

# CROW BUTTE RESOURCES, INC.

86 Crow Butte Road  
P.O. Box 169  
Crawford, Nebraska 69339-0169



(308) 665-2215  
(308) 665-2341 – FAX

July 12, 2010

Michael Linder, Director  
Nebraska Department of  
Environmental Quality  
P. O. Box 98922  
Lincoln, Nebraska 68509-8922

Dear Mr. Linder:

On July 6, 2010, during routine 5-year Mechanical Integrity Testing (MIT), well number P-2469 in Mine Unit 7, Wellhouse 31 failed the MIT criteria. Nebraska Dept. of Environmental Quality was notified of the failure by phone and a letter on July 7. Using isolation techniques, it was determined that the failure was the casing joint at the 60-foot level.

The failed joint is located within in a section of the Brule Formation that appears to have significant sandy zones. The failed joint is approximately 240 feet above the static water level for the Chadron Formation. Because P-2469 has been operated only as a production well, it is unlikely that the water level has been elevated to this depth. Dave Carlson reviewed the e-log for this well and concurred that the likelihood for contamination was minimal.

Following isolation of the problem, a sleeve was set using a drilling rig to isolate the bad coupling. The top of the 10 foot long patch is located at the 55-foot level. The patch used two K-packer assemblies on the bottom and one K-packer on the top of the sleeve.

The well was then re-integrity tested on July 12, 2010 to check the entire well interval from 768' to surface. This test was successful. Attached is a copy of the successful test.

If you have any questions or concerns on this matter, please do not hesitate to call me.

Sincerely,

A handwritten signature in black ink that reads "Wade Beins".

Wade Beins  
Senior Geologist

Enc.

C: Mr. Dave Carlson – NDEQ  
Mr. Ron Burrows  
Mr. Joe Brister – Cheyenne File  
CBO File



# Nebraska Department of Environmental Quality

## Casing Integrity Test Report

Company: CBR Permit No: NE0122611  
 Project: Crow Butte Well No: 2469  
 Casing Type: Whiteman Diameter: 4.5  
 Hole Depth: 820 Casing Depth: 809  
 Screened Interval(s): 789 - 795  
 Depth to K-Packer: 777 Depth to Test Packer(s): Top bound level  
 Comments: Sleeved - 5 year - failed - sleeved. Bottom 768

TIME	ELAPSED TIME (Min)	PRESSURE (PSIG)
210	0	125
215	5	124
220	10	123
225	15	122
230	20	121

Test Performed By: Justin Didier  
 Date: 7-12-10  
 Calibration Performed By: JD  
 Date: 7-12-10

### CERTIFICATION

I certify under penalty of law that I have personally examined and am familiar with the information submitted in this application and all attachments and that, based on inquiry of those individuals immediately responsible for obtaining information, I believe that the information is true, accurate, and complete. Further, I certify awareness that there are significant penalties for submitting false information, including the possibility of a fine and imprisonment.

By Wade Beins  
PRINTED NAME OF PERSON SIGNING

Senior Geologist  
TITLE

By Wade Beins  
SIGNATURE

7-13-10  
DATE