonic Porosity	TD to ± 20 ft in Surface Casing
Gamma Ray	TD to ± 20 ft in Surface Casing
Caliper	TD to ± 20 ft in Surface Casing
Compensated Density	TD to ± 20 ft in Surface Casing
Neutron Porosity	TD to ± 20 ft in Surface Casing

Formation Tops

Formation	Estimated Tops (ft KB)
Quarternary Gravel	Surface
Tertiary Tyonek	50-200

General Information
All information not publicly available is considered Tight Hole and confidential.

Spill Prevention Plan and Bear Mitigation measures must be adhered to at all times.

Proposed Drilling Procedure
Core Program 2003
Matanuska-Susitna Borough, Alaska

SURFACE AND CORE HOLE

1. MIRU DJ excavation. Make any necessary changes to location to accommodate core drilling rig.
    a. Dig 6' cellar w/ 6' diameter and place culverts.
2. MIRU Discovery Drilling.
3. Drill 6" hole through base of gravel (50'-200' anticipated) and set 4" casing to bottom.
    a. Evergreen personnel will call TD on surface hole.
4. Cement casing in place w/ 1-3 bbl cmt w/ cmt wt @ 15.6 ppg
    a. Water requirements – 5.2 gal/sk
    b. Slurry volume – 1.18 cu ft/sk
    c. Leave 1" to 2" of cement in cellar for seal
5. RDMO Discovery drilling to next well.
6. MIRU Layne Christiansen CS 4000 core drilling rig.
7. Fill mud tanks w/ city water. Make sure there is enough mud on site to mix kill wt mud if necessary.
8. WOC for 6 hours.
9. NU and test BOP.
10. Pressure test casing to 1500 psi.
11. Drill cmt and csg shoe. Drill 20 feet into new formation and POOH.
12. RIH with HQ core bit and barrel.
13. Core to Arkose Ridge formation. The well will be TD'd above this level if significant hole problems occur.
    a. Arkose Ridge formation: Fluvitile and alluvial feldsparic sandstone, conglomerate, siltsone and shale containing abundant plant fragments.
    b. The core will be described on site by Evergreen personnel or contractors in the following manner:
        i. Apparent texture variations
            1. Fractures
            2. Bedding plane attitudes
        ii. Apparent fluid variations
            1. Presence of hydrocarbons
        iii. Apparent lithologic variations
            1. Rock type
            2. Porosity
            3. Sedimentary structure
            4. Grain size
14. Evergreen personnel will call final TD. POOH w/ last core inner tube.
15. Condition hole.
16. PU 30 ft off of bottom to make room for logging tools.
17. MIRU Reeves Wireline. Drop memory tools consisting of Gamma Ray, Sonic Porosity, Array Induction, Compensated Neutron Density and Caliper.
18. POOH and LD drill pipe, rods, core barrel and core bit and logging tools.
19. TIH w/ "B" rods to TD. (Cmt calculations are based on TD=2500' and surface csg @ 200')
    a. Surface casing – (0.01574bbls/ft)(200') = 3.14 bbls
    b. HQ Hole – (0.01440 bbls/ft)(2300') = 33.12 bbls
    c. Total fluid required to fill hole - 36.26 bbls
20. Pump 3 bbls cmt and POOH 210 ft.
21. Pump 18 bbls (1250ft) of mud and cuttings and POOH to 1000 ft.
22. Pump 15.1 bbls cmt
23. POOH w/ "B" rods.
24. Clean-up well site.
25. RDMO Layne Christianson to next hole.
26. WOC 24 hours.
27. MIRU DJ Excavation.
    a. Cut 4" casing 3' below original ground level.
    b. Weld ¼" thick plate w/ ~~6"~~ 18" diameter onto 4" casing.
    c. Plate must have the following bead welded information:
        i. Evergreen Resources
        ii. Permit to drill number (Number will be provided as soon as it is issued by AOGCC)

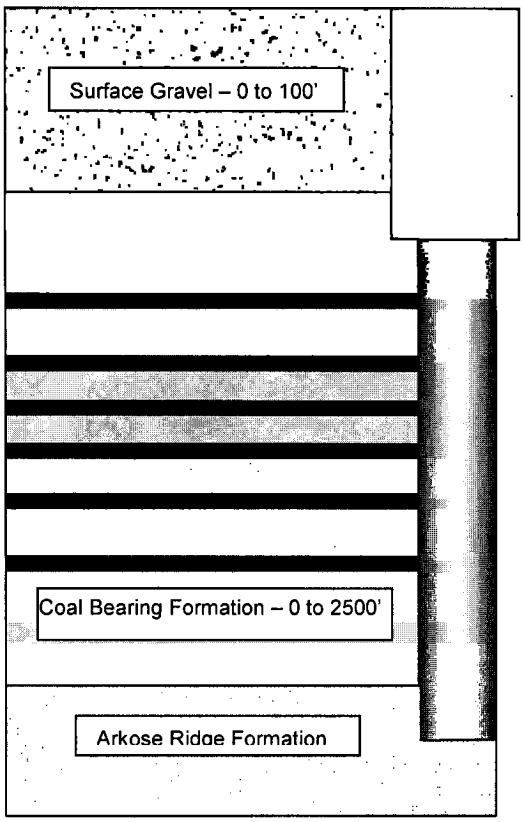
iii. Well number
iv. API number (Number will be provided as soon as it is issued by AOGCC)

d. Remove culvert and back fill cellar.

28. RDMO DJ Excavation.

Proposed Drilling Procedure
Core Program 2003
Matanuska-Susitna Borough, Alaska

Core Hole Diagram



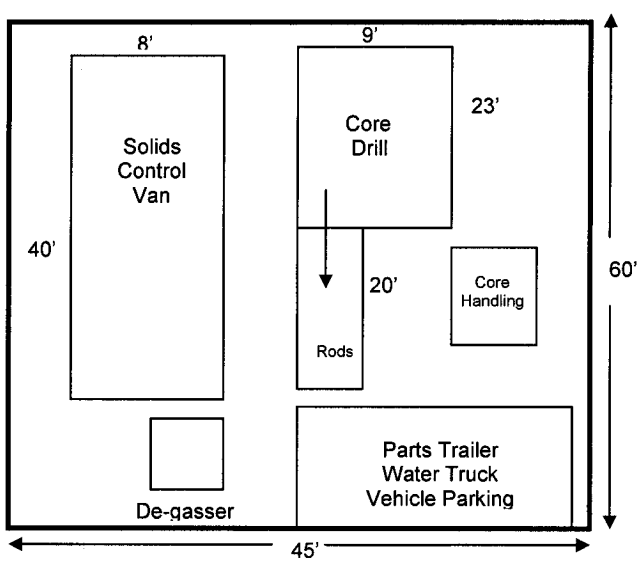
6" Hole to ± 100'

4" LP (4.5" OD, 4.026" ID, 3320 psi) @ ± 200'
Cemented w/ 25 sx Portland cmt

Tyonek Formation

HQ Diameter Hole (3.850") to 1800'
2.5" core. Log hole using memory tools latched into landing sub while pulling drill pipe.

Rig Layout Diagram

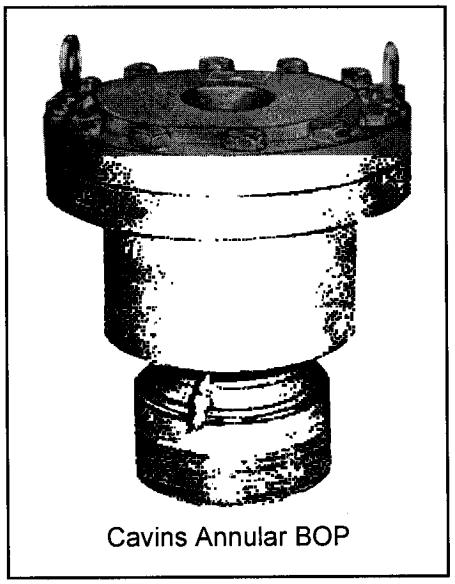


Proposed Telephone Contact List
Core Program 2003
Matanuska-Susitna Borough, Alaska

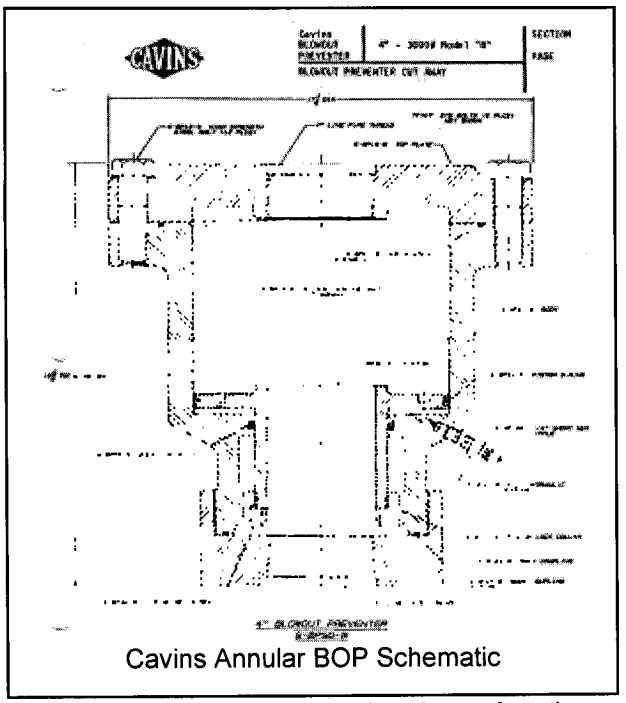
Company	Address	Name	Telephone
Evergreen Resources Inc.	Suite 1200 1401 Seventeenth Street Denver, Colorado 80202	Dennis Carlton Senior Vice President of Operations	Office: 303-298-8100 Fax: 303-298-7800
Evergreen Resources Inc.	Suite 1200 1401 Seventeenth Street Denver, Colorado 80202	Scott Zimmerman Vice President of Operations and Engineering	Office: 303-298-8100 Cell: 303-981-3314 Fax: 303-298-7800
Evergreen Resources Alaska	P.O. Box 871845 Wasilla, AK 99687	Shane Gagliardi AK Project Engineer	Office: 907-357-8130 Cell: 907-355-8569 Fax: 907-357-8340
Evergreen Resources Alaska	P.O. Box 871845 Wasilla, AK 99687	Mike Bellowich AK Project Geologist	Office: 907-357-8130 Cell: 907-232-9538 Fax: 907-357-8340
Evergreen Resources Inc.	Suite 1200 1401 Seventeenth Street Denver, Colorado 80202	Jerry Jacobs Environmental Manager	Office: 303-298-8100 Fax: 303-298-7800
Hampton & Waechter	Suite 300 1645 Court Pl. Denver, Colorado 80202	Noel Waechter	Office: 303-825-7140
Layne Christiansen	2370 Steese Hwy. Fairbanks, AK 99712	Shane Crum	Office:918-322-3095 Mobil 918-625-1668 Fax: 918-322-3829
MI Swaco	721 West 1st Ave. Anchorage, AK 99501	Dennis Jackson	Office: 907-274-5501
Reeves Wireline	121 South Country Estates Road, Liberal, KS 67901	Bob Gales	Office: 785-331-2933

Well Control Diagrams
Core Program 2003
Matanuska-Susitna Borough, Alaska

Manufacturer: Cavins Oil Well Tools
Size: 4"
Rating: 3000 psi
Usage: Used for mineral exploration core drilling in Nevada.



Cavins Annular BOP

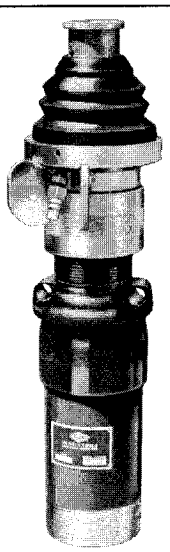


Cavins Annular BOP Schematic

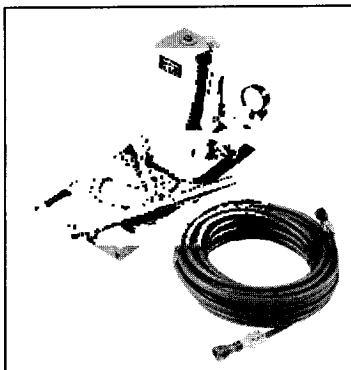
The combination Blowout Preventer and Sucker Rod Stripper combines safety and economy in a tool designed to perform the necessary function of line wiping. It can be operated from anywhere on the derrick floor utilizing pressure from bottled nitrogen, an optional hand operated hydraulic pump, or the optional BOP control system. When swabbing, a short lubricator the length of the swab between the master gate and the Blowout Preventer is all that is required. Pressure connection is for 1/4" A.P.I. pipe. The units are tested to give full closure up to 3000 psi well pressure with no leakage. The full closure feature of the Blowout Preventer will give a temporary seal, allowing ample time to close the master gate should a well blowout occur.

BALL LOCK OIL SAVER

The use of the Ball Lock Oil Savers by drilling and production departments has earned this service proven tool a reputation for trouble-free operation with simplicity. The CAVINS Ball Lock Oil Savers are made of high carbon steel and precision machined for demanding dependability and safety in a wide range of service applications. Exhaustive testing in the excess of 3000 psi is further assurance against failure or leakage. Incorporated in its design, which affords a cleanly wiped wire line, is its safeguard against blow out. One important feature of the Oil Saver is its automatic ball release design. Hardened Steel Balls hold the traveling assembly securely in the body until released by the upward travel of the Rope Socket. The Rubber Packing unit with its internal fins provide the ultimate in wire characteristics with only a normal pressure, or drag, on the line. The Packing Rubber is compounded of special abrasive and oil resistant properties to give the rubber longer wear. A tough spark-proof die cast alloy is utilized in the top and bottom line guides and enhances reduced wear in the rubber packing unit. A high quality leather hydraulic packing ring wards against leakage in the area between the body and the traveling assembly. The Hydraulic Bonnets provide an even greater degree of wiping efficiency. The wire line can be completely stripped of all oil, or water and an Oil Saver outfitted with a Hydraulic Bonnet foregoes the necessity of tools for "taking up" wear in the packing element. The one hand operation requires only a few strokes of the pump handle to give complete wiping action or turn the release valve when no wiping is required. The Hydraulic action affords a greater rubber contact surface as the packing rubber is compressed around the line. The line is completely surrounded and sealed from blow-out leakage by the action of the Hydraulic unit. There is no danger of packing rubber or other elements falling into the well.



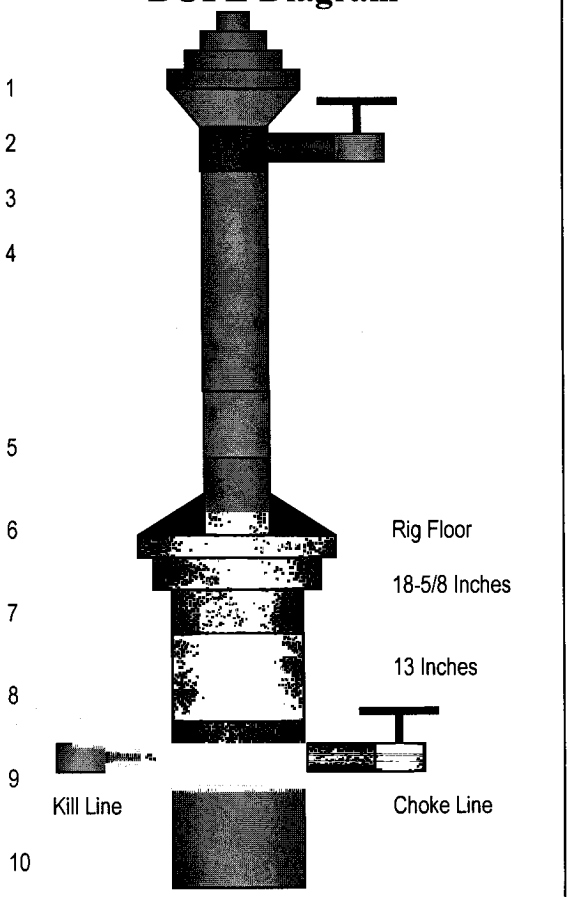
Ball Lock Oil Saver



Hydraulic Pump and Hose

Well Control Diagrams
Core Program 2003
Matanuska-Susitna Borough, Alaska

BOPE Diagram



1. Oil saver fitted with stripping rubbers to fit 3/16" slick line. Can be operated manually and/or hydraulically.
2. Cross over from drill pipe thread to 4" API LP thread.
3. Relief valve for lubricator.
4. Lubricator made of HQ drill pipe. Rated to 4600 psi.
5. TIW (stabbing valve). Rated for 3000 psi. Used for shutting in drill pipe ID to rig up for pulling core.
6. Drill pipe sitting in foot clamps during coring operation.
7. Cavins 4" 3000 psi Annular BOP. BOP can be operated manually or hydraulically. Will be fit with rubbers to provide pressure control on the outer tube of the coring assembly.
8. 4" Full port 3000 psi valve.
9. Standard spool threaded to fit 4" line pipe connections w/ two 2" ports that will be fitted w/ 3000 psi full port ball valves.
10. 4" API line pipe surface casing.

NOTE: ALL CONNECTIONS ARE THREADED

Tubular Information
Core Program 2003
Matanuska-Susitna Borough, Alaska

Drill Pipe (HQ)

Size (in)	Pipe Grade	Weight (ppf)	ID (in)	Drift (in)	Collapse (psi)	Burst (psi)	Tensile (k-lbs)	Capacity (bbl/ft)	Capacity (ft/bbl)	6" Hole Annulus (bbl/ft)	6" Hole Annulus (ft/bbl)
3.5	HMQ	4.5	3.188	3.188	3910	4600	88.46	0.00911	109.7	0.02307	43.35

Surface Casing

Size (in)	Pipe Grade	Weight (ppf)	ID (in)	Drift (in)	Collapse (psi)	Burst (psi)	Tensile (k-lbs)	Capacity (bbls/ft)	Capacity (ft/bbl)	6" Hole Annulus (bbl/ft)	6" Hole Annulus (ft/bbl)
4.5"	LP X42 Sch 40	10.8	4.026	4.026	2650	3320		0.01574	63.51	0.0153	65.36

Core Program 2003
Matanuska-Susitna Borough, Alaska

List of Exceptions For Drilling

Exception #1

Regulation

20 AAC 25.030 - CASING AND CEMENTING.

(f) Except for through-tubing drilling, a formation integrity test must be performed if BOPE is installed on a casing. The test must be performed to a predetermined equivalent mud weight, leak-off, or fracture pressure as specified in the application for the Permit to Drill. The test must be conducted after drilling out of the casing shoe into at least 20 feet but not more than 50 feet of new formation. The test results must demonstrate that the integrity of the casing shoe is sufficient to contain anticipated wellbore pressures identified in the application for the Permit to Drill. The test procedure followed and the data from the test and any subsequent tests of the formation must be recorded as required by 20 AAC 25.070 (1).

Authority

20 AAC 25.030 - CASING AND CEMENTING.

(g) Upon request of the operator, the commission will, in its discretion, approve variances from the requirements of (b) - (f) of this section to allow for special or unusual conditions if the design requirements of (a) of this section are satisfied.

Justification

No intermediate casing will be set and surface casing will be set relatively close to surface; therefore, a formation integrity test is not valid.

Exception #2

Regulation

20 AAC 25.033 - PRIMARY WELL CONTROL FOR DRILLING: DRILLING FLUID PROGRAM AND DRILLING FLUID SYSTEM.

c) A drilling fluid system intended to maintain the wellbore in overbalanced condition must include

(1) a recording drilling fluid pit level indicator with both visual and audible warning devices located in the immediate area of the driller's station;

(2) a drilling fluid measuring system or trip tank for accurately determining drilling fluid volumes required to fill the wellbore on trips;

(3) a drilling fluid flow sensor with a readout convenient to the driller's station to enable the operator to determine whether drilling fluid returns equal drilling fluid pump discharge rates;

Authority

20 AAC 25.033 - PRIMARY WELL CONTROL FOR DRILLING: DRILLING FLUID PROGRAM AND DRILLING FLUID SYSTEM.

(j) Upon request by the operator, the commission will, in its discretion, approve a waiver of the requirements of (c) - (g) of this section if the alternative drilling fluid program and drilling fluid system meet the design criteria of (b) of this section and the corresponding equipment and procedures are at least equally effective in preventing the loss of primary well control.

Justification

The steel mud tank will be placed next to the drillers console in plain sight. There will be constant circulation of drilling fluids taking returns into the cellar. The mud system will have adequate volumes for maintaining the fluid level in the hole while tripping. For this process a couple of bit trips are anticipated per hole. Lost circulation is not anticipated as indicated by the previous drilling in the area. Other wells drilled in the area were drilled using air; during that drilling operation, gas influx was not an issue. There is no indication from past drilling that hydrogen sulfide gas will be encountered.

Exception #3

Regulation

20 AAC 25.035 - SECONDARY WELL CONTROL FOR PRIMARY DRILLING AND COMPLETION: BLOWOUT PREVENTION EQUIPMENT AND DIVERTER REQUIREMENTS.

(c) (1) (A) of at least 16 inches, unless a smaller diameter is approved by the commission to account for smaller hole size, geological conditions, rig layout, or surface facility constraints.

(B) the actuating mechanism for the vent line valve must be integrated with the actuating mechanism for the annular pack-off device in a fail-safe manner so that the vent line valve automatically opens before full closure of the annular pack-off;

(C) the vent line must extend to a point at least 75 feet

Authority

20 AAC 25.035 - SECONDARY WELL CONTROL FOR PRIMARY DRILLING AND COMPLETION: BLOWOUT PREVENTION EQUIPMENT AND DIVERTER REQUIREMENTS.

(h) Upon request of the operator, the commission will, in its discretion, approve a variance
(1) from the BOPE requirements in (e) of this section if the variance provides at least an equally effective means of well control; and
(2) from the diverter system requirements in (c) of this section if the variance provides at least equally effective means of diverting flow away from the drill rig or if drilling experience in the near vicinity indicates that a diverter system is not necessary.

Justification

The largest hole size being cored is only 3.85 inches. A 16 inch diverter vent line is not necessary. Due to the size of the location, manual valves and adjustable chokes would be sufficient to provide pressure control. The DNR states that the locations should be placed such that minimal surface damage is caused; therefore, the proposed location sizes are 45' x 65'. The location size is smaller than the required length of the vent line.

Exception #4

Regulation

20 AAC 25.035 - SECONDARY WELL CONTROL FOR PRIMARY DRILLING AND COMPLETION: BLOWOUT PREVENTION EQUIPMENT AND DIVERTER REQUIREMENTS.

(e) (1) (A) for an operation requiring a BOP stack equal to or less than API 5K, BOPE must have at least three preventers, including
(i) one equipped with pipe rams that fit the size of drill pipe, tubing, or casing being used, except that pipe rams need not be sized to bottom-hole assemblies (BHAs) and drill collars;
(ii) one with blind rams, except that a subsea BOPE assembly must have blind/shear rams in place of blind rams; and
(iii) one annular type

Authority

20 AAC 25.035 - SECONDARY WELL CONTROL FOR PRIMARY DRILLING AND COMPLETION: BLOWOUT PREVENTION EQUIPMENT AND DIVERTER REQUIREMENTS.

(h) Upon request of the operator, the commission will, in its discretion, approve a variance
(1) from the BOPE requirements in (e) of this section if the variance provides at least an equally effective means of well control; and
(2) from the diverter system requirements in (c) of this section if the variance provides at least equally effective means of diverting flow away from the drill rig or if drilling experience in the near vicinity indicates that a diverter system is not necessary

Justification

Being a mineral exploration rig, this equipment is not set up to easily accommodate blow out prevention equipment. The size of the rig and the size of the surface casing indicate that a small bore BOP is required. A Cavins 3000 psi annular BOP is requested to satisfy this portion of the secondary well control requirements. There will be no pipe rams and the blind rams will consist of a full port valve placed below the annular preventer. The annular can be closed either manually using a hand pump or by using rig hydraulics.

Exception #5

Regulation

20 AAC 25.035 - SECONDARY WELL CONTROL FOR PRIMARY DRILLING AND COMPLETION: BLOWOUT PREVENTION EQUIPMENT AND DIVERTER REQUIREMENTS.

(e) (4) (A) a hydraulic actuating system with
(B) locking devices on the ram-type preventers;
(D) in rotary drilling rig operations, one complete set of operable remote BOPE controls on or near the driller's station, in addition to controls on the accumulator system
(F) a kill line and a choke line each connected to a flanged or hubbed outlet on a drilling spool, the BOP body, or the tree, with two full-opening valves on each outlet, conforming to the following specifications:
ii) the outer valve on the choke side must be a remotely controlled hydraulic valve;
(H) a choke manifold equipped with
(i) two or more adjustable chokes, one of which must be hydraulic and remotely controlled from near the driller's station if the operation requires a BOP stack equal to or greater than API 5K;

Authority

20 AAC 25.035 - SECONDARY WELL CONTROL FOR PRIMARY DRILLING AND COMPLETION: BLOWOUT PREVENTION EQUIPMENT AND DIVERTER REQUIREMENTS.

(h) Upon request of the operator, the commission will, in its discretion, approve a variance
(1) from the BOPE requirements in (e) of this section if the variance provides at least an equally effective means of well control; and
(2) from the diverter system requirements in (c) of this section if the variance provides at least equally effective means of diverting flow away from the drill rig or if drilling experience in the near vicinity indicates that a diverter system is not necessary.

Justification

The proposed BOP does not have rams. This rig is not configured to have an additional set of BOP controls near the driller's console, this rig does not use BOPE on a regular basis when conducting mineral exploration. This rig is not equipped to run hydraulically operated chokes; therefore, manual adjustable chokes are requested. Due to anticipated low pressure, threaded connections are requested for the entire operation.

Exception #6

Regulation

20 AAC 25.035 - SECONDARY WELL CONTROL FOR PRIMARY DRILLING AND COMPLETION: BLOWOUT PREVENTION EQUIPMENT AND DIVERTER REQUIREMENTS.

(e) (10) (F) be assembled without hammer unions or internally clamped swivel joints, except that hammer unions and internally clamped swivel joints may be used on the kill line upstream of the valves that are flanged to the wellhead or tree.

(e) (9) connections directly to the BOPE, other than connections described in (8) of this subsection, must be flanged or hubbed, except that suitably pressurerated quick connects may be used if a positive seal manual valve, hydraulic valve, or BOPE blind ram and an annular type preventer or sealing ram are flanged to the wellhead or tree below the quick connection;

Authority

20 AAC 25.035 - SECONDARY WELL CONTROL FOR PRIMARY DRILLING AND COMPLETION: BLOWOUT PREVENTION EQUIPMENT AND DIVERTER REQUIREMENTS.

(h) Upon request of the operator, the commission will, in its discretion, approve a variance

(1) from the BOPE requirements in (e) of this section if the variance provides at least an equally effective means of well control; and

(2) from the diverter system requirements in (c) of this section if the variance provides at least equally effective means of diverting flow away from the drill rig or if drilling experience in the near vicinity indicates that a diverter system is not necessary.

Justification

The proposed BOP does not have rams. Request that all connections be threaded and hammer unions be approved. Anticipated surface pressure will be well within the pressures ratings of all BOPE. This well head is not intended to be a permanent fixture for production.

Exception #7

Regulation

20 AAC 25.035 - SECONDARY WELL CONTROL FOR PRIMARY DRILLING AND COMPLETION: BLOWOUT PREVENTION EQUIPMENT AND DIVERTER REQUIREMENTS.

(e) (6) (F) be assembled without hammer unions or internally clamped swivel joints, unless the commission determines that those joints do not compromise maintenance of well control;

(e) (8) connections attached directly to the wellhead, tree, or BOPE must be flanged or hubbed;

Authority

20 AAC 25.035 - SECONDARY WELL CONTROL FOR PRIMARY DRILLING AND COMPLETION: BLOWOUT PREVENTION EQUIPMENT AND DIVERTER REQUIREMENTS.

(h) Upon request of the operator, the commission will, in its discretion, approve a variance

(1) from the BOPE requirements in (e) of this section if the variance provides at least an equally effective means of well control; and

(2) from the diverter system requirements in (c) of this section if the variance provides at least equally effective means of diverting flow away from the drill rig or if drilling experience in the near vicinity indicates that a diverter system is not necessary.

Justification

Request that all connections be threaded and hammer unions be approved. Hammer unions to be used are rated for 5,000 psi. Anticipated surface pressure will be well within the pressures ratings of all BOPE. This well head is not intended to be a permanent fixture; and intended annular BOP is threaded.

Exception #8

Regulation

20 AAC 25.035 - SECONDARY WELL CONTROL FOR PRIMARY DRILLING AND COMPLETION: BLOWOUT PREVENTION EQUIPMENT AND DIVERTER REQUIREMENTS.

(e) (9) (A) an inside BOP and a full-opening drilling assembly safety valve in the open position on the drill rig floor to fit all connections that are in the drilling assembly;

Authority

20 AAC 25.035 - SECONDARY WELL CONTROL FOR PRIMARY DRILLING AND COMPLETION: BLOWOUT PREVENTION EQUIPMENT AND DIVERTER REQUIREMENTS.

(h) Upon request of the operator, the commission will, in its discretion, approve a variance

(1) from the BOPE requirements in (e) of this section if the variance provides at least an equally effective means of well control; and

(2) [redacted] the diverter system requirements in (c) of this [redacted]tion if the variance provides at least equally effective means of diverting flow away from the drill rig or if drilling experience in the near vicinity indicates that a diverter system is not necessary.

Justification

The use of a continuous core system prevents the use of internal check valves. A lubricator system will be employed when the core is to be retrieved.

Exception #9

Regulation

20 AAC 25.050 WELLBORE SURVEYS.

(a)(3) surveyed by a complete continuous directional survey if a portion of the well path is less than 500 feet from a property line where the ownership by owner or landowner is not identical on both sides of the line, or if a portion of the well path is less than 200 feet from any other vertical or deviated well; the survey must be taken at intervals not more than 100 feet apart, beginning within 100 feet of the surface.

Authority

20 AAC 25.050 WELLBORE SURVEYS.

(h) Upon application, the commission will, in its discretion, waive all or part of the directional survey requirements of this section or approve alternate means for determining the location of a wellbore if the variance at least equally ensures accurate surveying of the wellbore to prevent well intersection, to comply with spacing requirements, and to ensure protection of correlative rights.

Justification

Request that inclination surveys every 500 feet as stipulated in 20 AAC 25.050 (a) (2) be adequate for this operation. There will be no production from these wells; therefore, spacing requirements and correlative rights should not be an issue.

Exception #10

Regulation

20 AAC 25.055 - DRILLING UNITS AND WELL SPACING.

(a)(2) for a well drilling for gas, a wellbore may be open to test or regular production within 1,500 feet of a property line only if the owner is the same and the landowner is the same on both sides of the line

Authority

20 AAC 25.055 - DRILLING UNITS AND WELL SPACING.

(d) The commission will review an application for an exception to the provisions of this section in accordance with 20 AAC 25.540. The applicant for an exception shall send notice of the application by certified mail to the owners, landowners, and operators described in (1) of this subsection and shall furnish the commission with a copy of the notice, the date of mailing, and the addresses to which the notice was sent. The application must include

(1) The names of all owners, landowners, and operators of all properties within 1,000 feet of a well drilling for oil or within 3,000 feet of a well drilling for gas for which an exception is sought;

(2) A plat drawn to a scale of one inch equaling 2,640 feet or larger, showing the location of the well for which the exception is sought, all other completed and drilling wells on the property, and all adjoining properties and wells; and

(3) An affidavit by a person acquainted with the facts, verifying that all facts are true and that the plat correctly portrays pertinent and required data.

Justification

These wells are intended for stratigraphic testing only; therefore, no gas production or sales will result from any of these wells. The above listed requirements will be met.

Exception #11

Regulation

20 AAC 25.061 (a) – Well Site Surveys

For an exploratory or stratigraphic test well, near surface strata to a depth of 2,000 feet in the vicinity of the well must be evaluated seismically by common depth point refraction or reflection profile analysis, or by another method approved by the commission, to identify anomalous velocity variations indicative of potential shallow gas sources. Analysis results must be included with the application for the Permit to Drill (Form 10-401).

Authority

20 AAC 25.061 (c) – Well Site Surveys

Upon request by the operator, the commission will, in its discretion, waive the requirements of this section if the operator can identify, by other equally effective means, the likelihood of encountering potential shallow gas or seabed hazards or if the commission already has information that substantiates the presence or absence of shallow gas or seabed hazards.

Justification

Several wells have been drilled in the area through the intended formations without incident. Drilling history in the area indicates that over pressured shallow gas is not going to be a problem; therefore, seismic data collection and interpretation would be an unnecessary expense.

Subject: Nad 27 Coords for Core Wells
From: Shane Gagliardi <ShaneG@EvergreenGas.com>
Date: Mon, 15 Dec 2003 15:12:46 -0900
To: Bob Fleckenstein <bob_fleckenstein@admin.state.ak.us>

Bob,

Here are the coords (in NAD 27) for the core wells.

Little Su - N = 2813373.15 E = 633118.22
Houston Pit - N = 2791671.87 E = 526782.80
Willow Fishhook - N = 2838106.12 E = 504445.60
Kashwitna Lake - N = 2866054.57 E = 487747.09
Sheep Creek - N = 2918957.46 E = 489689.87

Source: Surveyor

I think that most internet converters can convert Lat Long coords to NAD 27 without a problem. I have found several free programs that can do this. At this point, the standard has become NAD 83 due to the increasing number of handheld GPS tools.

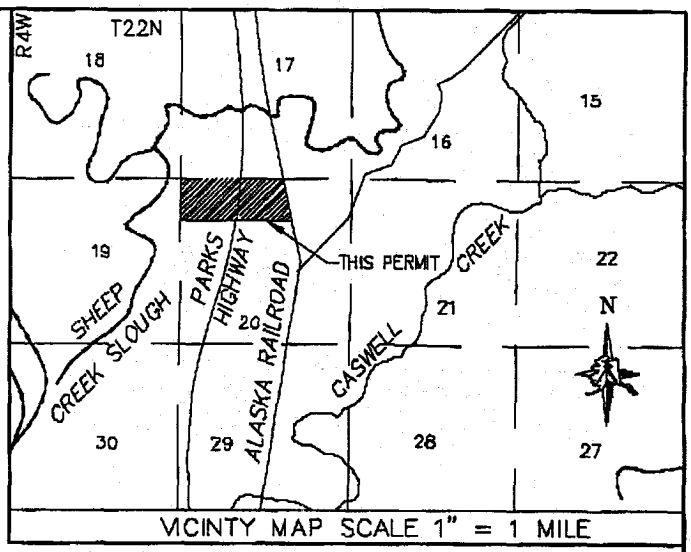
Thanks,
Shane

NOTES:

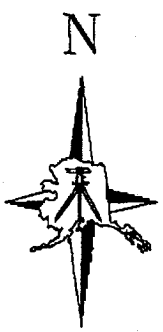
1. COORDINATES SHOWN ARE NAD 83 ALASKA STATE PLANE ZONE 4 BASED ON PROTRACTED VALUES.
2. GEOGRAPHIC COORDINATES ARE NAD 83 BASED ON PROTRACTED VALUES.
3. ALL DISTANCES ARE GROUND IN U.S. SURVEY FEET.
4. VERTICAL DATUM IS BASED ON NGS CONTROL. BENCHMARK N-104. EL = 222.22'

SHEEP CREEK #1

LOCATED 417' FROM THE NORTH LINE OF SECTION 20
AND 1505' FROM THE WEST LINE OF SECTION 20
T 22 N, R 4 W, SEWARD MERIDIAN
AT LAT. 61°59'18.000"N LONG. 150°03'43.918"W
ASP ZONE 4 N=2918718.89 E=1629720.94 (NAD 83)
GROUND ELEVATION = 230.6'

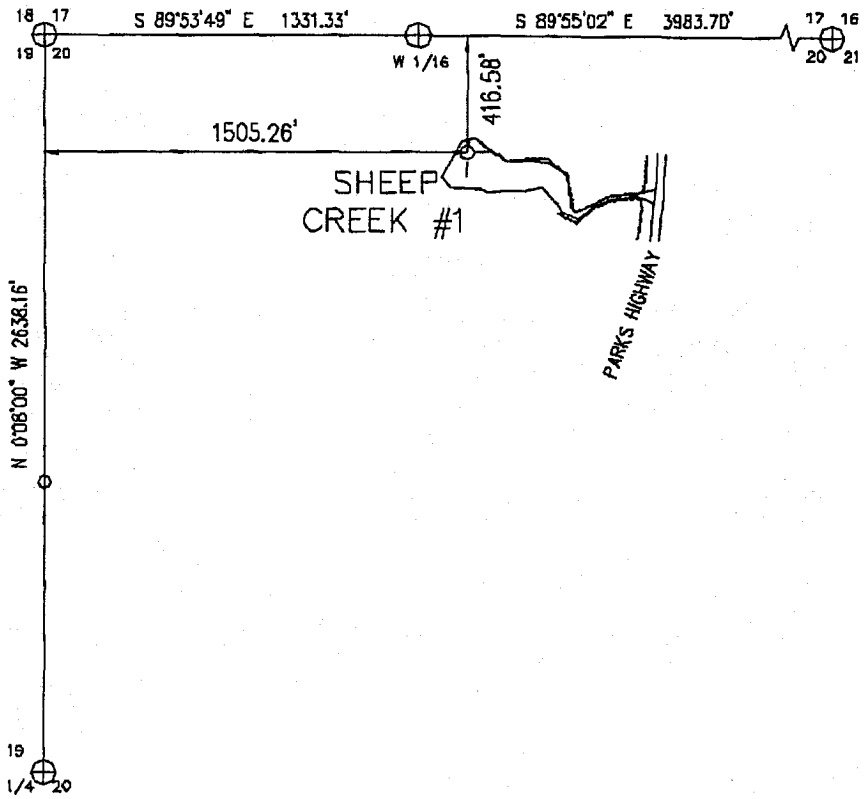


VICINTY MAP SCALE 1" = 1 MILE



SCALE 1" = 600'

SECTION 20
T22N, R4W, S.M.
ALASKA



SHEEP CREEK #1
PERMIT DRAWING

LOUNSBURY & ASSOCIATES, INC.
SURVEYORS-ENGINEERS-PLANNERS
723 W. 6th AVE. ANCHORAGE, ALASKA 99501
(907) 272-5451 FAX (907) 272-9065

DRAWN KWA	CHECKED KWA	SCALE 1' = 600'	December 04, 2003	DWG NAME 03-031-9.DWG

EVERGREEN
RESOURCES (ALASKA) CORP.
A Subsidiary of Evergreen Resources, Inc.

December 12, 2003

Mr. Bob Crandall
Alaska Oil and Gas Conservation Commission
333 W. 7th Ave #100
Anchorage, Alaska, 99501-3539

RE: Additional Information for Evergreen Resources Alaska's Core Program 2003 Resulting from Conversation with Commissioner Seamount

Dear Mr. Crandall:

As a result of conversations with Commissioner Seamount, Evergreen will monitor water produced during the surface hole drilling process for salinity. Evergreen professionals will be on location with field measuring equipment to determine the depth at which a significant change in water salinity occurs.

The change in water salinity as measured by Evergreen professionals will dictate the surface casing set depth for each of the wells in the core drilling program. The use of this method will ensure that the portion of the surface hole used for drinking water is protected.

In the event that a deviation in water conductivity is not noticed, the Alaska Oil and gas Conservation Commission will be notified before casing is set.

If you have any questions, please feel free to contact me at 907-355-8569 or shaneg@evergreengas.com.

Sincerely,

Shane Gagliardi
Petroleum Engineer

1075 Check Street, Suite 202 • Wasilla AK 99654
P.O. Box 871845 • Wasilla, AK 99687 TEL 907.357.8130 • FAX 907.357.8340

EVERGREEN
RESOURCES (ALASKA) CORP.
A Subsidiary of Evergreen Resources, Inc.

December 5, 2003

Ms. Sara Palin, Chair
Alaska Oil and Gas Conservation Commission
333 West Ave., Suite 100
Anchorage, Alaska 99501

RE: Application for Permit to Drill: Core Program 2003
Target: Tertiary Tyonek
Proposed TD: 3000 Feet
Proposed Spud Date: 10-December-2003

Dear Ms. Palin,

Evergreen Resources Alaska Corporation hereby applies for a Permit to Drill for the subject core wells located approximately 30 miles north of Anchorage. The wells are planned as a shallow, straight holes drilled to evaluate the producibility of the Tyonek Coals.

A core drilling company currently operating in the Fort Knox gold mine will be used to provide a continuous wireline coring operation. The rig to be used is a CS-4000 that is typical for mineral exploration. A six inch hole will be drilled through the glacial gravel section and a string of 4.5 inch line pipe will be cemented in place. Once the cement has hardened and the appropriate test has been conducted for casing integrity, an HQ hole (3.875" diameter) will be drilled to TD. A logging suite consisting of gamma ray, array induction, compensated neutron density, caliper and sonic porosity tools will be run. After all cores have been retrieved and logs run, the hole will be permanently abandoned.

Attached is information required by 20 AAC 25.005 (a) and (c) for your review. Due to the differences in equipment and methods used for mineral core drilling, Evergreen requires several variances from current AOGCC regulations.

The designated contact for reporting responsibilities to the Commission is Shane Gagliardi, Alaska Projects Engineer, office: 907-357-8130 or cell: 907-355-8569.

Sincerely,

Evergreen Resources (Alaska) Corporation

Shane Gagliardi
Alaska Projects Engineer

enclosures

RECEIVED
DEC - 5 2003
Alaska Oil & Gas Cons. Commission
Anchorage

ORIGINAL

1075 Check Street, Suite 202 • Wasilla AK 99654
P.O. Box 871845 • Wasilla, AK 99687 • TEL 907.357.8130 • FAX 907.357.8240

Conditions of Approval

Evergreen Resources (Alaska) Corp.
Sheep Creek #1 (PTD 203-208)

1. Per 20 AAC 25.030 (g), the formation integrity test requirement is waived.
2. Per 20 AAC 25.033 (j), the drilling fluid system requirements are waived.
3. Per 20 AAC 25.035 (h) (1) and (2), the BOPE and diverter requirements are waived.
4. Per 20 AAC 25.050 (h), alternate well bore directional survey intervals are approved.
5. Per 20 AAC 25.061 (c), the near surface survey requirement is waived.
6. Test BOPE to 1500 psi.
7. Abandonment plug cement volumes may be adjusted dependent upon actual subsurface conditions.

Permit to Core Drill

Date of Permit: December 2, 2003

Core Hole: Sheep Creek #1

PERMIT TO CORE DRILL

WHEREAS, Kevin R. Collins of Denver County, Colorado, hereinafter called "Grantor" (whether one or more), is the owner of certain shallow gas leasehold rights ("Lease Rights") covering the following described land situated in SEE ATTACHED EXHIBIT "A" containing 265.58 acres more or less, to-wit:

NOW THEREFORE, for and in consideration of the sum of ten and more ($10.00+) Dollars, cash in hand paid, receipt of which is hereby acknowledged, and other good and valuable considerations, Grantor hereby gives and grants to Evergreen Resources, Inc. Of Denver County, Colorado, hereinafter called "Grantee", the right, to the extent and only to the extent that Grantor has such rights under the Lease Rights, to enter upon said land or premises with such equipment, and machinery as may be needed, and to explore and test for geological information and to drill and core to evaluate all minerals, including oil and gas. Grantee agrees to pay Grantor herein the sum of ten and more dollars ($10.00+) for each hole actually drilled by Grantee on said land or premises as full liquidated damages, payable after said hole or holes have been drilled; and, Grantee agrees to be responsible for any damage to growing crops, gates, fences, buildings and other improvements on said land or premises caused by its operations thereon and shall release and indemnify Grantor from any claims arising from such operations.

Grantee agrees to comply with all federal and state laws, rules and regulations, and will comply with all provisions of the applicable lease.

All terms and conditions of this agreement will extend to and be binding upon the heirs, administrators, executors, successors and assigns of the respective parties hereto.

Grantor makes no warranties of title of any nature relating to the Lease Rights or the lands covered hereby.

Signed for Identification this 4th day of December 2003.

Kevin R. Collins

Evergreen Resources, Inc.

By John D. Buckely,
Land Manager

ACKNOWLEDGMENTS FOR USE IN ARIZONA, OREGON, NEBRASKA, KANSAS, COLORADO WYOMING, NORTH DAKOTA, NEW MEXICO

STATE OF COLORADO)
:ss. (Individual(s) Acknowledgment)
COUNTY OF DENVER)

The foregoing instrument was acknowledged before me this 4th day of December, 2003

By Kevin R. Collins

My Commission expires: January 2005

Notary Public

MARLEAH JO MANNING NOTARY PUBLIC STATE OF COLORADO

STATE OF COLORADO)
:ss. (Corporate Acknowledgment)
COUNTY OF DENVER)

The foregoing instrument was acknowledged before me this 4th day of DECEMBER, 2003

By John D. Buckley, Land Manager

Of Evergreen Resources, Inc., a Colorado corporation, on behalf of the corporation.

My Commission expires: My Commission Expires 01/29/2007

Notary Public

Exhibit 'A'

Attached to and made apart hereof to that certain Permit to Core Drill dated December 2, 2003, by and between Kevin R. Collins, ("Grantor") and Evergreen Resources, Inc., ("Grantee")

ADL 389302 **Kevin R. Collins**

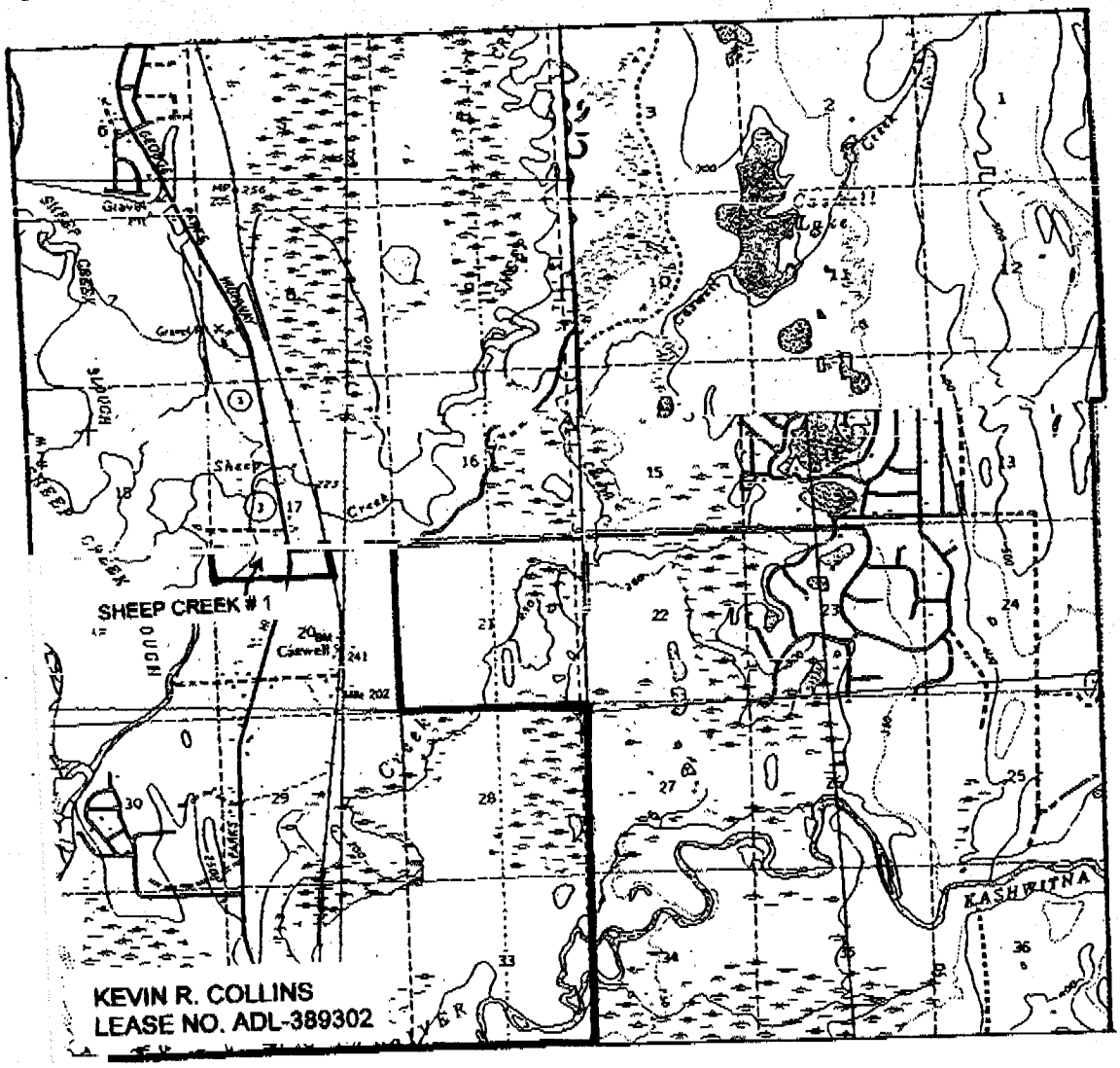
T. 22 N., R. 4 W., SEWARD MERIDIAN, ALASKA.

SECTION 20, SURVEYED, FRACTIONAL, W2NW4NE4, W2SE4, W2NE4SW4, NW4SE4SW4, W2SW4, N2NW4, EXCLUDING U.S. SURVEY 9033 LOT 7

265.58 ACRES

T22N, R4W, SEWARD MERIDIAN, ALASKA

SHEEP CREEK # 1



From U.S.G.S. Topographic Maps
ANCHORAGE (D-8), TYONEK (D-1)
TALKEETNA (A-1), TALKEETNA MOUNTAINS (A-6

EVERGREEN

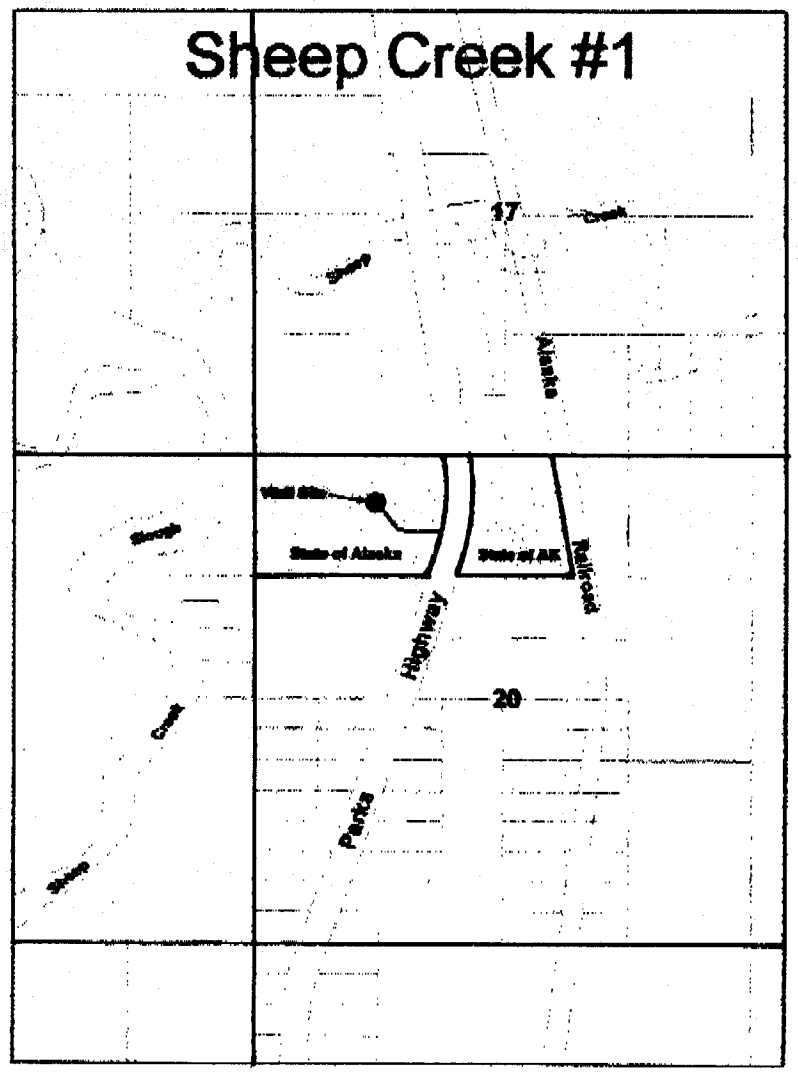


Figure AI-10. Sheep Creek #1 Core Site

Welcome to the
Alaska Department of Natural Resources
Commissioner: Tom Lewis

Land Administration System Menu | Credit Card Payment

Land Administration System

Case Abstract Information

File Type: ADL **File Number:** 389302

See Township, Range, Section and Acreage?
(•) Yes ( ) No

New Search

Case Summary | Case Detail | Land Abstract

File: **ADL 389302**

As of 12/15/2003

Customer: 000038516 KEVIN R. COLLINS
6783 S. YATES COURT
LITTLETON CO 80128

Case Type: 789 O&G SHALLOW NAT.GAS LEASE *DNR Unit:* 780 OIL AND GAS

File Location: DOG DIV OIL AND GAS

Case Status: 35 ISS/APPRV/ACTV AUTH *Status Date:* 05/27/2003

Total Acres: 4016.100 *Date Initiated:* 02/29/2000

Office of Primary Responsibility: DOG DIV OIL AND GAS

Last Transaction Date: 12/05/2003 *Case Subtype:* SC SOUTHCENTRAL REGION

Last Transaction: CHNGSUB CHANGE CASE SUBTYPE

Meridian:	S	*Township:*	022N	*Range:*	004W	*Section:*	19	*Total Acres:*	625
Meridian:	S	*Township:*	022N	*Range:*	004W	*Section:*	20	*Total Acres:*	266
Meridian:	S	*Township:*	022N	*Range:*	004W	*Section:*	30	*Total Acres:*	326
Meridian:	S	*Township:*	022N	*Range:*	004W	*Section:*	29	*Total Acres:*	616
Meridian:	S	*Township:*	022N	*Range:*	004W	*Section:*	28	*Total Acres:*	320
Meridian:	S	*Township:*	022N	*Range:*	004W	*Section:*	31	*Total Acres:*	628
Meridian:	S	*Township:*	022N	*Range:*	004W	*Section:*	32	*Total Acres:*	596
Meridian:	S	*Township:*	022N	*Range:*	004W	*Section:*	33	*Total Acres:*	640

Case Actions

02-29-2000 APPLICATION RECEIVED

STATUS 11 11 APPLICATION RECD

SNG APPLICATION FILED BY KEVIN R. COLLINS FOR T 22 N R 4 W SM SECS

19-21 & 28-33.

06-20-2000 PUBLICATION DIRECTED

PUBLICATION OF PUBLIC NOTICE ORDERED FOR 6/20/2000 IN THE ANCHORAGE

DAILY NEWS, KENAI PENINSULA CLARION AND FRONTIERSMAN.

06-20-2000 COMMENTS

PUBLIC NOTICE ADDED TO STATE'S ON-LINE PUBLIC NOTICE WEBSITE AND SENT

TO POSTMASTERS IN AREA OF APPLICATION FOR PUBLIC POSTING.

06-30-2000 PROOF OF PUBLICATION RECEIVED

PROOF OF PUBLICATION CERTIFIED BY ANCHORAGE DAILY NEWS & FRONTIERSMAN

ON 6/23/2000 AND PENINSULA CLARION ON 6/30/2000.

01-16-2003 LAND WITHIN SECTION (S) CHANGED

NEW TOTAL AC 4016.100000

OLD TOTAL AC 5760

CORRECTION AFTER TITLE SEARCH.

01-16-2003 DELETE LAND SECTIONS FROM CASE

TTL SECTIONS DELETED 1

TOTAL ACRES DELETED 640

02-07-2003 FINAL DECISION

FINAL DECISION SIGNED 2/6/2003 APPROVING THE AWARD OF A LEASE. LEASE

IS TO BE AWARDED FOLLOWING THE CLOSE OF THE APPEAL PERIOD.

03-27-2003 INITIAL OWNER

SEGMENT CODE 1

CID NUMBER 000038516 COLLINS, KEVIN R.

WORKING INTEREST % 100

ROYALTY INTEREST % 93.750000

03-27-2003 INITIAL OWNER

SEGMENT CODE 1

CID NUMBER 000005467 STATE OF ALASKA

ROYALTY INTEREST % 6.250000

03-27-2003 NOTIFICATION LESSEE DESIGNATED

NEW REL (20) 20 NOTIFICATION LESSEE

OLD REL CODE 21 DISPOSAL NAME

NOTIFICATION CID NUMBER 38516 COLLINS, KEVIN R.

OLD CID # 38516 COLLINS, KEVIN R.

03-31-2003 AWARD/NON-OBJECTION/INTERIM AUTHORIZATION R&B

STATUS 21 21 AWRD/NON-OBJ/INTERIM

05-27-2003 ISSUE/APPROVE/ACTIVE AUTHORIZATION R&B

EFFECTIVE DATE 06-01-2003

EXPIRATN DATE 05-31-2006

STATUS 35 35 ISS/APPRV/ACTV AUTH

05-29-2003 STATUS PLAT UPDATE REQUESTED

ATTACHMENTS SENT (Y,N): N NO

ADD TO STATUS PLATS

10-07-2003 STATUS PLAT UPDATED

REQUESTED TRANSACTION: SPUR STATUS PLAT UPDT REQ

ACTION TAKEN: C COMPLETED

ADD TO STATUS PLATS

12-05-2003 CHANGE CASE SUBTYPE

CASE SUBTYPE SC SOUTHCENTRAL REGION

X

Legal Description

*01-16-2003 *** FINAL LEGAL DESCRIPTION ****

T. 22 N., R. 4 W., SEWARD MERIDIAN, ALASKA.

SECTION 19, SURVEYED, FRACTIONAL, GLO LOTS 1 THRU 5 INCLUSIVE, 123.40 ACRES;
SECTION 20, SURVEYED, FRACTIONAL, W2NW4NE4, W2SE4, W2NE4SW4, NW4SE4SW4, W2SW4, N2NW4, EXCLUDING U.S. SURVEY 9033 LOT 7, 265.58 ACRES;SECT
SECTION 28, SURVEYED, W2, 320.00 ACRES;
SECTION 29, SURVEYED, FRACTIONAL, ALL, EXCLUDING U.S. SURVEY 9033 LOT 6, 615.57 ACRES;
SECTION 30, SURVEYED, FRACTIONAL, GLO LOTS 2 AND 5, E2NE4, SW4SE4, SE4SW4, OSL 1014 (LOT 5, BLOCK 8 THE BLUFFS ON SUSITNA PHASE ONE), AND OSL 1059 (N2NE4 OF GLO LOT 3),

225.11 ACRES;
SECTION 31, SURVEYED, FRACTIONAL, ALL, INCLUDING THE BED OF THE SUSITNA RIVER, 628.25 ACRES;
SECTION 32, SURVEY, ALL, EXCLUDING W2NW4SW4NE4, SE4SE4NW4, S2NE4SE4NW4, AND U.S. SURVEY 9033 LOTS 1 THRU 5 INCLUSIVE, 595.63 ACRES;
SECTION 33, SURVEYED, ALL, 640.00 ACRES;

T. 22 N., R. 4 W., TRACT A, SEWARD MERIDIAN, ALASKA.

SECTION 19, SURVEYED, FRACTIONAL, ALL, INCLUDING THE BED OF THE SUSITNA RIVER AND SHEEPCREEK SLOUGH, 501.23 ACRES;
SECTION 30, SURVEYED, FRACTIONAL, ALL, INCLUDING THE BED OF THE SUSITNA RIVER AND SHEEP CREEK SLOUGH, 101.33 ACRES;

THIS TRACT CONTAINS 4,016.10 ACRES MORE OR LESS.

End of Case Abstract

Back

Land Administration System Menu | Land Records/Status Plats | Dept. of Natural Resources Home Page | State of Alaska Home Page |
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Last updated on 12/15/2003.

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Controlled Disbursement Account

Evergreen Resources (Alaska) Corp
1401 17th Street Suite 1200
Denver CO 80202
303-298-8100

Hibernia National Bank

Check No	Check Date	Check Amount
0077000726	12/08/2003	**********$100.00

PAY *One Hundred Dollars and Zero Cents*

TO THE ORDER OF
Alaska Oil and Gas
Conservation Commission
333 West 7th Avenue #100
Anchorage AK 99501

Void After 90 Days

⑈0077000726⑈ ⑆111104879⑆ 5420247040⑈

^PLEASE DETACH AT PERFORATION ABOVE^

^PLEASE DETACH AT PERFORATION ABOVE^

EVERGREEN
EVERGREEN RESOURCES, INC.

Evergreen Resources (Alaska) Corp
1401 17th Street Suite 1200
Denver CO 80202
303-298-8100

Check Number 0077000726

Invoice #	Inv. Date	Description	Amount	Discount	Net Amount
112403SG1	11/24/2003	12 month permit fee Sheep Creek 1	100.00	0.00	100.00

RECEIVED
DEC - 9 2003
Alaska Oil & Gas Cons. Commission
Anchorage

009195	⇐ Vendor	Check Date: 12/08/2003	Check Amount ⇒	100.00

TRANSMITAL LETTER CHECK LIST
CIRCLE APPROPRIATE LETTER/PARAGRAPHS TO BE INCLUDED IN TRANSMITTAL LETTER

WELL NAME _____

PTD# _____

CHECK WHAT APPLIES	ADD-ONS (OPTIONS)	"CLUE"
	MULTI LATERAL (If API number last two (2) digits are between 60-69)	The permit is for a new wellbore segment of existing well _____, Permit No, _____ API No. _____. Production should continue to be reported as a function of the original API number stated above.
	PILOT HOLE (PH)	In accordance with 20 AAC 25.005(f), all records, data and logs acquired for the pilot hole must be clearly differentiated in both name (name on permit plus PH) _____and API number (50_____-70/80) from records, data and logs acquired for well (name on permit).
	SPACING EXCEPTION	The permit is approved subject to full compliance with 20 AAC 25.055. Approval to perforate and produce is contingent upon issuance of a conservation order approving a spacing exception. _____ (Company Name) assumes the liability of any protest to the spacing exception that may occur.
	DRY DITCH SAMPLE	All dry ditch sample sets submitted to the Commission must be in no greater than 30' sample intervals from below the permafrost or from where samples are first caught and 10' sample intervals through target zones.

WELL PERMIT CHECKLIST Field & Pool _____ Well Name: SHEEP CREEK 1 Program STR Well bore seg ☐

PTD#: 2032080 Company EVERGREEN RESOURCES (ALASKA) CORPORATION Initial Class/Type STR / INFO GeoArea _____ Unit _____ On/Off Shore On Annular Disposal ☐

Administration	1	Permit fee attached	Yes	
	2	Lease number appropriate	Yes	
	3	Unique well name and number	Yes	
	4	Well located in a defined pool	No	This is a strat test
	5	Well located proper distance from drilling unit boundary	Yes	No production or testing will occur, no correlative rights issues will be associated with the drilling of
	6	Well located proper distance from other wells	Yes	this well. RPC
	7	Sufficient acreage available in drilling unit	Yes	
	8	If deviated, is wellbore plat included	NA	
	9	Operator only affected party	Yes	
	10	Operator has appropriate bond in force	Yes	
	11	Permit can be issued without conservation order	Yes	
Appr **Date**	12	Permit can be issued without administrative approval	Yes	
RPC 12/17/2003	13	Can permit be approved before 15-day wait	Yes	
	14	Well located within area and strata authorized by Injection Order # (put IO# in comments) (For	NA	
	15	All wells within 1/4 mile area of review identified (For service well only)	NA	
	16	Pre-produced injector: duration of pre-production less than 3 months (For service well only)	NA	
	17	ACMP Finding of Consistency has been issued for this project	NA	
Engineering	18	Conductor string provided	NA	
	19	Surface casing protects all known USDWs	Yes	Set @ 200 ft.
	20	CMT vol adequate to circulate on conductor & surf csg	Yes	
	21	CMT vol adequate to tie-in long string to surf csg	NA	No casing below surface.
	22	CMT will cover all known productive horizons	No	Stratigraphic test.
	23	Casing designs adequate for C, T, B & permafrost	Yes	
	24	Adequate tankage or reserve pit	Yes	Core rig tanks.
	25	If a re-drill, has a 10-403 for abandonment been approved	NA	
	26	Adequate wellbore separation proposed	Yes	
	27	If diverter required, does it meet regulations	NA	Requirement waived.
Appr **Date**	28	Drilling fluid program schematic & equip list adequate	Yes	Water.
WGA 12/18/2003	29	BOPEs, do they meet regulation	NA	Annular only.
	30	BOPE press rating appropriate; test to (put psig in comments)	Yes	Test to 1500 psi. MSP 1080 psi.
	31	Choke manifold complies w/API RP-53 (May 84)	NA	
	32	Work will occur without operation shutdown	Yes	
	33	Is presence of H2S gas probable	No	
	34	Mechanical condition of wells within AOR verified (For service well only)	NA	
Geology	35	Permit can be issued w/o hydrogen sulfide measures	Yes	
	36	Data presented on potential overpressure zones	NA	
Appr **Date**	37	Seismic analysis of shallow gas zones	NA	
RPC 12/17/2003	38	Seabed condition survey (if off-shore)	NA	
	39	Contact name/phone for weekly progress reports [exploratory only]	NA	

Geologic Commissioner: Date: Engineering Commissioner: Date Public Commissioner Date

DTS 12/18/3 12/18

Evergreen Resources Inc.

Well History Record

Slats #1

Image Project Well History File Cover Page

XHVZE

This page identifies those items that were not scanned during the initial production scanning phase. They are available in the original file, may be scanned during a special rescan activity or are viewable by direct inspection of the file.

204-057 **Well History File Identifier**

Organizing (done) ☐ Two-sided ☐ Rescan Needed

RESCAN

☑ Color Items:

☐ Greyscale Items:

☐ Poor Quality Originals:

☐ Other:

DIGITAL DATA

☐ Diskettes, No.

☐ Other, No/Type:

OVERSIZED (Scannable)

☐ Maps:

☐ Other Items Scannable by a Large Scanner

OVERSIZED (Non-Scannable)

☑ Logs of various kinds:

☑ Other:: MAP

NOTES:

BY: Maria Date: 6/19/06 /s/ MP

Project Proofing

BY: Maria Date: 6/19/06 /s/ MP

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BY: Maria Date: 6/19/06 /s/ MP

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BY: Maria Date: /s/

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MEMORANDUM

State of Alaska

Alaska Oil and Gas Conservation Commission

TO: Jim Regg,
P.I. Supervisor Reg 6/21/07

DATE: June 12, 2007

FROM: Chuck Scheve,
Petroleum Inspector

SUBJECT: Location Inspection
Pioneer (Evergreen)
Slats #1 PTD # 204-057

SCANNED JUL 2 0 2007

Tuesday, June 12, 2007; I traveled to the Pioneer (Evergreen) coal bed methane exploration wells Little Su #1,Houston Pit #1, Sheep Creek #1, Kashwitna Lake #1 and Slats #1 to verify location clearance. The exploratory locations were clean with no evidence of past drilling activity.

SUMMARY: I recommend the above mentioned 5 locations be given final clearance approval

Attachments: Slats #1 .JPG

Location Clearance Inspection - Slats #1
Photos by AOGCC Inspector Chuck Scheve
June 12, 2007

RECEIVED

JUL 2 6 2006

Alaska Oil & Gas Cons. Commission
Anchorage

STATE OF ALASKA
ALASKA OIL AND GAS CONSERVATION COMMISSION

WELL COMPLETION OR RECOMPLETION REPORT AND LOG

1a. Well Status: Oil☐ Gas☐ Plugged☐ Abandoned☒ Suspended☐ 20AAC 25.105 WAG☐ 20AAC 25.110 GINJ☐ WINJ☐ WDSPL☐ No. of completions ____ Other ____		1b. Well Class: Development ☐ Exploratory ☐ Service ☐ Stratigraphic Test ☒
2. Operator Name: **Evergreen Resources Alaska Corp.**	5. Date Comp., Susp., or Aband.: **5/16/04**	12. Permit to Drill Number: **204-057**
3. Address: **P.O. Box 871845 Wasilla, AK 99687**	6. Date Spudded: **4/24/04**	13. API Number: 50- **009-20030**
4a. Location of Well (Governmental Section): **Sec 17, TWN 17N, RNG 2w** Surface: **2178' FSL and 524' FWL** Top of Productive Horizon: **Same as Above** Total Depth: **Same as Above**	7. Date TD Reached: **5/14/04** 8. KB Elevation (ft): **277.6'** 9. Plug Back Depth (MD + TVD): **Surface (abd)**	14. Well Name and Number: **Slats #1** 15. Field/Pool(s): **Wildcat**
4b. Location of Well (State Base Plane Coordinates): **(NAD 27)** Surface: x- **554527.81** y- **2763229.02** Zone- **4** TPI: x- **554527.81** y- **2763229.02** Zone- **4** TotalDepth: x- **554527.81** y- **2763229.02** Zone- **4**	10. Total Depth (MD + TVD): **3095'** 11. Depth where SSSV Set: **N/A** feet MD	16. Property Designation: **Private** 17. Land Use Permit: **Private**
18. Directional Survey: Yes☒ No☐	19. Water Depth, if Offshore: **N/A** feet MSL	20. Thickness of Permafrost: **N/A**

21. Logs Run: **Gamma Ray, Spontaneous Potential, Caliper, Array Induction, Compensated Neutron Density, Sonic, Inclination Survey**

22. CASING, LINER AND CEMENTING RECORD

CASING SIZE	WT. PER FT.	GRADE	SETTING DEPTH MD TOP	SETTING DEPTH MD BOTTOM	SETTING DEPTH TVD TOP	SETTING DEPTH TVD BOTTOM	HOLE SIZE	CEMENTING RECORD	AMOUNT PULLED
6"	17	LP	0	360	0	360	6	Drill and Drive Csg	
4.5"	14.4	A53B	0	413	0	413	7-9/16	50 sx Class G 13.1 ppg	

23. Perforations Open to Production (MD + TVD of Top and Bottom Interval, Size, and Number; if none, state "none"):
None

SCANNED JUL 2 6 2006

24. TUBING RECORD

SIZE	DEPTH SET (MD)	PACKER SET (MD)
N/A	N/A	N/A
N/A	N/A	N/A

25. ACID, FRACTURE, CEMENT SQUEEZE, ETC.

DEPTH INTERVAL (MD)	AMOUNT AND KIND OF MATERIAL USED
None	None

26. PRODUCTION TEST

Date of First Production: **Abandoned** | Method of Operation (Flowing, Gas Lift, etc.): **Abandoned**

Date of Test:	Hours Tested:	Production for Test Period →	Oil-Bbl:	Gas-MCF:	Water-Bbl:	Choke Size:	Gas-Oil Ratio:
N/A							
Flow. Tubing Press:	Casing Pressure:	Calulated 24-Hour Rate →	Oil-Bbl:	Gas-MCF:	Water-Bbl:	Oil Gravity-API (corr):	

27. CORE DATA

Brief description of lithology, porosity, fractures, apparent dips and presence of oil, gas, or water (attach separate sheet, if necessary). Submit core chips; if none, state "none".

Separate core analysis will be submitted.

Form 10-407 Revised 4/2003 CONTINUED ON REVERSE SIDE

28. GEOLOGIC MARKERS			29. FORMATION TESTS
NAME	MD	TVD	Include and briefly summarize test results. List intervals tested, and attach detailed supporting data as necessary. If no tests were conducted, state "None".
Quaternary Gravel	**0' – 335'**	**0' –335 '**	**None**
Tyonek	**335' – 3095'**	**335' – 3095'**	

30. List of Attachments: **Daily reports, wireline logs, mud logs, inclination survey (included in daily reports)**

31. I hereby certify that the foregoing is true and correct to the best of my knowledge. Contact **Shane Gagliardi**
Printed Name **Shane Gagliardi** Title **Petroleum Engineer**

Signature Phone **907-355-8569** Date **5/27/04**

INSTRUCTIONS

General: This form is designed for submitting a complete and correct well completion report and log on all types of lands and leases in Alaska. Submit a well schematic diagram with each 10-407 well completion report and 10-404 well sundry report when the downhole well design is changed.

Item 1a: Classification of Service Wells: Gas Injection, Water Injection, Water-Alternating-Gas Injection, Salt Water Disposal, Water Supply for Injection, Observation, or Other. Multiple completion is defined as a well producing from more than one pool with production from each pool completely segregated. Each segregated pool is a completion.

Item 4b: TPI (Top of Producing Interval).

Item 8: The Kelly Bushing elevation in feet above mean low low water. Use same as reference for depth measurements given in other spaces on this form and in any attachments.

Item 13: The API number reported to AOGCC must be 14 digits (ex: 50-029-20123-00-00).

Item 20: True vertical thickness.

Item 22: Attached supplemental records for this well should show the details of any multiple stage cementing and the location of the cementing tool.

Item 23: If this well is completed for separate production from more than one interval (multiple completion), so state in item 1, and in item 23 show the producing intervals for only the interval reported in item 26. (Submit a separate form for each additional interval to be separately produced, showing the data pertinent to such interval).

Item 26: Method of Operation: Flowing, Gas Lift, Rod Pump, Hydraulic Pump, Submersible, Water Injection, Gas Injection, Shut-In, or Other (explain).

Item 27: If no cores taken, indicate "none".

Item 29: List all test information. If none, state "None".

EVERGREEN
RESOURCES (ALASKA) CORP.
A Subsidiary of Evergreen Resources, Inc.

Daily Drilling Summary

Well Name	Location				API Number	Permit to Drill	Spud Date	Total Depth
	QTR	Sec	Twn	Rng				
Slats #1	NW SW	17	17N	2W	50-009-20030	204-057	4/24/2004	3095'

04/24/04	MIRU Penn Jersey Drilling. Drill and drive 6" csg from surface to 200'. Damp from 56' to 60'; big water from 130' to 140'. SDON.
04/25/04	Drill and drive 6" csg from 200' to 360'. Big water. Top of Tyonek 335'. Drill 7-9/16" hole to 413'.
04/26/04	TIH w/ 21 jts 4-1/2" A53 csg. Weld every jt. Land csg @413' (6 inches off btm).
04/27/04	MIRU Layne Christiansen. Cmt csg w/ 50 sx Class G cmt @ 13.1 ppg. Circ 5 bbls cmt to cellar. MIRU Swaco and H&W.
04/28/04	Install BOPE. Test csg to 1500 psi; good. Test annular to 1500 psi; good. TIH w/ HQ pipe and 3.835" core bit. Tag wiper plug. Drill plug and cmt. Core from 410' to 510'. Can coal 501.9' - 502.1'.
04/29/04	Core from 510' to 545'. Round trip DP; switch to 10' tools. Core from 545' to 865'. Can coals from 578' to 579', 733.7' to 734.7', 779.8' to 780.8' and 841.4 to 842.4'; total of 5 cans.
04/30/04	Core from 865' to 908'. Recover 42.8'; 99 percent recovery. ROP - 12.3 ft/hr Repair 4x2 swage on mud cross. Core from 908' to 1155'. Recover 244.8'; 99 percent recovery. ROP - 12.4 ft/hr. Can coals from 965' - 966' and 1091' - 1092; total of 7 cans.
05/01/04	Core from 1155' to 1285'. Recover 130'; 100 percent recovery. ROP - 10.6 ft/hr. Can coals from 1165.6' to 1166.6' and 1237.7' to 1238.7'; total of 9 cans. Replace fuel filters and perform minor preventative maintenance. Core from 1285' to 1345'. Recover 60'; 100 percent recovery. ROP - 10.9 ft/hr. Can coal from 1322' to 1323'; total of 10 cans. POOH 230'; find wireline and overshot. Retreive wireline and repair overshot. TIH. Core from 1345' to 1385'. Recover 40'; 100 percent recovery. ROP - 8.9 ft/hr.
05/02/04	Core from 1385' to 1625'. Recover 239.1'; 100 percent recovery. Can coals from 1408.9' to 1409.9' and 1471.2' to 1472.2'; total of 12 cans.
05/03/04	Core from 1625' to 1635'. Recover 10.1'; 100 percent recovery. ROP - 10 ft/hr. Work on cellar pump. Core from 1635' to 1655'. Recover 20'; 100 percent recovery. ROP - 8 ft/hr. Solids control van goes down; washed fitting on feed tube. Remove bad section of drill line on rig. Core from 1655' to 1785'. Recover 129.6'; 100 percent recovery. ROP - 7 ft/hr. Can coals from 1700.1' to 1700.9' and 1726' to 1727'; total of 14 cans.
05/04/04	Core from 1785' to 1795'. Recover 10'; 100 percent recovery. ROP - 10 ft/hr. Rig pump down. Replace pump seats. Core from 1795' to 1905'. Recover 120'; 100 percent recovery. ROP - 10 ft/hr. High pump pressure causing problems. Can coal from 1803' to 1803.5'; total of 15 cans. Core from 1795' to 1905'. Recover 120'; 100 percent recovery. ROP - 10 ft/hr. High pump pressure causing problems. Can coal from 1803' to 1803.5'; total of 15 cans. Hydraulic motor on rig pump burned out. Bring in Bean 70 pump skid and hook up. Cannot build enough hydraulic pressure for chuck to release; trouble shoot hydraulic system. Trash existing mud; solids content too high due to clay encountered in wellbore. Rebuild mud. Core from 1905' to 1985'. Recover 79.5'; 99 percent recovery. ROP - 11 ft/hr. Pump pressure down to 400 psi from 1000 psi. Can coal from 1951' to 1952'; total of 16 cans.
05/05/04	Core from 1985' to 2125'. Recover 139'; 99 percent recovery. ROP - 8.5 ft/hr. Can coals from 2004' to 2005', 2055' to 2056' and 2112' to 2113'; total of 19 cans. Wire line parted 500' off of bottom. POOH to retrieve core tube. Replace 3.835" core bit. Old bit showing some shoulder wear, but otherwise in good shape. Begin to TIH. Drill line began to fray; replace drill line. Finish TIH. Core from 2125' to 2135'. Recover 10'; 100 percent recovery. ROP - 10 ft/hr.
05/06/04	Core from 2285' to 2325'. Recover 39.4'; 99 percent recovery. ROP - 5.7 ft/hr. Can coal from 2303.6' to 2304.2'; total of 22 cans. Main drill line jumps shieve. Install guides and repair. PU off bottom, pipe sticking some. DP parts 30' from surface. Make several attempts to fish w/ Bowen spear. Get fish on bank, replace bad jts and TIH. Begin drilling. Core from 2325' to 2404'. Recover 78.5; 99 percent recovery. ROP - 6.7 ft/hr.
05/07/04	Core from 2404' to 2545'. Recover 140.9'; 100 percent recovery. ROP - 8.1 ft/hr. Can coal from 2429' to 2430' and 2529.3' to 2530.3'; total of 24 cans. Generator throws fan belt. Broken fan belt breaks fan. Pieces of fan puncture radiator. Generator is down. Will pick up another generator in the AM. Condition hole. Rotate and reciprocate pipe.
05/08/04	RU new generator, remove old generator for repairs. Wire office trailer and desorption lab to additional light plant. Core from 2545' to 2654'. Recover 109.3', 100 percent recovery. ROP - 6.8 ft/hr. Can coal from 2624' to 2625'; total of 25 cans.
05/09/04	Core from 2644' to 2694'. Recover 49'; 98 percent recovery. ROP - 9 ft/hr. Can coal from 2682' to 2683'; total of 26 cans. Repair Bean 35 rig mud pump. Core from 2694' to 2724'. Recover 30'; 100 percent recovery. ROP - 6 ft/hr. Having problems w/ drive head. Repair drive head. Hydraulic line and seal failure. Drive head repaired. Attempt to start drilling; unsuccessful. Pipe stuck. Work stuck pipe. No rotation and no movement. Have full circulation. Attempt to jar; unsuccessful. Roll hole w/ fresh water and Kla-Guard. Pipe fell free. Threads jumped. POOH. Find damaged pin end; cut along pipe axis. Damaged box looking up. TOF @ 190'. Make seveal attempts to fish pipe using Bowen spear; unsuccessful. Bowen spear will not grab.
05/10/04	POOH w/ DP, core bbl and bit. Wiper trip. Condition mud. TIH w/ 3.835" bit, core bbl and DP; wash hole on the way in. Tag 5' fill. Start drilling. Core from 2724' to 2831'. Recover 104.6'; 98 percent recovery. ROP - 7.8 ft/hr. Can coal from 2757.9' to 2758.9'; total of 27 cans.
05/11/04	Core from 2831' to 2965'. Recover 137'; 100+ percent recovery. ROP - 5.6 ft/hr. Day tour had problems w/ core retreival. Redress inner tube; replace catch springs. Can coal from 2901.3' to 2902.3'; total of 29 cans.
05/12/04	Core from 2965' to 3095'. Recover 124.5'; 96 percent recovery. ROP - 6.5 ft/hr. TD well @ 3095'. DP tool jts failing at surface; drop pipe 10'. String parts down hole. POOH to find TOF.
05/13/04	TOF @ 380'. PU Bowen spear and TIH. Stab fish and POOH. MIRU Reeves Wireline. Calibrate tools. Log hole w/ Gamma, Comp ND, Array induction, SP, Caliper and Sonic. Logs tag @ 3093'. SDON
5/14/2004	Start rig and let warm up. Gather equipment to run NQ drill rods. TIH w/ NQ rods. Survey @ 500, 1000, 1500, 2000, 2500. Camera would not fire @ 3000'; make several attempts. Inclination at all depths shot was 1 degree. Cmt bottom 200' of hole w/ 5.6 bbls class G cmt @ 13.1 ppg. Cmt truck had some sand and gravel that cause pump problems. POOH w/ NQ pipe to 1000 ffs. Cmt hole w/ 16.7 bbls class G cmt @ 13.1 ppg. Still having lots of pump problems due to sand and gravel in cmt truck. Circ 1/2 bbl cmt back to cellar. POOH and LD NQ pipe. SDON. Will begin reclamation in the AM. Will cut csg 10' below ground level at surface owner's request.

5/15/2004	Remove cellar culvert. Cut csg 10' below ground level. Weld name plate on csg. Back fill cellar.

16 June 2006

DATA SUBMITTAL COMPLIANCE REPORT

6/19/2006

Permit to Drill 2040570 **Well Name/No.** SLATS 1 **Operator** EVERGREEN RESOURCES (ALASKA) **API No.** 50-009-20030-00-00

MD 3095 TVD 3095 Completion Date 5/16/2004 Completion Status P&A Current Status P&A UIC N

REQUIRED INFORMATION

Mud Log Yes Samples No Directional Survey No

DATA INFORMATION

Types Electric or Other Logs Run: Gamma Ray, Spontaneous Potential, Caliper, Array Induction, Compe (data taken from Logs Portion of Master Well Data Maint

Well Log Information:

Log/ Data Type	Digital Med/Frmt	Electr Dataset Number	Name	Log Scale	Log Media	Run No	Interval Start	Interval Stop	OH / CH	Received	Comments
ED	C Las	12510	Induction/Resistivity				48	3094	Open		Sonic/Por/Neutron/Dens/GR/SP
Log			Induction/Resistivity	25	Blu	1	413	3089	Open	6/21/2004	PHOTO DENSITY, DUAL SPACED NEUTRON, COMPENSATED SONIC
Log			Sonic	25	Blu	1	300	3070	Open	6/21/2004	PHOTO DENSITY, DUAL SPACED NEUTRON, ARRAY INDUCTION
Log			Density	25	Blu	1	300	3089	Open	6/21/2004	ARRAY INDUCTION, COMPENSATED SONIC
Log			Lithology	25	Blu	1	0	3095	Open	6/21/2004	2 IN.=20FT.

Well Cores/Samples Information:

Name	Interval Start	Interval Stop	Sent	Received	Sample Set Number	Comments
						Cores and/or Samples are required to be submitted. This record automatically created from Permit to Drill Module on: 4/22/2004.

ADDITIONAL INFORMATION

Well Cored? (Y) / N

Chips Received? Y / N

Analysis Received? Y / N

Daily History Received? Y / N

Formation Tops Y / N

Comments:

GMC Data Report #400

No 407 on Daily Drilling History in Folder

DATA SUBMITTAL COMPLIANCE REPORT

6/19/2006

Permit to Drill **2040570** **Well Name/No.** **SLATS 1** **Operator** **EVERGREEN RESOURCES (ALASKA)** **API No.** **50-009-20030-00-00**

MD 3095 TVD 3095 Completion Date 5/16/2004 Completion Status P&A Current Status P&A UIC N

Compliance Reviewed By: _____ **Date:** 19 Jun 2006

January 13, 2005

PIONEER
NATURAL RESOURCES ALASKA, INC.

Howard Okland
Petroleum Geologist Assistant
Alaska Oil & Gas Conservation Commission
333 W. 7th Ave., Suite 100
Anchorage, Alaska 99501

Re: Letter of Transmittal

Subj: Evergreen Resources Alaska Corp's 2004 Five-Hole Core Program

Dear Mr. Okland,

I am enclosing with this correspondence, both an inventory of the continuously cored exploratory wells that were drilled in early 2004 by Evergreen Resources Alaska Corporation (Evergreen) and a data CD, per your request. The wells drilled include the Sheep Creek #1, Kashwitna Lake #1, Houston Pit #1, Little Su #1, and the Slats #1. Total well depths and cored footage (in parentheses) of these exploratory wells are as follows: Sheep Creek #1 – 1,369' (1,034'); Kashwitna Lake #1 – 1,750' (878.5'); Houston Pit #1 – 1,604' (1,548'); Little Su #1 – 2,125' (2,010'); and Slats #1 – 3,095' (2,685'). Total cored footage equates to 8,155.5 feet.

Core from the five Evergreen exploratory wells is presently in a container at the Alaska Geologic Materials Center in Eagle River. If you have any additional questions or requests, please feel free to contact me.

Sincerely,

Michael A. Belowich

Michael A Belowich
Coal Geologist
Pioneer Natural Resources

Cc: Robert Crandall – Alaska Oil & Gas Conservation Commission
Matt Rader – Alaska Division of Oil and Gas
John Reeder – Alaska Geologic Materials Center

1075 CHECK STREET, STE. 202 · WASILLA, ALASKA 99654 · MAIN: (907) 357-8130 · FAX: (907) 357-8340

Well Name: **Slats #1** 204-057

Box Numbers	Column	Shelf	Depth Top (ft)	Depth Bottom (ft)	Box Numbers	Column	Shelf	Depth Top (ft)	Depth Bottom (ft)
1	9	D	410.0	420.0	51	9	A	872.0	881.5
2	9	D	420.0	429.5	52	9	A	881.5	891.0
3	9	D	429.5	438.4	53	9	A	891.0	900.2
4	9	D	438.4	447.8	54	9	A	900.2	909.5
5	9	D	447.8	456.5	55	9	A	909.5	918.8
6	9	D	456.5	465.4	56	9	A	918.8	928.5
7	9	D	465.5	475.5	57	9	A	928.5	937.9
8	9	D	475.5	484.4	58	9	A	937.9	947.0
9	9	D	484.4	493.6	59	9	A	947.0	956.3
10	9	C	493.6	503.0	60	9	A	956.3	965.5
11	9	C	503.0	512.6	61	9	A	965.5	973.5
12	9	C	512.6	522.0	62	9	A	973.5	982.8
13	9	C	522.0	530.8	63	9	A	92.8	992.4
14	9	C	530.2	540.0	64	8	D	992.4	1002.4
15	9	C	540.0	548.0	65	8	D	1002.4	1012.4
16	9	C	548.0	556.5	66	8	D	1012.4	1021.2
17	9	C	556.5	564.8	67	8	D	1021.2	1030.0
18	9	C	564.8	575.4	68	8	D	1030.0	1039.9
19	9	C	575.5	584.5	69	8	D	1039.9	1049.9
20	9	C	584.5	594.0	70	8	D	1049.9	1058.6
21	9	C	594.0	603.0	71	8	D	1058.6	1068.7
22	9	C	603.0	612.2	72	8	D	1068.7	1077.2
23	9	C	612.2	621.4	73	8	C	1077.2	1086.9
24	9	C	621.4	630.9	74	8	C	1086.9	1097.1
25	9	C	630.9	640.5	75	8	C	1097.1	1106.3
26	9	C	640.5	650.0	76	8	C	1106.2	1116.0
27	9	C	650.0	659.0	77	8	C	1116.0	1125.3
28	9	B	659.0	668.0	78	8	C	1125.3	1135.0
29	9	B	668.0	677.9	79	8	C	1135.0	1144.5
30	9	B	677.9	686.0	80	8	C	1114.5	1153.9
31	9	B	686.0	695.0	81	8	C	1153.9	1162.8
32	9	B	695.0	704.0	82	8	C	1162.8	1173.0
33	9	B	704.0	713.0	83	8	C	1173.0	1182.7
34	9	B	713.0	722.0	84	8	C	1182.7	1191.6
35	9	B	722.0	730.5	85	8	C	1191.6	1201.0
36	9	B	730.5	740.5	86	8	C	1201.0	1209.8
37	9	B	740.5	749.2	87	8	C	1209.8	1218.6
38	9	B	749.2	758.4	88	8	C	1218.6	1228.0
39	9	B	758.4	768.4	89	8	C	1228.0	1237.0
40	9	B	768.4	777.0	90	8	C	1237.0	1247.2
41	9	B	777.0	786.7	91	8	B	1247.2	1256.5
42	9	B	786.7	796.9	92	8	B	1256.5	1265.7
43	9	B	796.9	806.0	93	8	B	1265.7	1275.0
44	9	B	806.0	815.2	94	8	B	1275.0	1284.3
45	9	B	815.2	824.8	95	8	B	1284.3	1293.4
46	9	A	824.8	834.1	96	8	B	1293.4	1303.0
47	9	A	834.1	844.2	97	8	B	1303.0	1312.0
48	9	A	844.2	853.5	98	8	B	1312.0	1321.6
49	9	A	853.5	863.2	99	8	B	1321.6	1331.8
50	9	A	863.2	872.0	100	8	B	1331.8	1341.3

14 Jan 2011

Well Name: **Slats #1**

Box Numbers	Column	Shelf	Depth Top (ft)	Depth Bottom (ft)	Box Numbers	Column	Shelf	Depth Top (ft)	Depth Bottom (ft)
101	8	B	1341.3	1350.6	151	7	C	1808.9	1818.2
102	8	B	1350.6	1360.2	152	7	C	1818.2	1827.6
103	8	B	1360.2	1369.2	153	7	C	1827.6	1836.7
104	8	B	1369.2	1378.5	154	7	B	1836.7	1846.0
105	8	B	1378.5	1388.0	155	7	B	1846.0	1855.0
106	8	B	1388.0	1396.9	156	7	B	1855.0	1864.3
107	8	B	1396.9	1406.2	157	7	B	1864.3	1873.5
108	8	B	1406.2	1416.4	158	7	B	1873.5	1883.0
109	8	A	1416.4	1425.8	159	7	B	1883.0	1892.5
110	8	A	1425.8	1435.5	160	7	B	1892.5	1902.1
111	8	A	1435.5	1445.0	161	7	B	1902.1	1911.0
112	8	A	1445.0	1453.4	162	7	B	1911.0	1920.7
113	8	A	14534.0	1462.5	163	7	B	1920.7	1929.7
114	8	A	1462.5	1473.0	164	7	B	1929.7	1939.2
115	8	A	1473.0	1482.3	165	7	B	1939.2	1948.9
116	8	A	1482.0	1491.5	166	7	B	1948.9	1958.9
117	8	A	1491.5	1501.3	167	7	B	1958.9	1967.7
118	8	A	1501.3	12509.4	168	7	B	1967.7	1977.9
119	8	A	1509.4	1518.8	169	7	B	1977.9	1986.4
120	8	A	1518.8	1527.9	170	7	B	1986.4	1995.9
121	8	A	1527.9	1537.0	171	7	B	1995.9	2006.1
122	8	A	1537.0	1546.4	172	7	A	2006.1	2015.5
123	8	A	1546.4	1556.0	173	7	A	2015.5	2025.0
124	8	A	1556.0	1565.4	174	7	A	2025.0	2034.8
125	8	A	1565.4	1574.3	175	7	A	2034.8	2044.4
126	8	A	1574.8	1584.3	176	7	A	2044.4	2053.6
127	7	D	1584.3	1593.6	177	7	A	2053.6	2063.9
128	7	D	1593.6	1602.4	178	7	A	2063.9	2073.9
129	7	D	1602.4	1611.8	179	7	A	2073.9	2082.3
130	7	D	1611.8	1621.0	180	7	A	2082.3	2091.7
131	7	D	1621.0	1630.7	181	BOX	#	SKIPPED	SKIPPED
132	7	D	1630.7	1640.0	182	7	A	2091.7	2101.4
133	7	D	1640.0	1649.0	183	7	A	2101.4	2111.7
134	7	D	1649.0	1658.5	184	7	A	2111.7	2121.0
135	7	D	1658.5	1667.8	185	7	A	2121.0	2130.3
136	7	C	1667.8	1677.1	186	7	A	2130.3	2139.0
137	7	C	1677.1	1686.2	187	7	A	2139.0	2148.1
138	7	C	1686.2	1695.4	188	7	A	2148.1	2157.6
139	7	C	1695.4	1705.2	189	7	A	2157.6	2166.8
140	7	C	1705.2	1714.7	190	6	D	2166.8	2176.1
141	7	C	1714.7	1723.8	191	6	D	2176.1	2185.5
142	7	C	1723.8	1734.0	192	6	D	2185.5	2195.0
143	7	C	1734.0	1742.8	193	6	D	2195.0	2204.6
144	7	C	1742.8	1752.1	194	6	D	2204.6	2214.8
145	7	C	1752.1	1761.4	195	6	D	2214.8	2223.7
146	7	C	1761.4	1770.7	196	6	D	2223.7	2233.3
147	7	C	1770.7	1780.0	197	6	D	2233.3	2242.4
148	7	C	1780.0	1789.4	198	6	D	2242.4	2252.0
149	7	C	1789.4	1798.7	199	6	C	2252.0	2262.0
150	7	C	1798.7	1808.9	200	6	C	2262.0	2270.7

Well Name: **Slats #1**

Box Numbers	Column	Shelf	Depth Top (ft)	Depth Bottom (ft)	Box Numbers	Column	Shelf	Depth Top (ft)	Depth Bottom (ft)
201	6	C	2270.7	2280.9	251	6	A	2651.4	2660.5
202	6	C	2280.9	2290.2	252	6	A	2660.5	2669.8
203	6	C	2290.2	2300.0	253	6	A	2669.8	2678.9
204	6	C	2300.0	2310.2	254	6	A	2678.9	2689.5
205	6	C	2310.2	2320.2	255	6	A	2689.5	2699.0
206	6	C	2320.2	2329.8	256	6	A	2699.0	2708.2
207	6	C	2329.8	2339.1	257	6	A	2708.2	2717.3
208	6	C	2339.1	2348.1	258	6	A	2717.3	2728.3
209	6	C	2348.1	2357.2	259	6	A	2728.3	2737.7
210	6	C	2357.2	2366.6	260	6	A	2737.7	2747.4
211	6	C	2366.6	2376.4	261	6	A	2747.4	4756.4
212	6	C	2376.4	2385.2	262	5	D	2756.4	2766.0
213	6	C	2385.2	2395.0	263	5	D	2766.0	2775.1
214	6	C	2395.0	2402.0	264	5	D	2775.1	2784.3
215	6	C	2402.0	2413.0	265	5	D	2784.3	2794.0
216	6	C	2413.0	2422.0	266	5	D	2794.0	2803.2
217	6	B	2422.0	2432.4	267	5	D	2803.2	2815.1
218	6	B	2432.4	2441.7	268	5	D	2815.1	2824.2
219	6	B	2441.7	2451.5	269	5	D	2824.2	2834.1
220	6	B	2451.5	2460.4	270	5	D	2834.1	2843.1
221	6	B	2460.4	2469.7	271	5	D	2843.1	2853.0
222	6	B	2469.7	2479.0	272	5	D	2853.0	2863.0
223	6	B	2479.0	2488.9	273	5	D	2863.0	2872.0
224	BOX	#	SKIPPED	SKIPPED	274	5	C	2872.0	2881.3
225	BOX	#	SKIPPED	SKIPPED	275	5	C	2881.3	2891.1
226	BOX	#	SKIPPED	SKIPPED	276	5	C	2891.1	2900.1
227	BOX	#	SKIPPED	SKIPPED	277	5	C	2900.1	2909.7
228	BOX	#	SKIPPED	SKIPPED	278	5	C	2909.7	2918.7
229	BOX	#	SKIPPED	SKIPPED	279	5	C	2918.7	2928.1
230	BOX	#	SKIPPED	SKIPPED	280	5	C	2928.1	2937.7
231	BOX	#	SKIPPED	SKIPPED	281	5	C	2937.7	2947.0
232	BOX	#	SKIPPED	SKIPPED	282	5	C	2947.0	2956.6
233	BOX	#	SKIPPED	SKIPPED	283	5	C	2956.6	2965.8
234	6	B	2488.9	2498.5	284	5	C	2965.8	2975.0
235	6	B	2498.5	2508.0	285	5	C	2975.0	2984.3
236	6	B	2508.0	2517.5	286	5	C	2984.3	2994.2
237	6	B	2517.5	2526.8	287	5	C	2994.2	3004.0
238	6	B	2526.8	2537.3	288	5	C	3004.0	3013.0
239	6	B	2537.3	2546.6	289	5	C	3013.0	3023.0
240	6	B	2546.6	2556.4	290	5	C	3023.0	3032.0
241	6	B	2556.4	2565.5	291	5	C	3032.0	3041.0
242	6	B	2565.5	2575.4	292	5	B	3041.0	3051.0
243	6	B	2575.4	2585.0	293	5	B	3051.0	3061.0
244	6	A	2585.0	2594.1	294	5	B	3061.0	3069.5
245	6	A	2594.1	2603.5	295	5	B	3069.5	3078.3
246	6	A	2603.5	2612.6	296	5	B	3078.3	3087.8
247	6	A	2612.6	2622.1	297	5	B	3087.8	3095.0
248	6	A	2622.1	2632.1	298				
249	6	A	2632.1	2641.8	299				
250	6	A	2641.8	2651.4	300				

EVERGREEN
RESOURCES (ALASKA) CORP.
A Subsidiary of Evergreen Resources, Inc.

203-205
204-057
203-209
203-208

June 17, 2004

Mr. Bob Crandall
Alaska Oil and Gas Conservation Commission
333 W. 7th Ave #100
Anchorage, Alaska, 99501-3539

RE: Evergreen Resources (Alaska) Corp.'s 2004 Core Program

Dear Mr. Crandall:

The purpose of this letter is to fulfill the reporting requirements of Evergreen Resources (Alaska) Corp. as stipulated by 20AAC25.070 and 20AAC25.071 for the completed core drilling project. Attached are the drilling summaries, logs and other pertinent information for the Houston Pit #1, Little Su #1, Sheep Creek #1 and Slats #1.

The acquired core is currently being slabbed and photographed. The desorption analysis is also ongoing. Hard and soft copies of these studies will be made available upon their completion. Wireline logs were not run on the Sheep Creek prior to abandonment of the hole; consequently, a gamma ray log will be generated from the core and provided when available. Once the studies are complete the core will be donated to the Alaska Oil and Gas Conservation Commission and housed in a State facility.

The Willow Fishhook is currently suspended; drilling operations may resume at a later date. The six foot cellar has been constructed and six inch surface casing has been set at 335'. A plate has been welded over the casing to prevent vandalism.

All information submitted concerning the above listed wells are subject to the two year confidentiality stipulation.

If you have any questions, please feel free to contact me at 907-357-8130 or shaneg@evergreengas.com.

Sincerely,

Shane Gagliardi
Petroleum Engineer

RECEIVED
JUN 21 2004
Alaska Oil & Gas Cons. Commission
Anchorage

ORIGINAL

1075 Check Street, Suite 202 • Wasilla AK 99654
P.O. Box 871845 • Wasilla, AK 99687 • TEL 907.357.8130 • FAX 907.357.8340

204-057

Subject: Slats #1 Core Disposition
From: Shane Gagliardi <shaneg@evergreengas.com>
Date: Thu, 20 May 2004 09:33:35 -0800
To: bob_crandall@admin.state.ak.us
CC: Corri Feige <CorriF@EvergreenGas.com>, Scott Zimmerman <ScottZ@EvergreenGas.com>, Chris Cornelius <ChrisC@EvergreenGas.com>

Bob,

>From this year's core program, we have extracted approximately 8,000' of core. Of this core about 3,000' will be slabbed. Evergreen Alaska will donate all of the core to the state to fulfill the AOGCC requirements of 20 AAC 25.071 (b)(4). We understand that the donated core will be kept confidential for a minimum of two years. The slabbing and photographing process is lengthy; the anticipated approximate date for completion of the process and transferring the core to the state is March 05.

If you have any further questions, please contact me @ 907-355-8569.

Thanks,
Shane

STATE OF ALASKA

FRANK H. MURKOWSKI, GOVERNOR

ALASKA OIL AND GAS CONSERVATION COMMISSION

333 W. 7TH AVENUE, SUITE 100
ANCHORAGE, ALASKA 99501-3539
PHONE (907) 279-1433
FAX (907) 276-7542

Shane Gagliardi
Petroleum Engineer
Evergreen Resources (Alaska) Corp.
P.O. Box 871845
Wasilla, AK 99687

Re: Slats #1
Evergreen Resources (Alaska) Corp.
Permit No: 204-057
Surface Location: SEC. 17, TWN 17N, RNG 2W, 2178' FSL, 524' FWL
Bottomhole Location: SEC. 17, TWN 17N, RNG 2W, 2178' FSL, 524' FWL

Dear Mr. Gagliardi:

Enclosed is the approved application for permit to drill the above referenced development well.

This permit to drill does not exempt you from obtaining additional permits or approvals required by law from other governmental agencies, and does not authorize conducting drilling operations until all other required permits and approvals have been issued. In addition, the Commission reserves the right to withdraw the permit in the event it was erroneously issued.

Operations must be conducted in accordance with AS 31.05 and Title 20, Chapter 25 of the Alaska Administrative Code unless the Commission specifically authorizes a variance. Failure to comply with an applicable provision of AS 31.05, Title 20, Chapter 25 of the Alaska Administrative Code, or a Commission order, or the terms and conditions of this permit may result in the revocation or suspension of the permit. Please provide at least twenty-four (24) hours notice for a representative of the Commission to witness any required test. Contact the Commission's North Slope petroleum field inspector at 659-3607 (pager).

Sincerely,

John K. Norman
Chair

BY ORDER OF THE COMMISSION
DATED this 20 day of April, 2004

Department of Fish & Game, Habitat Section w/o encl.
Department of Environmental Conservation w/o encl.

EVERGREEN
RESOURCES (ALASKA) CORP.
A Subsidiary of Evergreen Resources, Inc.

April 2, 2004

Winton Aubert
Petroleum Engineer
Alaska Oil and Gas Conservation Commission (AOGCC)
333 West 7th Ave. #100
Anchorage, AK 99501-3539

RE: Addition of Core Well to an Already Approved Drilling Program

Dear Mr. Aubert:

Attached is the 10-401 application to drill for an additional well to supplement Evergreen's core drilling program. This well will be drilled using the same equipment, contractors and procedures already approved by the AOGCC.

Anticipated spud date for this additional well is 15 April 04.

If you have any questions, please feel free to contact me at 907-355-8569 or shaneg@evergreengas.com.

Sincerely,

Shane Gagliardi
Petroleum Engineer

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APR - 7 2004
Alaska Oil & Gas Cons. Commission
Anchorage

1075 Check Street, Suite 202 • Wasilla AK 99654
P.O. Box 871845 • Wasilla, AK 99687 • TEL 907.357.8130 • FAX 907.357.8340

WGA 4/14/2004

STATE OF ALASKA
ALASKA OIL AND GAS CONSERVATION COMMISSION
PERMIT TO DRILL
20 AAC 25.005

1a. Type of Work: Drill ☒ / Redrill ☐ Re-entry ☐	1b. Current Well Class: Exploratory ☐ Development Oil ☐ Multiple Zone ☐ Stratigraphic Test ☒ / Service ☐ Development Gas ☐ Single Zone ☐	
2. Operator Name: **Evergreen Resources (Alaska) Corp.**	5. Bond: ☒ Blanket ☐ Single Well Bond No. **RLB0003430** 3004711	11. Well Name and Number: **Slats #1**
3. Address: **P.O. Box 871845, Wasilla, AK 99687**	6. Proposed Depth: MD: **3000 ft** TVD: **3000 ft**	12. Field/Pool(s): ~~610500~~ Stratigraphic test RPC 4/12/04
4a. Location of Well (Governmental Section): **Sec 17, TWN 17N, Rng 2W** Surface: **2178' FSL and 524' FWL** Top of Productive Horizon: **Same as above** Total Depth: **Same as above**	7. Property Designation: RPC ~~State of Alaska~~ 4/12/04 Private Mineral estate	
	8. Land Use Permit: **Private**	13. Approximate Spud Date: **15 April 04** ✓
	9. Acres in Property: **130.3 Acres**	14. Distance to Nearest Property: **550'**
4b. Location of Well (State Base Plane Coordinates): **NAD 27** Surface: x- **554527.81** y- **2763229.02** Zone- **4**	10. KB Elevation (Height above GL): **277.5** feet	15. Distance to Nearest Well within Pool: **14,572'**
16. Deviated Wells: **N/A** Kickoff Depth: **N/A** ft. Maximum Hole Angle: **N/A**	17. Anticipated Pressure (see 20 AAC 25.035) Max. Downhole Pressure: ~~1080~~ 1167 WGA psig. Max. Surface Pressure: ~~1167~~ 1080 WGA psig.	

18. Casing Program: Size		Specifications				Setting Depth Top		Setting Depth Bottom		Quantity of Cement c.f. or sacks.
Hole	Casing	Weight	Grade	Coupling	Length	MD	TVD	MD	TVD	(Including Stage Data)
7.5	**6**	**17**	**LP**	**LP**	**300**	**0**	**0**	**300**	**300**	**33.1 cu. Ft.**
6	**4.5**	**9.18**	**LP**	**LP**	**350**	**0**	**0**	**350**	**350**	~~17.1~~ **cu. Ft.** 30.1 WGA

19. **PRESENT WELL CONDITION SUMMARY** (To be completed for Redrill and Re-Entry Operations)

Total Depth MD (ft):	Total Depth TVD (ft):	Effective Depth MD (ft):	Effective Depth TVD(ft):	Plugs (measured):	Junk (measured):

Casing	Length	Size	Cement Volume	MD	TVD
Structural					
Conductor					
Surface					
Intermediate					
Production					
Liner					

Perforation Depth MD (ft): **None** Perforation Depth TVD (ft): **None**

20. Attachments: Filing Fee ☒ BOP Sketch ☐ Drilling Program ☐ Time v. Depth Plot ☐ Shallow Hazard Analysis ☐
Property Plat ☒ Diverter Sketch ☐ Seabed Report ☐ Drilling Fluid Program ☐ 20 AAC 25.050 Requirements ☐

21. Verbal Approval: Commission Representative: Date:

22. I hereby certify that the foregoing is true and correct to the best of my knowledge. Contact Shane Gagliardi

Printed Name Shane Gagliardi Title Petroleum Engineer

Signature _____ Phone 907-355-8569 Date 4/2/2004

Commission Use Only

Permit to Drill Number:	API Number:	Permit Approval Date:	See cover letter for other requirements.
204-057	50- 009-20030	4/20/04	

Conditions of approval: Samples required ☒ Yes ☐ No Mud log required. ☒ Yes ☐ No

Hydrogen sulfide measures ☐ Yes ☒ No Directional survey required ☐ Yes ☒ No

Other: See attached conditions of approval.

Approved by: _____ COMMISSIONER BY ORDER OF THE COMMISSION Date: 4/20/04

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APR - 7 2004
Alaska Oil & Gas Cons. Commission
Anchorage

Form 10-401 Revised 3/2003 Submit in duplicate

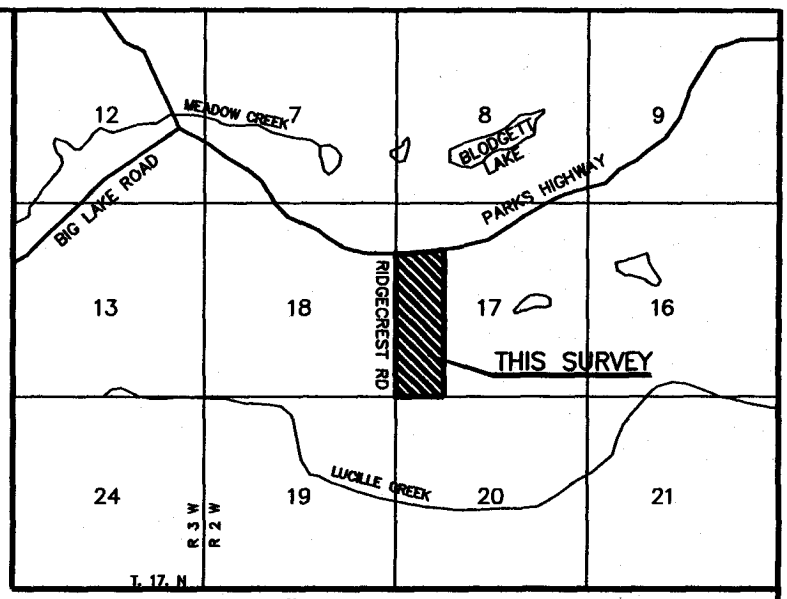
RBDMS BFL APR 22 2004

NOTE:

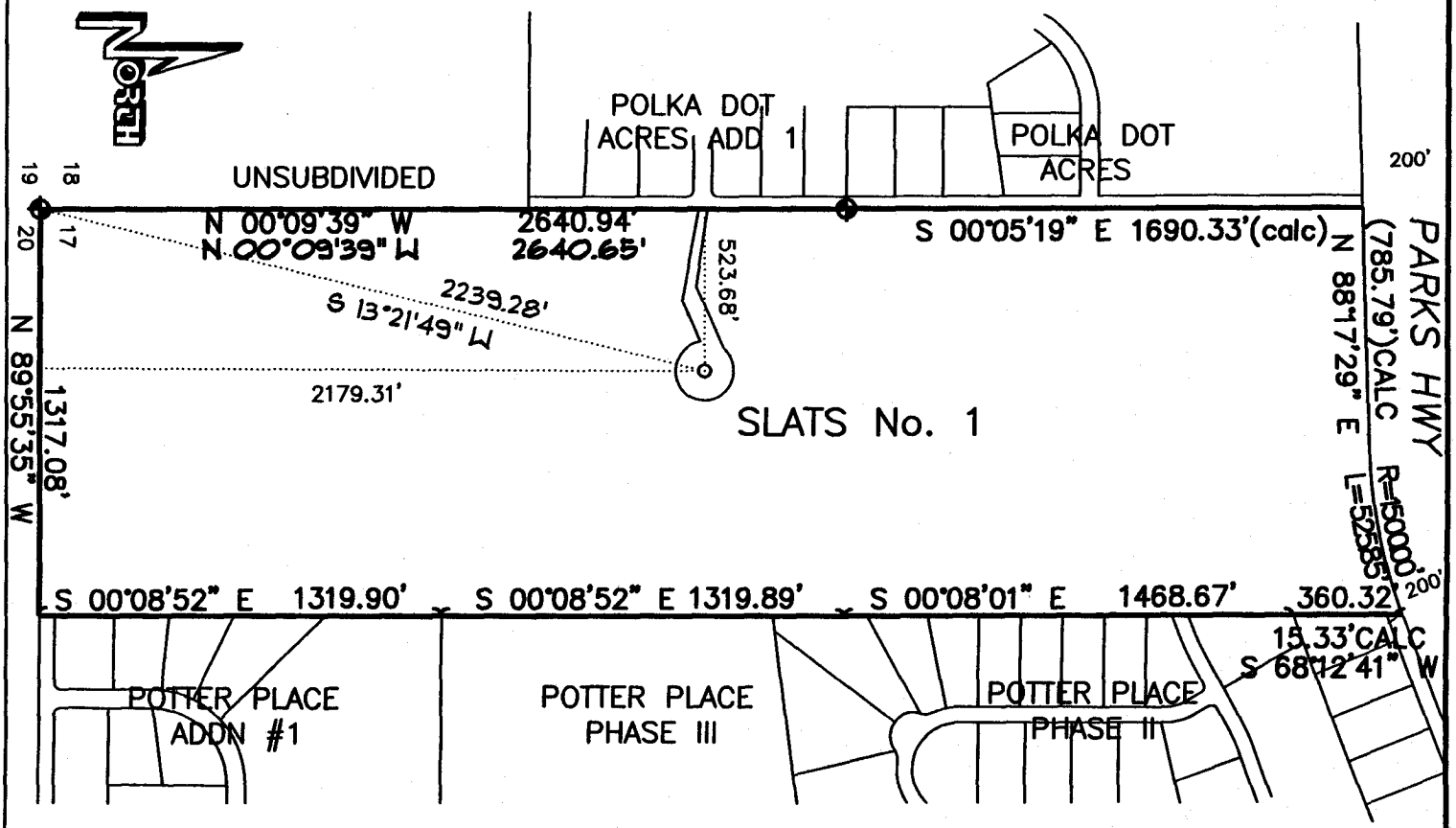
1. COORDINATES SHOWN ARE NAD 27 ALASKA STATE PLANE ZONE 4 BASED ON PROTRACTED VALUES.
2. GEOGRAPHIC COORDINATES ARE NAD 27 BASED ON PROTRACTED VALUES.
3. ALL DISTANCES ARE GROUND IN U.S. SURVEY FEET.
4. VERTICAL DATUM IS BASED ON NGS HI03 EL= 228.84 NGVD 29

SLATS No. 1

LOCATED 2178' FROM THE SOUTH LINE OF SECTION 17 AND 524' FROM THE WEST LINE OF SECTION 17
T 17 N, R 2 W, SEWARD MERIDIAN
AT LAT. 61°33'45.181"N LONG. 149°41'14.159"W
ASP ZONE 4 N=2763229.02 E=554527.81 (NAD 27)
GROUND ELEVATION = 277.5'



1" = 1 MILE



SLATS No. 1

PERMIT DRAWING

acutek company
165 EAST PARKS HWY., SUITE 205A WASILLA, AK 99654-7053
(907) 376-8800 FAX (907) 376-9829 E-MAIL acutek@mtaonline.net

SCALE:	DRAWN:	CHECKED:	DATE:	JOB No.
1"=600'	TAN	TLN	APRIL 1, 2004	04-14-01WP.DWG

GMC Data Report #400

Proposed Drilling Procedure
Core Program ~~2003~~ 2004 WGA
Matanuska-Susitna Borough, Alaska

Objective
The objective of this operation is to core the intended wells for geologic study to determine coal bed methane exploration potential and begin to describe the Mat Su Basin

Casing Program
Surface casing will be run from surface through the glacial gravels to protect fresh water. The surface hole will be 6 inch diameter and the surface casing will be X-42 4 inch nominal schedule 40 line pipe.

	Hole Size (in)	Casing Size OD (in)	Casing Weight (lbs/ft)	Casing Grade	Casing Connection	Approx Casing Depth (ft)	Cement Interval
Surface	6	4.5	10.8	LP	LP	200	to surface

Mud Program
Water will be the primary drilling fluid used. Bentonite and EZ-Mud DP or other fresh water polymer may be used if hole conditions warrant. After the well has reached TD, this mud will be conditioned and transported to the next site. The cuttings will be tested and either spread on location, sent to an off site disposal facility or placed back in the hole as part of the abandoning process.

Open Hole Logging Program
Memory tools will be latched into the landing sub above the core barrel. The hole will be logged as the drill pipe is being pulled out of the hole.

Log	Interval
Single Induction	TD to ± 20 ft in Surface Casing
Sonic Porosity	TD to ± 20 ft in Surface Casing
Gamma Ray	TD to ± 20 ft in Surface Casing
Caliper	TD to ± 20 ft in Surface Casing
Compensated Density	TD to ± 20 ft in Surface Casing
Neutron Porosity	TD to ± 20 ft in Surface Casing

Formation Tops

Formation	Estimated Tops (ft KB)
Quarternary Gravel	Surface
Tertiary Tyonek	50-200

General Information
All information not publicly available is considered Tight Hole and confidential.

Spill Prevention Plan and Bear Mitigation measures must be adhered to at all times.

ST22

Proposed Drilling Procedure
Core Program ~~2003~~ 2004 WGA
Matanuska-Susitna Borough, Alaska

SURFACE AND CORE HOLE

1. MIRU DJ excavation. Make any necessary changes to location to accommodate core drilling rig.
   a. Dig 6' cellar w/ 6' diameter and place culverts.
2. MIRU Discovery Drilling.
3. Drill 6" hole through base of gravel (50'-200' anticipated) and set 4" casing to bottom. 4.5" OD
   a. Evergreen personnel will call TD on surface hole.
4. Cement casing in place w/ (1-3 bbl cmt w/ cmt wt @ 15.6 ppg
   a. Water requirements – 5.2 gal/sk
   b. Slurry volume – 1.18 cu ft/sk
   c. Leave 1" to 2" of cement in cellar for seal
5. RDMO Discovery drilling to next well.
6. MIRU Layne Christiansen CS 4000 core drilling rig.
7. Fill mud tanks w/ city water. Make sure there is enough mud on site to mix kill wt mud if necessary.
8. WOC for 6 hours.
9. NU and test BOP.
10. Pressure test casing to 1500 psi.
11. Drill cmt and csg shoe. Drill 20 feet into new formation and POOH.
12. RIH with HQ core bit and barrel.
13. Core to Arkose Ridge formation. The well will be TD'd above this level if significant hole problems occur.
    a. Arkose Ridge formation: Fluvitile and alluvial feldsparic sandstone, conglomerate, siltsone and shale containing abundant plant fragments.
    b. The core will be described on site by Evergreen personnel or contractors in the following manner:
       i. Apparent texture variations
          1. Fractures
          2. Bedding plane attitudes
       ii. Apparent fluid variations
          1. Presence of hydrocarbons
       iii. Apparent lithologic variations
          1. Rock type
          2. Porosity
          3. Sedimentary structure
          4. Grain size
14. Evergreen personnel will call final TD. POOH w/ last core inner tube.
15. Condition hole.
16. PU 30 ft off of bottom to make room for logging tools.
17. MIRU Reeves Wireline. Drop memory tools consisting of Gamma Ray, Sonic Porosity, Array Induction, Compensated Neutron Density and Caliper.
18. POOH and LD drill pipe, rods, core barrel and core bit and logging tools.
19. TIH w/ "B" rods to TD. (Cmt calculations are based on TD=2500' and surface csg @ 200')
    a. Surface casing – (0.01574bbls/ft)(200') = 3.14 bbls
    b. HQ Hole – (0.01440 bbls/ft)(2300') = 33.12 bbls
    c. Total fluid required to fill hole - 36.26 bbls
20. Pump 3 bbls cmt and POOH 210 ft.
21. Pump 18 bbls (1250ft) of mud and cuttings and POOH to 1000 ft.
22. Pump 15.1 bbls cmt
23. POOH w/ "B" rods.
24. Clean-up well site.
25. RDMO Layne Christianson to next hole.
26. WOC 24 hours.
27. MIRU DJ Excavation.
    a. Cut 4" casing 3' below original ground level.
    b. Weld ¼" thick plate w/ ~~5"~~ 18" diameter onto 4" casing. WGA
    c. Plate must have the following bead welded information:
       i. Evergreen Resources
       ii. Permit to drill number (Number will be provided as soon as it is issued by AOGCC)

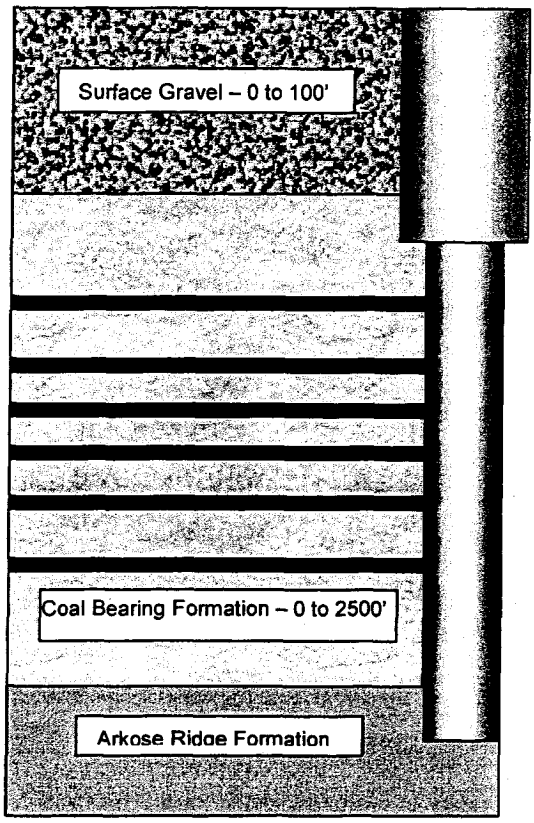
iii. Well number
iv. API number (Number will be provided as soon as it is issued by AOGCC)

d. Remove culvert and back fill cellar.

28. RDMO DJ Excavation.

Proposed Drilling Procedure
Core Program ~~2003~~ 2004 WGA
Matanuska-Susitna Borough, Alaska

Core Hole Diagram



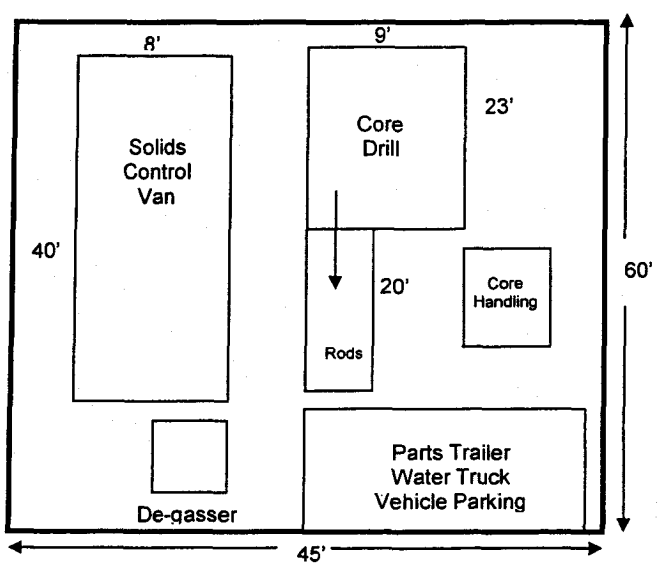
6" Hole to ± 100'

4" LP (4.5" OD, 4.026" ID, 3320 psi) @ ± 200'
Cemented w/ 25 sx Portland cmt

Tyonek Formation

HQ Diameter Hole (3.850") to 1800'
2.5" core. Log hole using memory tools latched into landing sub while pulling drill pipe.

Rig Layout Diagram



Proposed Telephone Contact List

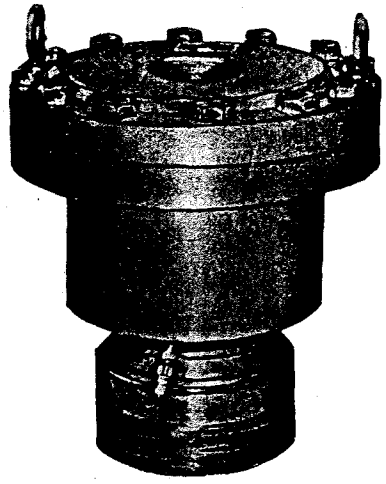
Core Program ~~2003~~ 2004 WGA

Matanuska-Susitna Borough, Alaska

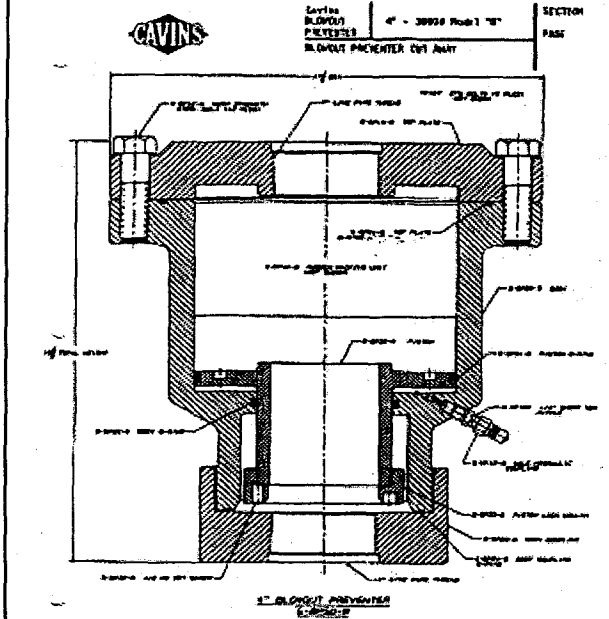
Company	Address	Name	Telephone
Evergreen Resources Inc.	Suite 1200 1401 Seventeenth Street Denver, Colorado 80202	Dennis Carlton Senior Vice President of Operations	Office: 303-298-8100 Fax: 303-298-7800
Evergreen Resources Inc.	Suite 1200 1401 Seventeenth Street Denver, Colorado 80202	Scott Zimmerman Vice President of Operations and Engineering	Office: 303-298-8100 Cell: 303-981-3314 Fax: 303-298-7800
Evergreen Resources Alaska	P.O. Box 871845 Wasilla, AK 99687	Shane Gagliardi AK Project Engineer	Office: 907-357-8130 Cell: 907-355-8569 Fax: 907-357-8340
Evergreen Resources Alaska	P.O. Box 871845 Wasilla, AK 99687	Mike Bellowich AK Project Geologist	Office: 907-357-8130 Cell: 907-232-9538 Fax: 907-357-8340
Evergreen Resources Inc.	Suite 1200 1401 Seventeenth Street Denver, Colorado 80202	Jerry Jacobs Environmental Manager	Office: 303-298-8100 Fax: 303-298-7800
Hampton & Waechter	Suite 300 1645 Court Pl. Denver, Colorado 80202	Noel Waechter	Office: 303-825-7140
Layne Christiansen	2370 Steese Hwy. Fairbanks, AK 99712	Shane Crum	Office:918-322-3095 Mobil 918-625-1668 Fax: 918-322-3829
MI Swaco	721 West 1st Ave. Anchorage, AK 99501	Dennis Jackson	Office: 907-274-5501
Reeves Wireline	121 South Country Estates Road, Liberal, KS 67901	Bob Gales	Office: 785-331-2933

Well Control Diagrams
Core Program ~~2003~~ 2004 KGA
Matanuska-Susitna Borough, Alaska

Manufacturer: Cavins Oil Well Tools
Size: 4"
Rating: 3000 psi
Usage: Used for mineral exploration core drilling in Nevada.



Cavins Annular BOP

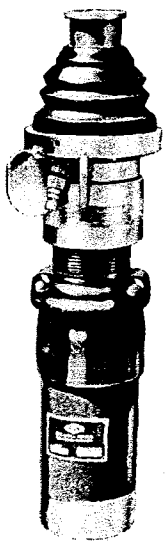


Cavins Annular BOP Schematic

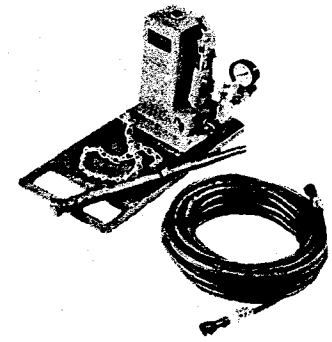
The combination Blowout Preventer and Sucker Rod Stripper combines safety and economy in a tool designed to perform the necessary function of line wiping. It can be operated from anywhere on the derrick floor utilizing pressure from bottled nitrogen, an optional hand operated hydraulic pump, or the optional BOP control system. When swabbing, a short lubricator the length of the swab between the master gate and the Blowout Preventer is all that is required. Pressure connection is for 1/4" A.P.I. pipe. The units are tested to give full closure up to 3000 psi well pressure with no leakage. The full closure feature of the Blowout Preventer will give a temporary seal, allowing ample time to close the master gate should a well blowout occur.

BALL LOCK OIL SAVER

The use of the Ball Lock Oil Savers by drilling and production departments has earned this service proven tool a reputation for trouble-free operation with simplicity. The CAVINS Ball Lock Oil Savers are made of high carbon steel and precision machined for demanding dependability and safety in a wide range of service applications. Exhaustive testing in the excess of 3000 psi is further assurance against failure or leakage. Incorporated in its design, which affords a cleanly wiped wire line, is its safeguard against blow out. One important feature of the Oil Saver is its automatic ball release design. Hardened Steel Balls hold the traveling assembly securely in the body until released by the upward travel of the Rope Socket. The Rubber Packing unit with its internal fins provide the ultimate in wire characteristics with only a normal pressure, or drag, on the line. The Packing Rubber is compounded of special abrasive and oil resistant properties to give the rubber longer wear. A tough spark-proof die cast alloy is utilized in the top and bottom line guides and enhances reduced wear in the rubber packing unit. A high quality leather hydraulic packing ring wards against leakage in the area between the body and the traveling assembly. The Hydraulic Bonnets provide an even greater degree of wiping efficiency. The wire line can be completely stripped of all oil, or water and an Oil Saver outfitted with a Hydraulic Bonnet foregoes the necessity of tools for "taking up" wear in the packing element. The one hand operation requires only a few strokes of the pump handle to give complete wiping action or turn the release valve when no wiping is required. The Hydraulic action affords a greater rubber contact surface as the packing rubber is compressed around the line. The line is completely surrounded and sealed from blow-out leakage by the action of the Hydraulic unit. There is no danger of packing rubber or other elements falling into the well.

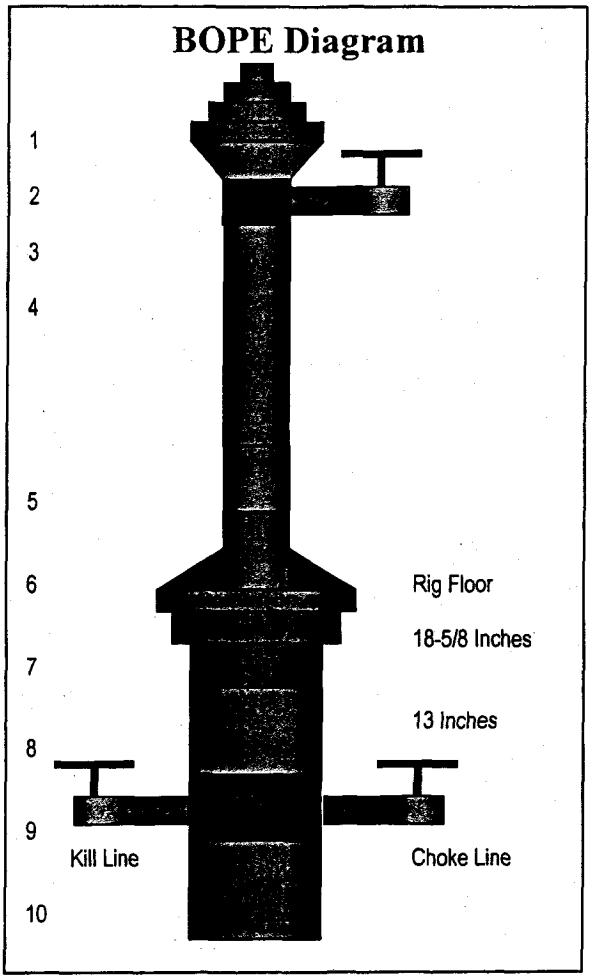


Ball Lock Oil Saver



Hydraulic Pump and Hose

Well Control Diagrams
Core Program ~~2003~~ 2004 WGA
Matanuska-Susitna Borough, Alaska



1. Oil saver fitted with stripping rubbers to fit 3/16" slick line. Can be operated manually and/or hydraulically.
2. Cross over from drill pipe thread to 4" API LP thread.
3. Relief valve for lubricator.
4. Lubricator made of HQ drill pipe. Rated to 4600 psi.
5. TIW (stabbing valve). Rated for 3000 psi. Used for shutting in drill pipe ID to rig up for pulling core.
6. Drill pipe sitting in foot clamps during coring operation.
7. Cavins 4" 3000 psi Annular BOP. BOP can be operated manually or hydraulically. Will be fit with rubbers to provide pressure control on the outer tube of the coring assembly.
8. 4" Full port 3000 psi valve.
9. Standard spool threaded to fit 4" line pipe connections w/ two 2" ports that will be fitted w/ 3000 psi full port ball valves.
10. 4" API line pipe surface casing.

NOTE: ALL CONNECTIONS ARE THREADED

Tubular Information

Core Program ~~2003~~ 2004 WGA

Matanuska-Susitna Borough, Alaska

Drill Pipe (HQ)

Size (in)	Pipe Grade	Weight (ppf)	ID (in)	Drift (in)	Collapse (psi)	Burst (psi)	Tensile (k-lbs)	Capacity (bbl/ft)	Capacity (ft/bbl)	6" Hole Annulus (bbl/ft)	6" Hole Annulus (ft/bbl)
3.5	HMQ	4.5	3.188	3.188	3910	4600	88.46	0.00911	109.7	0.02307	43.35

Surface Casing

Size (in)	Pipe Grade	Weight (ppf)	ID (in)	Drift (in)	Collapse (psi)	Burst (psi)	Tensile (k-lbs)	Capacity (bbls/ft)	Capacity (ft/bbl)	6" Hole Annulus (bbl/ft)	6" Hole Annulus (ft/bbl)
4.5"	LP X42 Sch 40	10.8	4.026	4.026	2650	3320		0.01574	63.51	0.0153	65.36

6" Sch 40 LP 16 see attached WGA

Conditions of Approval

Evergreen Resources (Alaska) Corp.
Slats #1 (PTD 204-057)

1. Per 20 AAC 25.030 (g), the formation integrity test requirement is waived.
2. Per 20 AAC 25.035 (h) (2), the diverter requirement is waived.
3. Per 20 AAC 25.050 (h), alternate well bore directional survey intervals are approved.
4. Per 20 AAC 25.061 (c), the near surface survey requirement is waived.
5. Test BOPE to 1500 psi.
6. Abandonment plug cement volumes may be adjusted dependent upon actual subsurface conditions.

Subject: Six Inch Csg Specs
From: Shane Gagliardi <shaneg@evergreengas.com>
Date: Mon, 12 Apr 2004 17:05:46 -0800
To: winton_aubert@admin.state.ak.us

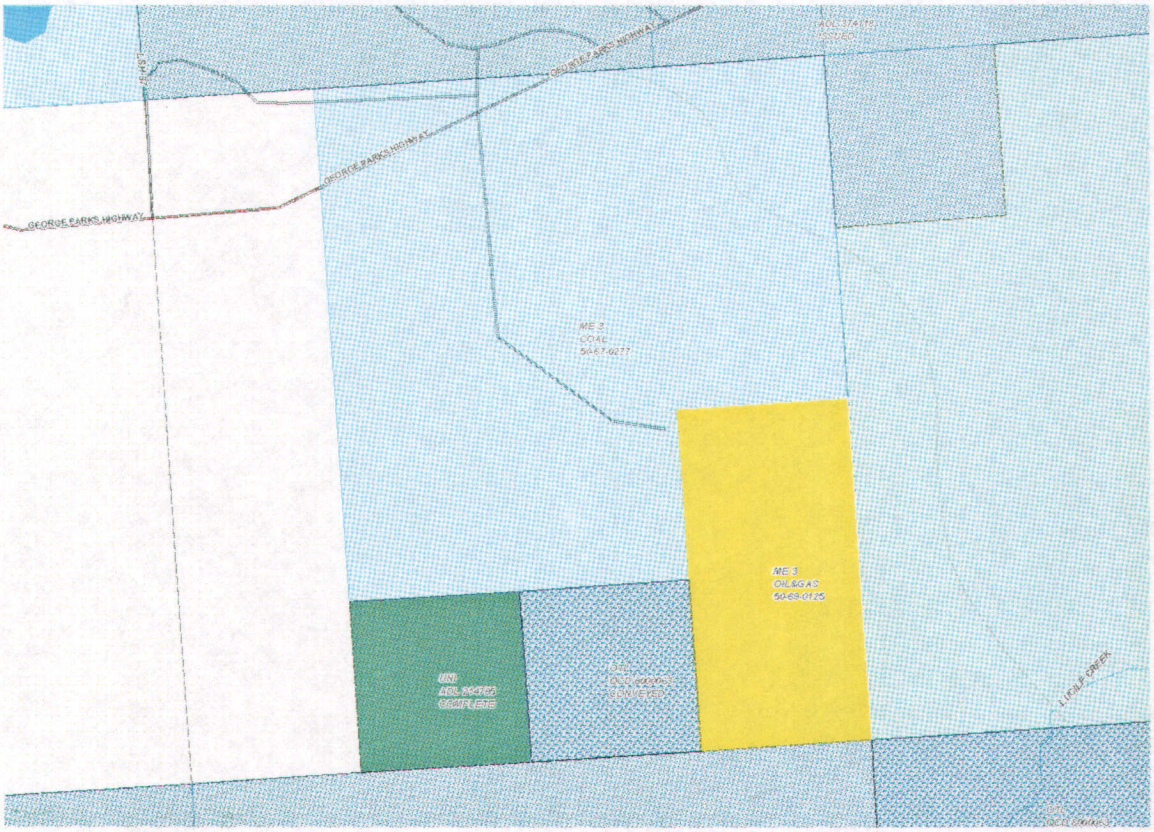
Winton,

Here are the specs for the six inch csg that we will be using.

OD: 6 1/2
Weight: 17.0 ppf
Grade: LP
Connection: Weld
ID(drift): 6.000"
Collapse: 1,370 psi
Internal Yield: 1,620 psi
Capacity: 0.03656 bbl/ft

If you need more info, let me know.

Thanks,
Shane



4/12/04
Bob,
Here is an alternative to reading the plats which can be pretty technical.

Section 17 T 17 N R 2 W Mineral Estate from LAS Mapper.
Yellow area is covered by ADL 374118 lease to Evergreen.
Based on this map, the state does not own the mineral estate to the west ½ of the west ½ of this section..
Road depicted to the north is parks hiway.

LAS Mapper: http://mapper.landrecords.info We can sign you and others up for training session if you would like.

Rich

EVERGREEN
RESOURCES (ALASKA) CORP.
A Subsidiary of Evergreen Resources, Inc.

Landowner Letter of Non-Objection for Proposed Activities

March 25, 2004

LANDOWNER LETTER OF NON-OBJECTION FOR PROPOSED ACTIVITIES

To Whom It May Concern:

I hereby grant permission to Evergreen Resources (Alaska) Corporation to have access to my land as described below, for purposes of drilling a stratigraphic core hole test well on my property.

Legal Description

The West one-half of the West one-half (W1/2 W1/2) of Section 17, T17N, R2W, Seward Meridian, lying South of the Parks Highway right-of-way, located in the Palmer Recording District, Third Judicial District, State of Alaska.

It is understood that some additional work may be required to clear snow from the access road and well site location; that having reviewed the project with Corri Feige, Manager of Government Affairs and Public Relations for Evergreen Resources (Alaska) Corporation, I hereby approve of same.

Lawrence A. Schachle

Lawrence A. Schachle JR (AKA JR)
Penn Jersey Drilling, Inc
HC 34 Box 2201
Wasilla, AK 99654

1075 Check Street, Suite 202 • Wasilla AK 99654
P.O. Box 871845 • Wasilla, AK 99687 • TEL 907.357.8130 • FAX 907.357.8340

Evergreen Resources, Inc.
1401 17th Street, Suite 1200
Denver, CO 80202
Tel 303-298-8100 **Fax 303-298-7800**

Fax

To:	Corri Feige	**From:**	Chris Hollmann
Fax:	907-357-8340	**Pages:**	9 including cover
Phone:		**Date:**	3/25/04
Re:	Penn Jersey Certificate of Title	**CC:**	

☐ **Urgent** X **For Review** ☐ **Please Comment** ☐ **Please Reply** ☐ **Please Recycle**

See attached Certificate of Title for Penn Jersey Drilling.

Let me know if you need anything further.

Sincerely,

Chris Hollmann

003/23/2004 16:06 FAX 303 298 7800 EVERGREEN RESOURCES 003

WILLIAM O. VALLEE, CPL
CORPORATE PROFESSIONAL LAND MANAGEMENT CONSULTANT
P. O. Box 243086, ANCHORAGE, ALASKA 99524-3086
U.S.A

Phones: (1-907) 333-2377
Facsimile: (1-907) 333-7889
Toll Free: (1-888) 690-7071

CERTIFICATE OF TITLE

FILE NUMBER: AK0304-A

To: Chris Hollmann
Project Landman
Evergreen Resources, Inc.
1401 17th Street, Suite 1200
Denver, CO 80202-1268

1. Effective Date: March 23, 2004 at 8:00 a.m.

2. The estate or interest in the land described or referred to in this report is:

An Estate in Fee Simple

3. Based upon the title evidence examined, I find title to the described lands vested as follows:

PENN JERSEY DRILLING, INC., as to the Surface Estate;

PENN JERSEY DRILLING, INC., and FLORRA E. HORNSBY, as to Fifty Percent (50%) interest each in the Subsurface Estate.

4. The land referred to in this certificate is described as follows:

The West one-half of the West one-half (W ½ W ½) of Section 17, Township 17 North, Range 2 West, lying South of the Parks Highway right of way, located in the Palmer Recording District, Third Judicial District, State of Alaska, containing 151.88 acres, more or less.

EXCEPTIONS:

1. Reservations and exceptions as contained in the U. S. Patent, recorded February 7, 1958 in Book 19, Page 28.

2. Taxes and/or assessments due, if any, for the Matanuska-Susitna Borough.

3. Taxes due the Matanuska Susitna Borough for the year 2004 are a lien but are not yet due or payable.

4. In 1999, the Alaska Department of Natural Resources began recording maps of claimed rights of way which may have been created under a federal law known as "RS 2477", pursuant to Alaska Statute 19.30.400. Because the maps are imprecise, the exception from coverage shown on

Schedule B, Part 1, Paragraph 4, has been taken. Questions regarding the State's RS 2477 claims should be directed to the Department of Natural Resources, Public Information Center, 550 W. 7th Ave., Suite 1260, Anchorage, Alaska 99501 (907) 269-8400.

5. Easements in favor of the State of Alaska and/or the United States for highway and related purposes, all as provided in Public Land Orders Numbered 601, 757 and 1613 and the Department of Transportation Order No. 2665, and amendments thereto, and any assignments of rights therein for recreation, utilities, or other purposes.

6. Rights of the Public and/or any Governmental Agencies in and to any portion of said premises lying within any road right-of-way.

7. Any easements that may exist along each side of the boundary line of the section, as disclosed by A.S. 19.10.010.

See Exhibit "A" for list of recorded instruments relating to title to the described land.

This Certificate of Title is restricted to the use of Evergreen (Alaska) Corporation and Evergreen Resources, Inc. Liability is limited to compensation received herein.

William O. Vallee, CPL

Exhibit "A"

Instruments examined:

Reservations of ½ of all oil, gas and mineral rights as contained in an instrument:

Recorded	: August 15, 1974
Book/Page	: 86/502
Executed by	: JOHN WILLIAM HORNSBY & FLORRA EDNA HORNSBY Husband and wife.

Quit Claim Deed:

Recorded	: 12/4/1992
Book/Page	: 700/521
Executed by	: PENN JERSEY DRILLING, INC.

Oil and Gas Lease:

Lessor	: LAWRENCE A. & GENEVIEVE SCHACHLE, husband & wife
Lessee	: ARCO ALASKA, INC.
Recorded	: May 1, 1991
Book/Page	: 652/212

Oil and Gas Lease:

Lessor	: Florra E. Hornsby
Lessee	: ARCO ALASKA, INC.
Recorded	: 2/6/92
Book/Page	: 673/722

Blanket Oil & Gas Lease Assignments/Bill of Sale

Lessor	: Ocean Energy Resources, Inc. : Union Oil Company of California
Lessee	: Evergreen Resources, Inc.
Recorded	: 8/30/2001
Book/Page	: 1160/880 (85 pages)

03/25/2004 16:06 FAX 303 298 7800 EVERGREEN RESOURCES

Book 19
Page 28

Form 4-1016
(Aug. 1951)

Anchorage 031157

The United States of America,

To all to whom these presents shall come, Greeting:

WHEREAS, a certificate of the Land Office at Anchorage, Alaska, is now deposited in the Bureau of Land Management, whereby it appears that pursuant to the act of Congress of May 20, 1862 (12 Stat. 392),

and the acts supplemental thereto, the claim of John William Hornsby has been established and that the requirements of law pertaining to the claim have been met, for the following-described land:

Seward Meridian, Alaska,

T. 17 N., R. 2 W.,

Sec. 17, W½W½.

The area described contains 160.00 acres, according to the official plat of the survey of the said land, on file in the Bureau of Land Management:

NOW KNOW YE, That the UNITED STATES OF AMERICA, in consideration of the premises, DOES HEREBY GRANT unto the said claimant and to the heirs of the said claimant the tract above described; TO HAVE AND TO HOLD the same, together with all the rights, privileges, immunities, and appurtenances, of whatsoever nature, thereunto belonging, unto the said claimant and to the heirs and assigns of the said claimant forever; subject to (1) any vested and accrued water rights for mining, agricultural, manufacturing, or other purposes, and rights to ditches and reservoirs used in connection with such water rights, as may be recognized and acknowledged by the local customs, laws, and decisions of courts; (2) the reservation of a right-of-way for ditches or canals constructed by the authority of the United States, in accordance with the act of August 30, 1890 (26 Stat., 391, 43 U. S. C. sec. 945), and (3) the reservation of a right-of-way for roads, roadways, highways, tramways, trails, bridges, and appurtenant structures constructed or to be constructed by or under authority of the United States or by any State created out of the Territory of Alaska, in accordance with the act of July 24, 1947 (61 Stat., 418, 48 U. S. C. sec. 321d). There is also reserved to the United States a right-of-way for the construction of railroads, telegraph and telephone lines in accordance with section 1 of the act of March 12, 1914 (38 Stat., 305, 48 U. S. C. sec. 305)

Wasilla Precinct — Wasilla, Alaska

Filed for Record [illegible]

By U. S. Com. [illegible] Anchorage

[illegible]

Mail to [illegible]

IN TESTIMONY WHEREOF, the undersigned authorized officer of the Bureau of Land Management, in accordance with the provisions of the Act of June 17, 1948 (62 Stat., 476), has, [illegible] caused these letters to be made Patent, and the Seal of the Bureau to be hereunto affixed.

GIVEN under my hand, in the District of Columbia, the FIRST day of AUGUST in the year of our Lord one thousand nine hundred and FIFTY-SEVEN and of the Independence of the United States the one hundred and EIGHTY-SECOND.

For the Director, Bureau of Land Management

By Rose M. Beall, Chief Patent Section

Patent Number 1173747

BOOK 96 PAGE 502
Palmer Recording District

STATUTORY WARRANTY DEED
CREATING TENANCY BY THE ENTIRETY
(A.S. 34.15.030)

The GRANTORS, JOHN WILLIAM HORNSBY and FLORRA EDNA HORNSBY, husband and wife, for and in consideration of Ten Dollars ($10.00) and other good and valuable consideration in hand paid, CONVEY and WARRANT to GRANTEES, LAWRENCE A. SCHACHLE and GENEVIEVE SCHACHLE, husband and wife, whose address is [illegible], as TENANTS BY THE ENTIRETY with the right of survivorship, the following described real property:

Seward Meridian, Alaska
T. 17 N., R. 2 W.
Sec. 17, W 1/2 W 1/2

Excepting therefrom the following tracts:
That portion of the above-described Tract heretofore taken by the State of Alaska in connection with and for construction of the Anchorage - Fairbanks Highway which crosses said tract.

Beginning at the Northeast corner of said W 1/2 of the W 1/2 of Section 17, thence Southward along the property line of said W 1/2 W 1/2 of Section 17, a distance of 220 feet to point one; thence westerly on a line parallel to the North boundry of the said W 1/2 W 1/2 of Section 17, a distance of 400 feet to point two; thence northerly along a line parallel to the East boundry of the said W 1/2 W 1/2 of Section 17, a distance of 220 feet to point three; thence easterly along the North boundry of said W 1/2 W 1/2 of Section 17, a distance of 400 feet to the point of beginning.

SUBJECT TO easements, covenants and restrictions of record, and according to the United States Patent issued thereon.

GRANTORS reserve unto themselves, their heirs, successors, and assigns, one-half (1/2) all mineral rights.

DATED this [illegible] day of [illegible], 1974.

[signature] LAWRENCE A. SCHACHLE, Grantee — [signature] JOHN WILLIAM HORNSBY, Grantor

[signature] GENEVIEVE SCHACHLE, Grantee — [signature] FLORRA EDNA HORNSBY, Grantor, By and through her Attorney-in-Fact, JOHN WILLIAM HORNSBY

BAER, BARKER & NANGLE
ATTORNEYS AT LAW
[illegible]
ANCHORAGE, ALASKA
[illegible]

BOOK 86 PAGE 503
Palmer Recording District

STATE OF ALASKA)
) ss.
THIRD DISTRICT)

THIS IS TO CERTIFY that on this 14 day of Aug., 1974, before me the undersigned, a Notary Public in and for the State of Alaska, personally appeared JOHN WILLIAM HORNSBY and FLORRA EDNA HORNSBY, by and through her Attorney-in-Fact, JOHN WILLIAM HONRSBY, known to me and known to be the individuals named in and who executed the foregoing instrument and they acknowledged to me that they signed the same freely and voluntarily for the uses and purposes therein stated.

WITNESS my hand and official seal the day and year last above written.

Notary Public in and for Alaska
My Commission expires: [illegible]

STATE OF ALASKA)
) ss.
THIRD DISTRICT)

THIS IS TO CERTIFY that on this 13 day of Aug., 1974, before me the undersigned, a Notary Public in and for the State of Alaska, personally appeared LAWRENCE A. SCHACLE and GENEVIEVE SCHACHLE, known to me and known to be the individuals named in and who executed the foregoing instrument and they acknowledged to me that they signed the same freely and voluntarily for the uses and purposes therein stated.

WITNESS my hand and official seal the day and year last above written.

Notary Public in and for Alaska
My Commission expires: [illegible]

74- 005196
7-
FILED
REC.

AUG 15 3 38 PM '74
Security Title & Trust
ADDRESS 711-H St.
Anch. Ak.

626556

BAER, BARKER & NANGLE
ATTORNEYS AT LAW
700 "H" STREET, SUITE 7
ANCHORAGE, ALASKA
279-7564

-2-

BOOK 0700 PAGE 521

TransAlaska Title

THIS SPACE PROVIDED FOR RECORDER'S USE:

92-014497
15.00
PALMER REC. DISTRICT
REQUESTED BY
PENN JERSEY DRILLING
'92 DEC 4 PM 2 08

FILED FOR RECORD AT REQUEST OF
TransAlaska Title Insurance Agency, Inc.

GRANTOR'S MAILING ADDRESS: Mail to: Lawrence A. & Genevieve Schachle
HC34 Box 2201
Wasilla, Alaska 99654

GRANTEE'S MAILING ADDRESS: RETURN TO:
Penn Jersey Drilling, Inc.
HC34 Box 2201
Wasilla, Alaska 99654

QUIT CLAIM DEED

THE GRANTOR LAWRENCE A. SCHACHLE and GENEVIEVE SCHACHLE, Husband & Wife,

for and in consideration of Ten Dollars ($10.00) & Other Good & Valuable Consideration,

convey and quit claim to PENN JERSEY DRILLING, INC.

the following described real estate situated in the Palmer Recording District,

Third Judicial District, State of Alaska, together with all after acquired title of the grantor(s) therein:

The West one-half of the West one-half (W1/2 W1/2) of Section 17, Township 17 North, Range 2 West, lying South of the Parks Highway right of way, located in the Palmer Recording District, Third Judicial District, State of Alaska.

Dated November 30, 19 92

(Individual)

(Individual)

Lawrence A. Schachle

By Genevieve Schachle

STATE OF ALASKA
Palmer RECORDING DISTRICT SS.
Third JUDICIAL DISTRICT

On this day personally appeared before me Lawrence A. & Genevieve Schachle to me know to be the individual described in and who executed the within and foregoing instrument, and acknowledged that they signed the same as their free and voluntary act and deed for the uses and purposes therein mentioned.

OFFICIAL SEAL
STATE OF ALASKA
VICTORIA A. STOKES
NOTARY PUBLIC

GIVEN under my hand and official seal this 30th day of November, 19 92

Victoria A. Stokes
Notary Public in and for the State of Alaska
My commission expires: 06-17-96

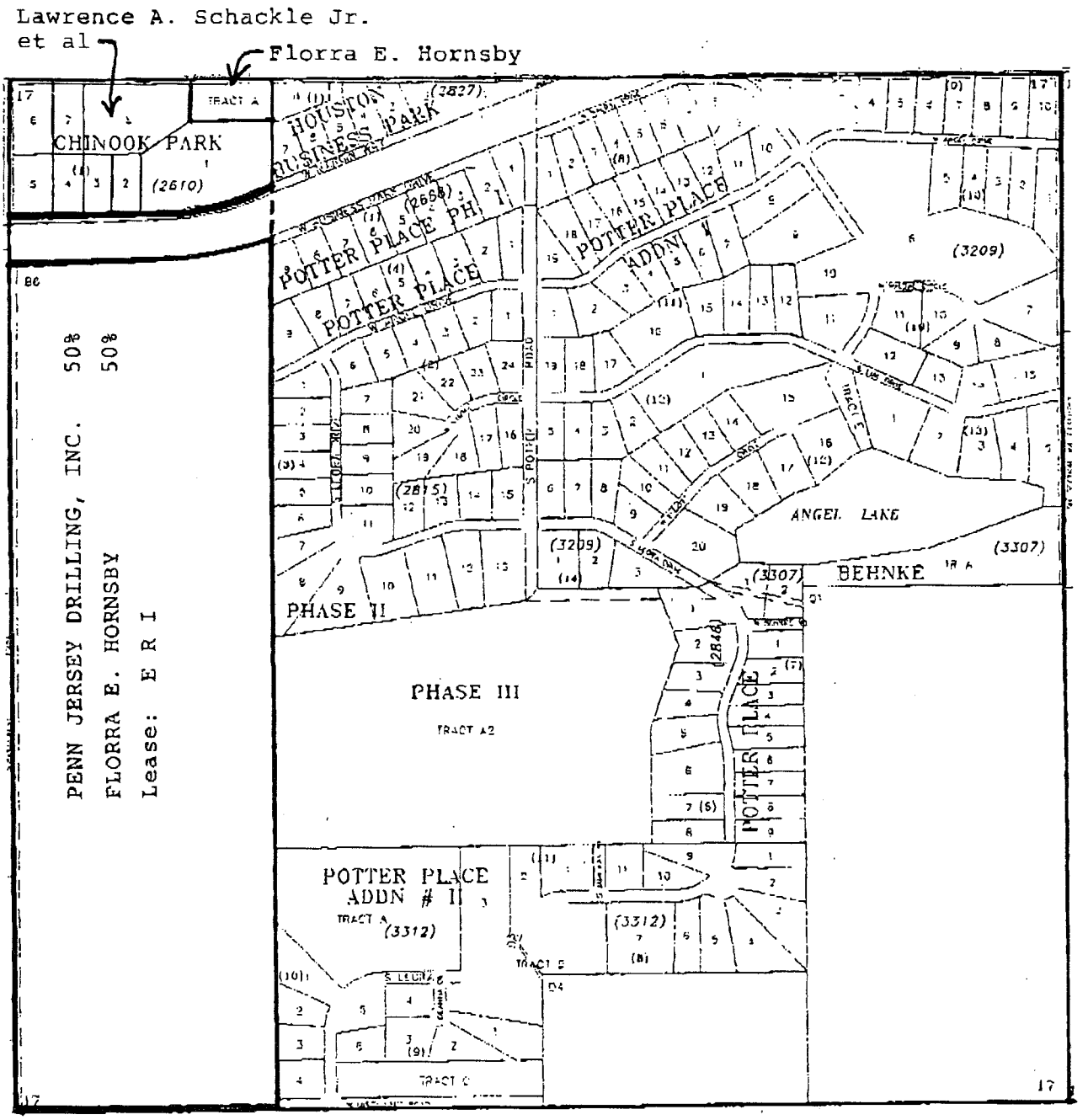
STATE OF ALASKA
RECORDING DISTRICT SS.
JUDICIAL DISTRICT

On this _____ day of _____, 19 _____, before me, the undersigned, a Notary Public in and for the State of Alaska, duly commissioned and sworn, personally appeared _____ and _____ to me know to be the _____ President and _____ Secretary, respectively, of _____ the corporation that executed the foregoing instrument, and acknowledged the said instrument to be the free and voluntary act and deed of said corporation, for the uses and purposes therein mentioned, and on oath stated that _____ authorized to execute the said instrument and that the seal affixed is the corporate seal of said corporation.

Witness my hand and official seal hereto affixed the day and year first above written.

Notary Public in and for the State of Alaska
My commission expires: _____

SECTION 17, T17N, R2W, SM



SW 1/4 SEC 17 TOWNSHIP 17N RANGE 2W OF THE SEWARD MERIDIAN, ALASKA

LEGEND

BASE INFORMATION

- HYDROGRAPHY
- SURVEY LINE
- SURVEY LOT LINE
- TOWNSHIP/SECTION GRID
- 1/4 SECTION LINE
- HIGHWAY
- ROAD
- TRAIL
- RAILROAD
- ELECTRICAL POWER LINE
- TELEPHONE LINE
- PIPELINE
- AIRPORT/LANDING STRIP
- HORIZONTAL CONTROL
- CONTROL MONUMENT

STATUS INFORMATION

- TITLE
- BOUNDARY
- CLASSIFICATION
- DISPOSAL
- MUNICIPAL
- RESTRICTION
- FEDERAL ACTION
- MENTAL HEALTH TRUST
- LIMITS OF ACTION
- NAVIGATIONAL AID
- CABIN PERMIT
- TRAPPING CABIN PERMIT
- TRESPASS LOCATION

SURFACE WATER RIGHTS

- APPLICATION
- PERMIT
- CERTIFICATE

SUB- SURFACE WATER RIGHTS

- APPLICATION
- PERMIT
- CERTIFICATE

IN- STREAM FLOW RESERVATION

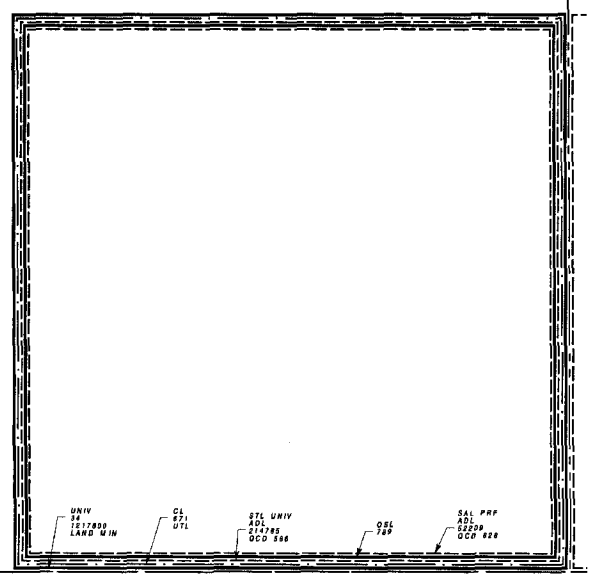
- APPLICATION
- CERTIFICATE

DAM, WEIR, BARRIER

- APPLICATION
- PERMIT
- CERTIFICATE

VICINITY MAP

6	5	4	3	2	1
7	8	9	10	11	12
18	17	16	15	14	13
19	20	21	22	23	24
30	29	28	27	26	25
31	32	33	34	35	36



LAND ESTATE

THE STATE OWNS ALL LAND UNDER WATERS THAT ARE NAVIGABLE-IN-FACT, ARE SUBJECT TO THE EBB AND FLOW OF THE TIDES, OR ARE RIPARIAN OR LITTORAL TO UPLANDS OWNED BY THE STATE.

BASED ON:

COORDINATES:
ALASKA STATE PLANE ZONE 4
SE CORNER OF TOWNSHIP:
X 580573.542
Y 2745431.849
LAT 61 30 48.407 N
LONG 149 32 19.009 W

HYDROGRAPHY:
USGS ANCHORAGE (C7) AND (C8) REVISED BY BLM
FROM AERIAL HIGH ALTITUDE PHOTOGRAPHY 1978- 1985

LAND NET:
ADL PROTRACTION DIAGRAM S2- 17; APPROVED 07/31/1961
USRS, 23,014.51 ACRES; ACCEPTED 01/15/1915
USRS, SUPPLEMENTAL PLAT, SECTION 8; ACCEPTED 02/08/1933
USRS, SUPPLEMENTAL PLAT, SECTION 5; ACCEPTED 07/01/1968
USRS, SUPPLEMENTAL PLAT, SECTION 30; ACCEPTED 09/08/1967
USS 9027, OFFICIALLY FILED 12/28/1987
EPF 220093, LUCY LAKE ALASKA SUBDIVISION; FILED 12/02/1963
EPF 280013, FILED 12/20/1977
ASLS 950075; RECORDED 09/20/1996
EV 1- 0324, WIN SECTIONS 1 AND 12; RECORDED 10/13/1994
EV 2- 002, WIN SECTION 25; FILED 11/25/1975
EV 2- 018, WIN SECTIONS 26, 27, AND 34; APPROVED 11/26/1975
EV 2- 029, WIN SECTION 34; FILED 03/02/1977
EV 2- 051, WIN SECTION 24; FILED 04/30/1979
EV 2- 348, WIN SECTIONS 12 AND 13; RECORDED 04/21/1993
EV 2- 511, WIN SECTIONS 12 AND 13; RECORDED 07/21/1992
EV 2- 653, RECORDED 11/23/1999
EV 2- 738, RECORDED 08/16/1999

OTHER ACTIONS AFFECTING USE OR DISPOSAL OF STATE LANDS; SEE LAS CASEFILE OR ORIGINAL SOURCE DOCUMENTS FOR ADDITIONAL INFORMATION:

ENTIRELY WIN MATANUSKA- SUSITNA BOROUGH
ENTIRELY WIN PALMER RECORDING DISTRICT

ATTENTION: WATER ESTATE USERS

WATER ESTATE SUPPLEMENTALS FOR SECTIONS 2, 3, 4, 13, 15, 17, 18, 19 WW 1/4, 34, 35, 36 NE 1/4, 36 SW 1/4, AND 36 NW 1/4 HAVE NO ACTIONS AND WERE NOT CREATED.

ATTENTION: MENTAL HEALTH LAND INFORMATION

SHADED AREAS (SEE LEGEND) ARE MENTAL HEALTH TRUST LAND. CONSULT THE TRUST LAND OFFICE FOR FURTHER INFORMATION.

ORIGINAL MENTAL HEALTH GRANT LAND (MH) NOT SHADED AS MENTAL HEALTH TRUST LAND AND NOT CONVEYED TO A THIRD PARTY PRIOR TO JUNE 24, 1994 IS REDESIGNATED AS GENERAL GRANT LAND PURSUANT TO SECTIONS 6 AND 7, CHAPTER 1, SSSLA 1994.

ATTENTION: SCHOOL LAND LITIGATION

SCH 40; LITIGATION AFFECTS SCHOOL SECTIONS 16 AND 36 CONVEYED TO THE STATE OF ALASKA PURSUANT TO THE ACT OF MARCH 4, 1915; PLAINTIFFS V. STATE OF ALASKA CASE NO. 3AN 97- 3782 CIVIL DATED MAY 20, 1998.

GRAPHIC ILLUSTRATION ONLY.
SOURCE DOCUMENTS REMAIN THE OFFICIAL RECORD.
CONSULT LAND ADMINISTRATION SYSTEM (LAS)
CASEFILE FOR ADDITIONAL INFORMATION.

SCALE
1 inch = 200 feet
200 150 100 50 0 250 400 FEET

ATTENTION STATUS PLAT USERS: ON THIS PLAT, ALL STATUS LINES CLOSE FOR ACTIONS THAT EXTEND INTO ADJACENT TOWNSHIPS; THIS INCLUDES STATUS LINES SUCH AS DISPOSAL, MUNICIPAL, TITLE, CLASSIFICATION, ETC. PLEASE REFER TO ADJACENT TOWNSHIPS OR LAS TO DETERMINE IF ACTIONS EXTEND BEYOND THE BOUNDARIES SHOWN ON THIS PLAT. REMEMBER TITLE, CLASSIFICATION, AND RESTRICTION LINES ALWAYS CLOSE ON ALL PLATS.

A PRODUCT OF THE
STATE OF ALASKA
DEPARTMENT OF NATURAL RESOURCES
LAND RECORDS INFORMATION SECTION

PLAT CURRENT TO 02/18/2000, REFER TO THE DNR STATUS PLAT TRACKING SYSTEM (NPASNP62) FOR OTHER PENDING ACTIONS ON THIS TOWNSHIP/PLAT

CHECKED BY: Dave Luck

SW 1/4
SEC 17
LE
TWP 17N
RNG 2W
SM

USER: GEORGE
DATE: Monday December 04, 2000 at 4:20 PM
VERSION: Arc/info 7.1.1,,(Thu Feb 6 23:26:50 PST 1997)
ARC Update

VOID VOID VOID

Controlled Disbursement Account

Evergreen Resources (Alaska) Corp
1401 17th Street Suite 1200
Denver CO 80202
303-298-8100

Hibernia National Bank

Check No	Check Date	Check Amount
0077000934	04/05/2004	**********$100.00

PAY *One Hundred Dollars and Zero Cents*

Void After 90 Days

TO THE ORDER OF
Alaska Oil and Gas
Conservation Commission
333 West 7th Avenue #100
Anchorage AK 99501

⑈0077000934⑈ ⑆111104879⑆ 54 20 24 704⑈

^PLEASE DETACH AT PERFORATION ABOVE^

^PLEASE DETACH AT PERFORATION ABOVE^

Evergreen Resources (Alaska) Corp

EVERGREEN
EVERGREEN RESOURCES, INC.

1401 17th Street Suite 1200
Denver CO 80202
303-298-8100

Check Number 0077000934

Invoice #	Inv. Date	Description	Amount	Discount	Net Amount
040204SG	04/02/2004	FILING FEE SLATS #1	100.00	0.00	100.00

0091995	Vendor	Check Date: 04/05/2004	Check Amount	100.00

TRANSMITAL LETTER CHECK LIST
CIRCLE APPROPRIATE LETTER/PARAGRAPHS TO BE INCLUDED IN TRANSMITTAL LETTER

WELL NAME_____

PTD#_____

_____Development _____Exploration
_____Service _____Stratigraphic

CHECK WHAT APPLIES	ADD-ONS (OPTIONS)	"CLUE"
	MULTI LATERAL (If API number last two (2) digits are between 60-69)	**The permit is for a new wellbore segment of existing well _____, Permit No, _____ API No. _____. Production should continue to be reported as a function of the original API number stated above.**
	PILOT HOLE (PH)	**In accordance with 20 AAC 25.005(f), all records, data and logs acquired for the pilot hole must be clearly differentiated in both name (name on permit plus PH) _____and API number (50_____-70/80) from records, data and logs acquired for well (name on permit).**
	SPACING EXCEPTION	**The permit is approved subject to full compliance with 20 AAC 25.055. Approval to perforate and produce is contingent upon issuance of a conservation order approving a spacing exception. _____ (Company Name) assumes the liability of any protest to the spacing exception that may occur.**
	DRY DITCH SAMPLE	**All dry ditch sample sets submitted to the Commission must be in no greater than 30' sample intervals from below the permafrost or from where samples are first caught and 10' sample intervals through target zones.**

WELL PERMIT CHECKLIST Field & Pool | Well Name: SLATS 1 | Program STR | Well bore seg ☐

PTD#: 2040570 | Company EVERGREEN RESOURCES (ALASKA) CORPORATION | Initial Class/Type STR / INFO | GeoArea | Unit | On/Off Shore On | Annular Disposal ☐

Administration	1	Permit fee attached	Yes	
	2	Lease number appropriate	Yes	State records indicate private mineral estate for the proposed location, see attached plat. Evergreen will
	3	Unique well name and number	Yes	supply additional information
	4	Well located in a defined pool	No	
	5	Well located proper distance from drilling unit boundary	Yes	stratigraphic corehole, no testing or production will be allowed
	6	Well located proper distance from other wells	Yes	
	7	Sufficient acreage available in drilling unit	Yes	
	8	If deviated, is wellbore plat included	NA	
	9	Operator only affected party	Yes	
	10	Operator has appropriate bond in force	Yes	
	11	Permit can be issued without conservation order	Yes	
Appr Date	12	Permit can be issued without administrative approval	Yes	
RPC 4/12/2004	13	Can permit be approved before 15-day wait	Yes	
	14	Well located within area and strata authorized by Injection Order # (put IO# in comments) (For	NA	
	15	All wells within 1/4 mile area of review identified (For service well only)	NA	
	16	Pre-produced injector: duration of pre-production less than 3 months (For service well only)	NA	
	17	ACMP Finding of Consistency has been issued for this project	NA	
Engineering	18	Conductor string provided	Yes	
	19	Surface casing protects all known USDWs	Yes	
	20	CMT vol adequate to circulate on conductor & surf csg	Yes	Gauge volume.
	21	CMT vol adequate to tie-in long string to surf csg	NA	
	22	CMT will cover all known productive horizons	NA	Core.
	23	Casing designs adequate for C, T, B & permafrost	Yes	
	24	Adequate tankage or reserve pit	Yes	
	25	If a re-drill, has a 10-403 for abandonment been approved	NA	New well.
	26	Adequate wellbore separation proposed	Yes	
	27	If diverter required, does it meet regulations	NA	Diverter requirement waived.
Appr Date	28	Drilling fluid program schematic & equip list adequate	Yes	
WGA 4/14/2004	29	BOPEs, do they meet regulation	Yes	
	30	BOPE press rating appropriate; test to (put psig in comments)	Yes	Test to 1500 psi. MSP 1080 psi.
	31	Choke manifold complies w/API RP-53 (May 84)	Yes	
	32	Work will occur without operation shutdown	Yes	
	33	Is presence of H2S gas probable	No	
	34	Mechanical condition of wells within AOR verified (For service well only)	NA	
Geology	35	Permit can be issued w/o hydrogen sulfide measures	Yes	
	36	Data presented on potential overpressure zones	NA	Abundant well control in this area shows a normally pressured section, with no H2S in the Tyonek Fm.
Appr Date	37	Seismic analysis of shallow gas zones	NA	
RPC 4/12/2004	38	Seabed condition survey (if off-shore)	NA	
	39	Contact name/phone for weekly progress reports [exploratory only]	NA	

Geologic Commissioner: Date: 4/15/04 | Engineering Commissioner: Date | Public Commissioner Date 4/20/04

Well History File

APPENDIX

Information of detailed nature that is not particularly germane to the Well Permitting Process but is part of the history file.

To improve the readability of the Well History file and to simplify finding information, information of this nature is accumulated at the end of the file under APPENDIX.

No special effort has been made to chronologically organize this category of information.